

## Notice of Meeting:

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

**Date:** Tuesday 12 December 2017  
**Time:** 9.30am  
**Meeting Room:** Council Chamber  
**Venue:** Municipal Building, Garden Place, Hamilton

Richard Briggs  
Chief Executive

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## Council OPEN AGENDA

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### Membership

Chairperson	Mayor A King
Deputy Chairperson	Deputy Mayor M Gallagher
Members	Cr M Bunting
	Cr J R Casson
	Cr S Henry
	Cr D Macpherson
	Cr G Mallett
	Cr A O'Leary
	Cr R Pascoe
	Cr P Southgate
	Cr G Taylor
	Cr L Tooman
	Vacancy

**Quorum:** A majority of members (including vacancies)

**Meeting Frequency:** Monthly – or as required

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Lee-Ann Jordan  
Governance Manager

**6 December 2017**

Telephone: 07 838 6439  
Lee-Ann.Jordan@hcc.govt.nz  
www.hamilton.govt.nz

## Purpose

The Council is responsible for:

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

## Terms of Reference

1. To exercise those powers and responsibilities which cannot legally be delegated by Council:
  - a) The power to make a rate.
  - b) The power to make a bylaw.
  - c) The power to borrow money, or purchase or dispose of assets, other than in accordance with the Long Term Plan.
  - d) The power to adopt a Long Term Plan or Annual Plan, or Annual Report.
  - e) The power to appoint a Chief Executive.
  - f) The power to adopt policies required to be adopted and consulted on under the Local Government Act 2002 in association with the Long Term Plan, or developed for the purpose of the Council's governance statement, including the 30-Year Infrastructure Strategy.
  - g) The power to adopt a remuneration and employment policy.
  - h) The power to approve or change the District Plan, or any part of that Plan, in accordance with the Resource Management Act 1991.
  - i) The power to approve or amend the Council's Standing Orders.
  - j) The power to approve or amend the Code of Conduct for Elected Members.
  - k) The power to appoint and discharge members of committees.
  - l) The power to establish a joint committee with another local authority or other public body.
  - m) The power to make the final decision on a recommendation from the Parliamentary Ombudsman, where it is proposed that Council not accept the recommendation.
  - n) The power to amend or replace the delegations in Council's *Delegations to Positions Policy*.
2. To exercise the following powers and responsibilities of Council, which the Council chooses to retain:
  - a) Resolutions required to be made by a local authority under the Local Electoral Act 2001, including the appointment of an electoral officer and reviewing representation arrangements.
  - b) Approval of any changes to Council's vision, and oversight of that vision by providing direction on strategic priorities and receiving regular reports on its overall achievement.
  - c) Approval of any changes to city boundaries under the Resource Management Act.
  - d) Adoption of governance level strategies, plans and policies which advance Council's vision and strategic goals.
  - e) Approval of the Triennial Agreement.

- f) Approval of the local governance statement required under the Local Government Act 2002.
- g) Approval of a proposal to the Remuneration Authority for the remuneration of Elected Members.
- h) Approval of any changes to the nature and delegations of the Committees.

**Oversight of Policies:**

- *Corporate Hospitality and Entertainment Policy*
- *Delegations to Positions Policy*
- *Elected Members Support Policy*
- *Significance and Engagement Policy*

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**1 Apologies**

**2 Confirmation of Agenda**

The Council to confirm the agenda.

**3 Declaration of Interest**

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

**4 Public Forum**

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

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

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

If you have any questions regarding Public Forum please contact Governance by telephoning 07 838 6439.

# Council Report

<b>Committee:</b>	Council	<b>Date:</b>	12 December 2017
<b>Author:</b>	Blair Bowcott	<b>Authoriser:</b>	Blair Bowcott
<b>Position:</b>	Executive Director Special Projects	<b>Position:</b>	Executive Director Special Projects
<b>Report Name:</b>	Waters Study (Water, Wastewater and Stormwater - Sub-regional Collaboration) - Deliberations and Decision post hearings to form a Shared Waters Management Company		

<b>Report Status</b>	<i>Open</i>
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## Purpose

1. To inform the Council of the results of the joint public consultation with Waipa District Council on the proposal to form a Shared Waters Management Company (SWMC).
2. To seek a recommendation to establish a Shared Waters Management Company.
3. To seek to delegate to the Waters Governance Group responsibility to progress the establishment of the Shared Waters Management Company.

## Staff Recommendation

4. That the Council:
  - a) approves to proceed to establish a Shared Waters Management Company
  - b) delegates to the members of its Waters Governance Group responsibility to develop and agree with Waipa District Council representatives, by 30 June 2018, the final detail of the establishment of the Shared Waters Management Company for approval by the Councils, including:
    - i. the adoption of the constitution, statement of intent, letter of expectation, shareholders agreement, and shareholders forum
    - ii. the transition process and establishment plan (including project management, oversight and governance)
    - iii. the costs of transition and establishment
    - iv. the cost sharing framework.
  - c) directs the Waters Governance Group to engage as appropriate with the Government and the Local Government Commission.
  - d) directs the Waters Governance Group to regularly report its progress.

- e) allocates a total joint budget of \$450,000 for the period 1 January 2018 to 30 June 2018 to support the development of the final detail of the Shared Waters Management Company (noting that this will be split equally between the two Councils and may be refunded from future company operations).
- f) approves the expenditure of up to \$275,000 in 2017/2018 to progress the Shared Waters Management Company establishment project, noting that this cost is unbudgeted and that this resolution supersedes that of 21 September 2017 allocating \$200,000 for the project.

For the reasons that:

- The Shared Waters Management Company offers substantial financial benefits to both Councils over the medium to long-term compared with the status quo.
- The proposed Shared Waters Management Company will provide regional benefits through collaboration and working together. The proposed Shared Waters Management Company is scalable and has lower barriers to entry for other local authorities than an asset owning CCO. This means that the door is open for other Councils to subsequently join and benefit from the scale and specialisation that the Shared Waters Management Company will achieve.
- The proposed Shared Waters Management Company offers considerable non-financial benefits to both Councils. In particular, it will improve the resilience of both Councils and provide an effective way of ensuring that both Councils have the specialised and expert staff that are required to meet the needs of our communities both now and in the future.
- The proposed Shared Waters Management Company will provide a sound way of positioning and supporting both Councils to respond to the challenges that they face, including the delivery of significant capital works programmes, responding to rapid population growth, and the stronger regulatory requirements that are expected following the Havelock North inquiry.
- The proposed Shared Waters Management Company provides significant benefits without being exposed to the considerable risks associated with the transition to a full asset owning CCO.
- Establishing a Shared Waters Management Company best meets the obligations of the local authorities under s10 of the LGA02 because it balances the democratic decision-making (within each Council) with the cost-effective delivery of good quality infrastructure.
- The views expressed through the consultation process did not raise issues or concerns that were considered sufficient to negate the benefits that the Councils identified.

## Executive Summary

### Item 5

5. The report from Peter Winder, Independent Chair of the Waters Governance Group Hearing Panel is attached (Attachment 1) which, with the appendices in Attachment 2, covers all matters relating to the public consultation and subsequent deliberations and recommendations concerning the formation of a Shared Waters Management Company.

## Financial Considerations

6. In the 2017/2018 financial year Council has spent approximately \$50,000 on the Waters Study project taking us through to the decisions contained within this report.
7. If Council resolves to establish a Shared Waters Management Company, then staff have estimated that the budget required to progress the various work streams outlined in the resolution from January 2018 through to 30 June 2018 will be approximately \$450,000.
8. It is proposed that this cost be shared 50/50 between Hamilton City Council and Waipa District Council with Hamilton's share being \$225,000. In total, this means that Council will incur costs of up to \$275,000 on the Waters Study project in the 2017/2018 financial year (being the \$50,000 already incurred and the projected \$225,000).
9. Council has already resolved on 21 September 2017: *"The Chief Executive to engage in additional resources in 2017/18 to progress the Waters Study collaboration project at a cost of up to \$200,000, noting that this cost is unbudgeted."*
10. This report seeks an additional \$75,000 of funding noting that this cost is unbudgeted.

## Attachments

Attachment 1 - Report of Peter Winder, Independent Chair of Waters Governance Group Hearing Panel - Consultation on forming a Shared Waters Management Company

Attachment 2 - Appendices - Consultation on forming a Shared Waters Management Company.

**To:** Waipa District Council and Hamilton City Council  
**From:** Peter Winder, Independent Chair Waters Governance Group Hearing Panel.  
**Subject:** Consultation on forming a Shared Waters Management Company  
**Meeting Date:** 12 December and 19 December 2017

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## **1 EXECUTIVE SUMMARY**

Waipa District and Hamilton City Councils both resolved to jointly consult on a proposal to form a Shared Waters Management Company (SWMC). A statement of proposal was released for public consultation on 25 October 2017. The period for feedback and submissions on the proposal closed on 27 November 2017.

Seventy-five submissions (including late submissions) were received, 24 supported the proposal, 45 opposed it and 6 submitters neither supported nor opposed the proposal. Five submitters that asked to present their views in person were heard by the Waters Governance Group members of both Councils on 1 December 2017.

Both Councils delegated public consultation (which included the hearing and consideration of submissions) to the Waters Governance Group. Neither Council delegated decision making. This report presents the recommendations to the two Councils from the Waters Governance Group.

Following the hearing of submissions, the Waters Governance Group deliberated and agreed on recommendations to the two Councils. The recommendations reflect the consideration of the community views expressed through the consultation process along with the range of other factors that must be taken into account in this decision (as required by the Local Government Act (2002)).

The Waters Governance Group recommends that the Councils proceed to establish a Shared Waters Management Company. The reasons for this recommendation are set out in the body of the report.

This report presents:

- Analysis of the submissions
- The decision making requirements
- The recommendations of the Waters Governance Group
- The reasons for the recommendations.

Included with this report:

- Appendix 1: Statement of Proposal
- Appendix 2: Submissions Received
- Appendix 3: Additional information provided

## 2 RECOMMENDATIONS

That [Waipa District / Hamilton City] Council:

- a) *Agrees to proceed to establish a Shared Waters Management Company*
- b) *Delegates to the members of its Waters Governance Group responsibility to develop and agree with [Waipa District Council / Hamilton City Council] representatives, by 30 June 2018, the final detail of the establishment of the Shared Waters Management Company for approval by the Councils, including:
 
  - i. *the design of the constitution, statement of intent, letter of expectation, shareholders agreement, and shareholders forum*
  - ii. *the transition process and establishment plan (including project management, oversight and governance)*
  - iii. *the costs of transition and establishment*
  - iv. *the cost sharing framework.**
- c) *Directs the Waters Governance Group to engage as appropriate with the Government and the Local Government Commission.*
- d) *Directs the Waters Governance Group to regularly report its progress.*
- e) *Allocates a total joint budget of \$450,000 for the period 1 January 2018 to 30 June 2018 to support the development of the final detail of the Shared Waters Management Company (noting that this will be split equally between the two Councils and may be refunded from future company operations).*

For the reasons that:

- *The SWMC offers substantial financial benefits to both Councils over the medium to long-term compared with the status quo.*
- *The proposed SWMC will provide regional benefits through collaboration and working together. The proposed SMWC is scalable and has lower barriers to entry for other local authorities than an asset owning CCO. This means that the door is open for other Councils to subsequently join and benefit from the scale and specialisation that the SWMC will achieve.*
- *The proposed SWMC offers considerable non-financial benefits to both Councils. In particular it will improve the resilience of both Councils and provide an effective way of ensuring that both Councils have the specialised and expert*

*staff that are required to meet the needs of our communities both now and in the future.*

- *The proposed SWMC will provide a sound way of positioning and supporting both Councils to respond to the challenges that they face, including the delivery of significant capital works programmes, responding to rapid population growth, and the stronger regulatory requirements that are expected following the Havelock North inquiry.*
- *The proposed SWMC provides significant benefits without being exposed to the considerable risks associated with the transition to a full asset owning CCO.*
- *Establishing a SWMC best meets the obligations of the local authorities under s10 of the LGA02 because it balances the democratic decision making (within each Council) with the cost-effective delivery of good quality infrastructure.*
- *The views expressed through the consultation process did not raise issues or concerns that were considered sufficient to negate the benefits that the Councils identified.*

### 3 PURPOSE

The purpose of this report is to present to Hamilton City Council and Waipa District Council:

- the results of the public consultation on the proposal to form a Shared Waters Management Company
- the unanimous recommendations of the Waters Governance Group that considered, heard and deliberated on the submissions received.

The report represents the culmination of many years of work to identify the best way to deliver water, wastewater and stormwater services. It recommends the establishment of a Shared Waters Management Company and proposes the next steps to progress the establishment of that company.

### 4 OPTIONS AND ASSESSMENT

#### BACKGROUND

Since 2012 Hamilton City and Waipa and Waikato District Councils have been considering options to improve the delivery of waters services. Multiple independent reports have been commissioned and received by the three councils. The reports have identified the potential to deliver significant financial and non-financial benefits for ratepayers and communities by changing the way in which the councils deliver water services and manage waters assets.

Prior to the elections in October 2016 the three councils reached agreement on a possible council controlled organisation (CCO) which would own, manage, operate and

maintain the water and wastewater assets and services currently provided by each council. Following the 2016 election the approach was reconsidered.

On 4 May 2017 Hamilton City Council approved a shared service, non-asset owning waters management company as its preferred model for collaborating with other councils to best manage water. On 30 May 2017 Waipa District Council also agreed a non-asset owning CCO (a Shared Waters Management Company) was its preferred model. Waikato District Council has continued to investigate other options for the delivery of waters services.

As set out in the previous reports to both councils, the essential elements of the Shared Waters Management Company (SWMC) envisaged by Hamilton City and Waipa District are:

- The company would be a CCO. It would employ staff who would manage water, waste water and storm water assets on behalf of the shareholding councils.
- The company would be a not-for-profit entity. (By law, Councils cannot make money out of water. They can only cover the costs to supply, treat and dispose of water).
- The company would not own any major water assets. Those assets would remain 100 per cent owned by each council. (The company might own some minor assets like cars and computers).
- All major decisions would continue to be made by shareholding councils. The water company, as a specialist waters company, would provide advice to each Council on where and when to invest.
- The water company would be responsible for maintenance of the waters networks.
- Each shareholding council would continue to set the cost for water services (to be recovered through general rates, [or] targeted rates, [or] water meters, trade waste fees etc.) just as they do now.
- The water company could not force Hamilton City to install residential water meters. Nor could the water company force any other shareholding council to change the way it charges for water.
- The water company would be jointly controlled by the shareholding councils through a Shareholders Forum.
- The water company would be accountable to shareholding councils who would ensure it operated openly and transparently.
- The water company would offer operational, environmental and financial benefits that could not be achieved by councils operating on their own.

On 21 September 2017 **Hamilton City Council** resolved:

*That the Council:*

- a) *receives the report; and*
- b) *approves:*
  - i. *public consultation on the proposal to form a Shared Waters Management Company is undertaken; and*
  - ii. *public consultation is undertaken in collaboration with Waipa District Council;*
  - iii. *that the Hamilton City Council Waters Governance Group is delegated authority to liaise with Waipa District Council and approve consultation materials and a process for public engagement, with public engagement to occur prior to the end of 2017; and*
  - iv. *the Chief Executive to engage in additional resources in 2017/18 to progress the Waters Study collaboration project at a cost of up to \$200,000, noting that this cost is unbudgeted.*

On 3 October 2017 Waipa District Council resolved:

*That:*

- c) *The report of David Hall, Deputy Chief Executive be received;*
- d) *Public consultation on the option to form a Shared Waters Management Company be undertaken, as required by Section 56 of the Local Government Act 2002;*
- e) *Public consultation be undertaken in collaboration with Hamilton City Council, but be designed to meet the needs of the Waipa District;*
- f) *The Waipa Waters Governance Group be delegated authority to liaise with Hamilton City Council to mutually agree the model and to finalise the process and materials for public engagement, including the appointment of an independent Chair.*
- g) *That Cr Thomas be delegated to the Waipa Waters Governance Group during Cr Brown's leave.*

Following these resolutions the Statement of Proposal was prepared and joint public consultation commenced.

## STATEMENT OF PROPOSAL

The Statement of Proposal is Appendix 1 of this report. It sets out the proposal to establish a Shared Waters Management Company. It outlines:

- The challenges that the two councils and ratepayers face in relation to the provision of waters services.
- What a SWMC would do and a possible structure.
- The options that have been considered.
- The preferred model (a SWMC).
- The benefits expected from a SWMC.
- The potential for financial efficiencies.
- A range of possible questions and answers.

The Statement of Proposal included references to the wealth of background information and reports available on the [www.waterstudywaikato.org.nz](http://www.waterstudywaikato.org.nz) website. It also set out how to provide feedback and make submissions.

## CONSULTATION

The Statement of Proposal was released for public consultation on 25 October. Submissions closed on Monday 27 November.

The consultation process was supported by:

- Proactive media releases by both councils.
- A page 3 article in the October edition of City News.
- An article on the Councillor contact page of the November edition of City News.
- Featured links on the websites of both councils.
- Links to the detailed background information and reports available on the [www.waterstudywaikato.org.nz](http://www.waterstudywaikato.org.nz) website.
- A promoted Facebook post on the Hamilton City Council Facebook page (which was shared).
- Two Facebook posts on the Waipa District Council Facebook page (which were also shared).
- Hard copies of a consultation document made available at Council offices and libraries.

The proposal and/or the public consultation process was covered by the Waikato Times on 25 and 26 October 2017, Hamilton News on 13 October 2017, and Te Awamutu Courier on 26 September 2017. There has also been coverage in the Cambridge Edition and the Cambridge News.

## SUBMISSIONS

Submissions were prompted by a feedback form on the Statement of Proposal, on the websites of both councils, and from the [www.waterstudywaikato.org.nz](http://www.waterstudywaikato.org.nz) website.

By the time of the hearing of submissions on Friday 1 December 75 submissions (including late submissions) had been received. All submissions (including late submissions) were received and considered by the Waters Governance Group.

Given that the issue being considered affects the urban populations and water customers of both Hamilton and Waipa the relatively small total number of submissions received is significant. It is even more telling that only 8 submissions have been identified as submissions from within Waipa District. Forty-five submissions (60%) came from Hamilton, 14 (19%) failed to state which district they came from or were from individuals from outside of both districts, and 8 (11%) came from national or regional organisations.

The 8 submissions from organisations that are either national or regional in scope were from the Waikato Regional Council, the Waikato District Health Board, the Local Government Commission, Wellington Water Committee (the shareholder committee that oversees Wellington Water Ltd), Water New Zealand, Infrastructure New Zealand, Federated Farmers, and the Property Council.

Of the submissions received, 11 (15%) were from anonymous submitters (no name and address provided). A further 17 (23%) submitters provided their name but asked that it be kept confidential. An ambiguity on the submission form probably contributed to a larger than normal group of submitters that sought to have their name kept confidential.

In total 24 (32%) submitters supported the proposal and 45 (60%) opposed it. Six submissions neither supported nor opposed the submission.

Five submitters that asked to present their views in person were heard by the Waters Governance Group members of both Councils on 1 December 2017. Appendix 2 provides the full text of all the shorter submissions. Appendix 3 provides the full text of the longer submissions that do not fit within the standard response template.

## ANALYSIS OF SUBMISSIONS

A break-down of the submissions is set out in Table 1.

Table 1: Breakdown of Submissions

Area	Support	Oppose	Neither Support or Oppose	Total	% by Area
Hamilton	12	32	1	45	60%
Waipa	2	4	2	8	11%
District Not Recorded or Other <sup>1</sup>	6	8	0	14	19%
National / Regional Body	4	1	3	8	11%
<b>Total</b>	<b>24</b>	<b>45</b>	<b>6</b>	<b>75</b>	<b>100%</b>
% by Submission	32%	60%	8%	100%	

Generally, the submissions in opposition to the proposal expressed a broader range of reasons for their submission than those in support. The key concerns of those in opposition are:

- concerns over the profit motive and the potential for privatisation of water assets
- a lack of trust in decision makers and a fear that this proposal is the start of a larger change
- concerns that this proposal will result in water meters in Hamilton and opposition to water meters
- concerns from some Hamilton submitters that the benefits will accrue primarily to Waipa
- not being convinced of the identified savings or the ability of the CCO to realise those savings
- concerns over duplication and additional governance and management costs of the proposed new structure
- concerns over the scale of the investment in waters infrastructure and affordability of rates
- a view that insufficient independent analysis has been undertaken and that the information provided in the proposal is inadequate to inform the public
- a view that the proposed CCO must include Waikato District
- support for an asset owning CCO and opposition to the proposed SWMC because it will realise fewer benefits than would be possible by transferring assets.

<sup>1</sup> Two submissions were received from individuals that were from outside both districts.

A number of the concerns expressed in opposition would perhaps be more relevant in the context of an asset owning CCO. However, that is not what is proposed.

Submissions in support tend to focus on the potential for economies of scale and savings in both operating and capital costs. There is reference to positive experiences elsewhere from similar sorts of change. Some submissions in support encourage the councils to go further and establish an asset owning CCO. Other reasons for support include:

- benefits from better governance and more strategic decision making
- improved and more consistent asset management
- benefits from being able to attract and retain skilled staff (including achieving critical mass)
- improvements to water quality
- the ability to develop a centre of excellence and share best practice.

Some submissions included suggested processes or controls in order to ensure sound oversight of the proposed SWMC. These included:

- suggested entry and exit provisions for shareholding councils
- stronger reporting requirements
- a more detailed financial disclosure regime than is required by the Local Government Act 2002
- clear consultation requirements and governance procedures.

A number of submissions clearly favoured the establishment of an asset owning CCO, rather than the proposed SWMC. For example, the Infrastructure New Zealand submission states that they could support the SWMC as an intermediate step toward an asset owning CCO. Infrastructure New Zealand argue that the legal obligation of the councils is to provide the most cost-effective and efficient water, wastewater and stormwater services possible, and that therefore the councils are *“required to establish a full asset owning CCO, or present a more efficacious alternative.”* As with some other supporters of an asset owning CCO, they do not support a SWMC as an end in itself and are recorded as a submission in opposition to the proposal.

The submission from the Purekireki Marae Trust was initially misplaced when it was received. It is recorded as a late submission, but was in fact submitted on time. The submission notes particular concerns over water quality and the need to focus on the health and safety of water and water networks, not just on the cost-effectiveness of service delivery. The Trust’s submission also criticises the engagement with Māori through the process of considering the delivery of water services. Engagement has focused on iwi, not on hapū or marae. Whilst the proposed SWMC does not change the obligations, or decision making role of Councils, or their obligations to and relationships with Māori and iwi, this is an issue that will need to be addressed if the Councils resolve to proceed to establish a SWMC.

## KEY SUBMISSIONS

It is important to note some of the submissions because of the nature of the statutory responsibilities and/or experience of the submitters.

### *Local Government Commission*

Given the statutory role of the Local Government Commission in considering any possible re-organisation (which can include establishing CCOs) they have been careful not to express a view either in support or opposition of the current proposal. However, under their role to promote good practice relating to local government, the Commission's submission presents a range of lessons, insights and implementation considerations that would be useful to consider if the councils decide to proceed with establishing the proposed CCO.

### *Waikato Regional Council*

The Waikato Regional Council "supports the overall intent of the proposal and the benefits it may provide to the management of water and improving water quality". Their submission makes a number of points in support of the proposal, including noting the benefits of size and technical focus, the ability to attract skilled staff, sharing best practice, and a more resilient funding framework for the management of the three waters. The regional council also seeks more detail in relation to who would have responsibilities and liabilities under the RMA, information relating to the funding model to be used and use of the model outlined in the Waikato Regional Fresh Water Strategy.

### *Waikato District Health Board*

The Waikato District Health Board (DHB) submission seems to neither fully support nor oppose the proposal. Their submission accepts and supports the need to consider how to best provide waters services and acknowledges the identified benefits, but overall suggests further work. The DHB suggests that the councils consider working alongside DHB staff to complete and fund a health and well-being impact assessment on the proposal.

### *Wellington Water Committee*

The Wellington Water Committee is the shareholder committee that oversees Wellington Water Ltd. Their submission neither supports nor opposes the proposal, but provides a range of insights from the experience of the Wellington councils.

### *Waikato District Council*

No submission was received from the Waikato District Council.

## DECISION MAKING

Councils must consult the public on a proposed establishment of a Council Controlled Organisation (CCO) as required by s56 Local Government Act 2002. Councils are not required to consult using the Special Consultative Procedure for this purpose.

All of the normal decision making requirements of the Local Government Act 2002 (LGA02) apply to a decision to establish a CCO. The decision making requirements of sections 77 to 82 of the LGA02 require (amongst other things) councils to:

- consider the reasonably practicable options for achieving the objective of a decision
- assess the options in terms of their advantages and disadvantages
- give consideration to the views and preferences of persons likely to be affected by, or have an interest in the matter.

Both councils also need to apply the principles relating to local authorities set out in s14 of the LGA02. Of particular relevance to this decision are the requirements:

- for openness and transparency
- to be aware of and taking into consideration the views of communities
- to provide opportunities for Māori to contribute to decision making
- to actively seek to collaborate with other local authorities
- to apply sound business practises to commercial undertakings
- to ensure prudent stewardship and effective use of its resources
- to take into account the social, economic and cultural interests of people and communities
- to take into account the need to maintain and enhance the quality of the environment
- the reasonable needs of future generations.

The process of decision making in relation to the delivery of waters services has spanned several years. Over that time both Councils have considered a large number of options and alternatives and the relative advantages and disadvantages of the alternatives. This consideration was reflected in the decisions of both councils to adopt the proposal for a SWMC as their preferred option for the delivery of waters services.

The current consultation process provides the opportunity to weigh and consider the views of communities alongside the body of technical and professional advice that the councils have received. The views of communities are important, but they are only one of the matters that the Councils must consider as they decide on how to best meet their obligations with respect to the delivery of waters services and infrastructure.

Both Councils delegated the hearing and consideration of submissions to the Waters Governance Group. Neither Council delegated decision making. This means that once the Waters Governance Group heard and considered submissions it was required to make recommendations to the two Councils.

Final decision making on the establishment of a SWMC sits with each Council. To establish a new jointly owned CCO both possible shareholding councils would need to decide to proceed.

#### **DELIBERATIONS AND RECOMMENDATIONS FROM THE WATERS GOVERNANCE GROUP**

The Waters Governance Group considered and heard submissions on 1 December 2017.

The Waters Governance Group noted that points raised in a number of submissions tended to suggest that the submitter did not necessarily understand some aspects of the proposal. For the sake of clarity, the Waters Governance Group notes that:

- The proposal to establish a SWMC is not the first part of a staged process. It is not a transition to any other form of CCO. It is a proposal to establish a SWMC and that is all.
- Only Councils would be eligible to be shareholders in the proposed SWMC.
- The proposed SWMC will not own any waters assets. All waters assets will remain owned and funded by each of the Councils.
- All planning, financial decision making and public reporting obligations will remain with each Council and will be done transparently through their Long-term Plans, 30 Year Infrastructure Strategies, Annual Plans, Annual Reports and normal Council agendas.
- The proposed SWMC will be a not-for-profit undertaking.
- Establishing the proposed SWMC is not and will not result in the privatisation of water or water assets. The SWMC will manage and operate waters assets but the Councils will retain ownership and full financial responsibility for the supply of water and the provision of waters services.
- The Councils will continue to make all decisions about levels of service and the development of waters assets, including how waters services are funded and any water related charges.
- Establishing a SWMC will not change anything with respect to water meters. All decision making relating to the way in which the costs of providing water and waters services are charged will remain with each Council, as would any consideration of the use of water meters.
- Establishing a SWMC will not limit the ability of the Councils to pursue innovative options for the provision (and funding) of infrastructure.

Whilst the majority of submissions received opposed the proposal, the Waters Governance Group noted that the total number of submissions was very low, in particular from Waipa. The points that were raised in the submissions had, by and large, been canvassed and considered by the Councils in their consideration of the issues over several years. The Waters Governance Group considered that the

submissions did not raise issues that had not been considered previously. Neither did they raise issues or concerns that were considered sufficient to negate the benefits that the Councils identified when they resolved that the SWMC was their preferred option.

Having carefully weighed the submissions with the reports and other advice received the unanimous recommendation from the Waters Governance Group is that Waipa District and Hamilton City Councils proceed to establish a Shared Waters Management Company. The resolution to make this recommendation was moved by Mayor Mylchreest and seconded by Mayor King.

The reasons for this recommendation are:

- The SWMC offers substantial financial benefits to both Councils over the medium to long-term compared with the status quo.
- The proposed SWMC will provide regional benefits through collaboration and working together. The proposed SWMC is scalable and has lower barriers to entry for other local authorities than an asset owing CCO. This means that the door is open for other Councils to subsequently join and benefit from the scale and specialisation that the SWMC will achieve.
- The proposed SWMC offers considerable non-financial benefits to both Councils. In particular it will improve the resilience of both Councils and provide an effective way of ensuring that both Councils have the specialised and expert staff that are required to meet the needs of our communities both now and in the future.
- The proposed SWMC will provide a sound way of positioning and supporting both Councils to respond to the challenges that they face, including the delivery of significant capital works programmes, responding to rapid population growth, and the stronger regulatory requirements that are expected following the Havelock North inquiry.
- The proposed SWMC provides significant benefits without being exposed to the considerable risks associated with the transition to a full asset owing CCO.
- Establishing a SWMC best meets the obligations of the local authorities under s10 of the LGA02 because it balances the democratic decision making (within each Council) with the cost-effective delivery of good quality infrastructure.
- The views expressed through the consultation process did not raise issues or concerns that were considered sufficient to negate the benefits that the Councils identified.

The Waters Governance Group notes that further work will be required to finalise the detail of a transition to a SWMC. This work includes developing the constitution of the company and the related shareholders agreement, establishing a shareholders' forum and the framework for the Statement of Intent and Letter of Expectation, developing and agreeing both the establishment plan and the cost sharing formula that will apply to the overhead costs of the SWMC, and finalising the costs of establishment and

transition. This work will need to be completed and agreed to the satisfaction of both Councils before a final establishment decision is confirmed. It is recommended that the Waters Governance Group be delegated responsibility to develop and agree the final detail of the establishment of the Shared Waters Management Company by 30 June 2018 for approval by the Councils.

It is also recommended that the Waters Governance Group engages as appropriate with both the Government and the Local Government Commission, and reports regularly to both Councils. The reason for this is to ensure that all avenues for possible assistance in establishing a SWMC can be explored. In particular, the Local Government Commission's emerging role in supporting best practice is worthy of further exploration.

It is estimated that the work required to finalise the transition to a SWMC will cost a further \$450,000 in the period from 1 January 2018 to 30 June 2018. This budget will provide for the detailed legal, accounting, tax, governance and management advice necessary to progress:

- the adoption of the constitution, statement of intent, letter of expectation, shareholders agreement, and shareholders forum
- the transition process and establishment plan (including project management, oversight and governance)
- the costs of transition and establishment
- the cost sharing framework.

It is recommended that these costs be shared equally between the two Councils. Whilst these costs will need to be met in the current year it would be possible to treat them as a shareholder loan when the SWMC is established and to repay them over a period of time from SWMC operations. This approach would have the added benefit of being able to identify establishment costs that could also be recovered in part from any council that subsequently becomes a share-holder.

#### RELEVANT BACKGROUND MATERIAL AND REPORTS

The full set of background reports, council agenda items and decisions relating to the proposal and the delivery of waters services is set out on the [www.waterstudywaikato.org.nz](http://www.waterstudywaikato.org.nz) website.

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Peter Winder  
Independent Chair



Item 5

Attachment 1

# APPENDIX 1

# STATEMENT OF PROPOSAL

NOVEMBER / 2017





Forming a  
**Shared Waters  
Management Company**  
What are your views?



Statement of Proposal October 2017







# Overview

Hamilton City Council, Waipa District Council and Waikato District Council have been working together to find a better way of providing water, wastewater and stormwater services to their respective communities.

A number of options have been considered.

Waikato District Council is still considering what option will be best for its own community.

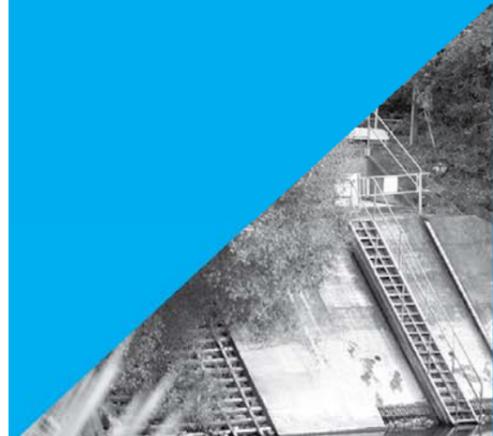
However, both Hamilton City and Waipa District Councils have resolved that it is now timely to consult on forming a Shared Waters Management Company with their two councils as founding shareholders.

If Waikato District Council wants to join the Shared Waters Management Company at a later date, it would be welcome to do so.

This booklet outlines what a Shared Waters Management Company is and why Hamilton City and Waipa District Councils are considering forming one. You are invited to comment on this proposal by making a written or verbal submission.

**No decisions to form a Shared Waters Management Company have been made. Final decisions will not be made until both Councils have considered community feedback.**

Those decisions will be made independently, by each council, on behalf of their respective communities.



## What is a 'Shared Waters Management Company'?

Currently, the councils independently provide their own water, wastewater and stormwater services to their own communities. There is only a very small degree of shared, cross-boundary services.

A Shared Waters Management Company would be a new way of providing these services. Instead of working independently, the councils involved would pool some resources and work together to get the best outcome for their communities.

### More detail...

A Shared Waters Management Company would be 100 per cent council-owned.

It would NOT be a private company.

The company, if it was formed, would be **fully** owned by the councils involved, on behalf of ratepayers. There would be no other shareholders.

The finances of each council would, just as they are now, remain completely separate. Each council would only pay for the work undertaken by the Shared Waters Management Company in its own district. There would be no cross-subsidisation.

There may be efficiencies from sharing some facilities (e.g. an office) in the future. But under this proposal, each council would continue to fund its full share of any facilities.

The main purpose of the Shared Waters Management Company would be to deliver more cost-efficient services, more expertise and a stronger and more resilient waters network than the individual councils could deliver on their own.

A Shared Waters Management Company would NOT be set up to make a profit. That would not be the purpose of the company and neither is it permitted by law.

▶ The finances of each council would, just as they are now, remain completely separate. ◀

For background information on this issue, including copies of all independent reports, council reports and more, go to [www.waterstudywaikato.org.nz](http://www.waterstudywaikato.org.nz)

## A Shared Waters Management Company WOULD...

1. Employ specialist staff to deliver water, wastewater and stormwater and rural drainage services. (Many staff are likely to already be working for the councils and would transfer into the Shared Waters Management Company.)
2. Be responsible, on behalf of the councils, for managing and maintaining the councils' water infrastructure (treatment plants, pumping stations, pipes and reservoirs etc).
3. Be controlled by the councils via a Shareholders' Forum (see diagram at right) and other mechanisms (like a Statement of Intent) which would limit what the Shared Waters Management Company could and could not do.
4. Be a specialist water, wastewater and stormwater 'advisor' to the councils. However, the company could not make major decisions on behalf of the councils. Major decisions would still be made by elected councillors, representing their own communities (see 9 below).
5. Be fully accountable to the councils. It would be up to councils to ensure the Shared Waters Management Company, if formed, operated openly and efficiently on behalf of ratepayers and residents.
6. Provide non-financial and financial benefits that could not be achieved by councils operating on their own (see pages 9 and 10).

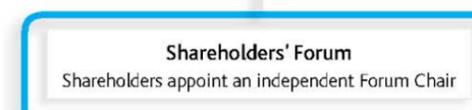
### A Shared Waters Management Company...

7. ...would NOT own any major water assets. Those assets would remain 100 per cent owned by each council on behalf of ratepayers. The Shared Waters Management Company would only own minor assets like cars and computers.
8. ...would NOT be able to make major decisions in regard to water, wastewater or stormwater investments. All major decisions would continue to be made by elected councillors, at each council, just as they are now.
9. ...would NOT be able to dictate how councils should recover the costs of water, stormwater and wastewater from ratepayers. Those decisions will continue to be made by elected councillors, at each council, just as they are now.
10. Could NOT force Hamilton City Council to install residential water meters. It would not have the authority to do that. (Hamilton City Council has decided that water meters are off the table).

### A possible structure



Each Council appoints representatives (elected Councillors) to the Shareholders' Forum



Forum appoints SWMC Board Members and Chair



SWMC Board appoint CEO



Waikato District Council has yet to make a decision on which option it believes is best for its own community.



## Why change?

Water, wastewater and stormwater services are vital services for any community. More money goes into water, wastewater and stormwater than any other area of council business.

In Hamilton, nearly every business and household is connected to the council water and wastewater network. In Waipa, around 61 per cent of ratepayers are connected (the others use bores and septic tanks).

Over the next decade, Hamilton City Council and Waipa District Council alone must spend huge amounts of money – hundreds of millions – to provide the water, wastewater and stormwater services our fast-growing communities will need.

Many councils, nationwide, are struggling to provide the level of services needed, to the standards now required, at a cost ratepayers can afford.

Hamilton City and Waipa District are no different. Given the challenges ahead, it seems unlikely that 'going it alone' is the best option for our communities.

▶ **Many councils, nationwide, are struggling to provide the level of services needed, to the standards now required, at a cost ratepayers can afford.** ◀

## The challenges councils and ratepayers face

By law, all councils must provide the most cost-effective and efficient water, wastewater and stormwater services possible. That task is becoming more difficult because:

- **Councils don't have enough skilled staff**

Our communities rely on water, wastewater and stormwater services to function. Specialist water staff are in demand nationwide and (like other councils) our councils don't have enough of them. Often we are reliant on external consultants – and they come at a cost.

Our existing specialist waters staff do not have the capacity to deliver what's needed. The situation is not sustainable and it puts our communities at risk if things go wrong.

- **We are facing huge growth**

Both Hamilton City and Waipa District are growing – and growing fast. That growth is already putting pressure on existing infrastructure and is forcing both councils to invest heavily in new water, wastewater and stormwater infrastructure. At the same time, both councils must continue to maintain the infrastructure they already have to higher and higher standards.

- **Standards are getting tougher**

Across the country, environmental standards for wastewater and stormwater are getting tougher as we all work to improve the quality of our waterways. As a result of the Havelock North incident, where 5,000 people got sick from water-borne disease, councils will be required to meet much higher drinking water standards in the future.

No-one is suggesting these standards aren't necessary – but they come at a cost. By working together, we will be able to respond more quickly and in a more cost-effective way.

- **Best use of money**

Over the next decade, Hamilton City and Waipa District Councils alone must spend huge amounts of money – hundreds of millions of dollars – to provide the water, wastewater and stormwater services our fast-growing communities will need.

We need to invest that public money in ways that provide the best possible value to ratepayers. By working together in a formal structure, councils will have better buying power and more expertise available, when we need it.

- **Giving water the attention it deserves**

Water is one of, if not the most, important services a council can provide. Both councils want that service to remain in the control of councils, with elected members continuing to make decisions on behalf of their respective communities.

A Shared Waters Management Company will allow both councils to retain control of decision-making on behalf of their communities.

- **Looking at the big picture**

It's clear the government is not satisfied councils are providing water, wastewater and stormwater services in the best possible way. The government wants councils to work together – not independently – and deliver better, more cost-effective and safer water, stormwater and wastewater services.

Multiple experts advise that in the waters business, scale is key to driving efficiencies and getting the best results. But councils want to develop a model that suits the needs of their own communities; not be forced into a model that might not be right for them.



## The options we considered...

Since 2015, we have considered four different structures to improve the delivery of water, wastewater and stormwater services. They are:

### Option 1:

#### Forming an asset-owning Council-controlled Organisation

This would involve the councils transferring their water assets (infrastructure like plants, pipes etc) as well as water-related debt to a newly-formed company set up just to deliver water, wastewater and stormwater services. The company would be a Council-controlled Organisation (CCO) so would still be owned by the shareholding councils. This asset-owning model is similar to Watercare Services Ltd in Auckland which is owned, on behalf of ratepayers, by Auckland Council.

### Option 2:

#### Expanding the existing 'shared services' model

Hamilton City, Waipa District and Waikato District Councils already share some services including trade waste, laboratory and water education services. We considered expanding this informal arrangement. However, without a formal structure, it would be inefficient and would not provide the benefits that other options could.

### Option 3:

#### Keeping the status quo (no change)

This option would mean no change. Each council would continue to run its own water, wastewater and stormwater services, independently from each other.

### Option 4:

#### Forming a Shared Waters Management Company

This option would involve councils forming a specialist council-owned company to manage water, wastewater and stormwater on behalf of ratepayers. Councils would retain ownership of their water infrastructure and the finances of each council would continue to remain completely separate.

Elected Councillors from each council would hear advice from the Shared Waters Management Company, but would continue to make all the major decisions (including investment decisions and how to charge for water) on behalf of their own communities.

This non-asset owning model has some similarities to Wellington Waters which is 100 per cent owned by Hutt, Porirua, Upper Hutt and Wellington Councils and the Greater Wellington Regional Council. Wellington Water's role is to manage the drinking water, wastewater and stormwater services on behalf of its council owners.

► Elected Councillors from each council would hear advice from the Shared Waters Management Company, but would continue to make all the major decisions (including investment decisions and how to charge for water) on behalf of their own communities. ◀

## Our preferred model: A Shared Waters Management Company

Both Hamilton City Council and Waipa District Council have separately resolved (in May 2017) that forming a jointly-owned, Shared Waters Management Company is their preferred way forward for consultation.

But neither council will make a decision until their communities have had a say.

(Waikato District Council has yet to make a decision on which option it believes is best for its own community).

Hamilton and Waipa prefer a Shared Waters Management Company because it provides more benefits, and less risk, for ratepayers compared to some of the other options considered.



## The benefits include:

### The benefits of scale

In the waters business, most experts agree scale is important. A larger, combined operation will allow both councils to get benefits for ratepayers we could not get on our own. For example, we will have much greater purchasing power and will be in a stronger position to negotiate better contracts.

### Experts available

By combining existing waters expertise, more skills will be readily available to both councils. Having a core group of expertise encourages further, related specialist knowledge to build up. Over time, we expect the Shared Waters Management Company to become a specialist Centre of Excellence in water, wastewater and stormwater issues.

### Better careers for staff

Staff tell us that working in an organisation focused just on water issues, alongside a larger group of professional colleagues and peers, would provide better career paths and better professional development than what councils working independently can currently provide. Given the shortage of specialist waters staff nationwide, it is important to retain this critical expertise in the public sector.

### Less risk

Forming a non-asset owning Shared Waters Management Company will allow us to secure many of the benefits of working together but without some of the risks and complexity of combining councils' water assets and debt. This is a simpler model to develop and implement.

### Professional direction

The Shared Waters Management Company would have a separate, independent Board of Directors with specialist expertise in technical and other areas not necessarily available on elected councils. The Board's strong focus will be on delivering the best possible water, stormwater and wastewater services in the most cost-efficient way. The Board will work under the strong direction of both councils (formalised in written agreements) and all major decisions will continue to be made by elected Councillors.

### Consistent approach to asset management and planning

By working together in one organisation, we'll be able to develop a more consistent and cost-effective approach to managing our water assets. We'll be able to better plan and manage things like maintenance and this will improve our ability to work more cost-effectively with contractors, land developers and others. It will ensure we are better able to cater for and support growth in a way our communities can afford.

### An improved waters network

Over time, efficiencies will allow us to make ongoing improvements to our waters and wastewaters networks and to our stormwater schemes. We will be in a better position to control and manage rising costs. Our critical infrastructure will become more resilient and we will, more easily, be able to meet tougher environmental and public health standards.

### Responding to government direction

Central government wants councils to ensure enough money is available for key infrastructure – especially water – in order to support growth. They would like to see councils working together to deliver better, more cost-effective and safer water and wastewater services.

### Councils remain in control

The Shared Waters Management Company would be 100 per cent owned by the councils. There would be no other shareholders. While there would be a separate Board of Directors, the Board will take its instructions from the councils, via a Shareholders Forum (see diagram, page 4).

All major decisions about water, stormwater and wastewater would continue to be made by elected Councillors, on behalf of ratepayers. And ratepayers, as they do now, would continue to have input into those decisions via Annual Plans, 10-Year Plans and other public processes.

## Financial efficiencies

A Shared Waters Management Company would deliver cost-efficiencies for councils and their ratepayers. But these efficiencies are unlikely to come back to ratepayers as 'savings'. Instead, they are likely to be reinvested back into the waters networks to meet the costs of growth and meet higher environmental and public health standards.

Money from Hamilton ratepayers would be reinvested back into Hamilton's network. Money from Waipa ratepayers would be reinvested back into Waipa's network. There would be no 'cross-subsidisation' but, over time, both councils would get more work done for less.

An independent report\* says the Shared Waters Management Company would deliver savings in the operational area (i.e. day-to-day running expenses) and in the capital expenditure area (i.e. new pipes, treatment plants etc).

Across the councils, operational savings are estimated to be at least \$43 million over 28 years. For the same time period, capital expenditure savings are estimated to be at least \$73 million.

This means a Shared Waters Management Company is expected to deliver cost efficiencies of at least \$116 million over 28 years. That's about \$4 million in cost efficiencies per year across the councils. These figures already take into account the cost of establishing the company (estimated at between \$5 – 10 million).

*\*Report from Mott Macdonald and Scottish Water, October 2017  
Full report available at [www.waterstudywaikato.org.nz](http://www.waterstudywaikato.org.nz)*



## Questions and answers

**1. Could other councils join the Shared Waters Management Company?**

Yes, if the other shareholding councils, who were already involved, agreed.

**2. Would a Shared Waters Management Company introduce residential water meters to Hamilton?**

No. It could not force Hamilton City Council to install residential water meters. Hamilton City Council has decided that water meters are off the table.

**3. Would ratepayers in Hamilton or Waipa still receive their rates bills or (in Waipa's case, water meter bills) from their council?**

Yes. Individual councils would still be responsible for billing people for water and wastewater. That would not change.

**4. Under a Shared Waters Management Company, would the cost of water and water infrastructure be combined and shared between the two councils?**

No. Each council would continue to ONLY pay for the water it uses, and for the cost of the services within its own boundaries. There would be no 'pooling' of water resources. The finances of each council would remain completely separate.

**5. If customers had a water, stormwater or wastewater issue, who would they contact to sort it out?**

Customers would be able to call either the Shared Waters Management Company or their council, whatever is easiest for them.

**6. Will operational waters, stormwater or wastewaters staff at the councils be made redundant if a Shared Waters Management Company was formed?**

No. Councils are already short of staff in this area. Should a company be formed, non-management waters staff would transfer to the SWMC on existing terms and conditions. The councils would work directly with managers on an individual basis.

**7. Are there any other models comparable to a Shared Waters Management Company in New Zealand?**

Yes, Wellington Water ([wellingtonwater.co.nz](http://wellingtonwater.co.nz)) is 100 per cent owned by five councils and manages drinking water, wastewater and stormwater services on behalf of those councils. It does not own the water assets; it simply manages them on behalf.

**8. Could a council leave the Shared Waters Management Company if it didn't work out?**

Yes, but exit arrangements would need to be fair to all councils involved.

**9. Is the model being proposed still a CCO (Council-controlled Organisation)?**

Yes, but it is not an asset-owning CCO. In a CCO one or more councils control 50 per cent or more of the voting rights, or have the right to appoint 50 per cent (or more) of the directors. In other words, councils 'control' the organisation.

Existing local CCOs include Hamilton Airport (jointly owned by Hamilton City, Waipa, Waikato, Matamata-

Plako and Otorohanga District Councils); Local Authority Shared Services – LASS (jointly owned by 12 councils in the greater Waikato region).

**10. Is this a step towards an asset-owning water company?**

No. Both Hamilton City and Waipa District Councils do not support an asset-owning model.

**11. Would this be a step towards privatisation?**

No. Both councils want water assets to remain in public ownership.

**12. How will work and funding be prioritised between the councils involved?**

Final decisions on what to spend, when, will be made by the elected members at each council on behalf of their communities.

**13. If a company was formed to run water, wastewater and stormwater services, what would the councils remain doing?**

The councils would continue to do all the things they are currently responsible for. There would be no change to other services like roading, planning, building services, parks and gardens and community services.

**14. Could the Shared Waters Management Company run up as much debt as it liked?**

No. The councils would control how much debt the company could incur through the Shareholders' Forum. Each council would set and fund its own work programme

so little debt would be required, and only for assets such as software systems, vehicles and plant.

**15. How would a Shared Waters Management Company change the councils' existing commitments to Iwi?**

It wouldn't. A Shared Waters Management Company would not change, in any way, any existing council commitments. Nor would it change the councils' commitment and support for the Vision and Strategy for the Waikato River (Te Ture Whaimana o te Awa o Waikato).

**16. Is this issue about 'who owns the water?'**

No. This is about the most efficient and effective way to provide day-to-day operations and management of water, wastewater and stormwater infrastructure; it has nothing to do with the ownership (or not) of water.

**17. When will a final decision on whether or not form a Shared Waters Management Company be made?**

After the people of Hamilton and Waipa have had their say. Final decisions are likely to be made before Christmas 2017 so they can be factored into each council's draft 10-Year Plan.

**18. Can anybody go and hear the verbal submissions on this proposal?**

Yes. They are public meetings and all are welcome.



[waterstudywaikato.org.nz](http://waterstudywaikato.org.nz)

**Item 5**

**Attachment 2**

# APPENDIX 2

# SUBMISSIONS RECEIVED

NOVEMBER / 2017



SHARED WATERS MANAGEMENT COMPANY: SUBMISSIONS RECEIVED

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**Anonymous** denotes those submitters who did not provide name details.

**Confidential** denotes those submitters who provided their name details but who have requested the information to be withheld.

SHARED WATERS MANAGEMENT COMPANY: SUBMISSIONS RECEIVED

#	Submitter Name	District	Support/Do not support	Comment
1	Anonymous	Unknown	Yes, I do support it.	
2	Anonymous	Unknown	No, I do not support it.	Asset owning CCO
3	Michael Hunwick	Hamilton	No, I do not support it.	I believe elected councils are there to provide, basic services to its rate paying citizens. Services such as water, wastewater and stormwater to name a few. These services should be provided irrespective of cost and SHOULD NOT be a commercial operations run by either the council or another organisation to earn a profit. I believe this move to pass consultation/management water services to a separate organisation of regional/district and city councils is creating a step to easily make a further move in the future to a commercial operation with the intention of running a profit making operation which will only come back to bite in the long run. It will not benefit the ratepayers but add a further burden on them. AND although I state earlier that such services should be provided irrespective and not to make a profit, I cannot help but feel this move will only add unnecessary cost DUPLICATION to the provision of these services. Efficiency is not necessarily adding a further layer of management, as many organisations can attest to, if you care to seek out the real truth yourselves, and not rely, no doubt, on commercially interested "independent" consultants moving the council in this direction.
4	Confidential	Hamilton	No, I do not support it.	Status quo
5	Chris Precious	Hamilton	Yes, I do support it.	I support the formation of a Shared Waters Management Company provided: 1. It does not increase the costs of providing the service beyond that of the current HCC arrangement for water services.... and 2. Provided the decision on whether or not to install domestic water meters in Hamilton City always rests with elected HCC councillors. And 3. A review is held after five years in order to confirm the operational and economic efficiency of the new arrangement.
6	Confidential	Hamilton	Yes, I do support it.	

SHARED WATERS MANAGEMENT COMPANY: SUBMISSIONS RECEIVED

#	Submitter Name	District	Support/Do not support	Comment
7	Michael Freeman	Other	Yes, I do support it.	Submission attached. See Appendix 3.
8	Confidential	Hamilton	No, I do not support it.	If we need to form a CCO, Waikato District Council has to be included as they own a large percentage of the assets in the Waikato Region. Also their asset management is more in line with HCC asset management. The other issue is the it is a none asset ownership organisation which means that a lot of assets will need to be subcontracted for renewal or maintain, this would also cause a lot of grey area as to what is the responsibility of the CCO and which will be Council's responsibility for repairs and maintenance.
9	Julie Sanderson	Hamilton	Yes, I do support it.	
10	Hamilton Future Foundation	Hamilton	No, I do not support it.	I prefer the current status quo.
11	Anonymous	Unknown	Yes, I do support it.	
12	Confidential	Waipa	Yes, I do support it.	Economies of scale will help reduce the cost of delivering services, reduce reliance on external consultants to undertake the specialist work and ensure promotion of best practice water management. Fully support proposal.
13	Anonymous	Unknown	No, I do not support it.	I don't see the benefit to Hamilton City residents. We already have great service and any benefits will only benefit Waipa
14	Craig Stevens	Hamilton	Yes, I do support it.	Cost saving through removing the duplication of personnel / services. Cost saving through scale - bigger orders etc. Managing of a shared resource, since the water flows through geographical area of all councils involved. The need for a coordinated management of the shared resource. No reduction of fiscal autonomy so no risk / downside.
15	Anonymous	Unknown	No, I do not support it.	
16	Confidential	Waipa	Yes, I do	

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#	Submitter Name	District	Support/Do not support	Comment
			support it.	
17	Anonymous	Unknown	Yes, I do support it.	
18	Hayden Woods	Waipa	No, I do not support it.	<p>I OBJECT to having a CCO, for the following reasons (which are explained in more detail as per my attached report);</p> <ul style="list-style-type: none"> <li>▪ There are no advantages to having a CCO, where the services should already be managed and administered in house by Council</li> <li>▪ To have a CCO, implies that Councils are inadequate and lack competency – which begs the question what are we paying them for?</li> <li>▪ There is no detailed analysis of a NON ASSET owned CCO, all consultant reports focus on an ASSET owned CCO, except for a brief synopsis on WDC website, this provides no guarantee that Elected Councillors knew what they were/ are voting for – nor does the public for that matter.</li> <li>▪ Nor does the website or any of the consultant reports address the financial breakdown of how the proposed planned expenditure on the Three Water Infrastructure by respective Councils is to be managed, administered, or funded – information pertinent for the both the public and more importantly the Elected Councillors to vote on. Omission of this information is a violation of NZ’s democratic rights.</li> </ul> <p>Due to the nature of the submission and the lack thereof information regarding the planned expenditure on the Three Water Infrastructure and clear neutral explanation of a Non Asset owned CCO, this submission process should be terminated immediately and the above issues addressed otherwise consideration will be made to referring the matter to the Ombudsman. NOTE: A more detailed explanation as per attached report. <b>See Appendix 3.</b></p>
19	Josy Cooper	Hamilton	Yes, I do support it.	
20	Charlie Cooper	Hamilton	Yes, I do support it.	Watercare is a good model, it works, improves asset management and maintenance control and drives cost efficiencies, makes sense to apply it here.
21	Hamish Riddell	Hamilton	No, I do not support it.	

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#	Submitter Name	District	Support/Do not support	Comment
22	Arron Frost	Hamilton	No, I do not support it.	Leave it as it is. Water is a core function of a council. Do not try and change anything. We know your end goal is to have water metres. There is no more money for rates in my household. I already pay too much. Do your job we pay you to do and provide us our core services out of the current rates take. Stop trying to invent ways to steal from us!!!!!!!!!!
23	Michael Lockley	Hamilton	Yes, I do support it.	
24	Peter Findlay & Associates Ltd	Hamilton	Yes, I do support it.	My in principle support is subject to my oral presentation and acceptable policies and transitional arrangements being developed including to access to infrastructure across the boundaries irrespective of the respective local authorities. Oral submissions will elaborate on the above and other relevant matters. <b>See Appendix 3.</b>
25	Anonymous	Unknown	No, I do not support it.	Is this the councils way of backing out of not having water rates for Hamilton, passing all decisions onto another company.
26	Anna Barhorst	Hamilton	Yes, I do support it.	I think it's a great idea in some aspects, it would make monitoring and water quality easier to manage. I think looking at the cost aspects it would have to be tax or government funded to avoid profits and rights over water in New Zealand.
27	Confidential	Hamilton	Other	I'm torn between the shared waters management scheme and keeping the status quo. I am concerned with a few things: 1. Even if you pool staff and services the amount of work remains the same. Who decides what is the priority? Will staff still push their own communities agendas? 2. That this will eventually lead to water meters and this is the first step. Be honest and realistic, how soon will water meters be back on the table and in homes? 3. What's the cost going to be to form this company? What cost to the ratepayer?? 4. Are the "expert consultants" that you currently contract to do work, within NZ or are you outsourcing this expertise to another country?
28	Anonymous	Unknown	No, I do not support it.	
29	Greg New	Hamilton	No, I do not support it.	Keep it the way it is now. This proposal will only lead to water meters which is wrong.

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30	Confidential	Hamilton	No, I do not support it.	
31	Confidential	Hamilton	No, I do not support it.	No council has every managed to make a separate water management company work. They appear to cost more and the rates we pay continue to rise whilst we get another bill for something that should be properly managed. What about those on low incomes or pensions, they are struggling now with the costs and then we go and charge them for their right to use our resources.
32	Will Gauntlett	Hamilton	Yes, I do support it.	Whatever is the cheaper option for rate payers, so long as maintenance and upgrading of assets is a priority. I don't mind if it's an asset owning CCO or not. Also, I would like to see water meters and user-pays water charges.
33	Sushanth Boddireddy	Hamilton	No, I do not support it.	Let it stay as it is now.
34	Vijayabala Sripada	Hamilton	No, I do not support it.	I want one rates bill. Not separate water and property rates. Stop spending tax payers on these stupid ideas. Reduce your board salaries to start with.
35	Confidential	Hamilton	No, I do not support it.	Despite council assurances it has been shown time and time again that separating water management from local govt results in increased costs for ratepayers. Ratepayers are struggling to make ends meet now and extra costs will only cause more and more towards the poverty line.
36	Brendan McCowatt	Hamilton	No, I do not support it.	I don't agree with this proposed system. Before we know it the councils will expect a dividend off this company and we will be charged more for water. They will operate on their own business plan which will differ to the councils. One council will demand more of the company than the other and create more politics and paperwork bureaucracy. Along with more middle manager being hired that add no value compared to frontline staff. Do you job HCC and stop wasting our money.
37	Julia	Hamilton	No, I do not support it.	If forming this new management team means a new set of wages for these people to manage the water from tax payer money I say no. How is the water distribution union and water works extending managed and monitored now? I request you produce a report with evidence to show why this new management team is needed? I also request that you improve the advertising of letting the public and rate payers know. This is a huge matter for the rate payers of Hamilton and the Waipa District and your advertising of this matter is pour. Because of that I don't believe all people know about this proposal or about the opportunity to put in a submission. Therefore I don't believe this should go

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				ahead at this time. And I also propose that you re-advertise this matter again. Committing a set period of time of advertising the proposal to ensure letting all the people know. Then after that period of advertising is done. Then put out the option for the people to make a submission. You have truly done a poor job of advertising this proposed proposal. It's not good enough for what you are asking of.
38	Bill Mitchelmore	Hamilton	No, I do not support it.	<p>1. Despite a number of years of consultation, the 3 councils in the Waikato sub-region have not demonstrated they are fully united and committed to the SWMC option at a political level prior to entering into public consultation. The supporting documentation is also based around the participation of all 3 councils; which is not the case.</p> <p>2. The SWMC option retains the historical contractual relationships between the councils and water users. This will almost certainly and unnecessarily confuse ratepayers, the general public and water users alike for little benefit. The option will also complicate the unavoidable relationships with other stakeholders including regulators, Iwi, the general public and network utility operators because the SWMC will effectively only have the status of a council agent.</p> <p>3. There is no evidence provided to reasonably conclude that a Wellington region lookalike can be successfully transferred to part of the Waikato sub-region. The Wellington model is also not yet commercially proven.</p> <p>4. Any benefits of scale attributed to the SWMC (if they exist) will be unfairly stacked in favour of Waipa District Council; the smallest participating council. Hamilton City ratepayers will be disadvantaged in relative terms.</p> <p>5. The identified cost savings over 28 years are far too long term to be relied upon.</p> <p>6. There will be an increase in total operating costs due to the unavoidable bureaucratic friction that will exist between the SWMC and the councils. These additional costs have not been adequately identified and quantified in the supporting documentation. SWMC management, its board and its advisors will obviously incur new overhead costs and the councils will continue to incur overhead costs. Any potential savings arising from economies of scale are likely to be compromised by additional overhead costs.</p> <p>7. The SWMC option is likely to increase future financial and litigation cost risks to ratepayers particularly from a health &amp; safety and resource management perspective in the event the councils fail to adequately fund future capital expenditure programmes recommended by the SWMC. This is a real prospect because the councils have consistently demonstrated that they struggle to effectively</p>

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#	Submitter Name	District	Support/Do not support	Comment
				<p>manage and fund capital intensive forms of infrastructure over the longer term.</p> <p>8. The cost/benefits of establishing an asset owning CCO that is confined to closed access water and wastewater networks does not appear have not been considered. This type of CCO is inherently a simpler option because it involves fewer stakeholders and it minimises the operational interfaces needed to successfully co-ordinate the management of stormwater, land uses and resource management planning as well as the need to access the ratepayer base to fund of ongoing stormwater management costs. Whilst an all-encompassing 3 waters based SWMC might present itself as a nice outcome from a theoretical and political perspective, realistically it underplays the significance of the tensions that exist in the provision and funding of stormwater management services.</p> <p>An asset owning CCO for the closed access water and wastewater networks only is likely to deliver a better long service in my view.</p>
39	Jan Pingol	Hamilton	Yes, I do support it.	I fully support the formation of a Shared Waters Company. I see huge financial savings for all Councils involved and efficiency in delivering water services to the community. I am also a firm believer that we should be collaborating with other Councils to ensure consistency in service. I also like the idea of standardizing water, wastewater and stormwater requirements throughout the sub-region.
40	Joel Gilmore	Hamilton	No, I do not support it.	Full ownership of water infrastructure by either HCC or WRC.
41	Confidential	Hamilton	No, I do not support it.	We cannot afford to pay a whole new organisation. Live within your means! People cannot afford to pay more rates to cover the wages for all the people you would need to employ to run this new company.
42	Jane Skilton	Hamilton	No, I do not support it.	I have no idea what other model would be good. I just know I do not want water separated...the cost of water will become too much...it's getting more and more expensive to live in my own home. Having seen other areas and the UK separate water from rates...it hasn't worked...and people on low incomes struggle to pay the bill.
43	Ian Bridge	Hamilton	No, I do not support it.	Additional bureaucracy, less accountability - third hand, and a lot higher costs. Rate payers from other local authorities are already sucking enough out of Hamilton ratepayers and not paying their fair share, we do not want more.

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44	Confidential	Hamilton	No, I do not support it.	
45	Confidential	Hamilton	Yes, I do support it.	
46	Dave Doggart	Hamilton	No, I do not support it.	I would support a joint co-operative arrangement between councils but not the establishment of any new entity
47	Tracey Morgan	Hamilton	No, I do not support it.	Councils of the region can collaborate without having to outsource.
48	Confidential	Hamilton	No, I do not support it.	I prefer the status quo.
49	Chris O'Connor	Hamilton	No, I do not support it.	It's just another way to put up rates ,, and double up on management.
50	Sanjay Joshi	Hamilton	No, I do not support it.	"I would like the current situation to continue , with the least increase in staff under the current CEO. What needs to be understood is that providing water and sewage system is not a rocket science. Councils all over the world are providing this service without any extra bureaucratic layers on top of the core staff. Because New Zealand is blessed with rain the whole year, we also don't need network of canals and dams - some countries are not so lucky and they need much more infrastructure for basic water supply. The financial burden of a new CEO and board of directors will ultimately increase rates and a push for water meters in future. That will be totally unacceptable. If the current CEO is unable to manage such a core service for a population around 200,000, council should be looking for a new CEO."
51	Lindsay Wilson	Hamilton	No, I do not support it.	Council already has the infrastructure in place to manage water. All a shared company will do is create a bloated management structure with huge salaries for the CEO and his executives. Operating staff will remain the same.
52	Confidential	Other	No, I do not support it.	"I do not have faith in Council-controlled organisations and would be nervous in this case noting that Waikato District Council, the Chief Executive of which is the Chair of LASS (Local Authority Shared Services) and the Mayor was the previous Chair of the Waikato Mayoral Forum (the region speaking with 'one voice'. The very people whom should be encouraging, participating and leading the

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				advocacy of shared services throughout the region are not buying in. Knowing that consultation was going to be pushed out well after the 2016 local body elections, the whole project should have been put on hold. In the meantime no doubt huge continued expenses have been incurred by the likes of Cranleigh/Winder/Tyrell whilst the academic exercise (until consultation) droned on. Huge amounts of senior staff, some of whom are admittedly quite good and some possibly jobsworths continue to rack up time on this project. With the proposed rates rises mooted around the region, then I would have absolutely no faith whatsoever that this proposed organisation would deliver value for money. It would simply be another entity costing huge amounts to run, Chief Executives and senior staff to be paid etc. whilst failing to deliver. I also feel that this is strictly and operational issue and whilst Council would need to ratify such a decision to proceed, after that for goodness sake keep the politicians out of it. They are not renowned on the whole for their business acumen and simply jump to make political mileage out of anything which may reflect well on them. It would be interesting to note, should this go through, which Mayor will be taking the credit "that this was all my idea".
53	Confidential	Unknown	No, I do not support it.	Status quo
54	Confidential	Hamilton	No, I do not support it.	"This extra layer of bureaucracy -A new CEO, board of directors and number of managers, new special software etc.- is a complete nonsense.- Ratepayers will pay for their exorbitant pay rises, with which the mayors are always 'comfortable'. The present mayor is 'threatening' 16.5% rate rise when not minding to take on unsustainable debt by committing to such projects. The potential projected savings of 43 million over 28 million is highly insignificant savings. For that to possibly materialise, the present rate payers are asked to bear the cost. Also these supposed projected savings will soon be eaten up by the 2 CEOs' unrealistic salary increases and the bloated organisational structure. Living in Hamilton for the last 19 years, I am fully aware of HCC 'efficiency', and how they take up such costly exercises, even if they can't afford it, on consultants' advice. Not at all cost saving exercise when only 2 councils are working together with varied demographics. Even if the present council is saying no to water meters, there is no obligation for the future councils to say no to that idea. Once a CCO is formed, a framework is laid down for such possibility to make it easy to install the meters. Water meters will divide the community into 'we' and 'they'. The beautiful gardens maintained by proud Hamiltonians will disappear and we will possibly save some money to live in an un-liveable city. Unfortunately our community is indifferent and complacent about issues affecting the city. So it

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				is very easy for HCC to say that they will take into account the wishes of the community , whatever advise the CCO gives. In reality, Councillors very easily are swayed by 'expert advice' and , when there is no community involvement because of complacency, the decisions will be taken according to the advice, which many times in the past have turned detrimental to the ratepayers.(V8, Claudelands theatre, Waikato stadium, recurrent refurbishment of Garden Place, and change to Capital value system). Water management for the size of Hamilton should be within the capacity of present HCC. It is not AKL. It is also a core service that the ratepayers expect from HCC. Definitely no need for a parallel bureaucratic structure, and passing on the responsibility and accountability to that organisation. If HCC really is serious about working for ' the benefit of the community' then, they still have an option of working together with Waipa council on informal basis. But they do not have confidence in that option, as they know their commitment is lacking. So No to forming a CCO. Continue as is or work informally with Waipa water staff. In your marketing brochure, only possible positives are given. what about the pitfalls?"
55	Confidential	Hamilton	No, I do not support it.	Full asset owning is what most savings are based on within the 2012 report - this model would not work
56	Adam Donaldson	Hamilton	No, I do not support it.	Asset owning CCO (take decisions out of Council and reinvest largest portion of rates into a stand-alone organisation)
57	Nitinchandra Parulekar	Hamilton	No, I do not support it.	The information booklet mentions only positive aspects of the CC) and nothing's been said of any negatives. So I believe that the information is incomplete. A saving of 43 million over 28 years does not really amount to anything and to achieve this negligible saving, an extra cost by way of additional bureaucracy that an independent CCO will bring is definitely unwanted. Further, if the saving is over 28 years, why lay the entire burden on current rate-payers. The mayor is already talking of imposing 16.5% rate increase without this cost. It would be better if the 2 councils find ways to work together without this extra bureaucratic layer. Water management is a core service of the Council and size of our population does not warrant a separate establishment for its management.
58	Anonymous	Unknown	Yes, I do support it.	
59	Anonymous	Unknown	No, I do not support it.	Each council provides its own rate payers with water services

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60	Anonymous	Unknown	Yes, I do support it.	However, I remain very sceptical that this will actually save money, given that you'll be paying yet another Board, another CEO, additional administration and IT staff, and office space, thereby losing the procurement and administrative efficiencies of the existing councils.
61	Water New Zealand	Other	Yes, I do support it.	"Water New Zealand supports the proposal as it is an important step towards more efficient water service provision and creates a greater critical mass of capability to cope with the challenges of running a water utility. We consider the proposal should go one step further and transfer the underlying assets to the company. This would deliver greater overall financial efficiencies as is noted in the Shared Waters Management Study completed by Mott MacDonald report and published in October 2017. Specifically, an asset-owning company would: <ul style="list-style-type: none"> <li>- Simplify the relationship between the customer and service provider, removing double handling of funding and asset management systems.</li> <li>- Have more certainty and control over how it delivers water services meaning that greater efficiencies would be possible. This can enhance political and community control if done through a robust governance and accountability framework that emphasises business performance." See <b>Appendix 3.</b></li> </ul>
62	Wellington Water Committee	Other	Other	Not advocating for a particular option See <b>Appendix 3.</b>
63	Property Council New Zealand	Other	Yes, I do support it.	<b>Background</b> Property Council is a member-led, not-for-profit organisation representing New Zealand's commercial, industrial and retail property owners, developers and professional service providers such as architecture, engineering, planning, and construction firms. Property Council's Waikato branch has 94 businesses as members. Research shows that property is the Waikato region's second largest economic sector, making a direct contribution of \$2.6bi (equivalent to 13%) of the region's economy. The property sector is a key facilitator and enabler of the region's growth. Property Council members cater for growth by designing, developing, building and owning the buildings that house the businesses and people of the Waikato region. Property Council's primary goal is the creation and retention of well-designed, functional and sustainably built environments that contribute to New Zealand's overall prosperity. Efficient and effective water, wastewater and stormwater systems and management are crucial to liveable and prosperous cities and towns. As key developers and ratepayers in both Hamilton City and Waipa District, efficient and effective provision

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				<p>of services is important to Property Council members.</p> <p><b>Submission</b>                      Property Council strongly supports the proposal to form a Shared Waters Management Company for Hamilton City Council and Waipa District Council, because:</p> <ul style="list-style-type: none"> <li>• A single organisation allows for better governance and a more strategic approach to decision-making and asset management.</li> <li>• Given the complexity and capital intensity of three waters networks scale is important to make best use of technical expertise, help in negotiating better contracts through improved purchasing power, and to control and manage rising costs.</li> <li>• It will help create a critical mass for specialist three waters knowledge in the Waikato region.</li> <li>• It will help ensure a consistent approach to asset management and asset planning to manage and replace existing assets as well as to plan for and implement increased network capacity to facilitate and enable the ongoing growth expected in the region. This should result in a more resilient and flexible system.</li> </ul> <p>Property Council supports the ability of Waikato District Council to join the Shared Water Management Company in the future and strong encourages Hamilton City Council to join as soon as possible. Having all three councils would further enhance maximise the benefits and create leverage across the region.</p>
64	Population Health, Waikato District Health Board (DHB)	Other	Other	Submission attached. See Appendix 3.
65	Bernard Westerbaan	Waipa	No, I do not support it.	<p>I do not support the creation of a CCO (water). There are examples abound that clearly show that running an external company will cost the ratepayers.</p> <p>There are big differences in the three councils and as an example:</p> <ol style="list-style-type: none"> <li>1)water meters. Not all councils have water meters.</li> <li>2) the debt level of the councils are a lot different and of course the population levels are a lot different.</li> <li>3) Costings are not available i.e. what are the redundancy costs of existing staff? Where is the company situated and where do they borrow the money from and at what costs?</li> </ol>

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				<p>4) what will be the setup of the company i.e. staff numbers, location and numbers of directors?                      5) Percentage wise Waipa will be in the minority so can be voted down in regards to any decision making.</p> <p>It should be noted that in my humble opinion not all Councillors understand the setup and ramifications of creating a CCO. So what gives them the right to vote at all? Most of the reports created to look at the CCO system were either in house (Council staff?) or commissioned by Councils. This would influence any decision making by Councillors. Sorry for shouting: WHERE IS THE OPTION TO HAVE STATUS QUO I.E. LEAVE THINGS AS THEY ARE??????? The number of submissions will be extremely low as</p> <p>1) people do not understand the process of a CCO.                      2) people perceive (and in my opinion) that the decision has been made already anyway. examples like the library, museum and Cambridge pool are heavily biased as there were no options of a status quo.                      3) any submission against the proposal will be ignored with a comment : noted....)</p> <p>So, to close off, although I make a submission to be against the creation of a CCO I already know that it will be ignored. I dare any Councillor who does NOT understand the process or believes that the CCO should NOT go ahead to vote against the CCO. It is time for the elected people to start representing the ratepayers and stand up for them.</p>
66	Mary Shepherd	Hamilton	No, I do not support it.	Why do we need to change things it is perfectly fine as it is. I do not want to pay water rights I believe we all have a right to water including those who have minimal income. I think it is wrong to charge for water. It should be covered by rights.
67	Mark Walmsley	Hamilton	No, I do not support it.	Further development of shared services across the region would be my preferred model in procurement, project development and strategic planning. This is already happening now and requires a minor change in mind set to develop this further rather than a full blown management company being set up. I have worked at both HCC and Waipa DC and for me the work place culture is the most important aspect of a successful and happy team. And it is this aspect that was one of the primary reasons that I choose my career with WDC. The culture and the fact that WDC is a progressive and forward thinking council that actively develops there staff in this culture and leadership skills. For me, if the Shared Water Management Company was set up, the team culture, trust within the team and relationships with other councils will be potentially lost. We will become

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				another faceless, emotionless consultancy with individuals more focused on vying for position within the management company rather than for the greater good of providing our customers with an efficient level of service.
68	Federated Farmers	Other	Yes, I do support it.	Please see attached submission. <b>See Appendix 3.</b>
69	Waikato Regional Council	Other	Yes, I do support it.	<b>See Appendix 3.</b>
70	Aotearoa Park Developments Limited	Waipa	No, I do not support it.	<b>See Appendix 3.</b>
71	Local Government Commission	Other	Other	<b>See Appendix 3.</b>
72	Infrastructure NZ	Other	No, I do not support it.	<b>See Appendix 3.</b>
73	Purekireki Marae Trust	Waipa	Other	<b>See Appendix 3.</b>
74	Cambridge Chamber of Commerce	Waipa	Other	<b>See Appendix 3.</b>
75	Maniapoto Hapu Rangatira	Waipa	No, I do not support it.	<b>See Appendix 3.</b>

# APPENDIX 3

# ADDITIONAL INFORMATION SUBMITTED

NOVEMBER / 2017



Shared Waters Management Company Consultation  
Strategy Team  
Waipa District Council  
Private Bag 2404  
Te Awamutu 3840

Submitter: Michael Freeman, [REDACTED]  
[REDACTED]

I do not wish to present a verbal summary.

### **Summary**

This submission is in FAVOUR of forming a Shared Waters Management Company.

### **Background**

I have had prior exposure to this ongoing project. During 2012-13 I was the CEO of Local Authority Shared Services Ltd CCO (LASS) owned by the twelve Waikato local authorities, during which time the initial working party for the waters study was formed, and initial consultant engaged.

I am currently the General Manager of another local government shared services organisation, CouncilBIZ, that provides information technology, procurement and financial processing services to the nine Councils that make up the vast area of the Northern Territory of Australia.

(as an aside, these nine Councils have a common IT platform, common software, joint procurement and common reporting capabilities. The potential for the Waikato is vast but for the people).

This submission addresses two aspects of the Statement of Proposal: shared financial costs, and organisational culture.

### **Shared Financial Costs**

Quote: (Statement of Proposal, October 2017, page 2)

*"The finances of each council would, just as they are now, remain completely separate. Each council would only pay for the work undertaken by the Shared Waters Management Company in its own district. There would be no crosssubsidisation.*

*There may be efficiencies from sharing some facilities (e.g, an office) in the future. But under this proposal, each council would continue to fund its full share of any facilities."*

These statements are rather naïve in their detail. The reality of any shared arrangement is that economies of scale and sharing of resources are part of the benefit. Such benefits are almost

Submission: M.R. Freeman

impossible to itemise to individual external entities to which services are being provided. Various allocation methods have to be used to allocate costs and benefits on a formula basis. For example, the CEO of the new entity is very unlikely to account for each time period spent considering matters for each participating Council. That cost will be a shared overhead.

A funding sharing formula will be required between the participating Councils that will allocate overheads and common backoffice services, whilst continuing to be able to identify major capital projects at an individual Council level.

Cross-subsidisation will occur. Be honest to yourself about that, accept it, and move on.

It is an observation that many shared arrangements have over-complicated this sharing formula. My advice is keep it simple. Complexity does not bring a better allocation, purely more points of contention within the formula.

#### Organisational Culture

There has been in place for at least six years an informal shared relationship between the Councils in part of the water activity.

In theory, the creation of a formal structure, with all its associated financial overheads as a company with a separate Board, CEO, reporting etc etc should not be required.

A team of people with a common goal do not require formal overheads.

But, the consultants write:

Quote: (Statement of Proposal, October 2017, page 28)

*“Option 2:*

*Expanding the existing 'shared services' model Hamilton City, Waipa District and Waikato District Councils already share some services including trade waste, laboratory and water education services. We considered expanding this informal arrangement. However, without a formal structure, it would be inefficient and would not provide the benefits that other options could.”*

The reports do not expand in great detail on their considerations of why it was considered inefficient. The following quote probably hints at some of the reasons:

Quote: (Mott MacDonald and Scottish Water October 2017 page 2)

*“Challenges and Limitations*

*In order to achieve the non-financial and financial benefits offered by a SWMC, the following limitations must be addressed:*

- *Non-standard working processes and systems across the three councils*
- *Restrictions associated with delivering programmes of work (where and when you can spend monies)*
- *Funding restrictions limited to an annual basis from each individual council*
- *Different asset management IT systems and working procedures*
- *Differences in levels of services among the three council customers*
- *Differences in reporting requirements for each of the councils*

Submission: M.R. Freeman

- *The three councils' objectives are not fully aligned in one plan*
- *Understanding of cross function support functions"*

and

Quote: (Mott MacDonald and Scottish Water October 2017 page 3)

*"Transitioning to a SWMC model alone, will not be enough to achieve potential efficiencies or realise potential advantages. There are a number of key enablers to achieving the aforementioned efficiencies, including; one common asset management plan, aligned levels of service, investing for greater efficiency and smarter procurement.*

*Finally, the quantification of benefits outlined assume the changes will be implemented within the first three years of operation. Delays and parochial behaviours will result in a reduction in these benefits and efficiencies."*

For shared services to operate cost effectively, the processes and the policies that drive them need to be standardised. Standardisation involves compromise. The more standardised a process can be, the easier it is to reduce management costs, deploy technology to automate process steps, and implement self-service to reduce process duplication, which in turn drives down unit cost.

However, when bringing together multiple organisations the view is often that "standardisation is fine, if everyone uses my processes as they work fine for me".

Shared services also brings a loss of control. The inability to walk down the corridor and given an instruction to an employee.

The main reason for failed shared services projects has been the lack of organisational culture and change management.

That highlights the key to the challenge – people and organisational culture.

Think about this finding and why:

*"The most successful Councils with shared services are those with a shared Chief Executive"*  
Association, Local Government. (2012). Crossing the Border, research into shared chief executives

There are four questions that need to be addressed to enable local authorities to start their sharing journey effectively:

- Have you clearly set out the strategic direction for the council that articulates partnership working and makes it clear what you expect to share in the short to medium term?
- Do you have alignment between political leaders and the CEO, and is this underpinned by a well-constructed business plan and funding/benefits profile to support your sharing agenda? Does your Council have a Shared Services Policy? Does your CEO have a KPI around achievement of shared services in their employment contract?

Submission: M.R. Freeman

- Is the organisation's appetite to risk clearly understood? Does your track record on implementing change programmes suggest that becoming a provider/outsourcer would be the right move?
- Have you considered the changes in skills and behaviour required if you become a commissioner of services? Does your organisation understand the new mindsets and capabilities required, such as compromise, intelligent client and third-party negotiation expertise?

It is perhaps sad that it seems to require a separate organisation to be formed to deliver a team of people working together focused on the same desired outcome. That is not the fault of the people at the coalface, but the inability, for whatever reason, to overcome the limitations outlined by the consultants and given above within the current informal shared structure and higher governance/management.

It has taken six years to reach the current point, and multiple consultant reports. No-one can suggest that Councils are not cautious or make rushed decisions. It is time to accept the expert advice and enable the required change to occur.

Submission: M.R. Freeman

## CCO SUBMISSION

05/11/17

I Hayden Woods, OBJECT to the creating of a CCO to manage and administer,  
*Waipa's Three Water Infrastructure*

below are the reasons for my OBJECTION

**REASON 1:** 'Waipa District Council, has not disclosed important information pertinent to the decision process on a CCO, with the possible intent to potentially mislead the public'

The fundamental variable that is common to both the public and Council's is MONEY. Council needs MONEY to exist, whilst the public want to know how much of their own MONEY they have to give up. It is also how the public view Council, by how much rates they have to pay – currently Waipa District has some of the highest rates in the country, so it is fair to say public opinion of Council is not high.

It is also common knowledge that ALL Councils considering entering a CCO, require to spend considerable sums over the next 10 Years on the Three Water Infrastructure – why haven't they disclosed how the MONEY is to be; spent, funded, where funds are to come from, when it's to be spent, and just how a CCO will do all of this?

THE OMISSION OF THIS INFORMATION IS BOTH ALARMING AND DISTURBING, AFTER REQUESTING SUCH INFORMATION FROM WAIPA DISTRICT COUNCIL ON SEVERAL OCCASIONS ONLY TO BE IGNORED – WHAT ARE THEY HIDING? INFORMATION THAT PROFOUNDLY AFFECTS THE PUBLIC, AND THEIR ABILITY TO MAKE A FAIR, WELL INFORMED, BALANCED DECISION ON A CCO.

**ANALYSIS of WAIPA DISTRICT COUNCIL's PLANNED THREE WATER EXPENDITURE OVER THE NEXT 10 YEARS (HIGHLIGHTING THE SCALE & IMPACT ON THE PUBLIC):**

- July 2014 – WDC planned to spend \$100 Million on Water Infrastructure over next 10 years – possibly increase after release of 2015 LTP's.  
*Reference: (Mayoral Forum: 3 Water Scheme (Waikato Water Report – Page 12; Clause 207)*

- January 2015 - Article indicates Waipa District Council plans to spend \$240 Million on Infrastructure Upgrades to Three Waters.  
*Increase of \$140 Million from July 2014!*  
*Reference: (Waikato Times – The Stuff of Life: Waikato Water Need to Grow; 10/01/15)*
- January 2015 - Article quotes ‘Waipa District’s water supply and infrastructure challenges have been a widely discussed issue with more than \$200 million budgeted for infrastructure upgrades in the upcoming draft 10 - Year Plan’. Article focuses particularly on water supply, smart water conservation methods, and highlights Waipa District Council plans to spend \$200 Million on Water Infrastructure. Upgrades in the 2015 – 2025; 10 Year Plan, no mention of Stormwater, Wastewater.  
*Increase of \$100 Million from July 2014!*  
*Reference: (Te Awamutu Courier – Water Alert at Level 3; 22/01/15)*
- February 2015 - Article quotes ‘Waipa District Council is proposing to spend around \$973 million (including all capital works and operating expenses) from 2015 — 2025. Of that, more than \$200 million in capital expenditure has been set aside for water infrastructure (water, wastewater and stormwater)’.  
*Increase of \$100 Million from July 2014!*  
*Reference: (Te Awamutu Courier – Waipa’s roads to get \$267m spend; 05/02/15)*
- March 2015 – Capital Expenditure Graph indicates;
  - 20% of \$973 Million (ie. \$194.6 Million) – Water Infrastructure
  - 4% of \$973 Million (ie. \$38.92 Million) – Stormwater
  - 13% of \$973 Million (ie. \$126.49 Million) – Wastewater

Therefore; Waipa District Council plans to spend 37% of \$973 Million (ie. \$360.01 Million) Capital Expenditure on Three Waters over next 10 years 2015-2025.

*Increase of \$260 Million approximately from July 2014!*

*Reference: (Deciding Our Future Booklet; Page 7 & Draft 10 Year Plan; 2015 - 2025; Page 14)*

**One would perceivably imagine that over the course of a year that planned expenditure on the Three Water Infrastructure may have gradual increases. But a \$260 Million increase is an understatement and a gross derelict duty of care to the people of Waipa. Highlighting a growing concern that Council does not know what it is doing; having ignored reports by their own Senior Engineers, and neglecting the Three Water Infrastructure for at least a 25 year period.**

Waipa District Council plans to now squeeze 50 – 75 years of rates generally allocated to the Three Water Infrastructure into 10 years – this is unfathomable and unachievable with a pending DEPRESSION on the horizon, without skyrocketing rates that are already unaffordable for most.

Before consideration on a CCO can be conceivably made, an AUDIT by Deloitte needs to be undertaken on Waipa District Council’s accounts – determining just how this situation came about and who is responsible.

**REASON 2:** ‘Waipa District Council, as has Cranleigh Merchant Bankers (Independent Consultant Report) on multiple occasions identified that a CCO cannot be privatised or make a profit – this is NOT correct, and it has to be asked whether this has been done deliberately to deceive the public’

Waipa District Council and Cranleigh Merchant Bankers are adamant of the following;

- a) *Be, 100% Council Controlled.*
- b) *Manage, operate and own (granted this has changed recently to Councils retaining ownership of the assets) the Three Waters assets and debt.*

And cannot;

- c) *Be privatised.*
- d) *Be used for profit.*

And that;

- e) *Councils will hold no debt associated with Three Waters once assets and debt transferred to CCO.*

NOTE: No revised ‘Shared Agreement’ or ‘Independent/ Council Report’ has been provided to identify any changes to the above viewpoints.

**ANALYSIS of POINTS ABOVE:**

- a) **CCO – Will be; 100% Council Controlled:**

Both Council and Cranleigh are confused over the literal sense of the statement and misleading the public over the ownership/ governance over the assets and debt levels.

Only in its totality, and being viewed from the outside is the formation of a CCO appear to be 100% Council Controlled, meeting the minimum Local Government Act requirement of having 50% voting shares.

**NOTE: WHILST THERE IS A MINIMUM REQUIREMENT TO SUGGEST THAT FOR A COUNCIL CONTROLLED ORGANISATION TO EXIST AND HAVE COUNCIL CONTROL, IT ONLY REQUIRES 50% VOTING SHARES – THEREFORE IMPLYING THAT THE OTHER**

**50% CAN BE OWNED BY NONE OTHER THAN A PRIVATE ENTITY (THUS ANOTHER MECHANISM TO ENABLE PRIVATISATION – OTHER AVENUES ARE EXPLAINED FURTHER BELOW)**

Further review of the logistical breakdown of the shareholdings (from the only submitted Shared Agreement), reveals that NO one Council (Waikato – 18%, Waipa – 19.2% and Hamilton – 62.8%) controls 100% entirety of its asset and debt level for the Three Waters. Instead they only hold a mere fraction of perceived voting rights over what they originally held and controlled of the Three Waters utilities as all assets and debt are transferred to the CCO. Instead they ONLY hold voting rights based on the recommendations of the CCO controlling 100% stake – but are expected to take ownership of debt proportionally to their percentage stake. So where is the CONTROL? To be precise, CONTROL has been lost!

From the outset both Waikato and Waipa District Council are hindered and tantamount cast aside in the decision making process of how the CCO will fund, control and operate the Three Waters assets and debt. Hamilton City Council has majority shareholding and voting rights, by default they will play the controlling hand on decision making process.

The CCO, controls the funding, and operation of the Three Waters assets. Councils ONLY have voting rights on the decision making process and a portion of the debt to service, based on the allocation of shareholding.

In the past Elected Councils/ Committees who operate under the illusion they have control. Have voted on issues to which Councils/ Corporate Bodies have chosen to ignore, and proceed with their own agenda.

Once assets have been transferred to a CCO (granted it has now been confirmed that the proposed CCO will only manage and administer the Three Water Infrastructure and Councils will retain ownership of its assets, it does not stop in the future the transfer of ownership of the assets to the CCO once it has been established – as again there is NO 'Share Agreement' to suggest otherwise so the points below still has to be considered);

1. Will a CCO operate with its own agenda?
2. Will a CCO adhere to and listen to its shareholders?
3. Will a CCO be any different from say Regional Authorities which from their outset were outsourced from Territorial Authorities? In many cases Regional Authorities were expected to liaise with the Territorial Authorities, but have grown to be more powerful, exerting their control over Territorial Authorities – to expect a CCO to be any different would be an understatement.

Councils no longer have totality of control over their respective Three Water assets as this has been transferred to the CCO. Even to go as far to say that they don't even have totality of shareholding/ voting rights on decisions regarding their Three Water assets, as each Council in the CCO Agreement has an interest in each other's respective Three Water assets and debt based on their shareholding.

**b) CCO – Will; Manage, operate and own the Three Waters assets and debt:**  
Refer to response 'a) CCO – Will be; 100% Council Controlled' for details.

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**c) CCO cannot; Be privatised:**

With reference to attached Reference Document A & B; clearly identifies that both Waikato and Waipa District Council suggest that a CCO cannot be privatised as it is illegal to do so in accordance with Local Government Act.

Reference Document C; has Hamilton City Council suggest that the assets cannot be sold off as it is part of the CCO Agreement – their answer makes no reference to the Local Government Act.

Reference Document D; an article printed on <http://www.stuff.co.nz>; 'Politics, public services and pumping water – February 11<sup>th</sup> 2015', quotes Mr Whitehouse of Water New Zealand as saying that a model water CCO 'Watercare Services' is certainly not privatised and a Council Controlled Organisation.

Ironically, an advanced search of the <http://www.legislation.govt.nz/> website cannot pick up any reference to 'privatisation, privatise, or privatised' to any NZ legislation or acts to which the above readily makes bold reference too without evidence of the clause.

However, on investigation it appears that Government Legislation accepts that a CCO can either be privatised, make a profit, or opt out under Section 7 and be exempt from all legislative control from the Local Government Act just as 'Watercare Services' is. So are the above Territorial Authorities and Mr Whitehouse confused or potentially misleading the public?

With reference to Reference Document E 'Local Government Act 2002 – Section 6; Clause 1'; identifies that a CCO can make a profit operating as a 'Council Controlled Trading Organisation'. Simply all it requires as a ratification of the CCO agreement – how convenient!

With reference to Reference Document E 'Local Government Act 2002 – Section 6; Clause 4; i)'; identifies that a CCO can be exempt from legislative control under Section 7 of the Local Government Act 2002; to do so as it will and thus be privatised/ sold off in future like Watercare Services (Reference Document F) – so much for transparency and protection for the people. To be exempt also identifies that the organisation/ partnership is no longer a Council Controlled Organisation thus is Watercare Services operating under an illusion and possibly miss leading its people for financial gain, a situation that could potentially happen here in Waipa if a CCO was to proceed?

The above clearly identifies that quite simply a CCO can be privatised and make a profit with various mechanisms to do so, putting the community and its people at great risk.

**d) CCO – Cannot; Be used for profit:**

A CCO can be used for profit operating as a Council Controlled Trading Organisation as noted and referenced above.

Attachment 2

**e) CCO - Councils will hold no debt associated with Three Waters once assets and debt transferred to CCO:**

Both Council and the Cranleigh Report suggest that a CCO cannot be privatised and that it would be 100% Council Controlled, however above 'c) CCO cannot, be privatised' suggests otherwise as the evidence speaks for itself.

Therefore implying that Cranleigh's bold statement that Councils will hold no debt associated with Three Waters is incorrect. For this to occur both the assets and debt would have to be transferred to a private company or entity that supposedly cannot occur.

Even with the transfer of the Three Waters assets and debt, each Council within the CCO Agreement would not be exempt from debt as are expected to service an apportion of the entirety of the combined CCO debt based on respective shareholding.

**If Cranleigh's Report is believed to contain incorrect statements, how credible is the rest of the Report?**

**I ask that you check the above, as what I have found is both concerning and revealing – and what it says is; clearly the public are not being told the full story. Even the independent consultant reporting is removed from the understanding of the Government Legislation, to which it should be the contrary - it may be prudent that this be forwarded to them so that their reporting and recommendations takes the above into consideration rather than taking a simplistic overview approach, sidestepping issues that will have a profound negative impact on the public.**

**REASON 3: 'Waipa District Council, installed water meters as part of the pre-cursor to a CCO, on the basis that Waipa District were incurring water shortages – evidence suggests otherwise'**

With reference to 'Reference Document G: 2014 March 11 Service Delivery Committee Full Agenda – Page 64; Demand Graph'.

The graph produced by Waipa District Council clearly illustrates that not until 2030, will Te Awamutu's consented water take be restricted by Regional Council.

There is bountiful water supply to draw from up until 2030, clearly identifying that there are no water shortages as Council would have you believe.

The only issue that exists is the ability to treat sufficient quantities of water to supply the people. This is not an issue borne by the people but from Councils own neglect and inability to maintain/ upgrade the infrastructure.

So why hide the truth and not do anything about it? Council has known about the issue for more than 25 years. People have paid rates with the expectation that these services be maintained and upgraded, but they haven't.

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To request funds for the explicit knowledge and expectation that they are to be used to maintain/ make good a specific area, without that work/ obligation being fulfilled is tantamount unlawful. Just where has all that money gone and where was it spent?

**If Waipa District Council is prepared to mislead the public over the premise of why the water meters were installed, then what else are they not telling the public regarding the nature of the CCO?**

**REASON 4:** **'80% of the so called Independent Reports on a CCO have been prepared and presented by the same Council bodies intending/ considering forming a CCO'**

Yes it's true, 80% of the so called Independent Reports outlined on waikatowaterstudy are written by the Council bodies intending to decide on a CCO.

Of those reports, they are all biased towards a Council perspective, lacking any neutrality, or the ability to view the situation from the people's perspective to which it profoundly affects. Reports, merely a regurgitation of specific points pulled from the Independently Consulted Reports prepared by none other than Financial Institutions.

Who are not familiar with the districts services, or its historic past!

To ignore the people, or have them removed from the equation, only highlights that the submission process is an undemocratic violation of New Zealanders rights.

**Why are approximately 80% of the reports on a CCO been prepared and presented by the Council bodies considering a CCO? Does this not come across as being biased? Especially, when most of those reports in the 80% bracket quote that 'many independent reports have been done'. What image is this conveying to the public?**

**REASON 5:** **'Waipa District – Elected Councillors, do not appear to be appropriately briefed on all the positives, negatives, and need for a Non Asset or an Asset owned CCO'**

Review of all the Consultant Reports and Mayoral Forums CCO feedback appears to ALL ignore the following;

- Negatives of an Asset owned CCO
- Negatives and Positives of a Non Asset owned CCO

This lack of transparency is concerning as to how Elected Councillors were able to confidently vote on any issues pertaining to a CCO, when the process has obviously been unethically swayed.

Again, the omission of such information highlights that the submission process is unfair, unbalanced and an undemocratic violation of New Zealanders rights – how are the public to make an informed decision on a CCO?

Attachment 2

## Submitter 17

### Attachment 2

### Item 5

Plenty of independent studies have been documented, highlighting that a Non Asset or Asset owned CCO is not in the best interests of the people, below are points taken from an 'Auckland Council CCO Review – February 2014' conforming this;

- *A lack of understanding (or acceptance) within Auckland Council of the respective roles of management, governance and ownership.*
- *Interaction between boards and councillors is frequently not at a strategic level, with questions and feedback often focussed on operational matters.*
- *CCOs can be micro-managed, with council attempting to monitor CCOs as departments of council. This can mean a lack of senior level discussion, and hence a loss of strategic focus. Hence, why create a CCO in the first place?*
- *Ensuring a fit-for-purpose, qualified board is seen as a crucial component of a successful CCO model. In the case of Auckland Transport, the presence of councillors on the board is inconsistent with the model deployed for other CCOs, and is not well rationalised in terms of the intent and principle. In addition, Auckland Transport's current governance structure does not reflect its funding (from NZTA).*
- *In relation to the split between strategy and delivery, specific roles and responsibilities can be confusing. This is particularly an issue associated with the translation of high-level objectives in the Auckland Plan into concrete implementation plans. This 'gap' in the translation of high-level strategy poses difficulties for many CCOs.*
- *At an officer level a lack of coordination and consistency in the way that Auckland Council interacts with CCOs.*
- *Communication through the formal processes (eg Mayor's office, CCO monitoring etc) not necessarily being disseminated through Auckland Council.*
- *Inflexible funding rules at times compromised good decision making. Specific issues included an inability to carry negative budget variances, inability to move funding within organisations, inability to retain funding from asset sales and an uneven treatment of operational and capital expenditure.*
- *There was a clear view from CCOs that councillors did not have a good understanding or acceptance of the governance structure and roles of CCOs. There was a view that councillors often confused their role as shareholder with the governance role of the CCO boards or even the role of management. This included seeking to set direction on operational matters, rather than focussing on outcome delivery.*
- *All CCOs were mindful of the no surprises policy, and typically felt they went above and beyond in ensuring they adhered to this and kept Auckland Council informed of any issues that had potential to cause embarrassment. However, there was a clear feeling from CCOs that this was not always reciprocated by Auckland Council.*

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- *Since its inception in 1992, there were still some issues in the initial post-transition phase, however, these have mostly been resolved. In some areas, such as consultation and implementation of pricing changes and by-laws, there can be some overlap between the roles of Watercare Services Limited and Auckland Council.*
- *Watercare Services Limited considered that there is some confusion from Auckland Council over Watercare Services Limited's funding streams. Some people do not realise that Water Services Limited is totally funded by revenue derived from its customers including infrastructure growth charges (IGCs) from developers.*
- *The Watercare Services Limited board also noted that the model used for State Owned Enterprises (SOEs) is clearer than the CCO model in terms of a single Minister holding accountability for the SOE and approving its SOI.*
- *Watercare is self-funding, and financially independent of council (ie no rates income, no dividend to council).*
- *The approach to funding is seen by Watercare Services Limited to be working well currently. Watercare Services Limited borrow long term exclusively from Auckland Council, which provides cheaper debt funding than it could access elsewhere. Watercare Services Limited noted, however, that it is still necessary for it to maintain its own treasury function. Watercare Services Limited considered that maintaining its own treasury gives a number of economic efficiencies, including enhanced focus on credit exposures and cashflows and the ability to respond faster to changing circumstances.*
- *It was also noted that there is a risk that Auckland Council may reach debt limits and place pressure on Watercare Services Limited to access its borrowing capacity, on a combined debt basis. This could compromise Watercare Services Limited's ability to deliver on its priorities by reducing its own ability to raise debt. Potentially, if a CCO was planned for Waipa District, a similar situation is likely to occur as above as our debt is planned to spiral out of control.*
- *Watercare Services Limited has its own call centre and other back office functions, which could be perceived as duplicating like functions within AC.*

Combined with the following;

- Penny Hulse (Chairman of Auckland's CCO, operating since 1992), quoting – 'there isn't any **real advantage** to having a CCO' (Reference - Waikato Times - Politics, public services, and pumping water, February 11 2015).
- Recent exposure of Auckland CCO's cost overruns and 200% staff remuneration increases, highlighting that CCO's are inefficient and costing the people dearly.

Taking the above into consideration, it is clear cut that there is no real advantage to having a CCO, nothing that cannot be administered or managed within the confines of Council itself already, unless it exposes that Council Staff are unqualified, inexperienced or lack the ability to fulfil their duty of care to the people – which begs the question why do they still remain?

**REASON 6:** 'Waipa District Council, will hold a minority shareholding/ voting rights in a CCO if to exist, how do they conceivably expect that any voting on; funding or decision making process will be fair'

Based on the only 'Shared Agreement' available for the purposes of discussion, would you commit your own funds and assets to a CCO, if you held a minority shareholding/ voting rights?

As per the agreement the allocation of shareholding/ voting rights are as follows;  
Waipa - 19.2%, Waikato – 18%, Hamilton 62.8%

Hamilton will obviously control the decision making process.

Even with a revised 'Shared Agreement' between just Hamilton and Waipa District Council the allocation of shareholding/ voting rights would be no different as the allocation is based on the value of your Three Water Infrastructure asset base.

**CONCLUSION:** The above clearly illustrates my OBJECTION to having a CCO and that it's not in the best interests of the people of Waipa to do so. It also highlights that the submission process is misleading, does not provide all the facts pertinent to making fair and well informed decision on a CCO. It also highlights the potential that the information presented is from a biased perspective with the intent to deceive the public into believing that a CCO is what's needed. It is recommended that the submission process be halted and re-held with all information disclosed, otherwise the matter will be referred to the Ombudsman as it is clear violation of the people's rights.

# ADDENDUM

## Reference Document A:

Dear Mr Woods

In response to your recent request for information please find responses to your enquires (in red) as follows:

1. What is your current Council debt? **\$13.2m (as at June 2016)**
2. How much of the debt is attributed towards the 'Three Waters'? **Nil**
3. How much of that debt is borrowed? **Nil**
4. Is Council debt planned to increase as part of the 10 Year Plan? **Yes. See the 10Year Plan.**
5. How much of the debt increase is to be attributed towards the 'Three Waters'? **\$67m**
6. How much of the debt increase attributed towards the 'Three Waters' is planned to be borrowed? **\$67m**
7. If Council is to establish a CCO, will the debt attributed to the 'Three waters' be transferred to the CCO?  
**yes**
8. If Council is to establish a CCO, what percentage of governance will your territorial authority have on the CCO? Governance has been used instead of ownership as in accordance with Cranleigh Merchant Banker Report; May 2015; their two recommendations, in particular recommendation 1 could be perceived if it was to go ahead that water and wastewater linked together could be sold off in future to another entity. **The Local Government Act clearly prohibits the privatisation of water assets. In the Record of Agreement ([www.waterstudywaikato.org.nz](http://www.waterstudywaikato.org.nz)) all three Councils have stated they support the current legislation and support keeping water assets in public ownership.**
9. If Council is to establish a CCO, and ratepayer owned assets are transferred to a CCO would this not remove control of these assets from Council and reduce the capital from which to borrow off in future? **Any CCO, should one be formed, would be 100 per cent council owned. The Record of Agreement specifies specific decisions Council and the Shareholders could make. The transfer of the waters activities to any CCO (and in fact any major transaction) will impact on Council's financial strategy and this would need to be considered should Council decide to proceed to a waters CCO in the future.**

Kind regards

.....  
*Andrea Houlihan Information Management Supervisor* WAIPA DISTRICT COUNCIL



Reference Document B:

Thank you for your request for information surrounding Council debt, Three Waters and the proposal to establish a Waters CCO.

Waikato District Council's responses follow:

1. What is your current Council debt?

Waikato District Council's total debt was \$60 million as at 30 June 2016, which was below the forecast of \$69 million. This variance is due to work programme delays as a result of consultation requirements, land purchase negotiations and changes to timing and/or staging of development. As such, this is timing related rather than because of work programme savings.

2. How much of the debt is attributed towards the 'Three Waters'?

\$37 million (against a budgeted debt amount of \$47.3 million) or approximately 62% of total debt for water and wastewater (N.B. storm water does not form part of the waters CCO proposal). Again the variance between actual and budget is timing related not because of work programme savings.

3. How much of that debt is borrowed?

\$37 million

4. Is Council debt planned to increase as part of the 10 Year Plan?

Yes. Borrowing levels will fluctuate over the period with planned debt by 30 June 2025 expected to be \$116 million.

5. How much of the debt increase is to be attributed towards the 'Three Waters'?

Again borrowing levels will fluctuate over the period with \$54 million of expected borrowings for water and wastewater by the end of the 10 year period. An increase of \$17 million over 30 June 2016 levels.

6. How much of the debt increase attributed towards the 'Three Waters' is planned to be borrowed?

\$17 million

7. If Council is to establish a CCO, will the debt attributed to the 'Three waters' be transferred to the CCO?

Yes

8. If Council is to establish a CCO, what percentage of governance will your territorial authority have on the CCO?

Governance has been used instead of ownership as in accordance with Cranleigh Merchant Banker

Report; May 2015; their two recommendations, in particular recommendation 1 could be perceived if it was

to go ahead that water and wastewater linked together could be sold off in future to another entity.

Potential shareholding arrangements are all detailed in the Record of Agreement available at www.waterstudywaikato.org.nz. By law it is illegal to privatise council water assets. The councils support the

current legislation and keeping water assets in public ownership.

9. If Council is to establish a CCO, and ratepayer owned assets are transferred to a CCO would this not

## Submitter 17

remove control of these assets from Council and reduce the capital from which to borrow off in future?  
No. CCO stands for Council-controlled organisation. In a CCO, one or more Councils control 50 per cent or more of votes, or have the right to appoint 50 per cent (or more) of the directors. In other words, Councils 'control' the organisation. The potential transfer of water and waste water would impact on Council's total financial strategy and this would need to be analysed should any decision to form a CCO be made.

9/5/2016 Print  
about:blank 2/3  
Thank you again for your request.  
Kind regards  
Anne  
Anne Beex  
Communications Manager  
Waikato District Council

[REDACTED]

Item 5

Attachment 2

## Reference Document C:

Further to your information request of 31 July 2016, in respect of Council debt and establishment of a waters CCO, I am now able to provide Hamilton City Council's response:

### Hamilton City Council

#### Your Request Our Response

1. What is your current Council debt? As at 30 June 2016 \$365 million
2. How much of the debt is attributed towards the Three Waters? As at 30 June 2016 \$117 million (water and waste water)  
Note 'Three waters' refers to water, waste water and stormwater. The proposed CCO does not own or debt associated with stormwater assets.
3. How much of that debt is borrowed? All debt is borrowed, see Hamilton 10Year Plan
4. Is Council debt planned to increase as part of the 10 Year Plan? Yes. See the 10Year Plan.
5. How much of the debt increase is to be attributed towards the 'Three Waters'?  
Council debt will increase by the capital programme in the 10Year Plan and reduce by debt repayments use of depreciation, development contributions and surpluses. A detailed calculation has not been activity level. The Financial Strategy shows the overall results. (see Hamilton 10\_Year Plan pages 26,31 and 9192 for waters capital expenditure and pages 26,31,9699, and 131 for other information)
6. How much of the debt increase attributed towards the 'Three Waters' is planned to be borrowed?  
All debt is borrowed. (see Hamilton 10Year Plan pages for how council funds capital cost)
7. If Council is to establish a CCO, will the debt attributed to the 'Three waters' be transferred to the CCO?  
Yes.
8. If Council is to establish a CCO, what percentage of governance will your territorial authority have on the CCO? Governance has been used instead of ownership as in accordance with Cranleigh Merchant Banker Report, May 2015; their two recommendations, in particular recommendation 1 could be perceived if it was to go ahead that water and wastewater linked together could be sold off in future to another entity.  
This is detailed in the Record of Agreement at [www.waterstudywaikato.org.nz](http://www.waterstudywaikato.org.nz). The record of agreement confirms that water assets cannot be "sold off".
9. If Council is to establish a CCO, and ratepayer owned assets are transferred to a CCO would this not remove control of these assets from Council and reduce the capital from which to borrow off in future?  
The CCO will be 100% council owned and controlled. The record of agreement specifies specific Council and the Shareholders will make cl. 1819 and 43.  
The transfer of the waters activities to the CCO will impact on Council's Financial Strategy. This be considered by Council should Council decide to proceed to a Water CCO in the future.  
If you have any further queries, please do not hesitate to contact me.

Kind regards,  
*On Behalf of the Privacy Officer*  
Mary Birch  
Acting Manager Democracy



**Reference Document D:**

**Politics, public services, and pumping water**

It's a multimillion dollar business, water management. The precious liquid is cheap, but each district uses hundreds of millions of litres every year. Thirsty customers are always waiting at the tap. If they don't get their water the problem isn't just angry consumers, it's a human rights issue. And for better or worse, water management is in the hands of politicians.

Right now, 134 people across Hamilton, Waipa District, and Waikato District work in water services under the gaze of the elected councils. A shared services team of 17 works together on things like collaborative contracting and bulkbuying chemicals. But is that enough?

A study is under way to determine whether those three councils could efficiently bring it all together into a single council-controlled organisation (CCO). A CCO is structured like a private company, except that it is owned by one or more councils.

The company would have an independent board of directors appointed by the councils. Councils would not have a direct say in the day-to-day matters of the company which would report back several times a year. A CCO would take elected representatives one step further away from water management which, depending on your point of view, is either good or bad.

Hamilton City councillors Ewan Wilson and Martin Gallagher have expressed concern in the past about the amount of power CCOs and their boards have to make decisions without the oversight of democratically elected representatives.

But councils give CCOs a mandate to behave in a certain way, and the organisation must report back regularly. CCOs can be made to prioritise making money or serving the customer. Likely it would be a balance between the two; CCOs in New Zealand aren't usually required to make a profit, but are expected to meet their business objectives at the lowest cost.

The manager of advocacy and learning for lobby group Water New Zealand, Peter Whitehouse, says moving decisions away from the politicians could, in theory, speed up the process.

There is a tradeoff in ease of cooperation. Water engineers won't work with their colleagues in roading and other engineering services, but they will work side-by-side with water engineers previously employed at different councils.

There are two water management CCOs in New Zealand: Wellington Water and Watercare in Auckland. Both were controversial when they were introduced. Watercare in particular was in the media spotlight when it took over the supercity water supply at the end of 2010. But the headlines of the time show it was plagued by the same kinds of debates that councils have always faced: infrastructure spending and summer water restrictions. Wellington Water, says Whitehouse, is held back because while it manages the supply and treatment of water, it does not own water assets. Watercare owns and manages the assets as well as the supply. Whitehouse says the company has speeded up the decision-making process around water issues. "They've achieved economies of scale, they've brought down the investment costs and, you know, they've got a far more efficient and effective water service going on up there."

According to Watercare, it saves \$104 million every year, and water costs are lower in every part of Auckland except Manukau. Since its incorporation, Watercare has received hundreds of complaints, mostly to do with customers getting incorrect bills. Whitehouse says those are problems specific to the organisation and not typical of CCOs.

People in Wellington and Auckland also expressed concerns about the privatisation of water services, and the lack of accountability by not having elected councillors overseeing the organisation. "Too many people don't understand just because you put it into a corporate structure, they seem to think

that it's going to be privatised. But of course the Local Government Act prohibits that . . . Watercare's certainly not privatised. It's a council controlled organisation," says Whitehouse.

Penny Hulse, chair of Auckland Council's CCO Governance and Monitoring Committee, says water is effectively managed, but it would be no worse without a CCO. "I think the regional management of water is a good thing," she says, but regional management would have happened anyway, as an arm of the council. One size has been made to fit all, and many of us in the community feel that perhaps some of the more innovative demand management initiatives have been lost, like the ability to look at the resilience of a large area." Whitehouse argues that CCOs have more opportunity to innovate, while governments typically solve problems by spending money. Hulse says she disagrees with that. "I think communities are very good at coming up with resilient and innovative solutions." There are a lot of costs associated with setting up a new company. Overheads, offices, computer systems. And there is always the risk of "stranded overheads" shared costs that were previously covered by general rates rather than water rates.

Waipa District Council water services manager Lorraine Kendrick says the Waikato CCO debate is up to politicians. But she says there could be advantages to the water teams working together. "We're all the same thing, it's all the same water business, really. We all do the same things, while we have different treatment plants that we might operate." She says the main advantage would be flexible staffing; covering leave and illness is difficult in her "lean" team. More efficient staffing and salaries means more money can go towards delivering services for the consumer. The larger organisation could also attract a higher calibre of applicant. Tasmania went to a single CCO system in 2013, and found it was able to employ worldclass engineers and experts that none of the 29 district councils could have done on their own. Kendrick's peers at Hamilton City Council and Waikato District Council share similar views.

Water New Zealand supports the idea of a water CCO, Whitehouse says. "Whilst publicly owned, putting them under the control of independent directors so that they are just totally dedicated to water is a far better way than just having it under councils, which of course have a lot of conflicting expenditures." The business case report should be completed midtolate 2015, and will be presented to Hamilton City Council, Waipa District Council, and Waikato District Council. It will provide a conclusion whether a CCO is financially viable. In the end water management structure will be decided by the respective councils.

████████████████████  
 Waikato Times

Reference Document E:

New Zealand Legislation  
Local Government Act 2002

- Warning: Some amendments have not yet been incorporated
- This version was reprinted on 27 May 2016 to make a correction to section 310 under section 25(1)(j)(i) of the Legislation Act 2012.

**council-controlled trading organisation** means a council-controlled organisation that operates a trading undertaking for the purpose of making a profit

**council organisation** means—

- (a) a company—
    - (i) in which equity securities carrying voting rights at a meeting of the shareholders of the company are—
      - (A) held by 1 or more local authorities; or
      - (B) controlled, directly or indirectly, by 1 or more local authorities; or
    - (ii) in which 1 or more local authorities have the right, directly or indirectly, to appoint 1 or more of the directors (however described) of the company; or
  - (b) an entity in respect of which 1 or more local authorities have, whether or not jointly with other local authorities or persons,—
    - (i) control, directly or indirectly, of 1 or more of the votes at any meeting of the members or controlling body of the entity; or
    - (ii) the right, directly or indirectly, to appoint 1 or more of the trustees, directors, or managers (however described) of the entity.
- (4) The following entities are not council-controlled organisations:
- (a) a body corporate that carries on an electricity business (whether or not that business is its principal or only business) or a trust that is constituted for purposes which include owning or controlling, directly or indirectly, all or part of an electricity company that carries on that business; or
  - (b) an energy company within the meaning of the [Energy Companies Act 1992](#); or
  - (c) a port company or subsidiary of a port company within the meaning of the [Port Companies Act 1988](#); or
  - (ca) a company in which a port company (within the meaning of the [Port Companies Act 1988](#)) holds or controls 50% of the shares; or
  - (d) *[Repealed]*
  - (e) New Zealand Local Government Association Incorporated; or
  - (f) New Zealand Local Government Insurance Corporation Limited and its subsidiaries; or
  - (g) *[Repealed]*
  - (h) a company or other organisation (as defined in subsection (2)) of which the New Zealand Local Government Association Incorporated has control directly or indirectly by whatever means; or
  - (i) an organisation exempted under section 7.

## Reference Document F

Council-controlled organisations and council-controlled trading organisations in New Zealand are what were formerly known as *local authority trading enterprises (LATEs)*. Introduced under Sections 6 and 7 of the *Local Government Act 2002*, they are essentially any company with a majority council shareholding, or a trust or similar organisation with a majority of council-controlled votes or council-appointed trustees, *unless* designated otherwise. More than one council may be represented in a council-controlled organisation.

They are used for widely varying purposes by councils. For example, the Wellington City Council uses trusts to hold museums and its zoo, while in 1996 the Horowhenua District Council transferred its library functions to the Horowhenua Library Trust.<sup>[1]</sup>

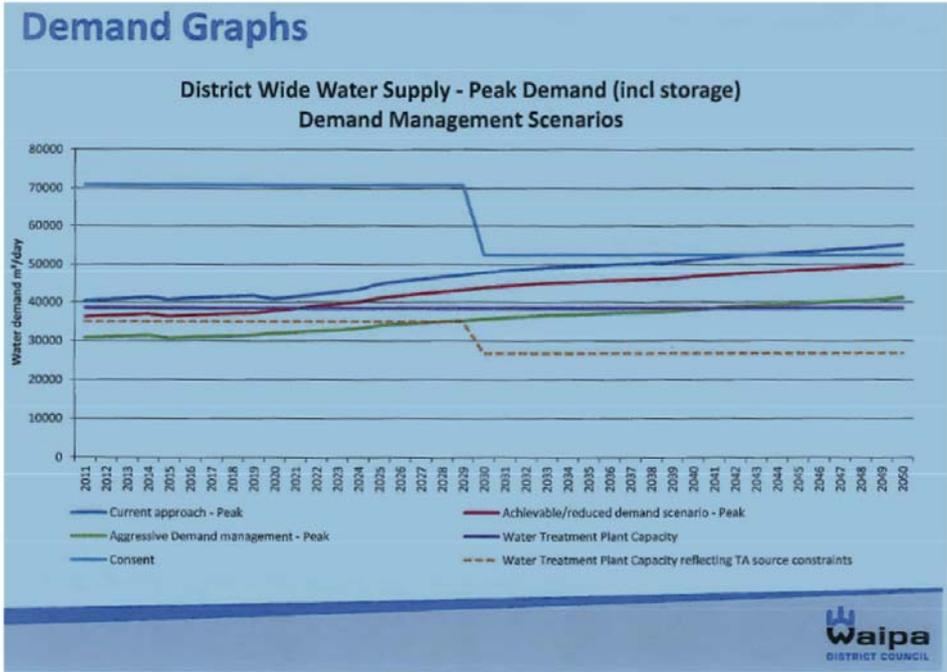
In the past, the erstwhile for-profit LATEs were seen as the local government equivalent of state-owned enterprises (SOEs). Many of these, which included bus companies, diagnostic laboratories, public works divisions and property investment companies, were privatised. For-profit council organisations are now termed *council-controlled trading organisations* under the Act. Council-controlled organisations pay tax to central government, unlike the internal activities of councils which are tax-free.<sup>[2]</sup>

The *Local Government Act* exempts certain organisations from its legislative control and there is a mechanism under Section 7 to manually designate further exceptions. The automatic exceptions include:

- electricity companies and electricity trusts
- energy companies
- port companies and their subsidiaries
- Infrastructure Auckland and its subsidiaries
- New Zealand Local Government Association and its subsidiaries
- New Zealand Local Government Insurance Corporation
- Watercare Services (Auckland)

:

Reference Document G:



Item 5

Attachment 2

## Submitter 24

27 November 2017

Please indicate whether or not you support the proposal to form a Shared Waters Management Company here by ticking one option:

Yes, I support the proposal, however, my in principle support is subject to comments shown below, my oral presentation, together with acceptable policies and transitional arrangements being developed and implemented, including access to three waters infrastructure across territorial boundaries of the respective local authorities. Oral submissions may elaborate on the above and other relevant matters.

### Comments

My family interests own land zoned for residential development that is situated in Waipa District and lies on the southern edge of Hamilton City. The land in question lies on the city side of Southern Links, and is subject to draft Future Proof Strategy ('FPS') recommendations and negotiations between the two councils (including agreed trigger points) that are expected to result in the land in question falling within the jurisdiction of Hamilton City Council in the future should changes to the urban boundary accepted in context of the draft FPS. Currently, the policy of Hamilton City Council allows for a bulk restricted water supply to another territorial authority. However, no formal arrangement is currently in place with Waipa District Council that would facilitate the provision of a water supply in the circumstances outlined above. Given the expected change in the urban boundary, the anticipated formation of the Shared Waters Company, and the delay before the latter is operative, I submit that transitional arrangements be agreed by the shareholding councils such that the policies of shareholding councils be amended to enable provision of water, wastewater and stormwater directly to landowners so affected and ahead of the operation of the Shared Waters Management Company.

The overview of the 'Shared Waters Management Company'<sup>1</sup> confirms that of the different structures considered to improve delivery of three waters an asset owning CCO was considered. I understand the non-asset owning CCO model captures a proportion of the benefits of the asset owning CCO. However, the non-asset owning CCO model is preferred.

As a ratepayer to both Hamilton City Council and Waipa District Council, my preference is to see the delivery of the greatest level of financial and non-financial benefits captured into the future. However, I am not aware of a mandatory review of the 'structure' such that an asset owning CCO is able to be revisited, with either shareholder able to require the same and be assured its request will be acted upon.

**I submit that a** mandatory review of the 'delivery structure' be set at predetermined time periods or each shareholding council can request review of the same at predetermined time periods. Further, **I submit that** in the event that an asset owning CCO is deemed desirable by a majority of shareholding councils, by independent review, or by government directive, exit terms are to be biased in favour of shareholding councils who elect to pursue an asset owning CCO in conjunction with other Councils.

The question and answer section<sup>2</sup> further states that other councils can join the Shared Waters Management Company if existing shareholding councils agree. Effectively, each shareholding council has an effective veto over the participation of other councils. The question and answer section<sup>3</sup> also states that a shareholding council can leave the Shared Water Management Company if fair exit arrangements are agreed. More detail on this point is not provided to thoroughly assess the merits of a shared waters proposal. However, it appears that in the event a shareholding council does not accept a new shareholding council, amended exit arrangements should apply to the shareholding council(s) who do not oppose a new shareholding council.

**I submit that** in the event a shareholding council does not accept a new shareholding council then other shareholding council(s) be afforded concessional exit arrangements that as much as possible be predetermined (and subject to dispute resolution provisions) should an election be made to exit the 'Shared Waters Management Company'.

Peter Findlay

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<sup>1</sup> Obtained from [waterstudywaikato.org.nz](http://waterstudywaikato.org.nz)

<sup>2</sup> Ibid, question 1.

<sup>3</sup> Ibid, question 8.



24 November 2017

Shared Waters Management Company consultation  
Strategy Unit  
Hamilton City Council  
Private Bag 3010  
Hamilton 3340

Dear Sir/Madam,

**SUBMISSION FOR WATER NEW ZEALAND ON THE PROPOSED WAIKATO SHARED WATERS MANAGEMENT COMPANY**

1. Water New Zealand is a not-for-profit organisation that promotes and represents water professionals and organisations. It is the country's largest water industry body, providing leadership and support in the water sector through advocacy, collaboration and technical support. Our 1,900 plus members are drawn from all areas of the water management industry including regional councils and territorial authorities, consultants, suppliers, government agencies and scientists.
2. Water New Zealand supports the proposal as it is an important step towards more efficient water service provision and creates a greater critical mass of capability to cope with the challenges of running a water utility.
3. We consider the proposal should go one step further and transfer the underlying assets to the company. This would deliver greater overall financial efficiencies as is noted in the *Shared Waters Management Study* completed by Mott MacDonald report and published in October 2017. Specifically, an asset-owning company would:
  - Simplify the relationship between the customer and service provider, removing double handling of funding and asset management systems.
  - Have more certainty and control over how it delivers water services meaning that greater efficiencies would be possible. This can enhance political and community control if done through a robust governance and accountability framework that emphasises business performance.
4. Water New Zealand thanks Hamilton City Council and Waipa District Council for the opportunity to provide feedback on this proposal and is happy to elaborate if required.

A handwritten signature in black ink, appearing to read "J Pfahlert".

**John Pfahlert**  
Chief Executive

Wellington Water Committee



**Submission on a Shared Waters Management Company**

**Introduction**

Thank you for the invitation to comment on the formation of a shared waters management company for Hamilton City Council and Waipa District Council.

As Chair of the Wellington Water Committee, effectively representing five Council shareholders views of Wellington Water Ltd (Wellington Water), I would like to be clear that we are not advocating for a particular option as this is a matter for locals in the Waipa and Hamilton area to contemplate.

The role of the Wellington Water Committee is to provide governance oversight of Wellington Water including the network infrastructure for the delivery of bulk water, water reticulation and stormwater services in the areas of Lower Hutt City, Porirua City, Upper Hutt City and Wellington City. The Wellington Water Committee meets to discuss and coordinate relevant issues and, through their representatives, exercise powers.

The Wellington Water Committee appreciates what the Waipa District Council and Hamilton City Council are going through and how important it is to make a good decision. To this end we have written our submission in a way that shares our learnings of the Wellington Water model and hopefully helps inform the decisionmaking process.

**Trusted Advisor Model**

A trusted advisor model has been established which is essentially about building effective, open and trusting relationships. Developing this relationship has played a significant role in allowing the company to grow and develop at its own pace.

**Benefits**

Some of the benefits of the Wellington Water model to date have been:

- establishing a critical mass of expertise (ie asset management, modelling, information management).
- providing a regional approach to policies and planning (ie Service Plan and input to Councils Long Term Plans and Infrastructure strategies).
- improved data and understanding of network asset performance.
- facilitating collaboration between central and local government (eg \$6M resilience).
- improving customer understanding of water issues and customer service.
- shifting from an annual to a three year rolling capital funding programme.

Wellington Water is part way through regionalising procurement practices (ie use of contractors, consultants, management of wastewater plants and delivery of an operational maintenance Alliance). It will take another few years before changes can be embedded, but we expect to see significant long term financial and non-financial benefits from this work. These changes will incentivise improved performance and delivery.

## Challenges

Wellington Water still has some way to go to regionalise three waters policies (which require close ties with Councils) and to improve customer relationships. The majority of rate paying customers interact with Council Contact Centres or Wellington Water contractors who provide frontline services in the street. So for the company to build its customer knowledge we have had to be more deliberate about Wellington Water's involvement and exposure to customer interactions (including through others such as our Councils and contractors).

It is important that the company is right sized and resourced from the beginning. This includes planning and budgeting for the company upfront to develop its own processes and supporting systems (ie Asset Management System).

## Responding to regulation

With specialist expertise Wellington Water is better placed to respond to regulatory pressures and expectations (ie National Policy Statement for freshwater management and National Policy Statement for urban development Capacity). The company is able to influence and provide advice on the water sector, not only at a local and regional level but also at a national level through submissions on changes in legislation. The company is also able to proactively anticipate changes in the sector (ie Havelock North) and put changes in place.

## Asset ownership

Your proposal mentions that the company would not own the assets. Wellington Water may not own the assets but manages the assets as though they own them. This helps minimise risk to shareholding Councils and ensures a match between asset planning/performance and asset investment decisions.

There may be times when there is a mismatch between where investment is needed in assets (based on performance) and the amount of funding actually made available from Councils. This is a risk that needs to be managed alongside other Council other priorities at the time.

## Shared accountabilities

It's important that liability issues are clear up front between the Councils and the shared company. For example in the case of health and safety responsibilities, the Board is PCBU (person conducting a business or an undertaking) and so are Councils – both make funding decisions that can either restrict or enable activities to occur.

We have established mutual accountabilities and responsibilities for communicating, collaborating, sharing best practice and managing risks. Examples of collaboration at a governance level include the Health and Safety Forum that includes Health and Safety Managers from the five Councils and the company's new health and safety vision and behaviours involved an engagement exercise with all five councils, suppliers and staff.

### Transparency

Wellington Water has presented investment options for different levels of service across the three waters to its Councils. They have facilitated trade-off discussions for these different levels of service to enable Councils to make decisions on a more informed basis.

### Better value for money

The company set up a value for money system to encourage, record and track new value ideas and see them through to reality. Not all value proposals are about monetary savings, some are just about providing better outcomes. Wellington Water is happy to share how this discipline works with a new shared service company.

### Governance

From a governance point of view we note a similar set up again to Wellington Water. The Board is more interested in the viability of the company, whereas the Wellington Water Committee is more interested in the political/community facing implications of three waters decisions – however both are interested in ensuring we provide good value for money outcomes.

There is a healthy tension between what is good for the company and what is good for our customers and of course these objectives are becoming more integrated as we position the company to provide better customer service and experience.

### Company strategy

Being driven by a set of common outcomes and goals that flow through to individuals has benefited Wellington Water.

A key learning has been to not underestimate the impact that culture can have. Because we also inherited a large portion of existing staff into the new company, there were transition issues that needed to be resolved. People's roles changed and some responded better than others to a different work environment.

It is also good to get legal responsibilities under the Local Government Act 202 transferred at the beginning such as warrants to access private property in times of emergency and in some cases enforce compliance, such as trade waste inspections.

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### Specific comments on the submission

It is noted on page 3, paragraph 3 of the proposal that the Shareholders Forum can limit what the company can and cannot do. On the positive side the Forum can also enable and make things easier for the company if it wishes to do so. This is more likely to come with time, as trust builds and the ability to deliver is demonstrated.

It is noted on page 3, paragraph 8 that the company would not be able to make MAJOR decisions – this might need some further definition.

Like the submission states – establishing the company does not eliminate the political forces at play (ie water meters) but what it can do, is ensure that any decisions such as these are well informed of the pros, cons and implications. If set up right, the company could bring Councils (through the company) closer to customers and communities through a concentrated resource on water that can support meaningful customer/community engagements.

Wellington Water is more than happy to share its learnings and provide guidance, should Waipa District Council and Hamilton City Council decide to establish a Shared Waters Management Company.

Yours sincerely



Deputy Mayor David Bassett  
Chair, Wellington Water Committee

Attachment 2





**SUBMISSION ON:  
Shared Waters Management Company Proposal –Hamilton City Council  
and Waipa District Council (October 2017)**

20<sup>th</sup> November 2017

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**1. Acknowledgement**

- 1.1. Population Health, Waikato District Health Board (DHB) commends Hamilton City and Waipa and Waikato District Councils for considering new ways of collectively providing drinking water, wastewater and storm water services to their fast-growing communities.
- 1.2. Thank you for the opportunity to submit comments on the proposed Shared Waters Management Company through this consultation process.
- 1.3. Population Health, Waikato DHB has existing relationships with key staff at Hamilton City, Waipa and Waikato District Councils in regard to water management. We value joint work occurring to improve water management outcomes for communities in these districts e.g. the drinking water assessment programme.
- 1.4. Our service has framed submission comments from a public health perspective which recognises that:
  - The ability to prevent illness and stay healthy is largely attributed to the way in which we live our lives and the environments where we live. Factors that determine how healthy we are include housing; safe neighbourhoods, clean air and water, diet, and easy access to transport, recreation, education, and employment.
  - Many of the organisations who are responsible for these services and environments lie outside of the health sector and may not realise that their work strongly influences health outcomes. Local government, who provide and manage three waters (drinking water, waste water and storm water) infrastructure and services, is one.
  - The activities of local government are vital to public health and in many respects are key determinants of health including provision of facilities and amenities, access to water supply, public sanitation, and licensing/inspection services.

## Submitter 64

- Councils draw from an extensive range of legislation and make decisions about the types of services they will provide and the level of rates and fees they will charge to fund these services. These decisions shape the environment and context in which people live, work and play, and influence the overall health and wellbeing of individuals and communities.

### 2. Submission

- 2.1. Water is essential for life and having access to sufficient water of a high standard is a prerequisite for good community health and wellbeing for all. It needs to meet personal and domestic requirements of cooking, food preparation, personal hygiene, dish and laundry washing, and cleaning.
- 2.2. Population Health, Waikato DHB accepts and supports the need to consider how best to provide three waters services in an effective and efficient manner at the standards required and at a cost that all ratepayers can afford.
- 2.3. Our service acknowledges that identified benefits of the proposal include benefits of scale; improved career opportunities for staff, less risk, professional expertise and direction, improved consistency in water management and planning, improved water networks, and enable a response to government's direction to provide sufficient infrastructure to meet demand for core services such as transport and the three waters.
- 2.4. Given the centrality of an adequate and reliable supply of potable water to the maintenance of health and wellbeing for Hamilton City, Waipa and Waikato District Council residents, we ask the councils to ensure that the proposal is designed and implemented with consideration of those ratepayers whose health is most likely to be impacted by it. The councils will realise that those living in the most deprived areas have the least good health outcomes, and it is important to ensure that the proposal does not have further negative impact on the health and wellbeing of these residents.
- 2.5. Population Health Waikato DHB recognises that there are water services demands related to population growth and ageing infrastructure facing Hamilton City, Waipa and Waikato District Councils. Given this, our service would like to work alongside the councils and any proposed new shared waters management company to help ensure that public health impacts and outcomes for all communities are considered as part of any decision-making.
- 2.6. There may be opportunities to explore possible health impacts related to the proposed waters management company and our service is therefore keen to discuss this further with staff involved.

As one example, Population Health, Waikato DHB suggests that the councils consider working alongside Waikato DHB staff to complete and fund a health and well-being impact assessment on the draft proposal if it is agreed to be of mutual benefit. This impact assessment could provide evidence on the likely health and wellbeing impacts of the proposal and make

## Submitter 64

recommendations on how it might be strengthened to enable community health and well-being benefit.

- 2.7. In 2014, Population Health, Waikato DHB worked collaboratively work with Ruapehu District Council to explore the direct and indirect health impacts associated with the suggested options for the Ohura water supply and to inform decision making. The key determinants of health related to the Ohura Water Supply health impact assessment were water quality, water security and water affordability.

### 3. Conclusion

- 3.1. Thank you for the opportunity to provide feedback on the Shared Water Management Company proposal. We look forward to opportunities to further discuss the proposal with you, and to working alongside you to strengthen it. Should you have any queries regarding this submission feedback please contact either Dr Richard Wall or Dr Richard Vipond directly on (07) 858 2569.

Dr Richard Wall  
Medical Officer of Health

[Redacted signature block for Dr Richard Wall]

Dr Richard Vipond  
Medical Officer of Health

[Redacted signature block for Dr Richard Vipond]

Population Health does not wish to be heard.

## Submitter 64

### About Population Health, Waikato District Health Board

Population Health provides public health services, including health assessment and surveillance, public health capacity development, health improvement advisory services, and health protection and preventative interventions to people within the Waikato District Health Board (DHB) area.

The primary goal of Population Health is to improve, promote, and protect health with a focus on achieving equity for people living in the Waikato DHB area. This aligns with the strategic outcomes for the Waikato DHB:

- To improve the health of its population
- To reduce or eliminate health inequalities between segments of the population.

Population Health has a strong focus and emphasis on the determinants of health or more simply, the factors that have the greatest influence on health. Opportunities for health begin long before the need for medical care, and starts where we live, learn, work, and play.

The Waikato District Health Board (Waikato DHB) serves a population of 394,340 (2015/2016)<sup>1</sup> people within 10 territorial authorities and two regional councils, stretching from the northern tip of Coromandel Peninsula to south of National Park and from Raglan and Awakino in the west to Waihi in the east. Approximately 60 percent of the Waikato DHB population lives outside the main urban areas.

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<sup>1</sup> Waikato District Health Board, 2016. Healthy People Excellent Care: Waikato District Health Board Strategy.  
[www.waikatodhb.health.nz/strategy](http://www.waikatodhb.health.nz/strategy)

# SUBMISSION

TELEPHONE 0800 327 646 | WEBSITE [WWW.FEDFARM.ORG.NZ](http://WWW.FEDFARM.ORG.NZ)



To: Waipa District Council and Hamilton City Council

Submission on: Forming a Shared Waters Management Company

Date: 27 November 2017

Submission by: Waikato Federated Farmers of New Zealand

Contact persons: **ANDREW MCGIVEN**  
**WAIKATO PROVINCIAL PRESIDENT**



**JACQUI HAHN**  
**WAIKATO VICE PRESIDENT**



Address for Service: **KERRY THOMAS**  
**REGIONAL POLICY ADVISOR**



We wish to be heard in support of this submission at the Te Awamutu Council Chambers on the 1<sup>st</sup> December.

**SUBMISSION TO SHARED WATERS MANAGEMENT COMPANY  
CONSULTATION**

**1 INTRODUCTION**

- 1.1 Federated Farmers of New Zealand is a primary sector organisation that represents over 13,000 farming and other rural businesses. Federated Farmers has a long and proud history of representing the needs and interests of New Zealand farmers.
- 1.2 Federated Farmers is focused on the transparency of rate setting, rates equity and both the overall and relative cost of local government to agriculture and rural communities. We submit to Annual Plans, Long Term Plans and other consultation processes throughout New Zealand and make constructive proposals every year to almost every council.
- 1.3 We also submit on central government policies that affect local government revenue and spending, with the aim of ensuring that local government have the appropriate tools to carry out their functions.
- 1.4 Federated Farmers welcomes the opportunity to comment on the Shared Waters Management Company consultation proposal

**2 GENERAL COMMENTS**

- 2.1 We commend both Waipa District Council (WDC) and Hamilton City Council (HCC) for proactively exploring options of delivering core Council services in the most efficient and effective manner.
- 2.2 We agree in principle that the chosen option of forming a Shared Water Management Company appears to be the best option to service Waipa's and Hamilton's water service needs and future challenges with growth and development.
- 2.3 We are particularly supportive of the projected "*operational savings ... (to be reinvested in infrastructure upgrades) ...estimated to be at least \$43 million over 28 years. For the same time period, capital expenditure savings are estimated to be at least \$73 million.*"

**3 SPECIFIC COMMENTS**

- 3.1 Provision of water services (drinking water, storm water and wastewater) are a core function of District and City Councils. Since the 2014 amendments to the Local Government Act 2002 (LGA), Federated Farmers have enduring concerns on the accountability, transparency and governance framework for Council Controlled Organisations (CCO's) that are overseen by Part 5 of the LGA.
- 3.2 In particular, the consultation framework appears vulnerable where financial relationships with CCO's and Councils involve changes in programmes and expenditure in Annual Plan

years. Over time, the lack of consultation and oversight by Councils could be misused as a deliberate tactic. Most of these concerns are addressable during the formation stage of the CCO.

- 3.3 Because of these concerns, we specifically support the following stipulations as described on Page 3 of the Statement of Proposal:

*"A Shared Waters Management Company WOULD...*

*3. ...be controlled by the councils via a Shareholders' Forum (see diagram at right) and other mechanisms (like a Statement of Intent) which would limit what the Shared Waters Management Company could and could not do.*

*4...be a specialist water, wastewater and stormwater 'advisor' to the councils.*

*However, the company could not make major decisions on behalf of the councils. Major decisions would still be made by elected councillors, representing their own communities (see 9 below).*

*5. ...be fully accountable to the councils. It would be up to councils to ensure the Shared Waters Management Company, if formed, operated openly and efficiently on behalf of ratepayers and residents.*

*A Shared Waters Management Company WOULD NOT*

*7. ... own any major water assets. Those assets would remain 100 per cent owned by each council on behalf of ratepayers. The Shared Waters Management Company would only own minor assets like cars and computers.*

*8. ... be able to make major decisions in regard to water, wastewater or stormwater investments. All major decisions would continue to be made by elected councillors, at each council, just as they are now.*

*9. ... be able to dictate how councils should recover the costs of water, stormwater and wastewater from ratepayers. Those decisions will continue to be made by elected councillors, at each council, just as they are now."*

These stipulations will enable both Councils and ratepayers to keep control of the core water service functions, the accountability for council (ratepayers) funding and the overall operations of the CCO, whilst still benefiting from the potential costs savings through the amalgamation of the type proposed.

- 3.4 We are also supportive of the following statement on Page 10 in the Statement of Proposal:

*"All major decisions about water, stormwater and wastewater would continue to be made by elected Councillors, on behalf of ratepayers. And ratepayers, as they do now, would continue to have input into those decisions via Annual Plans, 10-Year Plans and other public processes."*

This condition is imperative to ensure that existing avenues of community engagement and organisational governance are maintained.

- 3.5 In addition, we are concerned that financial and outcome reporting from a CCO may be less than adequate. It is common and consistent for funding impact statements across many councils in Annual Plan, Long Term Plan and other consultation documents to use the following budget line/descriptors:

- Payments to staff and suppliers

- Finance costs
- Internal charges and overheads applied
- Other operating funding applications

These basic line/descriptors should be accompanied by further breakdowns of financial and operational spending and of activity performance against projected outcomes, particularly the reporting of actual savings for reinvestment in infrastructure upgrades against estimated savings. This condition will ensure transparency, which will enable effective community engagement.

#### **4 SUMMARY OF CONCERNS FOR THIS SUBMISSION:**

- 4.1 The LGA 2002 sets a barely adequate standard for accountability, transparency and governance matters of CCOs. District and City Councils should strive to exceed these base requirements when initiating a CCO for the core function of water services.
- 4.2 Clear consultation and governance procedures are supported so that the respective Councils can retain ultimate leverage over the CCO's and the communities' avenues for engagement are maintained.
- 4.3 Transparent and thorough financial and activity outcome reporting are needed from this proposed CCO to ensure that inadequate budget line descriptors/items do not give misleading results and ratepayers have access to well-defined performance indicators from their council services.

#### **5 RELIEF SOUGHT:**

- That WDC and HCC proceed with the formation of a Shared Waters Management Company, with the proviso that concerns for the accountability, transparency and governance of the CCO are met.

**SUBMISSION ENDS**

File No: 22 12 05  
Document No: 11325541  
Enquiries to: Alejandro Cifuentes



27 November 2017

Shared Waters Management Company consultation  
Strategy Team  
Waipa District Council  
Private Bag 2404  
Te Awamutu 3840

401 Grey Street  
Hamilton East  
Hamilton 3216  
  
Private Bag 3038  
Waikato Mail Centre  
Hamilton 3240

ph+64 7 859 0999  
fax +64 7 859 0998  
[www.waikatoregion.govt.nz](http://www.waikatoregion.govt.nz)

Dear Sir/Madam,

**Waikato Regional Council submission on the Shared Waters Management Company Statement of Proposal**

Thank you for the opportunity to make a submission on the Shared Waters Management Company Statement of proposal. Please find attached Waikato Regional Council's submission regarding this proposal. The submission will be presented to the Council's Strategy and Policy Committee for retrospective approval on the 28<sup>th</sup> November 2017.

Should you have any queries regarding the content of this document please contact Alejandro Cifuentes directly on 07 859 2786 or by email at [Alejandro.Cifuentes@waikatoregion.govt.nz](mailto:Alejandro.Cifuentes@waikatoregion.govt.nz).

Regards,

Tracey May  
Director Science and Strategy

Waikato Regional Council's freephone 0800 800 401

Paeroa phone	+64 7 862 8376
Taupo phone	+64 7 378 6539
Whitianga phone	+64 7 866 0172

## 1 INTRODUCTION

- 1.1 Waikato Regional Council (the council) appreciates the opportunity to make a submission on the Shared Waters Management Company Statement of Proposal (the Proposal). The council generally supports the overall intent of the Proposal and the benefits it may provide to the management of water and improving water quality.
- 1.2 The council does not have a significant role in service delivery of three waters (water supply, wastewater and urban storm water), but does have functions relating to allocation of water and management of water quality (outlined in **Section 30** of the Resource Management Act 1991 – RMA). This section of the RMA sets out the council’s responsibility to establish, implement, and review the objectives, policies, and methods to achieve integrated management of the natural and physical resources of the region. These responsibilities are reflected in the Waikato Regional Policy Statement (WRPS) and Regional Plan (RP) which set policies, methods and rules to manage water.
- 1.3 The Council’s Strategic Direction 2016-2019 outlines our vision, mission, and key outcomes to contribute to a sustainable future for our region. A healthy environment and strong economy is a key part of the strategic direction, where achieving the best use of our region’s fresh water is a key component.
- 1.4 Aligned with these responsibilities and direction, the council is working cooperatively within the WRPS framework with the Future Proof strategy partners on governance collaboration for growth management. Under the Future Proof framework the partners have established a sub-regional “Three Waters Strategy”. The term “Three Waters” in this strategy refers to Urban Waters, that is the combined water supply, wastewater, and stormwater networks that deliver water to residential, commercial, industrial and other users within an urban area; including uses of water and sources of sinks of wastewater and stormwater, their interaction with the natural water systems and management of the wastewater and stormwater generated within that same area<sup>1</sup>. Additional provisions for further demand have been made by the council in the Waikato Fresh Water Strategy (Te Rautaki Waimāori Mō Waikato), taking into account how the asymmetric population growth within the region will alter future demand for water; with Hamilton City, Waikato and Waipa districts needing to become more efficient with use as their populations rapidly expand.

## 2 GENERAL COMMENTS ON KEY ELEMENTS OF THE PROPOSAL

- 2.1 The way in which water is used and managed by territorial authorities has implications for the functions of the council.
- 2.2 The council considers that while each council currently contains adequate staffing for three waters service delivery, a CCO will create an organisation with a critical mass of resources (both financial and staff) that are dedicated to this service delivery. This is likely to lead to an increase in the performance of water, wastewater and stormwater systems and management, for the following reasons.
- 2.3 In the first instance, an organisation of a certain scale dedicated to three waters management is more likely to attract and retain talented staff. This level of expertise may not be available currently to the individual councils as an in-house staff resource. A high level of expertise in-house should enable the CCO to be agile in terms of addressing and foreseeing any operational issues that may arise. A CCO will also likely be a more resilient organisation, able to respond in a more dynamic way to different technical issues. This may lead to an increase in plant performance and environmental outcomes.

<sup>1</sup> Page 6, Future Proof Three Waters Strategy (2012). <http://www.futureproof.org.nz/file/final-sub-regional-three-waters-strategy-september-2012-pdf-version-.pdf>

- 2.4 An organisation separated from the core of political decision making will have the ability to attract and retain staff that prefer to devote their efforts exclusively to the technical issues around water management.
- 2.5 The Proposal has signalled that a CCO could provide a Centre of Excellence. This would offer best practice advice to all the other councils in the region and could provide an opportunity for the council to achieve the directions contained within the WRPS, such as the promotion of water conservation practices outlined in Method 8.7.2.
- 2.6 The establishment of a CCO is also advantageous as it would allow financial resources for three waters to be ring-fenced from council budgets and reported on separately. It is anticipated that this will reduce the risk of three waters activities being compromised through underfunding (and the associated deferral of maintenance and capital expansion). It is expected that a CCO will protect resourcing for three waters activities as they will not be weighed against other broader council priorities. This targeting of resources may lead to improved environmental performance.

The council submits:

- The benefits of size and technical focus can create benefits of efficiency and resilience.
- A non-political governance structure may help attract a high skilled staff.
- A CCO provides an opportunity to share best practice and implement provisions in the WRPS.
- A CCO may provide a more resilient funding framework for the management of the three waters.

**3 COMMENTS FOR CONSIDERATION**

- 3.1 The Proposal states that each partner council will retain ownership of assets they individually own (including any consents). This proposed non-asset ownership model raises questions about how responsibilities under the RMA will be managed, and the flexibility of the CCO to respond to changes and look for efficiencies in terms of aligning consents. It also raises questions about the CCO's ability to access and use funds where additional funds are required to meet unforeseen operational challenges.
- 3.2 The Waikato Regional Fresh Water Strategy places significant importance on managing allocation linked to the assimilative capacity of a water body. This strategy promotes water charges being connected not just to water taken out of the waterbody but also to the level of contaminants that are going into it. The council sees an opportunity for the Shared Water Management Company to incorporate this strategy into its model given that at the moment this is not being implemented by any of the councils within the region.

The council submits:

- The council would like to see more detailed information on who will hold the responsibilities and liabilities under the RMA, after the creation of the proposed CCO.
- The council would like to see more detailed information on the funding model and the way in which the proposed CCO will access funds to respond to the challenges related to its operation.
- The council would like to see that the newly created Shared Water Management company incorporate the model outlined in the Waikato Regional Fresh Water Strategy.

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**4 Conclusion**

- 4.1 The council considers the formation of the Shared Water Management Company as a step in the right direction. It could assist the council meet its functions and responsibilities relating to the allocation of water and managing water quality. The council would like to keep informed of further developments of the Proposal, and where appropriate, provide assistance and advice to ensure the benefits are realised.
- 4.2 Thank you for the opportunity to provide comment on the Proposal. The council is happy to receive communications in relation to this matter. [REDACTED]  
[REDACTED]

**Attachment 2**

Submissions from: Aotearoa Park Developments Limited, [REDACTED]  
Made by: Libby Cochrane, General Manager  
Date: 27 November 2017

## SHARED WATERS MANAGEMENT COMPANY CONSULTATION

Council is suggesting forming a Shared Waters Management Company (SWMC).

Aotearoa Park Developments Ltd is a significant user of water and waste services via its property at 3847 Cambridge Road, Cambridge and as a result has a strong interest in the structure proposed by Waipa District Council to manage these assets.

Based on the booklet on Forming a Shared Waters Management Company and the background information supplied on Waipa District Councils (WDC) website, I make the following submissions.

1. A Shared Waters Management Company (SWMC) is a better model both financially and non-financially than the status quo.
2. The SWMC is **not** the best option to manage the water, wastewater and stormwater assets of WDC.
3. An Asset Owning CCO (AOCCO) is the most efficient and beneficial option to manage the water, wastewater and stormwater assets of WDC.
4. Formation of a SWMC with a view to transitioning to a self-funded CCO and then an AOCCO is not a practical approach and risks stalling WDC forming an AOCCO.

The basis for these submissions is:

- a. The Cranleigh report recommended forming an AOCCO. Council agreed in principle to form an AOCCO in March 2016 (subject to public consultation).
- b. The Mott MacDonald report recognises that 'While an SWMC offers significant advantages over the status quo, it does not achieve the quantum of efficiencies that could be achieved via the formation of an asset-owning CCO as recommended in the Business Case for Water Services (Cranleigh, May 2015).
- c. The high level comparison set out in the table in the Mott MacDonald report clearly shows that an AOCCO will provide a higher level of improvement over the status quo than a SWMC. The areas in which it will do this are the key areas of Governance and Organisation, Asset Management and Efficiency. These should be the key drivers in determining which option to adopt.
- d. The only area where a SWMC was indicated to provide more improvement over the status quo than an AOCCO was in 'Ease of implementation'. While implementation is an important consideration, it should not be an overriding consideration as although an AOCCO may be more difficult to set up, once set up is completed, it does not need to be revisited. The areas of Governance and Organisation, Asset Management and Efficiency are all matters which must

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- continue to be performed to a high standard on a perpetual basis and so should take precedence when considering which option is best.
- e. An AOCCO is the most efficient and beneficial option and this is not disputed by the Mott MacDonald report.
  - f. The Mott MacDonald report states that 'The ease of implementation of a SWMC and the delivery of improvements means the SWMC would offer significant benefits to the Councils and their communities' but notes that an AOCCO provides greater benefits overall.
  - g. It is accepted that forming a SWMC will be an easier and speedier process than forming an AOCCO and it is recognised that WDC (and other Council's) have some important and pressing investment decisions to make with regard to water, waste and stormwater infrastructure. While it is considered that it would be beneficial for these decisions to be made by the body which will ultimately manage them, it is considered that having these decisions made by the status quo rather than a SWMC would have little impact on management by an AOCCO in future. An AOCCO once formed will need to deal with the legacy of whatever decisions have been made before it was formed whether these are made by WDC staff or by a SWMC.
  - h. There are clearly greater challenges in setting up an AOCCO in the first instance but the benefits to be gained from doing so are greater than that of a SWMC in which case the effort to do so should not be a discouraging factor.
  - i. The Morrison Low report speaks of a SWMC as a first step in transition from a Council funded CCO (SWMC), to a self-funded CCO to an AOCCO but as part of this the report also suggests that different Councils could elect different options down the track so you end up with a CCO that is partly Council funded (SWMC), partly self-funded and partly asset-owning. This is not practical and would likely result in the SWMC being dissolved.
  - j. It is suggested that the formation of an AOCCO may have some issues as time goes on. It is easier to deal with certainty and if Council's are committed then they will need to work through those issues to come up with the best outcome – a lack of certainty of which option/structure is preferred is likely to create greater issues in future e.g. as Councillors and agendas change. It is beneficial to get a unified approach now.



Local Government Commission  
*Mana Kāwanatanga ā Rohe*

Submission to the Hamilton and Waipa Shared Waters  
Management Company

*Introduction*

1. Thank you for the opportunity to make a submission on the proposed Shared Waters Management Company being considered by the Hamilton and Waipa communities.
2. The Local Government Commission has a role to promote good practice relating to a local authority or local government generally under the Local Government Act 2002. We make this submission in this capacity, not as formal recommendations to councils.
3. Our role working with councils across New Zealand has given us some insight into the issues councils face in delivering on their communities' expectations for services. The purpose of this submission is to share some of those insights.
4. Our submission does not seek to cover all aspects of three waters service delivery. We have chosen to focus on a few points:
  - Key reasons why we support your consideration of changing the way water services are delivered to your communities:
    - i. the value of a dedicated three waters entity
    - ii. increasing pressures on council services
  - Important strengths of the change options you have proposed
    - i. the advantages of a critical mass of staff
    - ii. having a joint council committee and professional board
  - Matters to take into account in setting up a water company, should you choose to do so.

**Why consider change?**

5. There will be many reasons why you are considering changing your three waters service delivery. We wish to highlight two mentioned in your proposal:
  - i. the value of a dedicated three waters entity
  - ii. increasing pressures on council services

*A dedicated three waters entity increases transparency and long term thinking*

6. Like electricity, three waters are essential services for communities. The Havelock North Drinking Water Inquiry (Stage 1) considered drinking water supply akin to the "fields of medicine and aviation where the consequences of a failure could similarly be illness, injury or death."<sup>i</sup> Separating out three waters from other council services means it would receive the dedicated attention an essential service deserves.
7. A dedicated three waters company would increase transparency of whether the management and governance of three waters meets the standards required for an essential service:

Wellington · New Zealand  
PO Box 5362 Wellington 6145 · Tel: 04-460 2228 · Fax 04-494 0501  
Website: [www.lgc.govt.nz](http://www.lgc.govt.nz)

- With a dedicated three waters entity, councillors should have better visibility of their communities' three waters risks and therefore make explicit decisions about the levels of risk they wish to trade off against the affordability of the services.
  - Likewise the community should have better visibility of the risk management decisions taken on their behalf by councillors and management.
  - While councils report extensively on their spending and investment decisions and levels of service, having a separate three waters company should make that reporting more accessible and transparent for the community.
8. Three waters assets - pipes, pumping stations and treatment plants - have a long life but are somewhat 'out of sight and out of mind' for communities. International evidence points to incentives on councils to recover the costs of maintaining three waters assets only partially not fully, or to divert spending to projects with a higher public profile, because of their hidden nature. This can result in assets not being maintained and the costs of remedial action accruing to future rate-payers.<sup>ii</sup> This raises equity issues. There is no evidence that Hamilton or Waipa's assets are not being maintained. However, separating out three waters into a dedicated entity will incentivise decision-makers to maintain assets. Keeping on top of maintenance can reduce the overall costs of services.

### *Increasing pressures on council services*

9. Increasing standards are putting additional pressures on council services. Communities' expectations for improvements to environmental water quality will inevitably require improvements to water services infrastructure. Communities will need to tackle the expensive challenge of reducing sewage overflows into urban streams.
10. Stormwater and wastewater systems are vulnerable to the impacts of climate change including heavy rainfall and drought.<sup>iii</sup> Adapting these services to a changing climate will likely require complex modelling and technical analysis, as well as increased infrastructure investment.
11. The Havelock North Inquiry's second report is due in December 2017. Based on the findings in its first report and its line of enquiry since, the Inquiry is likely to call for higher standards for drinking water suppliers. It is also likely to call for stronger compliance, monitoring and enforcement action by regulatory agencies to ensure safe drinking water supplies.
12. Responding to these pressures will require more investment and more technologically innovative solutions than in the past. Cost effectiveness and capability will be crucial. The question for Hamilton and Waipa is whether would you be better served by pooling your capability to respond to these changing standards and demands.

## Strength of change options proposed

### *Critical mass of specialist staff has advantages*

13. We have heard from many of the councils we work with of the challenge of recruiting and retaining technical specialists, related to their inability to provide their staff with a technical career path within their organisation. Council staff in small teams with multiple functions have a very challenging task. They lack critical mass to specialise in aspects of three waters services and asset management. Having some scale and a dedicated three waters organisation will greatly assist with recruitment and retention of staff and create a critical mass of three waters specialist staff with a career path inside the organisation.

*Joint council committee and professional board model has strengths*

14. The Wellington Water experience has shown that having a professional board is good value for larger joint council entities, such as that proposed by Hamilton and Waipa. The model does have some cost but there are advantages. It has enabled the councils to make explicit, well informed choices about the outcomes they want for three waters services, the levels of risk they wish to tolerate and the costs of services. The board focuses on ensuring that the water company is able to deliver on those outcomes for its customers and council owners. These are different skill sets. Separating them enables expert and focused attention on each of these roles and perspectives.

**Implementation considerations**

15. The Commission contracted a review of Wellington Water in late 2015.<sup>iv</sup> The review found many of the start-up settings for the company limited its ability to find value for customers and councils. The company started with having to continue to run concurrently each councils' separate finance, purchasing, and asset management systems and processes, and reporting. The company itself had limited annual funding to be able to unify these disparate systems and run a comprehensive change management process.
16. The review also found that the short-term funding and contracting approach between council owners was another constraint that slowed the development of Wellington Water.
17. If Hamilton and Waipa make the choice to set up a water company, they will wish it to succeed. To help speed up that success -
- consider giving the company sufficient start-up funding to institute change from the outset
  - allow for 3-5 year rolling funding agreements, rather than annual
  - support the company to make the link for customers between the money they pay and the water services they receive – particularly if the community is going to have to consider greater investment in the future
  - expect the company to go on a journey to maturity and allow flexibility for it to evolve
  - aim for a trust-based relationship between the councils and the company – it will take time to develop but will be more productive and effective than a contract-based one.
18. Thank you for your consideration of these matters. We do not wish to be heard at a hearing. However, if there is any further information or support the Commission can provide, please do not hesitate to get in contact.

Nāku noa, nā



Sir Wira Gardiner  
Chair – Local Government Commission

## Submitter 71

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<sup>i</sup> [https://www.dia.govt.nz/vwluResources/Report-Havelock-North-Water-Inquiry-Stage-1/\\$file/Report-Havelock-North-Water-Inquiry-Stage-1.pdf](https://www.dia.govt.nz/vwluResources/Report-Havelock-North-Water-Inquiry-Stage-1/$file/Report-Havelock-North-Water-Inquiry-Stage-1.pdf) para7.

<sup>ii</sup> Rouse, M. 2015. *Institutional governance and regulation of water services*. IWA Publishing, London.

<sup>iii</sup> [http://www.deepsouthchallenge.co.nz/sites/default/files/2017-](http://www.deepsouthchallenge.co.nz/sites/default/files/2017-10/Climate%20Change%20Stormwater%20Wastewater%20Systems_0.pdf)

[10/Climate%20Change%20Stormwater%20Wastewater%20Systems\\_0.pdf](http://www.deepsouthchallenge.co.nz/sites/default/files/2017-10/Climate%20Change%20Stormwater%20Wastewater%20Systems_0.pdf)

<sup>iv</sup> <http://www.lgc.govt.nz/the-reorganisation-process/strengthening-the-wellington-region-progress-update-july-2016/water-services/>

Attachment 2



**Submitter 72**



27 November 2017

### **Shared Waters Management Company consultation**

Strategy Team  
 Waipa District Council  
 Private Bag 2404  
 Te Awamutu 3840

Strategy Unit  
 Hamilton City Council  
 Private Bag 3010  
 Hamilton 3340

Infrastructure New Zealand is the peak industry body for the infrastructure sector and promotes best practice in national infrastructure development through research, advocacy and public and private sector collaboration. Infrastructure New Zealand members come from diverse sectors across New Zealand and include infrastructure service providers, investors and operators.<sup>1</sup>

#### **Overview**

We support the consideration of new models of delivering infrastructure services in New Zealand and commend the Hamilton City and Waipa District councils for investigating water service alternatives.

However, we are concerned that the recommended Shared Waters Management Company is suboptimal, does not provide the best long term value for water users or ratepayers and therefore is inconsistent with Councils' responsibilities under the Local Government Act to "ensure prudent stewardship and the efficient and effective use of its resources in the interests of its district or region, including by planning effectively for the future management of its assets."<sup>2</sup>

We support the establishment of a full asset-owning CCO (council-controlled organisation) and, while we can support the creation of a Shared Waters Management Company as an intermediate step, we see no evidence in the consultation document that this is the intended process.

#### **An asset-owning CCO is the best model to deliver cost-effective services**

<sup>1</sup> This submission represents the views of Infrastructure New Zealand as a collective whole, and may not necessarily represent the views of individual member organisations.

<sup>2</sup> Local Government Act 2002 Section 14 (g)

All expert evidence developed as part of the consideration of new models for delivering water services has reached the same conclusion: an independent asset owning CCO would deliver the best long term value for water users.

This conclusion was first reached by Cranleigh, who identified between \$468 million and \$610 million of operational and capital expenditure savings over 28 years (combined for Hamilton City, Waipa District and Waikato District councils).<sup>3</sup>

Cranleigh's analysis was reviewed and substantially supported by McGredy Winder.

Both studies were reviewed by McKinlay Douglas and found not to hold a bias towards CCOs.

Scottish Water International in partnership with Mott Macdonald reinforced the initial findings, noting in their assessment of a shared water management company (SWMC) that:<sup>4</sup>

*While an SWMC offers significant advantages over the status quo, it does not achieve the quantum of efficiencies that could be achieved via the formation of an asset-owning CCO as recommended in the Business Case for Water Services (Cranleigh, May 2015).*

The only independent advice that any council related to this study has received which deviates even slightly from this constant theme was from Morrison Low. Their advice was, again, that a full asset owning CCO would deliver best value but, noting various legal, political and operational obstacles, suggested that an intermediate step may be more successful in achieving the final end goal of a full asset owning CCO.

A full asset owning CCO is by universal expert opinion agreed to be the best model to deliver water services in the Waikato.

#### **An asset-owning CCO must by law be established**

Given that, "By law, all councils must provide the most cost-effective and efficient water, wastewater and stormwater services possible,"<sup>5</sup> we consider that Hamilton City, Waipa District and Waikato District are statutorily required to establish a full asset owning CCO, or present a more efficacious alternative.

We have not seen evidence of any such alternative.

The Shared Waters Management Company option described in the consultation document anticipates \$116 million of capital and operating expenditure efficiencies over 28 years. This is approximately one-third of the \$360 million of efficiencies Hamilton City and Waipa District could expect from the creation of a full asset-owning CCO.<sup>6</sup>

#### **A Shared Waters Management Company is an option as an intermediate step**

<sup>3</sup> Cranleigh, *Business Case for Water Services – Delivery Options: Part B*, May 2015, p. 27.

<sup>4</sup> Mott MacDonald and Scottish Water International, *Shared Waters Management Study: Discussion Report*, October 2017, p. 1.

<sup>5</sup> Hamilton City Council, Waipa City Council, *Forming a Shared Waters Management Company: What are your Views*, October 2017, p. 6.

<sup>6</sup> Cranleigh, p. 44.



The only justification for creating a Shared Waters Management Company is as part of a wider process to establish a full asset-owning CCO, consistent with recommendations from Morrison Low.

We wish to make clear that we do not consider that the intermediate step of a Shared Waters Management Company is required to achieve a full asset-owning CCO.

An open and transparent public conversation about water services combined with objective political leadership would result in the best long term decision being made.

Nevertheless, we are happy to support the decision to progress a Shared Waters Management Company on the basis that it is part of a process to establish an asset-owning CCO.

A full asset-owning CCO is critical to delivering the best value overall service to ratepayers and water users.

This value is not limited to the financial benefits identified by Cranleigh, but includes the long list of qualitative benefits highlighted by McGredy Winder and Mott MacDonald-Scottish Water International.

Value is ultimately derived from the separation of water service decisions from other council activities, providing for much improved governance and strategic focus.

**It is not clear if a Shared Waters Management Company is an intermediate step**

Yet, we see no evidence in the discussion document that this is the ultimate objective.

We acknowledge various public and political challenges, but also consider it is important to be transparent and open regarding the costs, benefits and risks to ratepayers and other constituents of different water service delivery models.

Is the purpose of a Shared Waters Management Company to act as an intermediate step to a full asset owning CCO, or is it an end in itself?

As an end in itself, we do not support the Shared Waters Management Company outlined in the discussion document.

We consider this option to be acutely inferior to the asset-owning CCO model understood by Cranleigh, Morrison Low, McGredy Winder, Mott MacDonald and Scottish Water International.

Progressing the Shared Waters Management Company will, in our view, defer the benefits of transitioning to a more effective and efficient option, if not preclude them permanently, if this step is not viewed as part of a single transition.

The end result will be councils which are not abiding by their statutory obligation to deliver the most cost-effective services to their constituents.

We conditionally offer our support to the creation of a Shared Waters Management Company on the understanding that it is part of a wider process to achieving the most cost-effective water services for the Waikato.

Evidence available shows this to be a full asset-owning CCO.



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We thank the Hamilton City and Waipa District councils for this opportunity to submit.

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Attachment 2

PUREKIREKI MARAE TRUST

Ko Tainui te waka  
Ko Pirongia te maunga  
Ko Waipā me Mangauika ngā awa  
Ko Purekireki te marae  
Ko Waikato-Maniapoto ngā iwi,  
Ko Ngāti Apakura, ko Ngāti Hikairo rātou ko Ngāti Mahuta ngā hapū

A Shared Waters Management Company Consultation Submission

Tēnā koutou,

Our foremost concern is that while there is an emphasis through the establishment of a Shared Waters Management Company (SWMC) on the provision of cost-efficient services and specialist expertise of the planned SWMC Board of Directors, the bigger picture must focus on the health and safety of the water networks.

To this end, the topography and environmental compliance of each Council of the Company are essential factors for the provision of its own needs and towards achieving "best results". The Company should maintain a declared objective that the role of water in the capacity of drinking, waste-, and storm- are major priorities and cognisance of this capacity and the environment in its widest sense to retain this capacity, should therefore be precipitated. As outlined in the Waikato-Tainui Environmental Plan 2013 Tai Tumu Tai Pari Tai Ao Part 7 ([https://issuu.com/waikatotainui/docs/ebook\\_final\\_ep\\_plan\\_sp/40](https://issuu.com/waikatotainui/docs/ebook_final_ep_plan_sp/40)) Te Whakapakari I Te Taiao - towards environmental enhancement, the conventional green and sustainable approach further focuses on humans and human developments, social structures, cultural concerns as an inherent part of ecosystems; resource use and activity providing an ultimate benefit back to environmental, spiritual, cultural, and economic aspirations; diversity and uniqueness of place, socially, culturally, spiritually, environmentally as well as economically; and social responsibility, that is the desire to improve the quality of the environment for future generations.

Furthermore it would not be politic should the Shared Waters Management of the Company develop into 'Shared Waters'. Water is not an unquenchable resource, and protective measures of the waterways will have to be established to meet the demands of growth pressures both in the Waipa District and the Hamilton City Council area. Te Awamutu's water supply mostly comes from the Mangauika River off Pirongia mountain and the Council is "restricted as to how much water we can take from that stream"

(<http://www.waipadc.govt.nz/our-services/water-services/Documents/Waip%C3%A0Water%20Booklet.pdf>)

) In recent times there have also been taste and odour issues with Te Awamutu water from algae blooms at the Te Tahi raw water reservoir caused by low flows in the stream during hot, dry periods.

While a pipeline to facilitate the Waipā District Council to 'take' from the Mangauika River dates back to the 1900s, our local iwi have lived, walked, hunted, gathered, and fought along its banks for

## Submitter 73

nigh on 500 years. The Mangauika is our wai tapu/sacred waters. It was known for its purity, bird life, koura, fish and eel weirs along its banks. Those stories have been lost to the present generations and it is upon us all to remember that the river has a past, to know that it has a present, and prepare for its future. These are challenges which demand our attention and not at the expense of our waterways.

In summary there are three main points we wish to make in this submission:

- i. The planned Shared Waters Management Company is primarily about water not cost efficiency, nor specialist expertise, but the health and safety of our water networks.
- ii. *The health and safety of our water networks should be addressed in a holistic manner, being part of an ecosystem of humans, animals, and plants, an essential provider of foods; a resource important to the environment and to the economy. It has cultural and social implications which include a spiritual dimension.*
- iii. We cannot live without water. We need to protect and value it and respond to maintain its health and safety.

Kia ora.

Haupai Puke Chairperson Purekireki Marae Trust

Georgina Paikea Chairperson Purekireki Marae Committee

Dr Tom Roa Purekireki Marae Trust and Committee Deputy Chairperson

Pania Huata Purekireki Marae Trust and Committee Secretary

Mihirawhiti Searancke Purekireki Marae whānau member

**Cambridge Chamber of Commerce**

Forming A Shared Waters Management Company Cambridge Chamber of Commerce Views

**Introduction**

The CCoC thanks Hamilton City and Waipa Councils for the opportunity to give the views of the Cambridge business community on the formation of a Shared Waters Management Company (SWMC).

The CCoC acknowledges the importance of the provision for vital infrastructure for business growth and the need to ensure excellence in the management of water and water quality as a critical life sustaining resource, vital to the region’s growth.

The Cambridge Chamber of Commerce (CCoC) supports the principle of collaboration, provided there are positive economic and efficiency outcomes.

**Comments**

The SWMC Statement of Proposal October 2017 raises the following questions and concerns for CCoC;

What is the problem that needs to be solved? How will the new entity solve this problem?

The Wellington model on which this information was based has a total of five councils contributing. How confident are we that the research is applicable in the Hamilton and Waipa scenario?

Is there another collaborative example in the Waikato (i.e. roading) that could better demonstrate this?

**Structure**

The nature of the proposed structure appears to be cumbersome and hierarchical with an additional layer. We are unsure of the benefit of the shareholders forum/layer.

- What will the impact of this structure be on flexibility, timeliness and decision making?

**Financial**

Capex and Opex savings estimates are substantial - \$21.8m over 10 years

- How is this achieved?
- What does an equitable shareholding rights look like?

## Submitter 74

- How will this impact Waipa? What are the potential disadvantages in this case?
- What is the basis for the long-term gains, apart from addressing challenges around recruitment and retention of staff?

### People

- What are the unintended consequences on other parts of Waipa District Council (WDC) if this proposal is adopted?

### Strategic Business Case

Within the Mott MacDonald Shared Water Management Study Discussion Report Business Case 5.1 suggests effectiveness through improved customer service, outcomes and promoting sustainable water use.

Disparate values: Hamilton has indicated it will not implement water metres. This challenges water usage measures, impacts on allocation of resource and future consents.

HCC will not be introducing water meters, this means the WDC & HCC's underlying philosophy of managing the volume/usage of treated potable water is very different.

Waipa are attempting to reduce the use of water by introducing water meters, and it appears that HCC do not care about managing this very costly resource.

Perhaps we would benefit from understanding why HCC are not wanting to try to manage volume/use of water.

The proposal makes it clear the costs of the SWMC will be on volumes, so hopefully Waipa will benefit from this if we are managing water usage better.

However how does this translate to future allocation and consents

Allocation of funds and time to the creation of any new model will minimise duplications and at the same time may extend the period that savings are realised.

Thank you.  
Please confirm receipt and acceptance.  
Tania Witheford



To

Shared Waters Management  
Company consultation  
Strategy Unit  
Hamilton City Council  
Private Bag 3010  
Hamilton 3340

Shared Waters Management  
Company consultation  
Strategy Team  
Waipa District Council  
Private Bag 2404  
Te Awamutu 3840  
[Submissions@waipadc.govt.nz](mailto:Submissions@waipadc.govt.nz)

CC. Her Hon Nanaia Mahuta MP  
Minister of Maori Development  
Minister of Local Government  
Associate Minister of the  
Environment  
Parliament Office  
Private Bag 18888  
Parliament Buildings  
Wellington 6160  
[Nanaia.mahuta@parliament.govt.nz](mailto:Nanaia.mahuta@parliament.govt.nz)

CC. Hon David Parker MP  
Minister of the Environment  
[David.Parker@parliament.govt.nz](mailto:David.Parker@parliament.govt.nz)

CC. Hon Eugenie Sage MP  
Associate Minister of the  
Environment  
[Eugenie.Sage@parliament.govt.nz](mailto:Eugenie.Sage@parliament.govt.nz)

CC. James Shaw MP  
Leader of the Green Party  
David.  
[James.Shaw@parliament.govt.nz](mailto:James.Shaw@parliament.govt.nz)

CC. Hon Winston Peters MP  
Leader of NZ First Party  
[Winston.peters@parliament.govt.nz](mailto:Winston.peters@parliament.govt.nz)

28th November 2017

Dear Sir/Madam

**RE: Proposal Forming a Shared Waters Management Company<sup>i</sup>**

Maniapoto Hapu Rangatira wish to be heard in the Oral Hearing at Waipa District Council on the 1<sup>st</sup> of December 2017, 1pm

Te Hapu o Te Wakaminenga Wahi o Maniapoto o Nu Tiren<sup>ii</sup> is a constitutionally recognised Hapu wakaminenga operating under He Wakaputanga o Nga Rangatiranga o Nu Tiren<sup>iii</sup> 1835 (NZ Declaration of Independence 1835)<sup>iv</sup> and Te Tiriti o Waitangi 1840 by Ko Te Wakaminenga o Nga Hapu o Nu Tiren<sup>v</sup> (The Confederation of the United Tribes of New Zealand), and I am a Maniapoto Rangatira who oppose this consent based on these grounds:

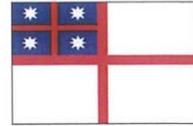
1. Firstly the Minister of Maori Development must first be notified and then she be given the opportunity to consult with hapu/whanau in respect to their interests in their rights to water.
2. Failure to consult Te Hapu o Te Wakaminenga Wahi o Maniapoto o Nu Tiren<sup>i</sup>- Maniapoto Tribal Government, and Maniapoto Hapu/whanau
3. Failure to apply through our Te Hapu o Te Wakaminenga Wahi o Maniapoto o Nu Tiren<sup>i</sup> Hapu Resource Consent Process.
4. Failure to follow the Rule of Law:
  1. Hapu Tikanga
  2. Article 3 He Wakaputanga o Te Rangatiranga o Nu Tiren<sup>i</sup> 1835-Constitutional Law
  3. Article 2 Te Tiriti o Waitangi 1840 –Constitutional Law
  4. Bill of Rights 1688-English Common Law
  5. Instructions to the Royal Charter 1846
  6. Section 71 of the New Zealand Constitution Act 1852 –British Imperial Law
  7. Native Councils Act 1860-British Imperial Law
  8. Native Territorial Rights Act 1858-British Imperial Law
  9. Native Circuit Courts Act 1858- British Imperial Law
  10. Kaunihera Maori Act 1876- British Imperial Law
  11. Pacific Island Protection Act 1875- British Imperial Law
  12. Kaunihera Maori Act 1900 – British Imperial Law
  13. Imperial Law Application Act 1988-NZ Government Law
  14. Sections 5,6,7,8 of the Resource Management Act 1991- NZ Government law
  15. Section 4 Local Government Act 2002

Te Hapu o Te Wakaminenga Wahi o Maniapoto o Nu Tiren<sup>i</sup>, P O Box 130 Te Awamutu, Phone: 0278713044,

[maniapotomedia@gmail.com](mailto:maniapotomedia@gmail.com) and [Maniapoto@govt.maori.nz](mailto:Maniapoto@govt.maori.nz)  
<http://www.maniapoto.govt.maori.nz/homem.html>

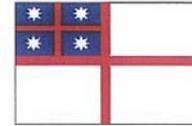
Page 1 of 2

**Submitter 75**





## Submitter 75



5. Failure to recognise Maniapoto Hapu Mana and Tino Rangatiratanga.
6. Failure to adhere to the pre-existing "Cease and Desist Notice and Commercial Lien" dated 7<sup>th</sup> August 2015 prohibiting the privatisation of water.
7. Threat of foreign ownership through the privatisation of water via free trade agreements like the CER on Foreign Investment 2011 and TPPA.
8. Theft of community assets and the transfer of wealth via privatisation.
9. Treason via corporate governance and rule against the Queen and Nga Hapu o Nu Tireni.
10. Outstanding treaty grievances to our customary land and water in Waipa, Waikato, Aotea Rohe Potae (King Country).
11. We ask the submission hearing panel to stand down due to conflicts of interest, where the councils are the applicants and judge. We have no faith in the process to protect our God given birth rights and treaty rights under Article 2 of Te Tiriti o Waitangi 1840.<sup>v vi</sup>

Nga mihi,

Rangatira Catherine Pioletti MSc (Tech) (Hon) /MMS (Distinction)

<sup>i</sup> [http://www.waipadc.govt.nz/our-council/Haveyoursay/Documents/Forming-a-Shared-Waters-Management-Company\\_Statement-of-Proposal.pdf](http://www.waipadc.govt.nz/our-council/Haveyoursay/Documents/Forming-a-Shared-Waters-Management-Company_Statement-of-Proposal.pdf)

<sup>ii</sup> <http://govt.maori.nz/TeKahiti/TeKahitiVol1No2.pdf>, pg 10

<sup>iii</sup>

[https://www.waateanews.com/waateanews/x\\_story\\_id/MTlwMzQ=/National/International%20recognition%20for%20He%20Whakaputanga/](https://www.waateanews.com/waateanews/x_story_id/MTlwMzQ=/National/International%20recognition%20for%20He%20Whakaputanga/)

<sup>iv</sup> <http://archives.govt.nz/provenance-of-power/he-whakaputanga>

<sup>v</sup> Press Release by Hamilton City Council Water Consultation Opens Dated 25<sup>th</sup> October 2017  
<http://www.waterstudywaikato.org.nz/media-releases/hamilton-city-council/view/water-consultation-opens> (viewed 28<sup>th</sup> November 2017)

<sup>vi</sup> Press Release by Waipa District Council Water Consultation Closes Dated 28<sup>th</sup> November 2017  
<http://www.waterstudywaikato.org.nz/media-releases/waip-district-council/view/water-company-submissions-close> (viewed 28<sup>th</sup> November 2017)

Te Hapu o Te Wakaminenga Wahi o Maniapoto o Nu Tireni, P O Box 130 Te Awamutu, Phone: 0278713044,  
[manipotomedia@gmail.com](mailto:manipotomedia@gmail.com) and [Maniapoto@govt.maori.nz](mailto:Maniapoto@govt.maori.nz)  
<http://www.maniapoto.govt.maori.nz/homem.html>

# Council Report

<b>Committee:</b>	Council	<b>Date:</b>	12 December 2017
<b>Author:</b>	Sean Murray	<b>Authoriser:</b>	Sean Murray
<b>Position:</b>	General Manager Venues, Tourism and Major Events	<b>Position:</b>	General Manager Venues, Tourism and Major Events
<b>Report Name:</b>	Outcome of Consultation and Recommendation for Future Use - Founders Theatre		

<b>Report Status</b>	<i>Open</i>
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## Purpose

1. To inform the Council on the results of the public consultation on what to do with Founders Theatre
2. To seek approval of a recommendation on the future of the asset.

## Staff Recommendation

3. That the Council:
  - a) receives the report and the findings of the public consultation;
  - b) notes the findings of public engagement;
  - c) approves staff to facilitate a discussion with the creative sector to provide an opportunity for the creative sector to put forward a Business Case and Financial Proposal to the Council for the creation of a creative community hub at Founders Theatre by the 30 March 2018;
  - d) authorises the Chief Executive to dispose of and demolish the remaining Founders Theatre buildings and return the land it occupies to green space at an estimated cost of \$802,100, if no Business Case and Financial Proposal for a creative community hub is approved by the Council by 30 June 2018; and
  - e) authorises the Chief Executive to choose the best time for the demolition of Founders Theatre in consideration of the concept planning for the new Waikato Regional Theatre currently underway.

## Background

3. Founders Theatre is a significant city asset on the fringe of the Central Business District. The theatre was closed in March 2016 due to concerns about the safety of the flying system used to hoist scenery and lighting above its stage.

5. A subsequent Detailed Seismic Assessment also revealed the building has a New Build Standard rating of just 15 percent; a building is deemed to be earthquake prone if it is less than 34 per cent. In June 2016, we asked the community what we should do with Founders Theatre. There was overwhelming support for a performing arts theatre in Hamilton.
6. At the same time, Momentum Waikato approached Council with a proposal on the design, development and construction of a new theatre for the city and region – the Waikato Regional Theatre. Council has agreed to help fund work on the proposal and has agreed – in principle – to commit \$30 million towards this project.
7. Should the Waikato Regional Theatre go ahead at the Victoria Street location, Council needs to decide what to do with Founders Theatre. At the meeting on 21 September 2017, Council resolved to approve three options as the basis for public consultation, approved the consultation plan and requested management reported back to Council in December with the findings and a recommended approach for the future of Founders Theatre. A copy of this report is linked [here](#).
8. A public consultation process took place between 25 October and 26 November 2017. A copy of the consultation form is attached as attachment 1.
9. In total 336 responses were received. Council were originally advised the cost of the engagement would be close to \$27,000 however the final cost of the exercise has come in at less than \$10,000.

### Consultation Feedback Summary

10. Three potential options that were consulted on:

#### Option 1: Complete Demolition

- Demolish the entire building and return the site to greenspace. Estimated cost \$802,100.

#### Option 2: Partial Demolition and Re-use

- Demolish the foyer, auditorium and stage house, but retain the existing dressing room building for re-use. Integrate the building with surrounding park. Estimated cost \$1,197,718.

#### Option 3: Reinstate for Community Use

- Undertake earthquake strengthening and compliance upgrades and cut down the height of the stage house with the balance of the building to be retained in its current state. Estimated cost \$5.7m to \$12m.

11. Of the 336 survey responses received, 148 responses provided additional comment and advice to council. See attachment 2 for a summary of all responses and additional feedback supplied.
12. The engagement was conducted via paper forms (available from Libraries, Pools and Creative Waikato) and by an online survey which asked the respondent to pick their preferred option. The survey was promoted through social media and online.

**Item 6**

13. A tally of the consultation feedback against each of the three options presented are summarised on the following table:

Preferred Option	Number	%
Option 1: Demolish the building completely and make the site an open space for the community. Est. cost \$802,100	90	27%
Option 2: Partially demolish and repurpose for other uses – re-use the west dressing room block for community use Est. cost \$1,178,000	68	20%
Option 3: Reinstate it for community use as a “town hall” type venue Est. cost \$5.7m to \$12m	146	43%
Did not select an option	32	10%

14. For those that selected Option 3, respondents were asked a second question about how they thought the cost should be funded. The options were:
- Community group/ organisation using the space to pay for it
  - Ratepayers to pay more rates to fund
  - Other (comment)

15. The response to this second question was as follows:

Themes	Number	%
Community group/ organisation using the space to pay for it	38	26%
Ratepayers to pay more rates to fund	14	10%
Other	32	22%
Multiple funding options selected <ul style="list-style-type: none"> <li>○ Both community group/ organisation and other (16)</li> <li>○ Both ratepayers and other (5)</li> <li>○ Both community groups/ organisations and ratepayers (16)</li> <li>○ All three funding options selected (11)</li> </ul>	48	33%
No option selected	14	10%
<b>Total number of respondents that selected Option 3</b>	<b>146</b>	

16. To summarise, 26% thought the community group/organisation should solely fund the cost to reinstate and 10% thought the ratepayers should solely pay the cost to reinstate. The balance thought the cost should be shared or alternative sources of funding found.

## 17. Information on the respondents:

- 66% (222) respondents live in their own home in Hamilton, 20% (67) rent a home in Hamilton, 1% live outside Hamilton but own a home in Hamilton, 8% (28) live outside Hamilton and do not own a home in Hamilton, and 5% did not answer.
- 41% (139) respondents live in a family with dependant situation, 34% (114) live in a family without dependants, 16% (55) live alone, 4% (15) live with others and 5% did not answer.
- 5%(18) of the respondents are 16-24, 19% (64) are 25-35, 26% (89) are 36-50, 19% (63) 51-64, 26% (89) 65+ and 5% did not answer
- Of the 28 respondents who live outside Hamilton, 25% selected Option 1, 29% selected Option 2, 46% selected Option 3. If these are removed from the results the overall response percentage to each option does not vary.

Option	Total responses		Excluding those who do not own or rent a house in Hamilton	
	Number	%	Number	%
Option 1: Demolish the building completely and make the site an open space for the community. Est. cost \$802,100	90	27%	83	27%
Option 2: Partially demolish and repurpose for other uses – re-use the west dressing room block for community use Est. cost \$1,178,000	68	20%	60	20%
Option 3: Reinstate it for community use as a “town hall” type venue. Est. cost \$5.7m to \$12m	146	43%	133	43%
Did not select an option	32	10%	32	10%

18. Of the 336 responses, 66 were received in paper copy. There was no required field for the respondents’ name as no hearings were to be held.
19. In addition to the feedback on the preferred options above, the following views were also received:

Themes	Number of submissions
Build the new Waikato Regional Theatre on the old Founders Theatre site	15
Don’t replace Founders Theatre at all	25

### Business Proposal Expressions of Interest – Considerations

20. The consultation process also invited expressions of interest from organisations or groups interested in taking over the operation and/or ownership of Founders Theatre.
21. Those interested to do so were asked to provide an outline of their business plan and how they see their proposal being funded and operated.

22. In total eight business proposal expressions of interest were received and are attached to this paper as attachment 3.
23. Most of the proposals have provided an indication of interest from within the creative sector. Hence, it would be appropriate for staff to facilitate a conversation amongst the creative sector to determine if a creative community hub could be established. This would provide an opportunity for existing creative organisations to find a permanent home within the city and provide opportunities for new-start organisations. A main organisation would need take the lead and develop a full Business Case and Financial Proposal for the re-instatement of a community hub for the creative sector.
24. Council's Community Group have provided comments on each of the expressions of interest received regarding any current or potential occupation of HCC community spaces and their understanding of the group's current home.
25. Council is reminded that it gifted The Meteor Theatre to a Community Trust in February 2014 and Clarence Street Theatre to another Community Trust in July 2015 based on their proposals to create performance arts hubs for the community. Both Community Trusts received some form of operational and capital funding as part of the deed of gift. Council also currently funds 25% of the operational costs of the Gallagher Performing Arts Academy at University of Waikato.
26. It is recommended that staff facilitate the discussion amongst the creative sector noting that Council would require the Business Case and Financial Proposal to be submitted to Council by the 30 March 2018 for consideration with a final decision made by Council by 30 June 2018.

### **Waikato Regional Theatre - Considerations**

27. As reported to Council on 21 September 2017, Momentum Waikato is progressing with the Phase Two detailed design of the Waikato Regional Theatre. A copy of the report is linked [here](#).
28. It is proposed that this work will be completed by 23 February 2018 and reported back to council in March 2018. Management will provide a brief project update to Council at its meeting on 14 December 2017.
29. While the Momentum Waikato proposal for a new Waikato Regional Theatre continues to proceed, the funding proposed by Council will not be certain until the 2018-2028 10-Year Plan is adopted in June 2018 and all further funding required has been secured by Momentum Waikato.
30. This paper recommends Council proceed with the full demolition of Founders Theatre, in the event no Business Case and Financial Proposal for alternate community use is approved by Council by 30 June 2018, as by this date the funding decision relating to Waikato Regional Theatre will have been made by Council.
31. If no alternative use proposal is approved by Council by 30 June 2018, it is recommended the Chief Executive choose the best time for the demolition of Founders Theatre in consideration of the concept planning for the new Waikato Regional Theatre currently underway.

### **Significant and Engagement Policy**

32. Staff consider the recommendations to have a high level of significance due to the high public interest in the future of the Founders Theatre.
33. However, no further public consultation is required as two consultations have already been undertaken regarding Founders Theatre.

## **Attachments**

Attachment 1 - "What to do with Founders?" Consultation form

Attachment 2 – Summary of Consultation responses.

Attachment 3 - Business Proposals Expressions of Interest - Summary and full proposals proposals.

**Item 6**

# What to do with Founders?

Founders Theatre is a significant city asset on the fringe of the Central Business District. The theatre was closed in February 2016 due to concerns about the safety of the flying system used to hoist scenery and lighting above its stage.

A subsequent Detailed Seismic Assessment also revealed the building has a New Build Standard rating of just 15 per cent: a building is deemed to be earthquake prone if it is at less than 34 per cent. In June 2016 we asked the community what we should do with Founders Theatre.

**The feedback from the 2279 submissions, 1600 telephone survey responses and 126 workshop participants showed:**

- overwhelming support for a performing arts theatre in Hamilton
- there is very strong interest across the community and submitters want certainty and a prompt decision
- the refurbishment option as the most favoured (49 per cent), followed by building a new theatre (34 per cent)
- if a new theatre is constructed, and the Council's contribution is capped at \$30 million, 58 per cent of respondents supported that approach
- there is a strong desire for a new theatre to drive activity in the central city area
- there is also a strong desire for any new theatre to deliver an iconic destination building
- respondents felt the theatre needed to have flexibility to cater for a variety of performances and events, with superior acoustic treatment
- there is strong support for a specific concert hall development from some sectors of the arts community.

Following the closure of Founders Theatre, Momentum Waikato came forward with a proposal on the design, development and construction of a new theatre for the city and region – the Waikato Regional Theatre. The Council agreed to help fund work on Momentum Waikato's proposal, and has agreed – in principle – to commit \$30 million this theatre project.

Momentum Waikato leads the process on designing and developing the new theatre, has identified a Victoria St location, and reports regularly to the Council with updates. Council staff are involved in planning work for this proposed new theatre.

## Why we are consulting

Should the Waikato Regional Theatre go ahead at the Victoria St location, we need to decide what to do with Founders.

There are three options.

1. **Demolish completely:** remove the entire building and return the site to greenspace for an estimated cost of \$802,000. This option will create additional greenspace in the West Town Belt and is the most cost-effective option. However we will lose a significant civic building and history.
2. **Partially demolish and repurpose for other uses:** remove the foyer, auditorium, and stage house, but retain the existing dressing room building for re-use. Integrate the building with the surrounding park at an estimated cost of \$1,198,000. This option will allow for part of the building to be kept for community use and for it to be incorporated into the surrounding greenspace. It will provide the opportunity to recognise and commemorate the history of the site and is a cost-effective option.
3. **Reinstate for community use:** undertake earthquake strengthening work and compliance upgrades and cut down the height of the stage house, with the rest of the building to be retained in its current state for an estimated cost of up to \$12 million. This option retains the history of the building and would provide additional space for community use, but may also result in potential oversupply of community theatre spaces. These costs are significant and currently unbudgeted.

The Council wants to get your view on what we should do with Founders - but it's important to bear in mind no decision will be made until we know the outcome of the Waikato Regional Theatre proposal.

**NOTE:** Please be aware when providing personal information that all responses are part of the consultation process. As such it may be reproduced and included in Council's public documents such as Council agendas and minutes. These documents are available on Council's website - [hamilton.govt.nz](http://hamilton.govt.nz)

[hamilton.govt.nz/founders](http://hamilton.govt.nz/founders)

 **Hamilton City Council**  
Te Kaunihera o Kiriikirira

**1. What is your preferred option?** *Please select only one item.*

- Option 1:** demolish the building completely and make the site an open space for the community
- Option 2:** partially demolish and repurpose for other uses - re-use the west dressing room block for community use
- Option 3:** reinstate it for community use as a 'town hall' type venue.

**2. If you choose option 3 how do you think the Council should fund the cost of reinstating the theatre for community use (estimated at up to \$12 million)?**

	Yes	No
Require the community group/organisation using the space to pay for it?	<input type="radio"/>	<input type="radio"/>
Ask ratepayers to pay more rates to fund this?	<input type="radio"/>	<input type="radio"/>
Other (please explain in the space below or attach comments to this form)	<input type="radio"/>	<input type="radio"/>

If you are an organisation or group interested in taking over operation and/or ownership of Founders, you can find out more at [hamilton.govt.nz/founders](http://hamilton.govt.nz/founders) - expressions of interest are open until 19 November 2017.

**3. Where do you live?** *Please select only one item.*

- If you live inside Hamilton, which suburb? \_\_\_\_\_
- If you live outside Hamilton, which district? \_\_\_\_\_

**4. Do you?** *Please select only one item.*

- Live in your home you own in Hamilton City.
- Live in a home you rent in Hamilton City.
- Live outside Hamilton but own property in Hamilton City.
- Live outside Hamilton City and don't own property in Hamilton City.

**5. Household situation.** *Please select only one item.*

- Living alone.
- Family or couple with dependants (children or other family).
- Family or couple with no dependants.
- Living with others that are not family.

**6. Age.** *Please select only one item.*

- 16 - 24
- 25 - 35
- 36 - 50
- 51 - 64
- 65+

[hamilton.govt.nz/founders](http://hamilton.govt.nz/founders)

 **Hamilton City Council**  
Te Kaunihera o Kiriikirira

What to do with Founders - Responses Received

#	Option 1 - Demolish completely	Option 2 - Partial demolish & refurbish	Option 3 - reinstate as "town hall"	If you choose Option 3 - How do you think council should find the cost of reinstating?			If you choose option 3) how do you think the Council should fund the cost of reinstating the theatre for community use (estimated at up to \$12 million)? - Please explain	Attachment	Live in Hamiton - suburb	Live outside Hamilton - district	Do you	Household situation	Age
				Community group/organisation using the space to pay for it?	Ratepayers to pay more rates to fund?	Other? - Yes/No							
2	✓							Forest Lake		Live in your home you own in Hamilton.	Family or couple with no dependants.	36-50	
3	✓								Waipa	Live outside Hamilton and don't own property in Hamilton.	Family or couple with dependants (children or other family).	51-64	
9	✓							Rototuna		Live in your home you own in Hamilton.	Family or couple with no dependants.	51-64	
10	✓			Yes	No	Yes	As its a regional asset (i.e. lot of non Hamilton city rate payers use it. Any decision should be tied into adjoining district councils to partly fund it (can use a rating based approach to allocate percentage, or the Regional council should fund it out of their rates. We have all seen how much of a burden Claudelands is to the city & the same thing will happen again.	Claudelands		Live in your home you own in Hamilton.	Living with others that are not family.	36-50	
11	✓			Yes	No			Enderley		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	36-50	
14	✓								Waikato	Live outside Hamilton and don't own property in Hamilton.	Family or couple with dependants (children or other family).	36-50	
19	✓							Fitzroy		Live in your home you own in Hamilton.	Family or couple with no dependants.	36-50	
20	✓							Claudelands		Live in your home you own in Hamilton.	Family or couple with no dependants.	25-35	
21	✓							Hillcrest		Live in a home you rent in Hamilton.	Family or couple with dependants (children or other family).	25-35	
22	✓						demolish the building and use the space to build a high rise car parking building It would be great when rugby is on at the stadium				Family or couple with no dependants.	51-64	
28	✓							Beerescourt		Live in your home you own in Hamilton.	Living alone.	36-50	
36	✓							Hillcrest		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	51-64	
37	✓							Dinsdale		Live in your home you own in Hamilton.	Living alone.	65 +	
40	✓							Western Heights		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	51-64	
41	✓			Yes				Chartwell		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	36-50	
44	✓			Yes	No			Huntington		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	25-35	
45	✓			Yes	No			Frankton		Live in your home you own in Hamilton.	Living with others that are not family.	36-50	
48	✓							Hillcrest		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	36-50	

What to do with Founders - Responses Received

#	Option 1 - Demolish completely	Option 2 - Partial demolish & refurbish	Option 3 - reinstate as "town hall"	If you choose Option 3 - How do you think council should find the cost of reinstating?			If you choose option 3) how do you think the Council should fund the cost of reinstating the theatre for community use (estimated at up to \$12 million)? - Please explain	Attachment	Live in Hamilton - suburb	Live outside Hamilton - district	Do you	Household situation	Age
				Community group/organisation using the space to pay for it?	Ratepayers to pay more rates to fund?	Other? - Yes/No							
49	✓							Dinsdale		Live in a home you rent in Hamilton.	Family or couple with dependants (children or other family).	36-50	
50	✓							Beerescourt		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	36-50	
51	✓							Chartwell		Live in a home you rent in Hamilton.	Family or couple with no dependants.	25-35	
52	✓			Yes	No			Claudelands		Live in a home you rent in Hamilton.	Family or couple with dependants (children or other family).	25-35	
53	✓			Yes	No			Flagstaff		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	25-35	
57	✓							Silverdale		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	36-50	
59	✓						In the open space, I'd put a destination playground with a cover so it's still usable in the rain, and with parking. That would get me and my kids into town, at the moment we go to the base or other platforms. Or keep it as green space and put a destination playground somewhere else in town.	Fairview Downs		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	25-35	
63	✓							St Andrews		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	36-50	
65	✓							Nawton		Live in a home you rent in Hamilton.	Family or couple with dependants (children or other family).	51-64	
67	✓							Flagstaff		Live in your home you own in Hamilton.	Living alone.	51-64	
68	✓							Bader		Live in your home you own in Hamilton.	Family or couple with no dependants.	51-64	
70	✓			Yes	No	No		Flagstaff		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	36-50	
72	✓							Rototuna		Live in a home you rent in Hamilton.	Living alone.	65 +	
73	✓							Beerescourt		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	25-35	
78	✓							Fairfield		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	51-64	
79	✓							Flagstaff		Live in your home you own in Hamilton.	Family or couple with no dependants.	51-64	
82	✓			No				Beerescourt		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	51-64	
84	✓							Maeroa		Live in a home you rent in Hamilton.	Family or couple with no dependants.	51-64	
90	✓								Waikato	Live outside Hamilton and don't own property in Hamilton.	Family or couple with dependants (children or other family).	36-50	
98	✓							Riverlea		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	36-50	
100	✓							Hillcrest		Live in a home you rent in Hamilton.	Family or couple with dependants (children or other family).	36-50	

What to do with Founders - Responses Received

#	Option 1 - Demolish completely	Option 2 - Partial demolish & refurbish	Option 3 - reinstate as "town hall"	If you choose Option 3 - How do you think council should find the cost of reinstating?			If you choose option 3) how do you think the Council should fund the cost of reinstating the theatre for community use (estimated at up to \$12 million)? - Please explain	Attachment	Live in Hamiton - suburb	Live outside Hamilton - district	Do you	Household situation	Age
				Community group/organisation using the space to pay for it?	Ratepayers to pay more rates to fund?	Other? - Yes/No							
101	✓							Chartwell		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	51-64	
104	✓						I did not choose option 3 but since this is the only space which you have given for a written response a) Please design your surveys better and b) Demolish founders and replace it with 3 storey apartments with a shared greenspace and playground and offer them for sale to first home buys on lower incomes. Also a skatepark	Dinsdale		Live in a home you rent in Hamilton.	Family or couple with dependants (children or other family).	25-35	
105	✓							Rototuna		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	51-64	
110	✓							Hamilton Lake		Live in your home you own in Hamilton.	Living alone.	65 +	
113	✓							Frankton		Live in a home you rent in Hamilton.	Family or couple with no dependants.	25-35	
114	✓								Cambridge, Waipa	Live outside Hamilton and don't own property in Hamilton.	Family or couple with no dependants.	65 +	
117	✓			Yes	No	No		Nawton		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	36-50	
119	✓			Yes	No			Nawton		Live in your home you own in Hamilton.	Family or couple with no dependants.	25-35	
120	✓			Yes	No			Nawton		Live in your home you own in Hamilton.	Family or couple with no dependants.	25-35	
123	✓			Yes	No	No		Hamilton East		Live in your home you own in Hamilton.	Family or couple with no dependants.	25-35	
124	✓					Yes	The theatre need to go full stop. Its an eye sore and money drain, its ridiculous to keep anything there, make it either a green space/park with a statue of sorts (Queen Elizabeth) or a sports venue.	St Andrews		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	36-50	
137	✓						Good afternoon, Demolish and greenspace it. Above all, we need to build a purpose-built Concert Hall with excellent acoustics which can also be functional for local ballet schools' end of year concerts and Royal NZ Ballet shows and high end artists [who have to currently not come here to Hamilton]. Not having regard to the acoustics above all else is a no brainer. Preferably build on current site which has been perfect for parking. Why can this not be done? However, rebuild is the way to go. We built the stadium, we can do this too. If no other way, then rebuild in the city but this is creating problems [safety and parking and building it in a confined space]. Where Founders is now, there is space, space to park, space to design a future-proof beautiful building. Thank you for this opportunity to comment. T F Miller	Harrowfield		Live in your home you own in Hamilton.	Family or couple with no dependants.	65 +	
138	✓							Harrowfield		Live in your home you own in Hamilton.	Family or couple with no dependants.	65 +	
144	✓						Additional information uploaded. See Appendix 1.	Yes	Fairfield		Live in your home you own in Hamilton.	Family or couple with no dependants.	51-64
154	✓							Hamilton East		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	36-50	

What to do with Founders - Responses Received

#	Option 1 - Demolish completely	Option 2 - Partial demolish & refurbish	Option 3 - reinstate as "town hall"	If you choose Option 3 - How do you think council should find the cost of reinstating?			If you choose option 3) how do you think the Council should fund the cost of reinstating the theatre for community use (estimated at up to \$12 million)? - Please explain	Attachment	Live in Hamilton - suburb	Live outside Hamilton - district	Do you	Household situation	Age
				Community group/organisation using the space to pay for it?	Ratepayers to pay more rates to fund?	Other? - Yes/No							
167	✓							Claudelands		Live in your home you own in Hamilton.	Family or couple with no dependants.	51-64	
191	✓			Yes	No			Hamilton East		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	36-50	
197	✓							Fairview Downs		Live in your home you own in Hamilton.	Family or couple with no dependants.	65 +	
202	✓								Matamata	Live outside Hamilton and don't own property in Hamilton.	Living alone.	36-50	
205	✓			Yes	Yes		Use Claudelands as a venue because it is more multi -purpose. Would prefer 1 complex used day/night constantly than multiple buildings used occasionally. Claudelands also has better access roading & PARKING. Sell existing Founders land to help fund Claudelands.		Waipa	Live outside Hamilton but own property in Hamilton.	Family or couple with dependants (children or other family).	36-50	
207	✓				Yes				Rukuhia	Live outside Hamilton and don't own property in Hamilton.	Family or couple with dependants (children or other family).	36-50	
210	✓			Yes	Yes		See Appendix 1.	Yes	Claudelands	Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	25-35	
211	✓			Yes	No				Chartwell	Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	16-24	
222	✓				Yes	Yes	Make a new theatre in the Victoria st proposed site		Pukete	Live in your home you own in Hamilton.	Family or couple with no dependants.	51-64	
225	✓								Flagstaff	Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	36-50	
226	✓								Claudelands	Live in your home you own in Hamilton.	Living alone.	65 +	
227	✓												
228	✓								Dinsdale	Live in your home you own in Hamilton.	Family or couple with no dependants.	65 +	
234	✓								Hamilton Central	Live in your home you own in Hamilton.	Family or couple with no dependants.	25-35	
235	✓						build apartments and sell it to make money to fund yourself.		Hamilton East	Live in your home you own in Hamilton.	Living with others that are not family.	25-35	
236	✓						The building has been left to go past it 'used by' date. There is little to be gained by retaining the building and offering to Not For Profits will create a liability for the NFP sector who do not such funds for development.		St Andrews	Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	65 +	
241	✓						See Appendix 1.	Yes	Rototuna North	Live in your home you own in Hamilton.	Family or couple with no dependants.	65 +	
242	✓								Tamahere	Live outside Hamilton and don't own property in Hamilton.	Family or couple with dependants (children or other family).	36-50	
243	✓			Yes	No				Nawton	Live in your home you own in Hamilton.	Family or couple with no dependants.	25-35	

What to do with Founders - Responses Received

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				Community group/organisation using the space to pay for it?	Ratepayers to pay more rates to fund?	Other? - Yes/No							
244	✓			No	No	Yes	stop paying for prisoners to have luxuries like basketball courts, all they need is three meals a day and a roof over there heads, there in there for a reason.		Rototuna		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	16-24
258	✓								Maeroa		Live in your home you own in Hamilton.	Living alone.	36-50
268	✓						The building should be demolished and a new theatre built on the same site. a cheaper option of refurbishing the existing theatre, the most popular option in the previous survey, should also be considered. Any thought of repurposing the existing building for other than a theatre is fantasyland. come down to earth and live within our means. If the existing theatre had been properly looked after and modernised as an on-going project then we would not be having this discussion.		Enderley		Live in your home you own in Hamilton.	Family or couple with no dependants.	65 +
271	✓						Demolish the existing building, But build a the new theatre on this site.		Hamilton East		Live in your home you own in Hamilton.	Living alone.	51-64
279	✓						Demolish and Reuse the size for the new theatre.  Option 1: Demolish the current theatre and then rebuild the new theatre on the same site with multi storey underground parking. Resize the theatre to 3000 capacity to allow for population growth. Using a Victoria St site is trouble waiting to happen.		Frankton		Live in a home you rent in Hamilton.	Family or couple with no dependants.	65 +
282	✓								Bader		Live in your home you own in Hamilton.	Family or couple with no dependants.	36-50
283	✓								Dinsdale		Live in your home you own in Hamilton.	Family or couple with no dependants.	16-24
284	✓								Dinsdale		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	51-64
286	✓								Rototuna		Live in your home you own in Hamilton.	Living alone.	51-64
287	✓								Rototuna		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	25-35
295	✓								Nawton		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	36-50
296	✓								Huntington		Live in your home you own in Hamilton.	Living alone.	16-24
297	✓				No	No	I would rather that it was either turned into a playground, or sold to pay off city debt.		Frankton		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	25-35
304	✓								Flagstaff		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	36-50
317	✓						Use the performing arts Centre at Waikato University or Claudelands Event Centre at Claudelands.		St Andrews		Live in your home you own in Hamilton.	Family or couple with no dependants.	65 +
323	✓								Dinsdale		Live in your home you own in Hamilton.	Living alone.	65 +
334	✓								Hillcrest		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	36-50

What to do with Founders - Responses Received

#	Option 1 - Demolish completely	Option 2 - Partial demolish & refurbish	Option 3 - reinstate as "town hall"	If you choose Option 3 - How do you think council should find the cost of reinstating?			If you choose option 3) how do you think the Council should fund the cost of reinstating the theatre for community use (estimated at up to \$12 million)? - Please explain	Attachment	Live in Hamilton - suburb	Live outside Hamilton - district	Do you	Household situation	Age
				Community group/organisation using the space to pay for it?	Ratepayers to pay more rates to fund?	Other? - Yes/No							
1		✓						Hamilton East		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	25-35	
4		✓						Flagstaff		Live in your home you own in Hamilton.	Family or couple with no dependants.	65 +	
6		✓		Yes	No			Hamilton East		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	36-50	
8		✓						Melville		Live in your home you own in Hamilton.	Living alone.	25-35	
12		✓						St Andrews		Live in your home you own in Hamilton.	Family or couple with no dependants.	36-50	
15		✓						Frankton		Live in a home you rent in Hamilton.	Family or couple with dependants (children or other family).	36-50	
24		✓						Dinsdale		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	25-35	
27		✓						Deanwell		Live in a home you rent in Hamilton.	Family or couple with dependants (children or other family).	36-50	
30		✓		Yes	Yes	No			Newstead	Live in your home you own in Hamilton.	Family or couple with no dependants.	25-35	
33		✓						Fairfield		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	36-50	
35		✓						Forest Lake		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	51-64	
39		✓						Dinsdale		Live in a home you rent in Hamilton.	Living with others that are not family.	25-35	
42		✓						Hamilton East		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	36-50	
46		✓							Horsham Downs	Live outside Hamilton but own property in Hamilton.	Family or couple with dependants (children or other family).	36-50	
55		✓						Western Heights		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	36-50	
56		✓						Flagstaff		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	36-50	

What to do with Founders - Responses Received

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				Community group/organisation using the space to pay for it?	Ratepayers to pay more rates to fund?	Other? - Yes/No							
60		✓						Beerescourt		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	36-50	
62		✓						Hillcrest		Live in your home you own in Hamilton.	Family or couple with no dependants.	16-24	
66		✓						Glenview		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	51-64	
69		✓		Yes	No			Huntington		Live in a home you rent in Hamilton.	Family or couple with dependants (children or other family).	25-35	
71		✓						Rototuna North		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	51-64	
74		✓		Yes	No			Huntington		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	36-50	
76		✓		No	Yes		The city needs more affordable community group/ hub space. The cost of partial demolish is not much more and what an awesome outcome. Skate park beside a community hub integrated into the park with events and youth activities would be great use of the space.		Cambridge	Live outside Hamilton and don't own property in Hamilton.	Family or couple with dependants (children or other family).	36-50	
77		✓		Yes					Waipa	Live outside Hamilton and don't own property in Hamilton.	Family or couple with dependants (children or other family).	25-35	
81		✓						Hamilton East		Live in your home you own in Hamilton.	Family or couple with no dependants.	36-50	
88		✓						Beerescourt		Live in a home you rent in Hamilton.	Family or couple with dependants (children or other family).	36-50	
93		✓						Beerescourt		Live in your home you own in Hamilton.	Family or couple with no dependants.	51-64	
94		✓						Dinsdale		Live in your home you own in Hamilton.	Family or couple with no dependants.	51-64	
102		✓						Dinsdale		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	36-50	
106		✓					My preference is Option 2, PROVIDED THAT the replacement theatre is an architectural icon and not a cheap box built to a price. The original Founders building is a classic of its time, and the new one should demonstrate the same commitment to taste and quality, aiming to be just as classic in 30 years time.  If the new theatre is to be built primarily to a budget rather than a proper design aesthetic, I would prefer the old theatre to be retained and refurbished.		Chartwell	Live in your home you own in Hamilton.	Family or couple with no dependants.	65 +	

What to do with Founders - Responses Received

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				Community group/organisation using the space to pay for it?	Ratepayers to pay more rates to fund?	Other? - Yes/No							
107		✓							Waikato	Live outside Hamilton and don't own property in Hamilton.	Family or couple with dependants (children or other family).	65 +	
115		✓						St Andrews		Live in your home you own in Hamilton.	Living alone.	65 +	
126		✓							Horsham Downs	Live in a home you rent in Hamilton.	Living with others that are not family.	36-50	
128		✓							Waipa	Live outside Hamilton and don't own property in Hamilton.	Family or couple with dependants (children or other family).	36-50	
136		✓						Grandview Heights		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	25-35	
139		✓						Flagstaff		Live in your home you own in Hamilton.	Family or couple with no dependants.	51-64	
157		✓						Flagstaff		Live in your home you own in Hamilton.	Family or couple with no dependants.	51-64	
177		✓						Flagstaff		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	51-64	
179		✓						Beerescourt		Live in your home you own in Hamilton.	Family or couple with no dependants.	51-64	
201		✓						Rototuna North		Live in a home you rent in Hamilton.	Family or couple with dependants (children or other family).	36-50	
203		✓						Peacockes	Tamahere	Live outside Hamilton but own property in Hamilton.	Family or couple with dependants (children or other family).	36-50	
204		✓						Dinsdale		Live in a home you rent in Hamilton.	Living alone.	36-50	
208		✓		Yes	Yes	Yes		Nawton		Live in your home you own in Hamilton.	Family or couple with no dependants.	16-24	
213		✓		Yes			I think that sponsorship of what could be an iconic venue in Hamilton is realistic. I think that re-purposing this space is the way to go personally. A performing arts and cultural centre? This way you would charge for use of the space and hopefully this would go towards the cost of partial demolition (or complete replacement?)	Fairfield		Live in a home you rent in Hamilton.	Family or couple with dependants (children or other family).	36-50	
215		✓						Hamilton East		Live in a home you rent in Hamilton.	Living with others that are not family.	16-24	

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				Community group/organisation using the space to pay for it?	Ratepayers to pay more rates to fund?	Other? - Yes/No							
218		✓							Ngahinapouri	Live outside Hamilton and don't own property in Hamilton.	Living alone.	16-24	
221		✓						Hamilton East		Live in a home you rent in Hamilton.	Living with others that are not family.	16-24	
230		✓							Tamahere	Live outside Hamilton and don't own property in Hamilton.	Family or couple with no dependants.	65 +	
231		✓		Yes			If we already have a new theater building under construction (and let's face it, at the more popular end of town), we probably don't need two - but the space should be used for something to attract people to the area, and preferably have a community focus no matter what happens.		Frankton	Live in a home you rent in Hamilton.	Family or couple with no dependants.	25-35	
233		✓							Deanwell	Live in a home you rent in Hamilton.	Family or couple with dependants (children or other family).	25-35	
245		✓							Flagstaff	Live in a home you rent in Hamilton.		25-35	
246		✓							Huntington	Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	36-50	
249		✓					The building has a historical significance. should not be demolished completely. That spend should not go over budget though than what is specified.  With the council already committing to a new theatre for 30 million, there should not be further 12 million spend on refurbishment causing an oversupply for the size of Hamilton population.		Riverlea	Live in your home you own in Hamilton.	Family or couple with no dependants.	51-64	
250		✓							Hamilton East	Live in a home you rent in Hamilton.	Living alone.	25-35	
254		✓		Yes					Waikato	Live outside Hamilton and don't own property in Hamilton.	Family or couple with no dependants.	16-24	
255		✓							Pukete	Live in your home you own in Hamilton.	Family or couple with no dependants.	25-35	
260		✓							Flagstaff	Live in a home you rent in Hamilton.	Family or couple with dependants (children or other family).	25-35	
262		✓							Riverlea	Live in your home you own in Hamilton.	Family or couple with no dependants.	51-64	
263		✓							Silverdale	Live in a home you rent in Hamilton.	Living alone.	36-50	

What to do with Founders - Responses Received

#	Option 1 - Demolish completely	Option 2 - Partial demolish & refurbish	Option 3 - reinstate as "town hall"	If you choose Option 3 - How do you think council should find the cost of reinstating?			If you choose option 3) how do you think the Council should fund the cost of reinstating the theatre for community use (estimated at up to \$12 million)? - Please explain	Attachment	Live in Hamiton - suburb	Live outside Hamilton - district	Do you	Household situation	Age
				Community group/ organisation using the space to pay for it?	Ratepayers to pay more rates to fund?	Other? - Yes/No							
265		✓		No	No	Yes	<p><b>Option 1</b> - I believe that the partial demolition of the Founders Theater should be converted into a multi-storey car park. The theater is in a prime location as it is in close proximity to both the stadiums and the CBD. Since there has always been a shortage of parking in the CBD, this parking premises will be utilized by the public on a daily basis. As this location is in the close proximity of the Free CBD Shuttle route, this car park can also be utilized by the public working on the other side of the CBD. The car park can also be used during matches held in Seddon Park and the FMG Stadium.</p> <p>Funding - I believe that funding is a major concern when it comes to major projects like these. I do not think that increasing rates or requiring the community to pay for this project would not be a fair option and Hamiltonians would loose trust in the council, However there is an option to fund the project which would benefit both the council and give Hamiltonians a chance to participate in the redevelopment of this site. I would like to recommend the council to create a scheme where they sell financial instruments such as bonds. This will give Hamiltonians to own a portion of this iconic piece of History. With a high foot traffic this car park can also have other sources of income such as advertising spaces being sold to companies</p> <p>The portion of the theater which has not been demolished can be utilized for community. This space can also be used for Markets which will also generate more revenue to pay for the maintenance and development of this site.</p> <p><b>Option 2</b> - I also believe that the structure should be partially be demolished and converted into a Business Center providing affordable office space for new and emerging businesses. I would recommend the same funding strategy mentioned in the point. The business center would encourage businesses to setup offices in the city centre and hence this would lead to a growth in the city centre. Some small businesses from nearby towns and city would also be keen to take advantage of this opportunity.</p> <p>I thank you for kind time and consideration. Regards, Jitendra Hirani</p>		Dinsdale		Live in a home you rent in Hamilton.	Family or couple with dependants (children or other family).	25-35
266		✓							Enderley		Live in your home you own in Hamilton.	Family or couple with no dependants.	36-50
275		✓							Frankton		Live in a home you rent in Hamilton.	Living alone.	65 +
276		✓							Dinsdale		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	65 +
285		✓							Pukete		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	36-50
315		✓							Maeroa		Live in your home you own in Hamilton.	Living alone.	65 +
327		✓					Recoup from Montana Catering and others all the money wasted on V8s.		Hamilton East		Live in your home you own in Hamilton.	Family or couple with no dependants.	65 +
329		✓							Hamilton East		Live in your home you own in Hamilton.	Family or couple with no dependants.	65 +
331		✓					Could use the grass area as a outdoor stage for summer performances. Changing rooms would be useful then. Available for community groups or musicians.			Ngaruawahia	Live outside Hamilton and don't own property in Hamilton.	Family or couple with no dependants.	25-35

What to do with Founders - Responses Received

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				Community group/ organisation using the space to pay for it?	Ratepayers to pay more rates to fund?	Other? - Yes/No							
5			✓	Yes	No	Yes	<p>Council could always STOP spending on 'wants' and other unnecessary outlays and focus on entirely on 'needs' for the city - that would free up an awful lot of money which would otherwise go unchecked, eg:</p> <ol style="list-style-type: none"> <li>1. Staff expenditure on trips supposedly to better inform themselves but which often become a holiday with 'some' work - we all pay for this: ie i-site staff continually going on 'famils,' overseas trips for managers etc -at ratepayers expense...</li> <li>2. Art installations and similar - the amount of money spend on these when council has one of the highest debts of any council in the country is appalling - this is a 'want' not a 'need' - no safety or health issue will arise from curbing or even halting spending for a few years to put it toward restoring this Hamilton Icon.</li> <li>3. Unnecessary transport/road improvements (except desperately needed new bridges) we do not need to have tiny traffic islands to guide us around corners (groan...) or other total wastes of money.</li> <li>4. FAR better monitoring of quotes to council by private companies for work - I personally know of work carried out by a Hamilton company in the Hood street upgrade where they charged over \$20,000 to install areas in the cobbles to plant trees - EACH - which inreality would have cost not more than \$2,000 - maximum!!! That person still jokes about how he made a "killing" on it to this day!! It is appalling such failures - or just plain complacency in allowing HUGE over-spending is nothing short of negligence. Each department needs to be far more accountable and KNOW what something SHOULD cost, not just accept what ever is presented - it is well known in the community that you can quote/charge council whatever you want &amp; it is rarely challenged; eventh lowest quotes are disgustingly more than what they would charge elsewhere.</li> </ol>		Claudelands		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	65 +
7			✓	Yes	No	No			Raglan	Live outside Hamilton and don't own property in Hamilton.	Living alone.	36-50	
13			✓				<p>Feedback from submitters in June showed 49% wanted refurbishment of the Founders Theatre. 34% wanted a new Theatre. The questions in this survey ignore the fact that the majority of submitters wanted refurbishment and not demolition. It sounds like you have made up your mind to have a new theatre somewhere else even though the community indicated otherwise.</p> <p>The cheapest option for ratepayers is to refurbish the Founders and continue to use it as a Theatre. Ratepayers cannot afford a new Theatre beside the river. Also, parking concerns for the disabled and elderly at the proposed new site have so far been ignored.</p> <p>In addition to the building cost for a new Theatre, what will Ratepayers have to pay each year to cover the losses it will make - like we currently do for Claudelands Events Centre. The yearly losses/costs need to be made public.</p>		Rototuna		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	51-64
16			✓	No	Yes	Yes	<p>A broader scope of use is worth consideration. "Town hall and/or Theatre" seems overly restrictive, if the resulting facility is to be profitable.</p> <p>Initial ratepayer investment could be increased from the \$12m figure mentioned above but, under the broader usage scope, the venue would be expected to generate profit (beyond an initial payback period of X number years).</p>			Auckland (I'm interested because I'm an architect who grew up in Hamilton)	Live outside Hamilton and don't own property in Hamilton.	Family or couple with no dependants.	36-50
18			✓	Yes	Yes		<p>I think this should be a mix of rates and user pays. Founders has functioned as a default town hall for many years and now we have nothing suitable for this function. However, having been involved in events held there and community groups wanting to use it as a theater space, I know that the timing of civic needs and theater needs often clashed. The reason I support Option 3 is that it will be of almost no functional or historic value if Option 2 is taken. Having worked in the green rooms, I can think of no good reason to retain them as the only remaining part of the building - they are very run down from many many years of neglect. In my view, they are most expendable part of the complex! If it is to be kept at all the auditorium is critical, and that would in turn need to have the foyer to function properly. As I also work in that area of town, I know that the Founders and both sports grounds desperately lack parking. I park there on an almost daily basis and therefore know that commuter parking is also short for the many business's in the area, and is complimentary to hours that most events need it. If refurbishment included an underground car park ( entry via the space where the current one is located), this would be a major income source without losing the green space or historic value of the building.</p>		Glenview		Live in your home you own in Hamilton.	Family or couple with no dependants.	51-64

What to do with Founders - Responses Received

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25			✓	Yes	Yes				Waipa	Live outside Hamilton and don't own property in Hamilton.	Family or couple with no dependants.	65 +	
26			✓	Yes				Western Heights		Live in your home you own in Hamilton.	Family or couple with no dependants.	36-50	
31			✓	Yes	Yes			Grandview Heights			Family or couple with no dependants.	51-64	
34			✓	Yes	No			Beerescourt		Live in a home you rent in Hamilton.	Family or couple with no dependants.	25-35	
38			✓	No	Yes	No		Maeroa		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	36-50	
43			✓	No	No	Yes	Founders theatre land belongs to rate payers of Hamilton City Council. Momentum belongs to WEL Energy Trust. If Council want to give our rates of 30m to Momentum to build a new theatre at an inaccessible no parking land for another trust to own the new theatre building, Momentum should first reinstate Founders Theatre into a Town Hall and then embark on its new theatre project.	Hillcrest		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	65 +	
47			✓	No		Yes	Apply to central government arts for funding as it's a significant asset. There should have been a 4th option to reinstate as a proper theatre. I only choose the 3rd option as it was the closest to full reinstatement.	Hillcrest		Live in your home you own in Hamilton.	Family or couple with no dependants.	51-64	
54			✓			Yes	Utilize rate payer funds to complete the work, then recoup the costs with rental fees from groups using the facility afterwards		South Waikato	Live outside Hamilton and don't own property in Hamilton.	Family or couple with dependants (children or other family).	25-35	
58			✓	No	Yes	No		Fairfield		Live in your home you own in Hamilton.	Family or couple with no dependants.	25-35	
61			✓			Yes	Private public partnership.	Forest Lake	Just inside Waipa	Live outside Hamilton but own property in Hamilton.	Family or couple with no dependants.	51-64	
64			✓	No	No	No		Hamilton East		Live in a home you rent in Hamilton.	Living alone.	25-35	
75			✓	Yes				Fairfield		Live in your home you own in Hamilton.	Family or couple with no dependants.	65 +	
80			✓				With luck the new theatre at the new riverside site will proceed. Presumably the new theatre will require funding from ratepayers so we are not in a position to upgrade and maintain Founders and build a new theatre. However, we have to think really carefully before we get rid of any building with heritage value, which Founders definitely has. The challenge is how to retain the heritage value while not burdening the ratepayers nor have the building compete for events with other event venues. What about a type of public/private partnership whereby the building facade is retained by a covenant while inside is converted to office/apartment space etc.	Chartwell		Live in a home you rent in Hamilton.	Family or couple with dependants (children or other family).	36-50	
83			✓			Yes	Surely, like ALL good funding managers and maintenance Officers, the money should have been "tagged" annually for the specifics of planned maintenance. As far as Rates are concerned, the set amounts...where has that accumulated fund gone? Rates will in the future contribute towards the "Maintenance programme" In the mean time. There are ways and means of urging Philanthropists and Hamilton's BIG businesses that could have their names inside on a special section of the Founders to promote their Companies. A wonderful example, in my view of a Good Maintenance programme is the Gallagher Pool at Melville. In my opinion POOR management of 'Maintenance' programmes have let residents and rate payers of Hamilton down. Lets treat the Founders, as an endearment of the past.. Do it up AND look after it.	Thornton		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	65 +	
85			✓			Yes	As a major source for community events to happen, this should be coming out of existing funding, not having the theatre available means loss of income from not just community groups but also other events from out of town. This would benefit the community as a whole, and would provide for a large-scale theatre in the region. While I support a new theatre could be nicer and more desirable in the city centre, parking is a major issue already in the city centre, to have a large scale event in there would make it very difficult to host. The current site already has plenty of parking available around it, and so would make sense to stay where it is.	Hillcrest		Live in a home you rent in Hamilton.	Family or couple with no dependants.	25-35	

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				Community group/organisation using the space to pay for it?	Ratepayers to pay more rates to fund?	Other? - Yes/No							
86			✓	Yes	No	Yes	Grants and donations			Waikato District Council	Live outside Hamilton and don't own property in Hamilton.	Family or couple with dependants (children or other family).	36-50
89			✓	Yes	No				Claudelands		Live in a home you rent in Hamilton.	Living alone.	51-64
91			✓	Yes	No	Yes	Sell a park that has low utilisation like Derek Heather park for residential development.		Beerescourt		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	25-35
92			✓	Yes	No				Glenview		Live in your home you own in Hamilton.	Family or couple with no dependants.	65 +
96			✓	Yes	No	Yes	I would like to see it at a tourist attraction - local culture and history and venue opportunity for photography world. Rooms set up for photo shoots, family portraits, wedding photos etc and even a 3D gallery like Rotorua has for people to get involved in photo props. This can be a permanent fixture and always available and/or have it booked out for private functions. The grounds call for lots of potential in this area also. Entry fee of \$25 pp etc			Morrinsville	Live outside Hamilton and don't own property in Hamilton.	Family or couple with dependants (children or other family).	36-50
99			✓			Yes	Council funds and private donations. This building and surrounding are a big part of Hamiltons history and the building and grounds should be protected. Hamilton needs to keep the Founders and it's park like grounds for future generations to enjoy. Hamilton has too much of its History destroyed in recent times and it honestly doesn't have much left. I am no longer a HCC rate payer so probably my opinion doesn't really count but visitors to Hamilton would appreciate the Founders building and the green space.			Te Kowhai, Waikato	Live outside Hamilton and don't own property in Hamilton.	Family or couple with no dependants.	51-64
103			✓	Yes	Yes				Hamilton East		Live in your home you own in Hamilton.	Family or couple with no dependants.	25-35
108			✓			Yes	THE SAME WAY YOU ARE GOING TO RAISE THE MONEY FOR THE NEW THEATRE.  THE CURRENT THEATRE IS WELL LOCATED AND WELL USED. THE ONLY REASON IT IS NOT BEEN USED NOW IS BECAUSE OF EARTHQUAKE ISSUES. WHY NOT FIX THE EARTHQUAKE ISSUES AND REMODEL OR UPGRADE AND GET USING IT AGAIN AND IT WILL BE A WHOLE HEAP CHEAPER THAN BUILDING A NEW ONE IN A CRAZY INNER CITY LOCATION.....		Hillcrest		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	36-50
111			✓	Yes					Hamilton Central		Live in a home you rent in Hamilton.	Living with others that are not family.	36-50
116			✓	No		Yes	Utilise sponsorship and any community funds that may be available. Balance ratepayers to sponsorship. What is not clear in your information is how much maintenance money has been spent in the last thirty years on the Founders. Has maintenance money been diverted? The information given in this survey is very limited. Demolition of existing built facilities is not an environmental approach.  Hamilton as a major city should be able to have several theatres - where are the documents about future proofing for cultural facilities for the next twenty years plus. Where are the comparisons to other cities with their facilities and what the balance is. For example Christchurch's Town Hall includes theatre use. There will also be a grand new theatre/civic complex in addition to the large existing Town Hall and other theatres. Hamilton has a strong cultural basis but it seems that in the current local government role of HCC that the cost of cultural facilities is to limit these and then sell off. Note Hamilton city does not have a Town Hall- unlike other cities and many towns. Where is the documentation that considers long term needs of culture in Hamilton- and the wide range of facilities at different scales and cost points needed. Where are the details for staging repairs and upgrades on the Founders Theatres?  The Founders theatre is an important part of Hamilton's history. It sits in a historic park- our park. There is plenty of parking and historic trees ring the site. The existing building has plenty of potential for upgrading and for re-development. The architectural firm of the Founders spent some time in trying to say this. Why is it that Wellington and Christchurch and Auckland retain their 'town halls' but Hamilton considers instead to have a discussion and say to its community you can have the old one or the new one- how about BOTH! Will Hamilton be the New Zealand city that demolishes its grand modernist theatre, designed at a similar time as Christchurch's and later Wellington's Fowler Centre.		Frankton		Live in your home you own in Hamilton.		

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118			✓	Yes	No	No		Hillcrest		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	36-50	
121			✓	Yes	No			Pukete		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	25-35	
122			✓	Yes	Yes			Frankton		Live in your home you own in Hamilton.	Family or couple with no dependants.	25-35	
125			✓		Yes			Deanwell		Live in a home you rent in Hamilton.	Family or couple with dependants (children or other family).	36-50	
127			✓		Yes		I think that it is worth keeping founders theatre where it is. I think a combination money from rates and community groups would be appropriate. I am a home owner in Maeroa and I think that having the founders theatre to remain open where it is currently is beneficial to my neighbourhood even if there is a rates increase.	Maeroa		Live in your home you own in Hamilton.	Living with others that are not family.	25-35	
129			✓	Yes	Yes			Harrowfield		Live in your home you own in Hamilton.	Family or couple with no dependants.	65 +	
131			✓	No	No	Yes	The options ignore the possibility of a new building on the Founders site.  the Momentum plan may very well result in a theatre beginning life with a mortgage. Hamilton citizens would not be willing to provide additional funds and would look very unfavourably on a project failing to com in at its stated budget. The H0tel site runs the clear risk of overruns.  The existing Founders site is much easier to re-use. a fully-researched feasibility study s for this project should be made public for comment before any decision is taken to commit any more funds.	Claudelands		Live in your home you own in Hamilton.	Family or couple with no dependants.	65 +	
132			✓			Yes	Founders should be the up graded Regional Theatre and Momentum should invest here, where there is parking and safe access. The proposed site has no parking given the area is already an eating and entertainment area where parking is at a premium. Sadly, when people have been drinking at night the proposed area is unsafe.  Funding could be covered by selling the white elephant Claudelands arena.	Fitzroy		Live in your home you own in Hamilton.	Family or couple with no dependants.	65 +	
133			✓	Yes		Yes	The questions you have supplied do not give the option of REINSTATE Founders Theatre as a FULLY FUNCTIONAL theatre for the region.  This is the option I would have chosen - why, why, WHY are you insisting on supporting yet another huge building to be built right on the riverbank in the CBD??! There is already little to no parking available (without having to park a distance away) for those who wish to dine at any of the restaurants in town down near Momentum's proposed site as it is, let alone supporting the Regional Theatre proposal.  If Council is prepared to put in \$30m towards Momentum's Regional Theatre, then I would rather this money going towards bringing Founders Theatre up to EQ Standards, including refurbishing it, upgrade toilets and fix the flying system INSTEAD of Momentum's Regional Theatre proposal.  Spend the money sensibly - FIX and EXTEND Founders Theatre to become our regional theatre again. There is ample and easy parking, it is reasonably close to a few bars/restaurants and a much nicer location.	Hamilton East		Live in your home you own in Hamilton.	Family or couple with no dependants.		
134			✓	Yes	Yes		A combination of ratepayers and community groups. May be 60% - 40%: Community group 40% and ratepayers 60%.	Riverlea		Live in your home you own in Hamilton.	Family or couple with no dependants.	65 +	
135			✓		Yes			Claudelands		Live in your home you own in Hamilton.	Living alone.	65 +	
140			✓	Yes	Yes	Yes	Don't give 33 million dollars to Momentum (or whatever they call themselves). It is UTTERLY disgusting that you have promised them this money when it could have been spent on the Founders Theatre. Before promising \$33 million to this other venture you need to hold a referendum to see if that is what me and all other Hamilton ratepayers want. It might cost a million but the answer will be a firm No, so you'll save yourself \$32 million. It's a bunch of 'fat cats' out to make money - and I bet they have fingers in two pies. I have NEVER written to the council before in my life however I think it is despicable for them to be given this money. I'm now getting in touch with my City Councillor and telling them what I think as well. We once again have a RUBBISH council who are so out of touch with what the general majority think.	Dinsdale		Live in your home you own in Hamilton.	Living alone.	51-64	

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141			✓	No	No	Yes	Founders Theatre should be brought back to a useable standard by Council then gifted to a non-profit organisation for community use. The proposal for a Childrens Museum will generate sustainable revenue, provide genuine benefits to our children, play a significant role encouraging local tourism and play a significant role within the community.		Whitiora		Live in your home you own in Hamilton.	Living alone.	65 +
142			✓	Yes	Yes	Yes	Maybe it could be a combination of: - a temporary rates increase for this specific purpose, - a fee for organisations who use the space - seeking further funds from sponsors.		Beerescourt		Live in your home you own in Hamilton.	Family or couple with no dependants.	51-64
143			✓	Yes	Yes		There is little to do with our children over the long, wet winter months. I would love founders transformed into an art gallery and a 3D interactive art gallery (there is one in Rotorua I think) for children which leads into a children's museum. Great tourist attraction! I miss popping in to visit my old friend, the Ralph Hotere mural, which I often used to do. While Hamilton has a number of smaller art galleries it's lacking a significant space for art lovers to escape. Thanks!		Hillcrest			Family or couple with dependants (children or other family).	25-35
145			✓		Yes	Yes	Look at joint funding council and other contributors - put it in the 10 Year Plan. Look at similar to Rugby Stadium.		Maeroa		Live in your home you own in Hamilton.	Family or couple with no dependants.	65 +
146			✓		No		When the announcement was made about the closure of Founders I wrote to the W. Times saying it should be immediately repaired and completed with fly tower and a proper sound insulation to be installed plus earthquake proofing.  Since then the new proposal for the hotel – frontage to be kept, and the concert hall built behind – never mind the parking. If the will is there (as the money seems to be) start construction immediately or the arguments on parking will go on continuously and rebuilding will be delayed.  As Jacinda Ardern has said "Let's do this!" - Parking can surely come later – don't let it be used as a delaying device. - Otherwise restore Founders PROPERLY so the ballet and bigger productions can come. You have a choice and use the money Momentum say they will provide.		St Andrews		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	65 +
147			✓		No		We love the present venue - safe and plenty of parking.  We need the Founders made safe and up to date equipment for Ballet drama and concerts. The acoustics were already superior. I was at the last NZSO concert in Feb '16 and it was magnificent. We like it in the land we own!		St Andrews		Live in your home you own in Hamilton.	Family or couple with no dependants.	65 +
148			✓				One off targeted rate eg. \$10 per ratepayer. Groups using it will pay charges to fund on-going running costs. Add to Council loans.		Dinsdale		Live in your home you own in Hamilton.	Living alone.	51-64
150			✓	Yes	No				Enderley		Live in a home you rent in Hamilton.	Living with others that are not family.	36-50
151			✓	Yes	No				Hillcrest		Live in your home you own in Hamilton.	Family or couple with no dependants.	65 +
153			✓	Yes	No					Cambridge	Live outside Hamilton and don't own property in Hamilton.	Family or couple with dependants (children or other family).	36-50
155			✓			Yes	The project could be funded by a Private/ Public combination. The Theatre should be able to be used for a wide range of activities as it has been in the past. We definitely want Founders to be refurbished and to be available again for public use as it was before. We have previously written a letter to council in this regard. Considering the present Council financial situation refurbishing Founders is by far the cheapest and best option.		Glenview		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	65 +
156			✓	Yes	Yes				Hamilton Central		Live in your home you own in Hamilton.	Living alone.	51-64
158			✓	Yes			A community group to help the function and running of the theatre. Keeping the theatre will be great for Hamilton and a group to invest into and run the facilitation of the theatre will enable the building to remain in service to the community.		Fairfield		Live in a home you rent in Hamilton.	Family or couple with no dependants.	25-35
159			✓	Yes	No	No			Dinsdale		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	36-50

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160			✓			Yes	Put a small surcharge on performances and shows to recoup the costs		Frankton		Live in your home you own in Hamilton.	Family or couple with no dependants.	65 +
161			✓	Yes	Yes	No			Hamilton East		Live in a home you rent in Hamilton.	Family or couple with no dependants.	25-35
162			✓	Yes					Frankton		Live in a home you rent in Hamilton.	Living with others that are not family.	16-24
163			✓			Yes	Make a go fund me page		St Andrews		Live in a home you rent in Hamilton.	Family or couple with dependants (children or other family).	25-35
164			✓	Yes	No				Hamilton East		Live in a home you rent in Hamilton.	Living with others that are not family.	16-24
165			✓			No	Council or go fund me		Silverdale		Live in a home you rent in Hamilton.	Family or couple with dependants (children or other family).	16-24
166			✓	Yes		No			Chartwell		Live in a home you rent in Hamilton.	Living with others that are not family.	16-24
169			✓		Yes				Frankton		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	36-50
170			✓	Yes					Hamilton Central		Live in a home you rent in Hamilton.	Family or couple with dependants (children or other family).	51-64
171			✓	Yes	No	No			Dinsdale		Live in your home you own in Hamilton.	Family or couple with no dependants.	25-35
172			✓		Yes				St Andrews		Live in a home you rent in Hamilton.	Family or couple with dependants (children or other family).	36-50
173			✓	Yes	No				Dinsdale		Live in your home you own in Hamilton.	Family or couple with no dependants.	25-35
174			✓	Yes	Yes	No				Tamahere	Live in a home you rent in Hamilton.	Family or couple with no dependants.	25-35
175			✓			Yes	Require group to pay but council assist in someway.		Hamilton Central		Live in a home you rent in Hamilton.	Family or couple with dependants (children or other family).	36-50
176			✓	Yes	Yes	Yes	I think a mix of both. It should be repaired to a certain point and with an agreement that the community group or organisation finishes it off.		Frankton		Live in a home you rent in Hamilton.	Family or couple with dependants (children or other family).	36-50
178			✓	Yes	No	No			Glenview		Live in a home you rent in Hamilton.	Family or couple with dependants (children or other family).	36-50
180			✓	Yes	No	Yes	Council to make some contribution		Fitzroy		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	36-50
181			✓	Yes	No	Yes	Keep for a community group. Would be great see it used on a regular basis for a good cause.		Melville		Live in a home you rent in Hamilton.	Family or couple with dependants (children or other family).	25-35
182			✓	Yes	Yes		Its a bit of both - user pays and thus you get a wider group than ratepayers footing the whole cost so the use of the asset should be reflected in the rental, however it is a HCC asset so they have to at least be the banker. If the upgrade is done right, who knows, it might earn money for the Council.		Flagstaff		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	65 +
183			✓	Yes	No	Yes	Potential gifting of land ownership rights in return for restoration by community group		Melville		Live in a home you rent in Hamilton.	Family or couple with dependants (children or other family).	25-35
184			✓	Yes					Flagstaff		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	51-64
185			✓	Yes	No				Pukete		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	51-64
189			✓	Yes					Melville		Live in a home you rent in Hamilton.	Family or couple with dependants (children or other family).	25-35
190			✓	Yes	Yes		Hold fund raising events to help remodeling contractors		Hamilton Central		Live in a home you rent in Hamilton.	Living with others that are not family.	25-35

What to do with Founders - Responses Received

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				Community group/organisation using the space to pay for it?	Ratepayers to pay more rates to fund?	Other? - Yes/No							
192			✓	Yes	No	Yes	Combination of council funding support to community organisation primarily funding facility.		Hamilton East		Live in your home you own in Hamilton.	Family or couple with no dependants.	25-35
193			✓	Yes	No				Hamilton East		Live in your home you own in Hamilton.	Family or couple with no dependants.	16-24
194			✓			Yes	The "Founders" has served as a wonderful venue for a variety of entertainment over the years...I have often commented to friends how privileged i have been to see so many shows in the theatre over the last 60 years. The Beach Boys. Gene Pitney...Roger Whittaker....Marty Robbins...Kenneth McKeller NZ Symphony Orchestra ....The Spanish Horses..... and as far as i know none of them were directly responsible for the mess that our "modern" icon is in.eg.dozens of country halls are still serving the locals needs. I am well aware of our city's financial dire straits.Why dont we have some open days on the site for interested parties . Maybe we dont get involved with a new large theatre. Work on!!!!modifying Claudelands and get some more prof.advice on "The Founders"		Western Heights		Live in your home you own in Hamilton.	Family or couple with no dependants.	65 +
195			✓	Yes	No				Huntington		Live in a home you rent in Hamilton.	Family or couple with no dependants.	25-35
196			✓	No	No	Yes	Council and community group fund it		Beerescourt		Live in your home you own in Hamilton.	Family or couple with no dependants.	51-64
198			✓		No	Yes	Ask ratepayers to pay less than \$15m not \$30m June 2016 submission on Founders Theatre Half surveyed favoured Refurbishment of Founders Theatre. "Council's contribution has been proposed as \$14.96m with funding contributions from other sources to be sought to make up the total investment required" Third surveyed supported new theatre "Build a new Founders Theatre at a cost of \$55m less \$25m contribution from Momentum Waikato (net \$30m cost)" <a href="http://www.hamilton.govt.nz/AgendasAndMinutes/20160728%20-%20Council%20Agenda%20-%20Open%20-%2028%20July%202016.PDF#page=5">http://www.hamilton.govt.nz/AgendasAndMinutes/20160728%20-%20Council%20Agenda%20-%20Open%20-%2028%20July%202016.PDF#page=5</a>		Bader		Live in your home you own in Hamilton.	Family or couple with no dependants.	51-64
200			✓			Yes	Review the cost. The only thing needed is strengthening for the earthquake, with minor upgrade of pulleys etc. Hamilton is not on a seismic faultline so minimal earthquake strengthening should be enough. It should not cost the estimated 12 million. It is a wonderful site for world class theatre performances, ballet groups etc. The facility can also be used to train upcoming artists, graduation programs, stage school productions etc. WINTEC can start courses for acting , ballet , DJ, and use this premise for training.		Dinsdale		Live in your home you own in Hamilton.	Family or couple with no dependants.	51-64
206			✓			Yes	Use the money Council have proposed to put towards the new building in Victoria Street.		Beerescourt		Live in your home you own in Hamilton.	Family or couple with no dependants.	65 +
209			✓	Yes					Glenview		Live in your home you own in Hamilton.	Family or couple with no dependants.	65 +
212			✓	No	Yes					Waipa	Live outside Hamilton and don't own property in Hamilton.	Family or couple with no dependants.	36-50
214			✓	Yes		No			Flagstaff		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	16-24
216			✓	Yes	Yes	Yes	Funding from a governmental level,the creation of a private fundraiser to save an iconic building, apply for heritage funds			Auckland	Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	25-35
217			✓		Yes		As a one off specific to this project increase rates for one year to knock it off Also get others to take part in the funding of it		Huntington		Live in your home you own in Hamilton.	Family or couple with no dependants.	51-64
219			✓	Yes	No	Yes	I thought it was voted to keep founders as the primary theatre? why has this changed to a central location where parking is a issue, but also within 1km of TWO other venues? not including claudelands. who took the bribes?		Whitiora		Live in your home you own in Hamilton.	Living alone.	25-35
220			✓			Yes	Lotto Grant HCC contribution Crowdfunding Benefactors		Hillcrest		Live in your home you own in Hamilton.	Family or couple with no dependants.	51-64
223			✓	No	No	Yes	Put on hold until the city is in a position to pay for the upgrade. With current talk of more than 15% rates increase this should not currently be a priority to the HCC. Please prioritise what is important e.g. infrastructure.		Rototuna		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	36-50

What to do with Founders - Responses Received

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				Community group/organisation using the space to pay for it?	Ratepayers to pay more rates to fund?	Other? - Yes/No							
224			✓	Yes	No	No		Flagstaff		Live in a home you rent in Hamilton.	Family or couple with dependants (children or other family).	16-24	
229			✓	Yes	No	Yes	What we dont need is \$30 million spent on a hall in the middle of the drunk area of town, we have the Claudelands theatre, fix , repair and refurbishment the founders out of the funds the council has already squirreled away out of the \$30 million set aside for some ones grandeous scheme. I would like council to get back to there core services to ratepayers, leaving business, philanthopists who can pay for grandeous schemes, or maybe crowdfunding . No one actually cares about gardens, pretty schemes, theatres, the only ones that do are the dinosaurs showing their age in council. People want core services nothing else, this is a different generation, you need to realise this, they dont want it, wont use it. Bascially oldies as, you all are , are out of touch with reality.		Chartwell		Live in your home you own in Hamilton.	Living alone.	51-64
232			✓	No	Yes			Glenview		Live in your home you own in Hamilton.	Family or couple with no dependants.	65 +	
238			✓		Yes		Ideally Founders would be refurbished as a fully functioning Theatre. The "town hall" option allows for events/performance not needing scenery, eg. symphony orchestra, capping events for university and others, solo performances.	Flagstaff		Live in your home you own in Hamilton.	Living alone.	65 +	
239			✓	Yes			Founders Theatre does not need a stage gantry/flywall for scene props. Video screening is highly effective eg. Michael Flaherty and the Irish Dance ensemble used it brilliantly in Auckland.	Chedworth		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	65 +	
240			✓				I NEVER believe a 'cap' will be sustained; \$50m - \$60m will eventuate.  "there is a strong desire for a new theatre to drive activity in the central city area"... The Founders Theatre is already in the CBD. Victoria St is a ridiculous suggestion!!  Reduce all spending of Council Members on themselves - eg. stop all unnecessary travel to conferences, overseas, visits to 'sister cities', so called 'fact finding' missions. NO SPOUSE paid travel. ALL air travel should be 'economy class'. Meals and entertainments should never be paid for by council funds.	Whitiora		Live in your home you own in Hamilton.	Living alone.	65 +	
247			✓	Yes	No	Yes	Fund raise, start a give a little page. I would hate to see the Founders theatre and the fountains go. What ever happens to the space you have to keep the fountains.	St Andrews		Live in your home you own in Hamilton.	Family or couple with no dependants.	51-64	
248			✓	Yes	No	Yes	Why are you even asking? You didn't listen to the community the first time, who overwhelmingly were in favour of keeping the existing location? Just do what you're going to do and stop making a pretense at public involvement in your decision making...		Matangi	Live outside Hamilton and don't own property in Hamilton.	Living alone.	36-50	
251			✓	Yes	No	No		Silverdale		Live in a home you rent in Hamilton.	Family or couple with no dependants.	16-24	
252			✓	Yes			See Appendix 1.	Yes	Rototuna	Live in your home you own in Hamilton.	Family or couple with no dependants.	65 +	
253			✓	Yes	Yes	Yes	Fundraisers/Auctions/Donation Drives/Bakesales - anything and everything to raise the money.		St Andrews	Live in a home you rent in Hamilton.	Family or couple with no dependants.	36-50	
257			✓	Yes	Yes	Yes	Seek out donations from charities and other organisations. Seek out assistance from central government.		Hamilton East	Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	36-50	
259			✓	Yes	No	Yes	Running various fundraisers with the help of organizations such as Creative Waikato in order to partially fund (if not fully) something that many creative groups will use for many years		Chartwell	Live in a home you rent in Hamilton.	Family or couple with dependants (children or other family).	25-35	

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				Community group/organisation using the space to pay for it?	Ratepayers to pay more rates to fund?	Other? - Yes/No							
261			✓	Yes	Yes	Yes	I do not understand the need to build a NEW theater when the current theatre is of the right size and fit for Hamilton. As an Ex user of the theatre I cannot endorse the claims that the wings are not big enough. Hamilton Operatic over many years has used the theater with great success as has the NZ Ballet. The loading bay is of the right size to service all needs. Hamilton Operatic in it's hey day purchased professional technical sets from overseas successfully - as well as using the fly tower without problems Negligence by the owners of the theater in maintaining their asset - ie hamilton council should not be used as an excuse - nor earth quake. You are quick to find funds for sporting events and venues and white elephants like Claudelands... Founders Theatre should not suffer.  Hamilton trust should use the \$15 million to revitalize this asset to the city - instead of building an assets that I can guarantee the council will be forced to purchase at a later date...  I can't believe they are using the word "Historic Hamilton Hotel" after that development nothing of that building will exist.		Fairfield		Live in your home you own in Hamilton.	Living alone.	36-50
264			✓			Yes	Use the money that would have gone to the new theatre		Rototuna		Live in your home you own in Hamilton.	Living alone.	
269			✓	Yes	Yes	Yes	The HCC is expecting to pay \$30 million whichever is chosen, but the old Founders Theatre space is so much more convenient for access, parking multipurpose, unlike the centre of town. The suggested 'Momentum' is purely for meals, drinks etc not for general use, or convenience.		Hamilton East		Live in your home you own in Hamilton.	Living alone.	65 +
270			✓			Yes	Prune funding on projects like Hamilton Gardens which have matured and divert funds to other uses.		Huntington		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	65 +
272			✓	Yes	No				Fairview Downs		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	36-50
273			✓	Yes	Yes		1 - Money to reinstate Founders could come if Council cancels ideas of re-making Garden Place. Having lived in Hamilton for 74 years I consider the financial expenses incurred through numerous re-designs of Garden Place over the decades as having been unnecessary and financially wasteful.  2 - Reduce expenditure of local councillors.		Hillcrest		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	65 +
274			✓			Yes	Put the \$30 million towards upgrading the current Founders Theatre.		Nawton		Live in your home you own in Hamilton.	Living alone.	51-64
278			✓				Reinstate as "town hall" type, ONLY if NOT refurbished as Theatre.  Best Option - fix founders - as land is already owned by ratepayers.  Payment - use the \$30 million that would have gone to Victoria St.		Fitzroy		Live in your home you own in Hamilton.	Family or couple with no dependants.	51-64
281			✓	No	Yes	Yes	The Theatre is owned by the Council and citizens. It has been the Council's full responsibility to maintain the building so that it is fit for purpose. It is the Council's responsibility to find the funds to keep the building in a good state of repair. The Theatre is in a good place for parking during functions. It is the Council's responsibility to charge for the use of the Theatre so that there are funds to keep the building in a good state of repair. Have you done that over the years? The managers of the Theatre should be responsible for keeping the Councillors informed on the state of the Theatre and the requirements of organisations that have used the Theatre. Is that part of their work contract? We have been forced to tick the "town hall" choice but we would rather Council repaired the Theatre to a fully functioning "Theatre" that is fit for purpose as originally planned.		Fairfield		Live in your home you own in Hamilton.	Family or couple with no dependants.	65 +
288			✓		Yes				Dinsdale		Live in your home you own in Hamilton.	Family or couple with no dependants.	65 +
289			✓	Yes		Yes	Fund raising in conjunction with user-pays		Claudelands		Live in your home you own in Hamilton.	Living alone.	65 +
290			✓							Tamahere	Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	51-64
291			✓			Yes			St Andrews		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	36-50

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				Community group/ organisation using the space to pay for it?	Ratepayers to pay more rates to fund?	Other? - Yes/No							
293			✓	Yes	Yes	Yes	Perhaps private public shared ownership. Crowd funding?		Hamilton East		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	36-50
294			✓	Yes	No				Enderley		Live in your home you own in Hamilton.	Family or couple with no dependants.	65 +
298			✓				Get contractors to put in quotes and fix it up. Dont spend \$12 million.Get it up and running .		Dinsdale		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	36-50
299			✓	Yes	No				Beerescourt		Live in a home you rent in Hamilton.	Family or couple with dependants (children or other family).	25-35
300			✓	Yes	No				Beerescourt		Live in a home you rent in Hamilton.	Family or couple with dependants (children or other family).	25-35
301			✓			Yes	council to pay from a repair and mantainance fund		Claudelands		Live in a home you rent in Hamilton.	Living alone.	65 +
302			✓	No	No	Yes	Philanthropists and Momentum can join together to support this beautiful landmark being restored.			Whatawhata	Live outside Hamilton and don't own property in Hamilton.	Family or couple with dependants (children or other family).	51-64
305			✓		Yes		Maintenance of the building ought to be part of the annual budget, and if this had been attended to more responsibly over the years the city would not now be in this situation. The Founders is a heritage building, designed by respected local architects and is an iconic structure in the city. Current and former residents have strong associations with the Founders Theatre. It ought to be possible to add the new larger theatre to the Founders building without compromising the original building, and construct an additional larger auditorium that has some shared facilities with the Founders. It already has carparking (and room for more) and accessibility and does not have the serious engineering difficulties of the proposed river bank site with its fragile geology and potential flooding issues and the potential loss of the Hamilton Hotel, a scheduled heritage building. The Founders site (and the building) is already the known site for cultural events: build on that (literally and metaphorically). Better to spend rate-payer dollars on this than re-doing Garden Place. Get this priority right.		Dinsdale		Live in your home you own in Hamilton.	Living alone.	65 +
309			✓			Yes	Small increase in rates to supplement cost. However the building in the city is being funded, transfer that to Founders.  I am totally against the Victoria St building. If you have found money to convert that, use it to rebuild Founders.		Dinsdale		Live in your home you own in Hamilton.	Living alone.	65 +
310			✓	Yes	Yes	Yes	Are there philanthropic groups or individuals/businesses willing to assist for naming rights?		Hamilton East		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	51-64
311			✓	No	Yes	Yes	Our city is growing and to demolish an existing amenity such as this is a total waste.  We need a town hall with parking. If earthquake proofing is needed take it out of rates repairs are legitimate.  Payment to use the facilities should always be subsidised by the city and surrounding areas.		Hillcrest		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	65 +
312			✓	Yes	Yes	Yes	<b>See Appendix 1.</b>	Yes	St Andrews		Live in a home you rent in Hamilton.	Living alone.	36-50
314			✓	Yes	Yes		Redevelop area around Founders Theatre so more parking available. Forget about a flash design just the basics. Do not have to blend into the surroundings. Forget about the Council desire for the river suggestion.		St Andrews		Live in your home you own in Hamilton.	Family or couple with no dependants.	65 +
316			✓	No	No		This is "cart before the horse". I don't accept that the new theatre should be in Victoria St. We are being high jacked by commercial interests, generous as they appear. Another survey on where to have the new theatre is called for.		St Andrews		Live in your home you own in Hamilton.	Living alone.	65 +
318			✓	Yes					St Andrews		Live in your home you own in Hamilton.	Living with others that are not family.	65 +
319			✓				The Meteor Theatre has been earthquake fixed so the HCC should pay for the Founders Theatre. The existing site has excellent parking and is close to the CBD.		Beerescourt		Live in your home you own in Hamilton.	Living alone.	65 +

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				Community group/organisation using the space to pay for it?	Ratepayers to pay more rates to fund?	Other? - Yes/No							
320			✓				I am not in favour of the "Waikato Regional Theatre" in Victoria St. I prefer option 3 to rebuild Founders Theatre as a town hall/concert type venue with a seating capacity of say 1200 and with superior acoustic qualities. The present location is ideal to accommodate and enhance such a building and provide a park like surrounding area.		Huntington		Live in your home you own in Hamilton.	Family or couple with no dependants.	65 +
322			✓			Yes	Option 3 - Reinstate it for community use - as it was! <b>See Appendix 1.</b>	Yes	Glenview			Family or couple with no dependants.	65 +
324			✓	Yes	No	No	Re: Option 3 - reinstate as "town hall" or as it was before. No money needed if just bought up to standard, like the library. Stop trying to find ways to waste my money.		Fairfield		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	51-64
330			✓		Yes		Including rental and a portion of the takings. The money will be repaid. It's a valuable community resource. We need to look after it. It's been entrusted to the City to safeguard. It is a legacy.		Fairfield		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	51-64
332			✓	Yes	Yes					Ngaruawahia	Live outside Hamilton and don't own property in Hamilton.	Family or couple with no dependants.	25-35
333			✓	Yes	YesNo				Maeroa		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	36-50
335			✓			Yes	How did you fund the bronze horse? Do the same.			Whatawhata	Live outside Hamilton and don't own property in Hamilton.	Family or couple with no dependants.	65 +
336			✓	Yes	Yes		Seek community orientated funding to contribute to costs. I would like to see an organisation in such a centre with on going support from HCC, not a church group rather more independent.		Hamilton East		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	36-50
17							The same way as you plan to fund a new replacement which we don't need , just stop stuffing around and fix the excellent theater we had		Melville		Live in a home you rent in Hamilton.	Living alone.	65 +
23							Rebuild the new theatre in this land which belongs to Council		Hillcrest		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	65 +
29							Where is option 4? -Renovate and continue to use Founders as Hamilton's Theatre?  Sounds like Council has made up its mind to get rid of Founders. Council's record of honouring built heritage in Hamilton is disgraceful.  What research was done and evidence supplied to Council to show a new Theatre will revitalise the inner city? Any evidence should be made public. So far I've only heard 'opinion'.  What is the cheapest option? Renovate the existing building or build new on the river?						
32							How about spending \$12-15 million fixing Founders Theatre and \$10 million fixing waterworld and forgetting about \$30 million building a new Theatre.						
87				Yes	No		The Founders should be fixed up council should have been doing this each year, As for putting it in Victoria Street what a joke have council thought of parking a lot of older people use the Theatre at least there is parking around the Founders plus Victoria Street is one way obviously council hasn't considered that big trucks bring stage equipment in so that will be blocking the main throughfare, at present this is already overloaded with patrons of the Bars & Restaurants .		Flagstaff		Live in your home you own in Hamilton.	Living alone.	65 +
95				No	Yes	No	These options do not allow anyone to express their opposition to the proposal for a theatre in Victoria Street. This is in the wrong place, regarding access, parking, and will ruin the river bank as it is at present. This part of the city is inaccessible to prospective theatre-goers, with the large number of people visiting the bars and dining places every night. Parking is impossible, particularly for those older folk wishing to attend a concert etc. The plan is too small for a city and it's environs, with the population likely to swell to over 400,000 in the next few years. the building should be appropriate to meet that growth.		Hamilton East		Live in a home you rent in Hamilton.	Family or couple with no dependants.	65 +

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				Community group/ organisation using the space to pay for it?	Ratepayers to pay more rates to fund?	Other? - Yes/No							
97				Yes	Yes		No interest from groups, to be stuck with costly white elephant that belongs to Hamilton rate players (so option-1). For options 2&3 A joint approach "Photography World", with cafe & restaurant & tourism centre has my support.		Dinsdale		Live in a home you rent in Hamilton.	Family or couple with dependants (children or other family).	51-64
109						Yes	You seem to have missed an option and that is demolish and rebuild a theatre in exactly the same spot. If the theatre is an earthquake hazard as public was first told by council then it must be demolished. I object to momentum Waikato dictating where a new theatre is to be built. The site chosen is totally inappropriate and has been picked for Hotel and restaurant owners interests and not the public. Also the proposed new theatre seems a bit small and if Hamilton is going to grow in the future then this appears to be shortsighted. There are also a number of issues dealing with parking and truck access down narrow Victoria st for loading and unloading A theatre should not be built for business interests and to drive activity in city it should be built for the performing arts. Councillors track record with our city has been poor and put us into large debt (V8s, Stadiums, Victoria and Hood st, Garden place) while neglecting our theatre and library. Rebuild the Founders where it is on council land, build it big and with a car park. If Momentum Waikato is really concerned with the performing arts they can still give 20 million. A view of the river is not what the theatre is about. It seems funny that council is all concerned about river views from a foyer after it has effectively let development screen out our river from the main st. If you want to see the river go for a walk. I suppose a conference centre will be next on the agenda.		Riverlea		Live in your home you own in Hamilton.		
112							Re Founders Theatre A) It is a perfectly sound beautiful building and in a setting hard to beat with the trees and a fountain surrounding it. Its stand alone. B) It was designed by a Hamilton architect De Lisle and has historic significance now to Hamilton. C) It is not an earthquake risk as Hamilton has never in its' entire history had an earthquake. Just a good excuse to bulldoze perfectly good buildings. D) It could easily be added on to if it's too small for purpose with a bit of imagination. E) Parking is a breeze as surrounding parks could be used for car parking for big events. F) Should still be used as Hamilton's main Theatre as the South of Hamilton is already too busy and no parking. G) There's more motels in the north end of for people to stay in for overnight shows.  Don't destroy this beautiful building as Hamilton residents are tired of expensive and underutilized buildings being built on pipe dreams and borrowed money.		Chartwell				
130													
149							I was interested in commenting on the fate of the Founders Theatre, there are only 3 options, none of which I agree with.  I believe the Founders theatre should be demolished and a new theatre built in the same place as it is now.  The present theatre is not suitable for many events so it is a waste of money to "fix up". Hopefully this time the acoustics will be sorted and that the stage will be suitable to bring, for example Ballet, back to Hamilton.		Pukete				
152						Yes	Would still prefer total rebuild with a significant building of architectural importance (similar to Govet Brewster in New Plymouth) with a large fund-raising campaign (do it well - do it once).		Hamilton Lake		Live in your home you own in Hamilton.	Living alone.	65 +
168				No			The Founders Theatre should be retained as Hamilton's premier theatre, the location is ideal and there is easy access for parking. The above question is loaded, the other option should be to retain and bring it up to standard. I believe there an ulterior motive by certain groups and individuals to have the theatre in the south end of Victoria street as a financial windfall to their businesses. As a rate payer I would like to see the costing for this option again I believe certain interest groups have grossly inflated the cost of refurbishment for their own benefit. I would like to see a referendum in conjunction with the next council elections so that the people of Hamilton decide what is going to happen to the Founders. As a ratepayer I am fed up with certain groups making decisions for their own benefit and the people being shut out of any decision.		Fairfield		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	51-64

What to do with Founders - Responses Received

#	Option 1 - Demolish completely	Option 2 - Partial demolish & refurbish	Option 3 - reinstate as "town hall"	If you choose Option 3 - How do you think council should find the cost of reinstating?			If you choose option 3) how do you think the Council should fund the cost of reinstating the theatre for community use (estimated at up to \$12 million)? - Please explain	Attachment	Live in Hamilton - suburb	Live outside Hamilton - district	Do you	Household situation	Age
				Community group/ organisation using the space to pay for it?	Ratepayers to pay more rates to fund?	Other? - Yes/No							
186							Why can't the Founders be pulled down and rebuilt to suit the standards and needs of a new Founders. The land is there, there's plenty of off street parking, where would we park if they use the Hamilton Hotel? We don't want to use parking buildings at night.  WHY have you not given as one of the options above, that the existing building is pulled down, and a new one built in its place?		Melville		Live in your home you own in Hamilton.	Living alone.	65 +
187				Yes			None of your options above. This questionnaire assumes that the 'Momentum Proposal' is a fait accompli.  I favour the complete refurbishment of the Founders Memorial Theatre, which you will remember was gifted debt-free to the Council as a lasting commemoration of the first one hundred years of the settlement. Can be reverse the trend of the modern throw-away society in this case and treasure the gift?  Some arguments:- 1. In 2016, staff had already costed and planned for the rebuilding of the Fly Tower, the widening of the stage to meet the needs of the NZ Ballet and NZSO, and some attention to the acoustics. 2. The estimated cost was around 20 million dollars. 3. Strengthening of the auditorium would add further to the cost. 4. The Council have promised \$30 million over and above Momentum's 20 million in support of a new theatre. 5. Already, the estimated cost of this new project has increased to over 72 million dollars. 6. In these cash-strapped times, as a rate-payer, I prefer to see the 30 million spent on the existing structure. We would again have a viable theatre suitable for many different types of musical and theatrical performances in a suitably sized auditorium. 7. The position of the Founders makes for ease of access for disabled and elderly patrons, as does the adequate street parking. This would NOT apply in Victoria Street.  Please consider these points in the light of the current financial challenges faced by the Council. The gap between money promised + money required for the 'Momentum Project' is already \$22 million. I would like to live to enjoy the NZSO in a comfortable, acoustically-friendly, EASILY ACCESSIBLE theatre. Thank you.		Fairfield			Living alone.	65 +
188							You are obviously trying to skew the results by leaving off the fourth option of upgrading the Founders back to be used as a venue at \$20.4 million and not spending \$30 million on a new one. That is a saving for the Hamilton ratepayers of \$9.6 million. I thought the council was broke and need to save money?		Rototuna North		Live in your home you own in Hamilton.	Family or couple with no dependants.	65 +
199						Yes	This should have been sorted out BEFORE deciding to support the alternative new theatre. These costs should have been presented to the community as part of the first consultation. A small majority supported the new theatre if Council's contribution is capped at \$30M. Whatever is done with the existing Founders building must come out of that \$30M. In my view the best option is to cancel the Momentum Waikato project and refurbish Founders as a theatre for \$20M, saving the City \$11 - \$22M		Melville		Live in your home you own in Hamilton.	Family or couple with no dependants.	65 +
237							Please find attached a submission from Creative Waikato on behalf of Creative Waikato, Meteor Theatre, Clarence St Theatre and Riverlea Theatre.  The purpose of the submission is to provide clear feedback to Council that the Theatre community does not believe Founders should be preserved as a performance or rehearsal space, and that investment in the performing arts should be directed to development of the new Regional Theatre and to ongoing support of the above mentioned theatres. <b>See Appendix 1.</b>	Yes	Hamilton Central				
256							<b>See Appendix 1.</b>	Yes	Hillcrest		Live in your home you own in Hamilton.	Family or couple with no dependants.	51-64
267				Yes	Yes		If require the community group/organization using the space to pay for it? means during un used hours Theatre is not in progress, yes they should pay but not price the place off the market.		Glenview		Live in your home you own in Hamilton.	Living alone.	65 +
277							WHY cannot it be used as is when Option 3 is usable. By lowering all CEO's income to 10% above average income of wage earners.  Remove present building and build new at the far end towards Frankton. Make use of present grounds for car parking and for events.		Western Heights		Live in your home you own in Hamilton.	Family or couple with no dependants.	65 +

What to do with Founders - Responses Received

#	Option 1 - Demolish completely	Option 2 - Partial demolish & refurbish	Option 3 - reinstate as "town hall"	If you choose Option 3 - How do you think council should find the cost of reinstating?			If you choose option 3) how do you think the Council should fund the cost of reinstating the theatre for community use (estimated at up to \$12 million)? - Please explain	Attachment	Live in Hamiton - suburb	Live outside Hamilton - district	Do you	Household situation	Age
				Community group/organisation using the space to pay for it?	Ratepayers to pay more rates to fund?	Other? - Yes/No							
280							I favour none of the above options as I believe the iconic Founders Theatre, which is a significant City asset, (which appears to have been neglected by previous Councils), should be upgraded to be used as the City's main performance venue and the proposed Waikato Regional Theatre should not proceed. It is yet another "nice to have" vanity project which the ratepayers clearly cannot afford, if the article in the Waikato Times of 13/11/17 in which the Hamilton Mayor suggested a significant rates rise was required just to cover outgoings, is accurate. Ratepayers are already enduring higher than inflation 3.8% annual rates increases which are cumulative. Many are already struggling.  Renovating the Founders Theatre and upgrading it to the required standard will also be a much quicker option than waiting for the proposed newly built facility which could take several years and encounter unknown issues such as river bank erosion. Currently the city is missing out on many shows and performances coming here and that is unacceptable for a city the size of Hamilton.						
292						Yes	These given options ASSUME that we are happy to proceed with the proposed new theatre on the old Hamilton Hotel site. NOT the case. The existing Founders site is perfect, with its beautiful grounds and plenty of parking. An underground carpark and quality cafe could be incorporated into a well-designed iconic destination building, possibly at less cost than the current given plans, and with easy access to all who may use it.  More information on this subject has become available more recently - Suggest Council returns to the ratepayers for another vote regarding the new theatre SITE.		Hamilton Lake		Live in your home you own in Hamilton.	Family or couple with no dependants.	65 +
303							I would like to submit my option for the future of the Founders Theatre. Firstly-repair the existing Building-which,ofcourse, has been neglected over the years. Secondly(my preference) Demolish and build a Theatre in the same location. The City own the land- which is a wonderful central site and there is plenty of parking close by along all the surrounding Streets. Of course plenty of land to build a Car park as well. Our City is growing so fast we must look ahead-have an iconic Theatre we would all be proud of and possibly the envy of the rest of New Zealand. Very generous of Momentum to offer to a large donation for the Victoria St site but I voted for Councillors to look after the interest of all their Ratepayers.		Hillcrest		Live in your home you own in Hamilton.		
306							Restore Founders to a working theatre, make it a hub for supporting businesses/services, a theatre precinct area, putting the theatre in the city is a mistake		Chartwell		Live in your home you own in Hamilton.	Family or couple with dependants (children or other family).	65 +
307							NONE OF THE ABOVE!!!  Why is it not an option to demolish Founders & build on present site (Council owned site) where the reasons for doing so far outway the huge problems which will be associated with Momentum's proposal to build on the site of the former Hamilton Hotel Building?  At this point I respect Momentum's well meaning input & their offer of a very generous donation, however they have consulted an international firm who may not be quite in tune with the reality of New Zealand lifestyle (look at the Garden Place mess that we have been trying to fix ever since it was designed by overseas consultants). The beautiful concept that Charcoalblue Consultancy have come up with looks & sounds amazing but the reality will be quite different, briefly, for the following reasons: 1. Unstable ground, erosion problems all along the river eg. closed river path at Bryce Street & problems associated area on riverbank next to Riverbank Mall. Many million dollar problems here! 2. Where will all those large vehicles bringing equipment for shows (orchestra, ballet etc) park, let alone negotiate Victoria / Sapper Moore Jones Place? Parking & access for these vehicles is perfect at existing Founders site. 3. Parking is another major problem - expecting patrons to walk through the bar area particularly later at night to retrieve vehicles from parking building is an absolute 'no brainer'. We locals know to stay away from Hood Street at certain times. 4. A percentage of patrons attending shows are elderly & need to be dropped off close to the theatre - this will not be an option in Victoria Street - there will only be 'gridlock'		Claudelands		Live in your home you own in Hamilton.	Living alone.	65 +

What to do with Founders - Responses Received

#	Option 1 - Demolish completely	Option 2 - Partial demolish & refurbish	Option 3 - reinstate as "town hall"	If you choose Option 3 - How do you think council should find the cost of reinstating?			If you choose option 3) how do you think the Council should fund the cost of reinstating the theatre for community use (estimated at up to \$12 million)? - Please explain	Attachment	Live in Hamiton - suburb	Live outside Hamilton - district	Do you	Household situation	Age
				Community group/ organisation using the space to pay for it?	Ratepayers to pay more rates to fund?	Other? - Yes/No							
308							In this "Loaded" submission form, the three options don't address the options of re-furbishing Founders Memorial Theatre to the standard required.  With so many nearby streets it has always been so easy to park or be dropped off, and it is close to the bus terminal.  With the Dame 'Hilda' Ross Foundation in the same park it is a lovely peaceful spot.  I think it would be totally unsuitable to try to cram a theatre in what is already a congested part of the city. What about the large trucks needed to bring staging for shows etc? Buses to shows? How would theatre goers be able to be dropped off easily? It is already so often congested in that area.  Please council, do the best for our city, and reconsider upgrading what we already have.		Nawton		Live in your home you own in Hamilton.	Living alone.	65 +
313							I think everyone should pay a share.		St Andrews				65 +
321							None of the options should be considered if the present Founders Theatre is upgraded! RE: Option 3 - if it means a total refurbishment, this is the only option to consider. It is not clear with the option means. These options listed have not been thought out properly. <b>See Appendix 1.</b>	Yes	Huntington		Live in your home you own in Hamilton.	Family or couple with no dependants.	65 +
325				Yes	No		No more rate increases as a pensioner I don't have excess money. Nor does those on a fixed income and low paid wages. I would not walk down Hood St to car park on my own or with other older people.		Deanwell		Live in your home you own in Hamilton.	Living alone.	65 +
326							Rebuild on same Founders Theatre site for new theatre.				Live in your home you own in Hamilton.	Living alone.	65 +
328				Yes			Jacinda Ardern will be detrimental for the public of Hamilton especially Farmers in NZ.			Ngaruawahia	Live outside Hamilton but own property in Hamilton.	Living alone.	51-64
							The present site offers all the positive opportunities that the Victoria Street site lacks - it is a beautiful green area amongst other recreational areas, unlimited parking for service vehicles, parking for patrons in close proximity, drop off areas. The area is already Council property - no extra millions to purchase Victoria property to name a few.  Are we choosing the Victoria Street site - Momentum's donation is on the condition that this site is the one? To preserve Hamilton Hotel Heritage? To revitalise CBD? Haven't you noticed, that is already happening! To support the Hospitality industry? The industry is already truckking along well. Enhancing connection with Waikato river? A beautiful idea, but reality is not an option - see earlier note.  At a time of a city with big debt & facing possible huge rate increases, do we really need to add to our debt by entering the unknown?  Don't forget the V8s fiasco which we are constantly being reminded of. We have a wonderful city - let's not spoil it with poor decisions. Listen to the people!  Hopefully you will listen to me being one of many, many locals who love this city & want only the best.						

What to do with Founders - Responses Received

Responses:		Community group/ organisation using the space to pay for it?	Ratepayers to pay more rates to fund?	Other	Both community group/ organisation and other	Both ratepayers and other	Both community groups/ organisations and ratepayers	All three funding options selected		
Respondents who selected Option 1 - Demolish completely	90	Of these, the following number suggested how option 3 should be funded if it was selected	21	14	1	2	1	1	2	0
Respondents who selected Option 2 -Partial demolish & refurbish	68	Of these, the following number suggested how option 3 should be funded if it was selected	11	7	1	1	0	0	1	1
Respondents who selected Option 3 - reinstate as "town hall"	146	Of these, the following number suggested how option 3 should be funded if it was selected	132	38	14	32	16	5	16	11
There were a number of respondents who did not select an option	32									

Summary of Business Proposals Expressions of Interest received for Founders Theatre – Public Consultation October & November 2017

	Submitter and Proposed Purpose	Business Plan Outline	Financial Contribution	Comment from HCC Community Group
EOI One	Orchestras Central Trust (Charitable Trust led by 9 Trustees)  To create a hub for music groups for rehearsal, performance, administration base for employees and social activity, benefitting the 300+ musicians and audiences attending.	Not supplied	No information provided	Orchestra Central Trust – applied to Hinemoa Park EOI. Currently use office space at Meteor Theatre and rehearsal space around the city
EOI Two	Desmond Downs and David Tamati  To create a recreation facility involving good clean entertainment and interaction based on interesting photographic opportunities - “Photography World” and a “Maori experience”. Repurpose spaces as photographic studios with props. Lease of all or part of the venue.	Not supplied	No information provided	
EOI Three	Tsar Marsters for Nga Rangatahi O Mana Motuhake Trust (NROM) In Partnership with Te Runanga O kirikiriroa (TROK) and The Vodafone Foundation  Rebirth the Founders Theatre into a performing arts Academy for youth to engage through cultural and educational practice. to develop and create a performing arts academy for all youths disenfranchised from mainstream education. A central hub where they can provide University entrance as well as teaching fundamental life skills while actively building confidence and strengthening their students understanding of New Zealand’s own street and hip-hop culture. This proposal requires a transfer of ownership of the whole building.	No Business plan - Currently working on establishing a common team	Not clearly answered but likely to require MOE engagement.	Has not applied for any other council space
EOI Four	Volunteering Waikato  Volunteering Waikato understands that there are a number of community organisations that are interested in creating some form of community hub. Volunteering Waikato would be very keen on being a participant, where several key community organisations are located together, where they could share facilities and resources, and where they could involve volunteers on many levels. Only part of the building would be required.	Not supplied	No information provided	Currently a tenant of the Caro Building
EOI Five	Arise Church  A home for ARISE Church in Hamilton and its activities within Hamilton. Founders Theatre would be used as a permanent location for Sunday services, Youth programmes, ARISE Church offices and would provide a base to grow community programmes, services and initiatives. ARISE proposes to operate Founders theatre as a church facility that is available for use by the wider community and by providing community accessible activities. Church facilities such as children’s facilities and café may be operated mid-week as day-care and a café respectively. They believe utilising the theatre mid-week with complimentary programmes would benefit the community and that operating a day-care and café would enable the public to regularly enjoy the refurbished facility.	Not supplied	Arise believe it has available funds to complete the strengthening and refurbishment required however security in the form of ownership or a 99 year lease would be a requisite and subject to further due diligence.	Currently utilise Hamilton Girls High School
EOI Six	August Avenue  Founders Theatre to become a vibrant arts Hub for the Hamilton community. Their vision for the facility would see it become an inviting multi-use facility that would serve to provide spaces for performance, exhibition space, studios, classrooms, workshops and an office environment suited to those involved in the creative arts. It would provide Hamilton with a medium sized venue, ideally suited to local community groups. Such a venue would also attract an exciting array of national and international touring acts.	Business plan provided suggests a management contract with a new entity with income from lease and hire arrangements.	Project funding from HCC and from community groups required for reinstatement with utilisation under hire or lease providing a financial return with a “royalty” to HCC.	Has not applied for any other council space

Attachment 3

Item 6

Summary of Business Proposals Expressions of Interest received for Founders Theatre – Public Consultation October & November 2017

	Submitter and Proposed Purpose	Business Plan Outline	Financial Contribution	Comment from HCC Community Group
EOI Seven	<p>Tainui Waka Tourism Inc</p> <p>Founders Theatre being repurposed as a cultural tourism hub for the regions Maaori arts &amp; cultural tourism sector. Retaining part of the auditorium as a community performance and event space and integrate parts of the surrounding park to support the cultural tourism element. To create a significant cultural attraction in the heart of Hamilton to help anchor international visitation in the city and provide a platform to support and showcase our local cultural, hospitality and tourism sectors. Possible activities could include:</p> <ul style="list-style-type: none"> <li>• Maori cultural tourism hub &amp; booking services, Tourism retail and merchandising</li> <li>• Maaori arts and cultural workshops, Maaori visual artists working in situ</li> <li>• Venue for public poowhiri / welcoming ceremonies</li> <li>• Maaori arts and cultural exhibitions</li> <li>• Cultural performance spaces / mirror rooms</li> <li>• Hub / co-lab space for Maaori Business Eco-system</li> <li>• Food and beverage (café operation / hangi site)</li> <li>• Nightly concert parties</li> <li>• Venue to support community events / productions</li> <li>• Office &amp; Meeting facilities</li> <li>• Open park area for relaxing / cultural tourism activities, Native landscaping and soundscape</li> <li>• Possible base for an Institute of Maaori Performing Arts</li> <li>• Cultural installations &amp; built heritage around the venue</li> </ul>	Not supplied	Project business plan and funding requires further consultation and an independent feasibility study before committing. Funding would potentially come from sponsors e.g. iwi, central Government, private sector and community funders.	Has not applied for any other council space
EOI Eight	<p>Bruce Cresswell</p> <p>Founders Children’s Museum Trust (to be established)</p> <p>To re-purpose Founders Theatre into a Childrens Museum where children learn through play and exploration in environments designed just for them. Through creating playful, interactive learning experiences all kids can learn through play with the caring adults in their lives. Most exhibits allow visitor handling creating entertaining and educational opportunities. The Proposal includes a Men’s Shed for exhibit building and maintenance, a café and merchandise shop, function space and leased office space.</p>	<p>The business plan requests \$100k council funding to fully develop a feasibility plan.</p> <p>Indications of income are</p> <ul style="list-style-type: none"> <li>• Entry fees \$475K</li> <li>• Sponsorship \$175k</li> <li>• Programmes \$75k</li> <li>• Grants \$50k</li> <li>• Retail, parking office rental etc \$130k</li> </ul>	Nil, requires Council to refurbish building for lease to the Trust	Has not applied for any other council space

## Future use of Founders Theatre Expression of Interest Proposals

Community group/Organisation:

1. Orchestras Central Trust
2. Maori Trust/Photography World
3. Nga Rangatahi O mana Motuhake Trust (NROM) In partnership with Te Runanga O Kirikiriroa (TROC) and the Vodafone Foundation
4. Volunteering Waikato
5. ARISE Church
6. August Avenue
7. Tainui Waka Tourism Inc

## Proposal for the Future use of Founders Theatre

**Proposal for the Future use of Founders Theatre**

Community group/Organisation name:

Postal address:

Postal code:

Postal code:

Name of the person completing this proposal on behalf of the community group or organisation:

Email contact:

Phone contact:

Organisation Type:  Charitable Trust  Incorporated Society  Other:

Describe your organisation's/group's vision and mission:

We work in partnerships to develop programmes, talent and capability that grows the org

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Attachment 3

Attachment 3

Organisation/group governance structure:

Charitable Trust, led by 9 Trustees.  
Administration and production team comprising CEO and six remunerated staff  
Contracted and volunteer musicians

Organisation/group website:

Attach 2016/2017 financial statement to email

**Tell us about what you plan for Founders**

What do you propose to use Founders Theatre for?

To create a hub for music groups for practise, performance and administration. This might

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What activities will be undertaken at Founders Theatre?

Rehearsal, performance, administration, social activity

Who will benefit from your activities and your use of Founders?

Direct beneficiaries are the 300+ musicians, and 2000+ audience members who engage

Will there be any commercial activities undertaken at Founders?

Concerts that have a nominal entry fee (but are delivered by volunteer musicians), fundr

Attachment 3

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Is your proposal for all or part of Founders?  All  Part (please explain):

We look forward to sharing this facility with others

What type of arrangement are you proposing?  Lease  Transfer of ownership

Have you prepared a business plan for your proposal?

Yes (please attach to email)  No

How will your organisation be able to contribute towards the reinstatement costs?

At this stage we simply wish to register interest in being a potential tenant for the building

Are there any specific requirements your organisation would need in the building / parking area?

Already there.

When would you want to commence your lease/ownership of Founders?

ASAP

## *A Place to Call Home*

Attend an orchestral event and you will sense that everyone there —whether on the stage or in the audience is engaged in what is happening. The high level of playing achieved by our musicians cannot easily be recreated. It is the result of individual players' lifelong dedication to their craft, to each other, and to the communities they are part of and contribute to. Hamilton is simply a better city for having such wonderful orchestras that continue to flourish.

We are committed to ensuring orchestral music doesn't just survive, but that it continues to thrive. With its own orchestra, a community reaps the benefit of an expanding awareness of the diversity of music, and learn from an orchestra's unique ability to influence creativity of thought and behaviour. An orchestra's responsibility to its community isn't limited to only serving up music and creating fantastic events and experiences. An orchestra is a leader in showing value- Orchestras set the standard for volunteering. An orchestra can help a community cope with stress and pressure, by using music as a teaching tool and demonstrating harmony. An effective orchestra delivers musicians who are experts in expressing the complexities of life in ways otherwise inexpressible, but instantly recognized.

Ask a child who has attended one of our concerts - the Orchestra provides them with inspiration that can last a lifetime. Orchestral music unites communities

**Susan Trodden**

CEO Orchestras Central Trust | 027 6365278 | [ceo@orchestras.org.nz](mailto:ceo@orchestras.org.nz)

Orchestras Central has its administration hub upstairs at The Meteor. Our team of five is creatively squeezed into a bare 5 square metres of space - where we jostle with four desks, five chairs, three sets of shelves, a full raft of office equipment, two photocopiers and a much loved (and well used!) coffee machine.

Along with this, we use around 3 different facilities for Orchestra practices and tutorials (and a further half dozen for our concerts). There's also several kind musicians who store music (and various other bits of musical equipment) at their homes. At least one Orchestra practices each week, with sometimes up to three or four nights a week being used across the three, as well as full weekend rehearsals nearing a performance. Each practice space has a limited amount of storage, but in the case of all we are at the mercy of other organisations for not only space, but also rehearsal times.

Compounding this, there's a complex system of transport engaged each time an orchestra performs - music and equipment retrieved, the orchestra fully set up at each venue each time, a truck hired to move between venues, and in some cases, multiple shifts over a rehearsal weekend depending on the availability of space. Also, the spaces we are currently using are also at capacity, which means we are restricted in our ability to grow the orchestras physically, nor accumulate more instruments or equipment, let alone offer storage to players (and ourselves).

As we 'bed in' our Orchestras we are aware of how much potential there is in sharing equipment and physical space. With the closure of Founders Theatre, the availability of suitable performance space has been seriously impacted for the region. This presents its own problems for us - we are already booking two years ahead for concerts, but there has been a serious knock on effect that no-one anticipated. With other theatres now at 90% occupancy, there is more pressure on school halls and other large venues for lower cost community events.

We were thrilled to be offered the opportunity to move to the Hinemoa Park clubrooms in September 2017, and are very hopeful that this might become a permanent home for us, as this had already had a significant impact on the efficiencies of our organisation as well as creating the sense of security that both our players and stakeholders were seeking, however we understand that Council cannot confirm any of our bookings beyond February 2018 due to the process of consultation. With that in mind we are continuing to see other potential sites, but this leaves us in a very precarious position which unsettles our players, and worse, means the orchestral ecosystem, which we are committed to developing, cannot grow.

It is not easy to find suitable space! Partly because our requirements are quite specific, and also because often the ones that would be 'near enough' are snapped up before we get there - or other organisations are in the same position as us and reluctant to co-share space without surety of funding. We find ourselves getting closer to heading into survival mode - in order to grow and develop our orchestras we need to know we have a suitable place for them to practice, for us to run our administration from (for it is far more efficient to be in one place), and to create a 'home of music (the long term strategic goal). In order to have a place for them to practice (etc.) we need surety of funding for a building. And in surety to have funding for a building we need to have a space that meets our needs and is available to rent in the first place!

We believe that the proposed performing arts centre is at least three years away and so we, like many others, are looking for space for at least this long, but ideally far beyond as even a performing arts centre is unlikely to accommodate regular practices and offer adequate storage.

We have excellent multi-year sponsor and funder support for many parts of our organisation, a stable, skilled and growing player base, a skilled and efficient administration team, highly competent Music Directors, a growing audience (and thus box office), excellent governance and a well-defined, visionary strategic plan. We believe that a vibrant arts scene is a key part of a growing city. And we know that having a home will give us the best chance to be part of that vibrancy.

*We need to fund 'the right' building to develop our orchestral ecosystem:*

***What we need:***

**Ground floor with truck loading access (double doors required)**

**275 sqm of open space (minimum) with clear sight lines (no concrete poles)**

**Orchestra friendly acoustics (medium- high stud, wood or carpet floor, insulated walls)**

**25 sqm (at least) of enclosed office space preferably with UFB**

**15 sqm Lockable, dry storage space for music, instruments and equipment**

**Easy access in and out of the building - double basses don't bend!**

**Rent and outgoings up to 20k pa**

**Non-residential location (not all people love to listen to an orchestra practice)**

**Well-lit car parking onsite or nearby (double basses are also not easy to carry!)**

**Suitable kitchen and bathrooms**

***What we'd love***

**A city fringe or entertainment precinct building, possibly heritage**

**Ability to co-tenant with or sub-let to other music groups when we are not using the space.**

**Room for signage for our amazing sponsors**

**Performance friendly space (lunch time concert anyone?)**

**One or two extra rooms suitable for small group lessons/practice**

**Boardroom space and a projector for skype meetings**

For more information about us visit [www.orchestras.org.nz](http://www.orchestras.org.nz)

# STRATEGIC PLAN 2017-2022

ORCHESTRAS  
*central*

Item 6

Attachment 3



# Orchestras Central

ORCHESTRATING TRANSFORMATIVE CONNECTIONS

AS AN INTEGRATED REGIONAL ORCHESTRAL ORGANISATION WE WORK IN CREATIVE PARTNERSHIPS, TO FACILITATE & DEVELOP PROGRAMMES, TALENT & CAPABILITY IN RESPONSE TO COMMUNITY NEEDS, PREFERENCES AND VALUES

**VALUES**  
fearless curiosity  
deepening connections  
quality  
generosity  
discipline



## WHAT WILL SUCCESS LOOK LIKE

 <p>Our orchestras will deliver an integrated annual calendar</p>	 <p>We will have a permanent home</p>	 <p>There will be strong social connections</p>
 <p>We will be known nationally &amp; attract excellent musicians</p>	 <p>We will have an extensive &amp; loyal subscriber base</p>	 <p>We will have a compelling annual programme and a reputation for innovation and excellence</p>
 <p>We will be responsive to our audience and stakeholders</p>	 <p>We will be newsworthy</p>	 <p>We will be financially sustainable</p>

## PURPOSE OF ORCHESTRAS CENTRAL TRUST

The Trust has been established and is to be maintained for charitable Purpose to promote the enjoyment and development of orchestral music for the benefit of the public primarily, but not exclusively, in the Waikato region as follows:

- Promote player and audience participant and /or appreciation of orchestral music
- Provide a range of orchestral playing, development and performance opportunities for musicians
- Provide education programmes to encourage enjoyment, appreciation and/or participant by students and other members of the public in orchestral music
- Assist orchestras through the provision of management services and/or financial support in relation to the administration of those organisations
- Encourage and facilitate the sharing of orchestra resources, and
- Undertake any activities or programmes for the advancement of the Charitable Purposes of the Trust together with the advancement of any other Charitable purpose for the benefit of members of the public, particularly with the Regionals that the Board considers to be consistent or aligned with the Purposes specified in this clause 3.

## WHAT: THE VISION

- Respond to local community's demand
- Engage high quality, auditioned players
- Engage and excite our audience
- Have a priority to develop and utilise local talent
- Be agile/flexible/responsive/innovative
- Be known for being alert/alive/fun
- Honour our loyal audiences whilst attracting new ones
- Develop community pride
- Grow the orchestral ecosystem
- Contribute to the arts strategy and vision of the region
- Provide musical leadership to youth and other players

## HOW: CHANNELS

## WHY ...

Attend an orchestral event and you will sense that everyone there —whether on the stage or in the audience - is engaged in what is happening.

The Waikato/BOP is simply better for having such wonderful orchestras that continue to flourish. With its own orchestra, a community reaps the benefit of an expanding awareness of the diversity of music, and learns from an orchestra's unique ability to influence creativity of thought and behaviour. An orchestra's responsibility goes beyond the concert chamber. An orchestra is a leader in showing value, and sets the standard for volunteering, an orchestra can help a community cope with stress and pressure, by using music as a teaching tool and demonstrating harmony, and an effective orchestra delivers musicians who are experts in expressing the complexities of life in ways otherwise inexpressible, but instantly recognized.

We are committed to growing orchestral music through the connections we create, the programmes we deliver, and the talent we develop. Ask a child who has attended one of our concerts - the Orchestra provides them with inspiration that can last a lifetime.

**1. PIPELINE**

- Provide a place and purpose for musicians to develop their craft
- Continue to build and develop relationships with educators, mentors, performance spaces
- Develop strategic partnerships with key stakeholders (e.g. University of Waikato)
- Develop relationships with other parts of the arts sector, & musicians elsewhere in New Zealand (and the world) to provide pathways for potential and existing orchestra members

**2. PARTICIPATION**

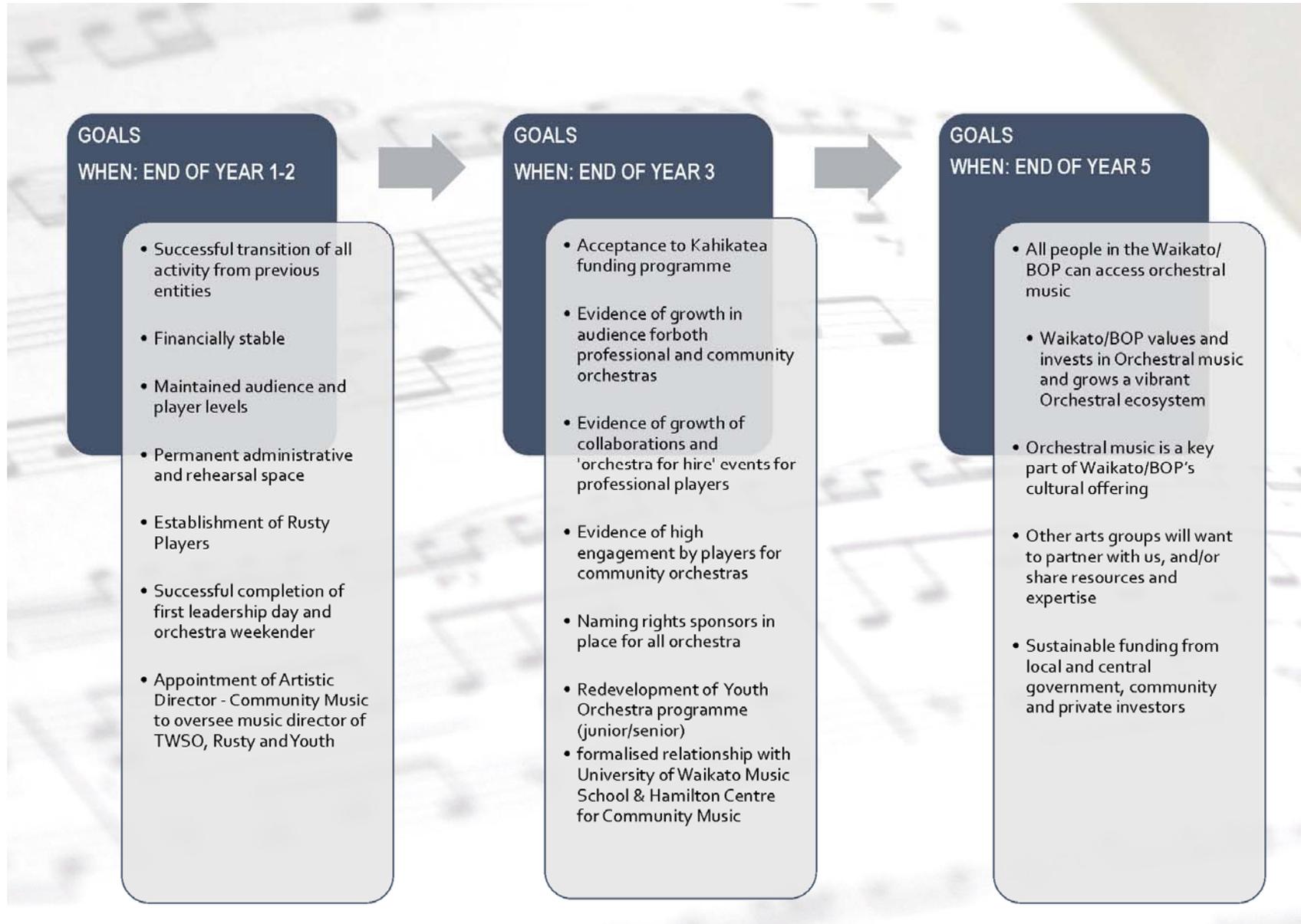
- To encourage public understanding and appreciation of orchestral music, resulting in a sustainable arts culture
- Increase visibility of the orchestras to the wider community
- Innovative initiatives to improve and develop accessibility of performers
- Provide opportunity to showcase the musicians not only in the music halls, but also to their own communities, working to engage people at a grass roots level outside of the cities

**3. PLATFORM**

- Be recognised as a key stakeholder and contributor to the performing arts in the region
- Act as an advocate for orchestras as a vital contributor to the arts sector
- Be recognised for excellence in performance, education and collaboration in orchestral music
- Educate stakeholders & the wider public about the importance of orchestras as part of a vibrant arts culture, and how that connects to broader community wellbeing

WHO: ORCHESTRA	WHAT: FORM/FUNCTION	HOW/WHEN: OUR GOALS	WHY: THE MISSION AND VISION
<b>YOUTH PROGRAMME</b>	Youth 12-18 yrs Primarily for developing players and emerging audience	<ul style="list-style-type: none"> <li>• Provide a place for young people to play music, develop as musicians and learn musicianship, on a regular basis</li> <li>• Introduce audience to music</li> <li>• Develop a programme of activity beyond rehearsal and performance</li> </ul>	<ul style="list-style-type: none"> <li>• become an attractive place for young people to socialise and play music together.</li> <li>• Develop talent and be the pipeline to other orchestra experiences</li> </ul>
<b>RUSTY PLAYERS</b>	Just like it sounds!	<ul style="list-style-type: none"> <li>• Continue to respond to community demand.</li> <li>• Quarterly events including upskilling and social activity.</li> <li>• No cost, minimal barriers.</li> <li>• Add parent/child events, weekender</li> <li>• Interesting venues and repertoire</li> </ul>	<ul style="list-style-type: none"> <li>• Offer a creative outlet for adult musicians of all levels with minimal barriers in an inclusive environment of fun and creativity</li> </ul>
<b>TWSO</b>	The community orchestra of the Waikato.	<ul style="list-style-type: none"> <li>• Provide musical challenge for musicians without creating barriers.</li> <li>• Have environment of community, encourage volunteer participation in all aspects of delivery</li> <li>• Year round calendar of activity – workshops, rehearsals, concerts and social events</li> </ul>	<ul style="list-style-type: none"> <li>• An inclusive, accessible and welcoming environment for both players and audience</li> <li>• A way to reach and serve our community through orchestral music</li> </ul>
<b>OPUS ORCHESTRA</b>	High quality orchestra of remunerated players.	<ul style="list-style-type: none"> <li>• Culture of quality, innovation,</li> <li>• Audience and player led programming.</li> <li>• National reputation</li> </ul>	<ul style="list-style-type: none"> <li>• Offer professional opportunities to local musicians</li> <li>• Be an aspirational example of excellence to both musicians and audience</li> </ul>
<b>OCTAVO SENSING MUSIC</b>	Small group ensemble available for hire/showcase  Weekend of Orchestral music	<ul style="list-style-type: none"> <li>• High quality</li> <li>• Mobile</li> <li>• Showcase of Orchestral music in the Waikato</li> <li>• Engage current and new players in all orchestras</li> <li>• Encourage cross-genre/ activity</li> <li>• 'Testdrive the Arts' initiative</li> </ul>	<ul style="list-style-type: none"> <li>• Be agile innovative and responsive, offering musical experiences beyond the orchestra</li> </ul>

	<b>ORCHESTRAS CENTRAL TRUST</b>	<b>Opus Orchestra</b>	<b>COMMUNITY ORCHESTRAS:</b>		
			<b>TWSO</b>	<b>Youth</b>	<b>Rusty Players</b>
<b>Vision</b>	As an integrated regional orchestral organisation we work in creative partnerships to facilitate and develop programme talent and capability in response to community needs preferences and values	By creating and offering the best programmes and experiences, we improve our own lives, and bring added value to yours	Music unites us all	Developing musicians for a life time	Bringing players of all levels together for the pleasure of making music
<b>Mission/ Purpose:</b>	Orchestrating Transformative Connections	An orchestra committed to the highest standards - quality music, quality performances, and quality experiences for our musicians and our audience	Good music brings all of us together, and helps us find a common point of view. We believe that one of the greatest sources of joy is what happens when people experience an orchestra performing.	You won't just discover what you love, you'll also learn about what you love, and be part of sharing that with your community	Everyone can play
<b>Value proposition:</b>	Connecting and enriching our community through orchestral music	Enter a world dedicated to quality	We're in this together	Learning, participation and contribution to the community	Playing together





## Orchestras Central Trust

Performance Report For The 16 Months Ended 31 December 2016

Audit | Tax | Advisory



**Orchestras Central Trust**  
**Performance Report Contents**  
For The 16 Months Ended 31 December 2016

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## Orchestras Central Trust

### Entity Information

As At 31 December 2016

**Legal Name of Entity** Orchestras Central Trust

#### Entity's Purpose or Mission

As an integrated regional orchestral organisation we work in creative partnerships to facilitate and develop programmes, talent and capability in response to community needs, preferences and values.

Values include:  
 - fearless curiosity  
 - deepening connections  
 - quality  
 - generosity  
 - discipline

#### Entity's Structure

Charitable Trust with a Board of Nine Trustees.

Remunerated administration team of four including a full time CEO, addition three part-time contracted music directors, contracted musicians (approximately 50 part-time) and a further 100+ volunteers.

#### Main Sources of the Entity's Cash and Resources

A mixture of Central and Local government grants, sponsorships and funding from Community funders, gaming trusts, corporate sponsors, and private individuals, along with ticket sales from events, membership fees and sundry fundraising.

#### Main Methods Used by the Entity to Raise Funds

Sunsets Symphony gold coin donation, specific player sponsorship ('chair sponsors'), and ticket sales.

#### Contact Details

<b>Physical Address</b>	C/- The Meteor Victoria Street Hamilton 3204
<b>Postal Address</b>	PO Box 159 Hamilton 3240
<b>Business Location</b>	The Meteor, 1 Victoria Street, Hamilton
<b>Accountants</b>	Crowe Horwath (NZ) Limited 57 Spring Street Tauranga 3110
<b>Bankers</b>	SBS Bank
<b>IRD Number</b>	118-560-329
<b>Solicitor</b>	Ellice Tanner Hart Lawyers



**Orchestras Central Trust**

**Entity Information**

As At 31 December 2016

<b>Beneficiary</b>	Discretionary
<b>Charity Registration</b>	CC53039
<b>Auditor</b>	Integrity Audits

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**Orchestras Central Trust**  
**Statement of Service Performance**  
 For The 16 Months Ended 31 December 2016

**Description of the Entity's Outcome:**

Establishment of Orchestras Central Trust:  
 Funded by Creative NZ, Trust Waikato and Wel Energy Trust  
 This was achieved within budget

Migration of the Assets and Activities from Opus Orchestra Trust, Waikato Orchestral Society, and United Youth Orchestra Trust to Orchestras Central Trust:  
 Completed

Delivery of annual programme for each of the Orchestras:  
 TWSO, UYO, OCT - Within budget  
 Opus Orchestra - Operating loss  
 Exceeded delivery

**Description and Quantification of the Entity's Outputs:**

	<b>2016 (16 Months)</b>
Concerts and Events - TWSO, UYO, Rusty Players	10
Concerts and Events - Opus	14
Total Attendees to Concerts	10,000+
Total Number of Mail Subscribers	2,150
Total Number of Musicians taking part in Events	250+

**Additional Information:**

With the establishment of Orchestras Central Trust, 2016 was both - year of consolidation and a year of change for our orchestras, especially Opus due to the nature of their work - multi-date series across two regions.

The core focus for OCT was to ensure a seamless transition of the 'backstage' operations of the Orchestra. This was coupled with comprehensive reviews of the systems and processes as well as some of the outward facing activity – marketing and event management.

We were very pleased to maintain our audience numbers in the face of an internationally declining market. NZ, and in particular the Waikato, is bucking these trends with a continued appetite for live music although there is clear evidence of an appetite for the 'new and different' and this will be further explored in 2017. Our final series of the year, featuring Simon O'Neil was extremely successful with higher than usual audience in each centre and a total of just over 600 tickets being sold. Simon O'Neil was certainly very popular and engaged the audience in an amazing way. Our last TWSO concert of the year 'A Christmas Festival' also attracted record audience.

Our Rotorua and Tauranga audiences consists of a core of 80-100 people who attend every concert we present, along with around that number again attending once or twice each year, and a small but steady increase coming from music students and new migrants. These numbers are lower than we would like and there is much room for growth here. As well as wanting to honour our high-quality musicians, and loyal concert goers, we plan to have a strong focus on being more agile and innovative in years to come as competition for the arts dollar is fierce, and our audiences are becoming more and more discerning.

The costs for delivery of our concerts, whilst significantly less than other orchestras in New Zealand (largely thanks to the generosity of our sponsors and musicians), are still a big consideration – we allow around \$60k for a series of 3 Opus concerts, which covers the costs of players, marketing, venue and event management, but does not include any of the back-office administration staff or facilities. Thus, the total review, conducted last year, of our marketing offering was timely, as we made good inroads with lower cost initiatives such as social media and direct e-marketing, and yet still maintained our audience.

UYO and TWSO have much lower costs due to being mostly volunteer musicians, however production costs are still very high in Hamilton. We will be exploring new venue possibilities to address this whilst also attracting audience at different environments.

The attached Notes and Auditor's Report form an integral part of these reviewed financial statements.



**Orchestras Central Trust**  
**Statement of Service Performance**  
For The 16 Months Ended 31 December 2016

In addition, each orchestra has had comprehensive research projects undertaken on several aspects – player engagement, programming, audience perception, stakeholder interest and benchmarking against similar entities both in NZ and other parts of the world. This body of work has contributed to the development of the overall strategic plan for Orchestras Central Trust, and for the individual orchestras, including our newly formed Rusty Player Orchestra which we hope to bring to Rotorua in 2017. This fills a much-needed gap in the artistic life of many musicians who are unable or unwilling to be part of a regularly rehearsing Orchestra, those who are looking to return to playing music, and a number who are learning a second instrument. This initiative has also had the added benefit of becoming a key audience development tool for us – more than half who joined the 'Rusties' last year have gone on to attend concerts by one or more of our other orchestras, and even players too are moving between the Orchestras more.

The transition of the 'back room' is almost complete, with just player contracting, and some library work being delivered outside of the office, however we will be always reliant on (and grateful to) a core of volunteers to support operations. The rapidly changing climate for grant makers and funding in general has had a major impact on our ability to move forward in 'business as usual' mode, and has, to an extent, forced change upon us sooner than we might have expected. However, this presents many exciting opportunities to all our musicians, and gives us further scope to create the orchestral eco-system which was key to the formation of Orchestras Central in the first place, and to make a greater contribution to the cultural life of the region.

The attached Notes and Auditor's Report form an integral part of these reviewed financial statements.

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**Orchestras Central Trust**  
**Statement of Financial Performance**  
 For The 16 Months Ended 31 December 2016

INTEGRITY/AUDIT

	Notes	2016 (16 Months) \$
<b>Revenue</b>		
Donations and other Similar Revenue	1	413,002
Fees, Subscriptions and Other Revenue From Members	1	1,503
Revenue From Providing Goods and Services	1	61,782
Interest, Dividends and Other Investment Revenue	1	1,011
Other Revenue	1	13,438
<b>Total Revenue</b>		<b>490,735</b>
<b>Expenses</b>		
Volunteer and Employee Related Costs	2	422,099
Costs Related to Providing Goods or Services	2	76,682
Other Expenses	2	48,345
<b>Expenses</b>		<b>547,125</b>
<b>Net Surplus/(Deficit)</b>		<b>(56,390)</b>

The attached Notes and Auditor's Report form an integral part of these reviewed financial statements.

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**Orchestras Central Trust**  
**Statement of Financial Position**  
 As At 31 December 2016

	Notes	2016 \$
<b>Current Assets</b>		
Cash Balances	3	140,442
GST Receivable		2,816
<b>Total Current Assets</b>		<u>143,257</u>
<b>Non Current Assets</b>		
Property, Plant and Equipment	4	57,774
<b>Total Non Current Assets</b>		<u>57,774</u>
<b>Total Assets</b>		<u>201,030</u>
<b>Current Liabilities</b>		
Accounts Payable		
Accruals		288
Grants in Advance		5,176
<b>Total Current Liabilities</b>		<u>190,000</u>
<b>Net Assets/(Net Liabilities)</b>		<u>5,567</u>
<b>Trust Equity</b>		
Trust Capital		
Retained Surplus/(Accumulated Deficit)		61,957
<b>Total Trust Equity</b>		<u>(56,390)</u>
		<u>5,567</u>

  
 Chairperson:

Dated: 31/12/17

  
 Treasurer:

Dated: 14/1/2017

The attached Notes and Auditor's Report form an integral part of these reviewed financial statements.



## Orchestras Central Trust

## Statement of Cash Flows

For The 16 Months Ended 31 December 2016

INTEGRITY AUDIT

Notes	2016 (16 Months) \$
<b>Cash Flows From Operating Activities</b>	
<b>Cash Was Received From:</b>	
Fees, Subscriptions and Other Revenue From Members	1,503
Donations and other similar receipts	608,177
Receipts From Providing Goods or Services	61,782
Interest, Dividends and Other Investment Revenue	1,011
Other Revenue	13,438
Net Movement in GST	(2,815)
<b>Cash Was Applied To:</b>	
Payments to Suppliers and Employees	(539,948)
<b>Net Cash Flows From Operating Activities</b>	<u>143,148</u>
<b>Cash Flows From Investing and Financing Activities</b>	
<b>Cash was Received From:</b>	
Capital Distribution	61,957
<b>Cash was Applied to:</b>	
Payments to Acquire Property, Plant and Equipment	(64,664)
<b>Total Cash Flows From Investing and Financing Activities</b>	<u>(2,706)</u>
Net Increase in Cash	140,442
<b>Closing Cash Balance</b>	<u>140,442</u>
<b>Represented by:</b>	
Bank Accounts	140,442
<b>Net Cash Balance</b>	<u>140,442</u>

The attached Notes and Auditor's Report form an integral part of these reviewed financial statements.

Orchestras Central Trust  
Statement of Accounting Policies  
For The 16 Months Ended 31 December 2016

**Reporting Entity**

Orchestras Central Trust is a registered charity governed by its Trust Deed dated November 2015, The Charities Act 2005 and The Charitable Trust Act 1957.

**Basis of Preparation**

Orchestras Central Trust has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

**Property, Plant and Equipment**

Property, plant and equipment and investment property are stated at historical cost less any accumulated depreciation and impairment losses. Historical cost includes expenditure directly attributable to the acquisition of assets, and includes the cost of replacements that are eligible for capitalisation when these are incurred.

**Depreciation**

Depreciation is charged to the Statement of Financial Performance at rates shown below over the estimated useful lives of each part of an item of property, plant and equipment.

The method and rates applied are as follows:

Asset Class	Method	Rate
Plant & Equipment	Diminishing Value	8.0%
Computer Software & Equipment	Diminishing Value	50.0%

An item of property, plant and equipment or investment property is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gains or loss arising on derecognition of asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Financial Performance in the year the asset is derecognised.

**Income Tax**

The Trust is registered under the Charities Act 2005 and is currently exempt from Income Tax.

**Goods and Services Tax (GST)**

All revenue and expense transactions are recorded net of GST. Where applicable, all assets and liabilities have been stated net of GST with the exception of receivables and payables which are stated inclusive of GST.

**Tier 2 PBE Accounting Standards Applied**

The Board has not adopted any Tier 2 PBE Accounting Standards in the preparation of these accounts.

**Changes in Accounting Policies**

The accounting policies adopted have been applied consistently throughout the year.



Orchestras Central Trust  
Notes to the Financial Statements

For The 16 Months Ended 31 December 2016

INTEGRITY AUDIT

	2016 (16 Months) \$
<b>1 Analysis of Revenue</b>	
<b>Donations and other Similar Revenue</b>	
Donations	26,552
Grants Received	312,434
Sponsorship	49,000
Joint Ventures & Commissions	25,016
<b>Total</b>	<u>413,002</u>
<b>Fees, Subscriptions and Other Revenue From Members</b>	
Subscriptions & Memberships	1,503
<b>Total</b>	<u>1,503</u>
<b>Revenue From Providing Goods and Services</b>	
Program Sales	1,733
Ticket Sales	60,049
<b>Total</b>	<u>61,782</u>
<b>Interest, Dividends and Other Investment Revenue</b>	
<b>Interest</b>	
Interest Received	1,011
<b>Total</b>	<u>1,011</u>
<b>Other Revenue</b>	
Sundry Income	13,438
<b>Total</b>	<u>13,438</u>
<b>Total Revenue</b>	<u>490,735</u>

The attached Notes and Auditor's Report form an integral part of these reviewed financial statements.



**Orchestras Central Trust**  
**Notes to the Financial Statements**

For The 16 Months Ended 31 December 2016



	2016 (16 Months) \$
<b>2 Analysis of Expenses</b>	
<b>Volunteer and Employee Related Costs</b>	
Concert Master	10,402
Conductor	4,140
Conductor Travel	3,153
Music Director	42,695
Musicians	163,165
Musicians Travel	23,284
Performers & Players Gifts	1,601
Soloist & Special Guests	25,706
Soloist Travel	4,917
Staff Training & Welfare	589
Wages	142,446
<b>Total</b>	<u>422,099</u>
<b>Costs Related to Providing Goods or Services</b>	
Composition & Orchestration	906
Instrument & Equipment Hire	1,906
Marketing	25,764
Music Library	7,166
Production Costs & Sundry Expenses	1,509
Royalties	64
Ticketing Costs	2,778
Venue - Concert	31,673
Venue - Rehearsal	4,926
<b>Total</b>	<u>76,682</u>
<b>Other Expenses</b>	
Accountancy Fees	7,106
Audit Fees	2,148
Depreciation	6,890
Establishment Costs	3,065
Rent	8,008
Other	21,129
<b>Total Other Expenses</b>	<u>48,345</u>
<b>Total Expenses</b>	<u>547,125</u>

The attached Notes and Auditor's Report form an integral part of these reviewed financial statements.



## Orchestras Central Trust

### Notes to the Financial Statements

For The 16 Months Ended 31 December 2016

2016  
(16 Months)  
\$

#### 3 Bank Balances

SBS - Star Transactional	128,994
SBS - Call Account	10,720
SBS - Petty Cash	728
<b>Total Bank Balances</b>	<b>140,442</b>

#### 4 Property, Plant and Equipment

This Year	Opening Carrying Amount	Purchases	Sales/ Disposals	Current Year Depreciation & Impairment	Closing Carrying Amount
Plant & Equipment	-	58,617	-	4,681	53,936
Computer Software & Equipment	-	6,047	-	2,209	3,838
	-	64,664	-	6,890	57,774

#### 5 Capital Commitments

No capital commitments have been contracted for or provided for at balance date.

#### 6 Contingent Liabilities and Guarantees

There were no contingent liabilities or guarantees at balance date.

#### 7 Operating Leases

##### Lease Rental Commitments

The entity operates out of the Meteor in Hamilton. The rent per month is \$1,757.20. There is no formalised rental agreement currently in place.

#### 8 Events After Balance Date

There were no events that have occurred after balance date that would have a material impact on the Performance Report.

#### 9 Goods or Services Provided to the Entity In Kind

Orchestras Central Trust has free use of the Gallagher Performing Arts Centre.

#### 10 Going Concern

These financial statements have been prepared assuming that the company is a going concern and has the continuing financial support of its shareholders. If the shareholders withdraw their support then the going concern principle can not be relied upon.

The attached Notes and Auditor's Report form an integral part of these reviewed financial statements.

## Proposal for the Future use of Founders Theatre

Proposal for the Future use of Founders Theatre	
Community group/Organisation name:	Private/Maori trust/Photography World
Postal address:	
112B Amanda Avenue	
Dinsdale	
Hamilton	Postal code: 3204
	Postal code:
Name of the person completing this proposal on behalf of the community group or organisation:	
Desmond Downs	
David Tamati	
Email contact:	dvdwns@gmail.com
Phone contact:	0272688748
Organisation Type:	Charitable Trust    Incorporated Society <input type="checkbox"/> Other:
My Neighbour, David Tamati is part of a Maori trust interested in using the site.	
Describe your organisation's/group's vision and mission:	
<p>To create a recreation facility involving good clean entertainment and interaction based on interesting photographic opportunities.</p> <p>This will be a place for locals and tourists to spend time in Hamilton, attracting business and capital to the city, along with providing jobs and opportunities for entrepreneurs to make a living and/or fund studies.</p> <p>This has previously been discussed with Nicola Greenwell, the development manager of Waikato tourism.</p>	

1

Organisation/group governance structure:

Refer David Tamati Maori trust.

Organisation/group website: Refer David Tamati's proposal plus my website

<http://springbokphotography.com/>

Attach 2016/2017 financial statement to email

**Tell us about what you plan for Founders**

What do you propose to use Founders Theatre for?

"Photography World" plus David Tamati's proposal for a Maori experience. Photography World will include various themed rooms for interesting photographs - a basic example is an upside-down room with all the furniture bolted to the ceiling - take a picture of yourself or friends, turn it upside down and you're walking on the ceiling. It will be similar to a trick-eye museum but more professionally made, not just paintings. A cafe'/restaurant in the entrance is free to enter - large TV screens on the walls show the activities and best photos that people have submitted enticing people to either have a meal and 'enjoy the show' or pay an entrance fee to participate themselves. An additional option is a wedding reception venue including a "church" theme room for having the ceremony with stained glass windows. The field outside could have an old tractor or other props for bride and groom formal photos. The outside of the building will have large frames for the bridal party to pose in. This is all covered in my description below.

What activities will be undertaken at Founders Theatre?

I typed this up for a 'general proposal' for a new location but much of it applies here.

Basic setup: [Castle and Restaurant]

1.) Castle

1.) Castle: Front view is a castle with a moat. Must be visible from the main highway, have clean public toilets out front

to attract people to stop, large parking area for tour busses and one or two free attractions

Two towers allow visitors to climb up and look out from the top.

In front of the castle is a dragon with a spear in it, people can take selfies with them holding the spear "battling the dragon".

In the moat is an alligator head. The closest car to the entrance in the car park has a steel pole holding the front up with a spare

wheel on the ground. People can stand blocking the pole pretending to hold the car up while the wheel is being changed.

Who will benefit from your activities and your use of Founders?

Anyone involved in tourism, the local community as it will bring jobs and capital into Hamilton, businesses that provide accomodation, students who could make an income acting as models on the property. As an example many people want to get into wedding photography - a young couple could charge a fee to dress up and pose for photos so the upcoming photographer has some practice and images for their portfolio. besides the themed rooms that may require various costumes - Victorian outfit in the 'antique room', underwater models in the pool room with a glass viewing area.

Will there be any commercial activities undertaken at Founders?

Yes, besides the Cafe' - entrance could be charged for the themed rooms and after 'closing time' photographers could rent a particular room for photo shoots. The exterior could include various 'free' options for 'selfies' [Imagine a car with the front supported by a metal beam - someone could have a picture of themselves 'holding the car up' while the wheel is being changed in the car park.]

Is your proposal for all or part of Founders?  All  Part (please explain):

This is open to discussion - if the building is worth repairing then the theatre could be maintained for community use with the rest built behind it - if it is a viable option to demolish and rebuild [probably more practical] then all of it will be replaced.

What type of arrangement are you proposing?  Lease  Transfer of ownership

Have you prepared a business plan for your proposal?

Yes (please attach to email)  No

How will your organisation be able to contribute towards the reinstatement costs?

David Tamati is presenting this proposal and will be involved in the Lease/ownership aspect of this venture. I was asked by him to present my proposal for part of the building.

Are there any specific requirements your organisation would need in the building / parking area?

No

When would you want to commence your lease/ownership of Founders?

As soon as it is viable.

## Basic setup: [Castle and Restaurant]

### 1.) Castle

1.) Castle: Front view is a castle with a moat. Must be visible from the main highway, have clean public toilets out front to attract people to stop, large parking area for tour busses and one or two free attractions Two towers allow visitors to climb up and look out from the top. In front of the castle is a dragon with a spear in it, people can take selfies with them holding the spear "battling the dragon". In the moat is an alligator head. The closest car to the entrance in the car park has a steel pole holding the front up with a spare wheel on the ground. People can stand blocking the pole pretending to hold the car up while the wheel is being changed.

Inside is a small shop with photography supplies and photo printers, snacks etc. ["Atmosphere Aerosol" as used in the movies too] Used camera gear perhaps[?] Bubble mix, reflectors, camera flash [for the flash room] At the reception there will be tickets for "models". On the premises will be people with a 'model - name' badge so that if someone wants to take a cool picture they can present a ticket, get the model to pose for a shot and in the afternoon the models can return their tickets for a share of the takings. For the 'above ground pool with glass sides' perhaps it would be worth more than one ticket to have a model [in a wedding dress] swimming underwater for some photos to compensate for time taken to dry off and clean up again. There would also be opportunities for "living statues" [people who make themselves up like statues] to add to the atmosphere. After hours the themed rooms could be hired out to photographers for exclusive use.

Megapixel comparison on the wall!

Themed rooms: Each room has the best pictures taken there on the wall outside and played back as a slideshow in the restaurant giving people a taste of what can be done.

- 1.) Upside down room: All the furniture bolted to the ceiling, lampshade sticking up from the middle. People can turn the picture upside down and make it look like they are standing on the ceiling.
- 2.) Sideways room: "Ceiling" is to the side and furniture bolted to the other side, in pictures you are sticking out sideways from the wall.
- 3.) Tilted room: Floor is at 45degrees, you end up "falling" in the final image.
- 4.) See through pool. On the second floor is a 'swimming pool' that has a glass floor and two inches of water on it. The people in the room underneath look like they are walking under water.
- 5.) Above ground pool with glass sides for taking 'underwater' photos without getting wet or needing special gear. Models in wedding dresses etc. can swim in it for cool photos.
- 6.) Family portrait room: Continuous lighting setup with hair light, rim light and front/side lights with adjustable dimmer switches. Could include a frame for people to stand in.
- 7.) Natural light room. large frosted glass windows with panels that can be slid to block/adjust lighting - nice old vintage couch in the middle, perhaps old library books in the background.
- 8.) Sci-fi "Borg" room: green lighting, smoke effects, black pipes hanging from the roof.
- 9.) Star Trek room: captains seat, big "green screen" that people can add pictures to later.
- 10.) Perspective room: Cube in the corner, non-directional light. People can sit/lie/stand at

various angles and not know which way is up in the final image.

11.) Photography training room: Demonstrations for people to try, various apertures and shutter speeds. Large model lens showing aperture blades and their movement. photos on the wall demonstrating the differences. Use of flash, demonstrations of the difference it makes. Flash heads for sale at store.

12.) High speed photography room. Demo photos along with the ability to try their hand at high speed photography - burst a water balloon etc. Floor designed to drain water away.

13.) Mirrors on all walls

14.....) caste interior, light painting, mini set [volcano reflected in lake with smoke coming out....], Giant room with large furniture, baby room with white-noise for baby photos, themed rooms of different countries. The themed rooms could be added later in the form of a motel that can be rented

out for people to stay in something different or be hired to companies making movies.

20.) Photo-booths

21.) Mirror illusion invisible table

New Zealand themed trick shots, bungee jumping, jetboat ride.

### Dungeon:

Dungeon hotel

Chains

prison photos

### Centre floor of castle:

Large Maori piece chess set with camera from the ceiling taking a time-lapse of the game to be purchased on disk.

Non-newtonian fluid on a speaker - display, constantly changing shape.

Polariser effect display, interactive.

### Castle sides:

Various frames for people to pose in.

Perspective wall. Long brick "tower" built on its side for perspective photos. People lie on it and pretend to be "hanging on" in the picture.

### Outside yard:

Large pond with fountain for "drown the gown" photos, model lying in wedding dress in water etc.

"Levitation platform" - barely below water level for 'standing on water photos'.

Props for photos.

Large frame for posing in.

Illusions - statue that looks like a kiwi from the side, as you move around it changes to T-Rex.

Swinging pendulum display - large balls on ropes of various lengths change patterns depending on length of ropes.

Big hand for people to stand in.

Giant boot to stand under.

Levitation platform to lie on

Cave

### Restaurant and Hall: [castle theme]

Large windows with slots for sliding canvas images in. back-lit photos look much better.  
Photographers can compete for the best image as voted  
for to gain first place in the queue.  
TV displays with slideshows of images taken in the castle OR live display of events taking  
place in the castle  
Large hall for wedding receptions, team building etc. "inside of castle" layout, fireplace, large  
wooden table.  
Large display screen in hall.  
Props in yard for wedding photos, old tractor, archway.  
Frisbees golf course[?]

### Accessories to rent or buy - monetary prospects:

Fog machines  
props [sword]  
Victorian dress, various costumes - superhero etc.  
wedding dresses [available for \$199 from China, can be sold for \$1500 locally]  
Atmosphere Aerosol as used in movies.  
Photos on canvas. Cost \$39 to have made, retail for \$130. Photographers can buy them to  
display their work at the restaurant.  
pay telescope on top of lookout.  
Photo-booths  
Lockers for storing gear.

Centre floor: Large Maori chess set. A camera directly above records a timelapse of the  
game which people can buy on disc. The games can be played back or  
watched live in the restaurant

### Employment prospects:

models [self sustaining through ticket system]  
'living statues' [live off tips for changing pose]  
Photographers charging for services.  
Photo printing  
Photography tutorials and courses.

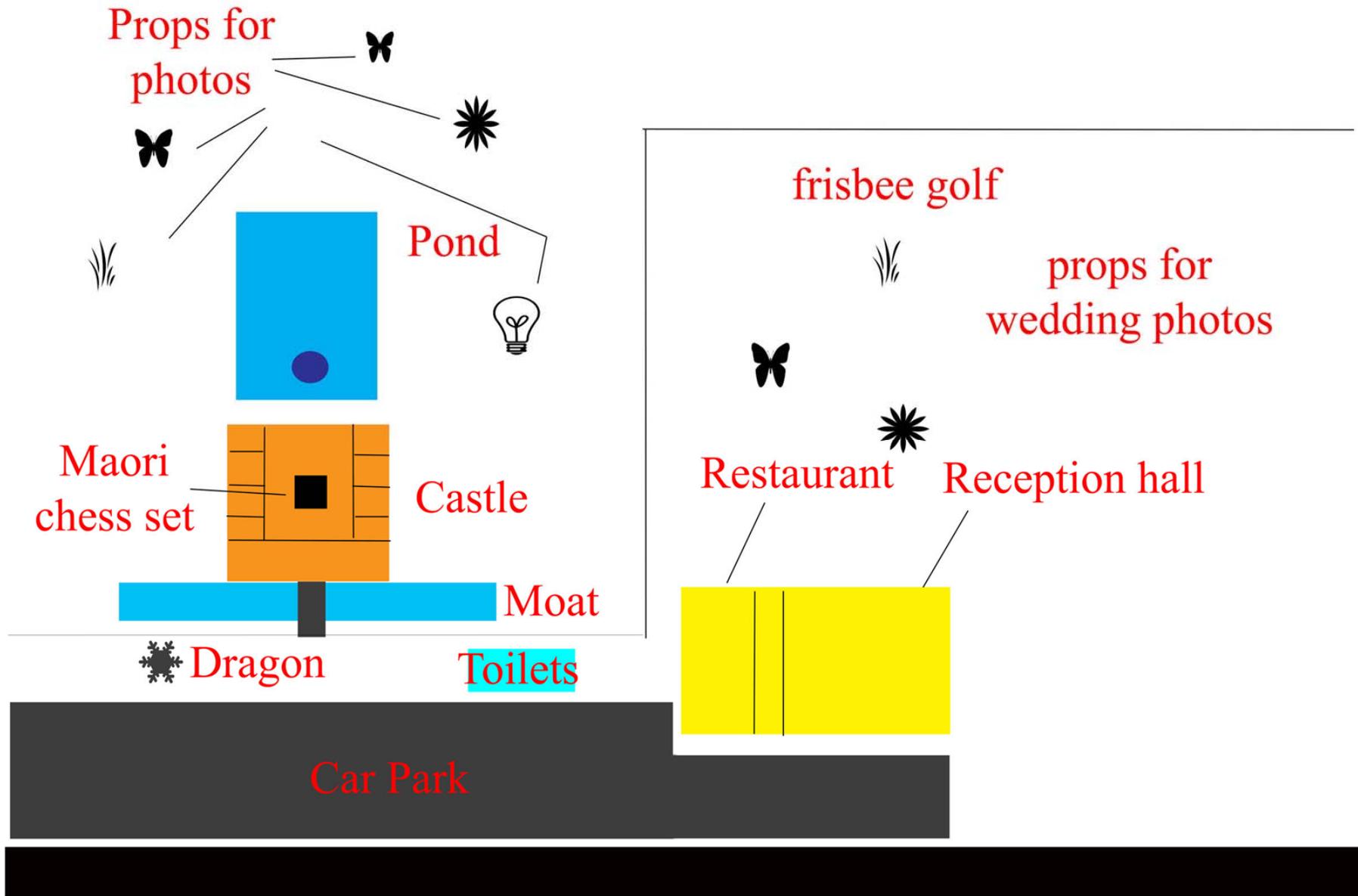
### Additional options for future growth:

Mountain bike track  
Motel  
Campground  
More themed rooms for hiring out to movie companies which could also be hired out as a  
"cool motel" to stay in when not being hired out.

11/06/2017: 'stasis capsules'

Attachment 3

Item 6



## Raewyn Napier

---

**From:** Desmond Downs  
**Sent:** Friday, 3 November 2017 11:52  
**To:** Raewyn Napier  
**Subject:** Re: Founders Theatre proposal

Hi Raewyn, I was talking with David and he was suggesting that I put in my application as an idea for a council funded modification, while he was going to submit his [on Sunday] as a proposal for Maori funding to buy the theatre out. So maybe once he has put in his application I will know what his plans were for "Photography World" :)  
Regards, Desmond.

On Tue, Oct31,2017 at 1:40 PM, Desmond Downs wrote:

Thanks Raewyn, I thought David had submitted an online form, obviously not. I'll contact him and see what is happening there.

If you're on Facebook you could also check out the discussion on the topic

- <https://www.facebook.com/groups/1128777513847615/>

Regards, Desmond.

On Tue, Oct 31, 2017 at 1:37 PM, Raewyn Napier wrote: \_\_\_\_\_

Hi Desmond,

I confirm I have received your application.

You mention your application is in part of David Tamati's application – I have not received anything from him as yet.

Kind regards,

**Raewyn Napier**  
Business Support Coordinator | Strategy & Communications  
DDI: 07 838 6537 | Email: [raewyn.napier@hcc.govt.nz](mailto:raewyn.napier@hcc.govt.nz)



Hamilton City Council | Private Bag 3010 | Hamilton 3240 | [www.hamilton.govt.nz](http://www.hamilton.govt.nz)

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Attachment 3

**From:** Desmond Downs \  
**Sent:** Sunday, 29 October 2017 11:11 AM  
**To:** Raewyn Napier  
**Subject:** Founders Theatre proposal

Hi Raewyn. I've attached an application for Founders Theatre plus a document I had previously typed up as it would not all fit on the one section of the form.

This is all in part of my neighbour, David Tamati's application for the theatre as well which would be funded by a Maori trust he is involved with.

Regards, Desmond Down.

<https://www.springbokphotography.com>

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<https://www.springbokphotography.com>

Item 6



## Proposal for the Future use of Founders Theatre

Proposal for the Future use of Founders Theatre

**Community group/Organisation name:** Nga Rangatahi O Mana Motuhake Trust (NROM)  
In Partnership with Te Runanga O kirikiriroa (TROK) and The Vodafone Foundation

Postal address:

Postal code:

Postal code:

**Name of the person completing this proposal on behalf of the community group or organisation:** Tsar Drummond Marsters

**Email contact:** Tsar.marster@hotmail.com

**Phone contact:** 0223447919

**Organisation Type:** Trust, 30 under 30 recipient 2016, Bfam dance crew

Describe your organisation's/group's vision and mission: I myself am just one person representing for the wider community whose vision is to see that the founders theatre remains a home for the performing arts and to work and develop on the foundation to rebirth it into a performing arts academy for youth to engage through cultural and educational practice.

Organisation/group governance structure: Vodafone foundation - I am just one of the 2016 World of difference alumni recipients. The vodafone foundation itself allocates Vodafone Group Plc funds to projects around the world that are run in partnership with other charitable organisations & NGOs.

I had the oppourtunity of developing a program with the support of Te Runanga O kirikiriroa (Trok) who are Urban Authority acknowledging the sovereign rights of mana whenua and tangata whenua of the Hamilton City area. This then lead to our project being over seen by Ministry of education who we are forming and bulding strong relationships with to ensure long term sustainability with in our programs.

With the ongoing and continued support of these organisations they have helped me to rebirth a long time serving charitable trust known as Nga Rangatahi O mana Motuhake (NROM) whose sole mission is to advance, encourage and support New Zealand Youth from all cultures to learn to perform, and entertain aswell as participate in dance competitions both Nationally and Internationally while achieving success and maintaining a balanced lifestyle.

**Organisation/group website:** N/A

Attach 2016/2017 financial statement to email

**Tell us about what you plan for Founders.**

**What do you propose to use Founders Theatre for?**

My proposal is for the Founders theatre building to be donated to me and my trust to develop and create a performing arts academy for all youths disenfranchised from mainstream education. A central hub where we can provide university entrance as well as teaching basic fundamental life skills while actively building confidence and strengthen our students

understanding of new zealands own street and hip-hop culture.

**What activities will be undertaken at Founders Theatre?**

For the past year now we have been working on developing curriculum around HipHop culture and how its fundamental elements have shaped and molded the youth of today. Ultimately we want to be like any other educational provider but mainly focusing on the performing arts side of things. As of right now we currently working on curriculum and have an approved NCEA level one developed an approved NCEA level one program which integrates and incorporates with the four elements of hiphop.

**Who will benefit from your activities and your use of Founders?**

This project will not only benefit youth in hamilton but for New Zealanders all throughout the country. The Waikato has always been known for birthing some of the best performers the country has ever seen. Having a Hub that is central and dedicated to the arts will not only be refreshing for our community but it will give our youth something more positive to do in the spare time and have traffic directed this way instead of auckland and Wellington etc.

**Will there be any commercial activities undertaken at Founders?**

Yes. While we do aim to be a Self sustaining Educational Provider we have had to think of Long term ideas which are sustainable. In future we hope to give young entrepreneurs the oppourtunity to set up shop to showcase some the newest and latest dress and fashion trends with todays youth. There so many young kids starting up there own clothing brand aswell as starting their own bussniesses, Barbershops, Hairsalons, Profession makeup artists. These are just some of the commercial activities where we see huge growth and potential for our youth to dominate in.

**Is your proposal for all or part of Founders?**

The Entire Founders theatre.

**What type of arrangement are you proposing? Have you prepared a business plan for your proposal?** Currently working on establishing a common team.

**How will your organisation be able to contribute towards the reinstatement costs?**

To Reinstate for Community Use Hamilton city councils Estimated costs are between\$5.7 - \$12 million. While this figures do look extreme we are quite confident that with support of ministry of education they will be able to provide us a FULL indepth analysis of Founders theatre once we are allowed to inspect the site. It is protocol for MOE that All school building projects comply with legal and Ministry design standards and should follow best practice standards. It is the board of trustees responsibilitiy to make sure that any consultant or contractor we decide to use for our project is aware of the standards. Large projects of \$3 million or more will be reviewed by our Design Review Panel.

**Are there any specific requirements your organisation would need in the building / parking area?**

Transfer of ownership

To leave the carpark and outside buidling designs intact.

**When would you want to commence your lease/ownership of Founders?**

AS SOON AS WE CAN GET IT DONATED TO MY TRUST

## Proposal for the Future use of Founders Theatre

Proposal for the Future use of Founders Theatre			
Community group/Organisation name:		Volunteering Waikato	
Postal address:	P O Box 19111		
	Hamilton	Postal code:	3240
		Postal code:	
Name of the person completing this proposal on behalf of the community group or organisation:			
Heather Moore			
Email contact:	<a href="mailto:manager@volunteeringwaikato.org.nz">manager@volunteeringwaikato.org.nz</a>		
Phone Contact:	07 839 3191 x5		
Organisation type: <input checked="" type="checkbox"/> Charitable Trust <input type="checkbox"/> Incorporated Society <input type="checkbox"/> Other:			
Describe your organisation's/group's vision and mission: <i>(cell will expand as you type)</i>			
Vision: Enriched lives and communities through volunteering.  Mission: To promote, support and enable opportunities in volunteering.			
Organisation/group governance structure: <i>(cell will expand as you type)</i>			
Volunteering Waikato has a board of trustees that employ the General Manager of the organisation. The board members are a mix of people from both the community and business sectors.			
Organisation/group website:	www.volunteeringwaikato.org.nz		
Attach 2016/2017 financial statement to email			

Item 6

Attachment 3

<b>Tell us about what you plan for Founders</b>
<b>What do you propose to use Founders Theatre for? <i>(cell will expand as you type)</i></b>
<p>Volunteering Waikato understands that there are a number of community organisations that are interested in creating some form of community hub. If this were to happen, Volunteering Waikato would be very keen on being a participant. We believe that Hamilton would greatly benefit from a community hub where several key community organisations are located together, where we could share facilities and resources, and where we could involve volunteers on many levels.</p>
<b>What activities will be undertaken at Founders Theatre? <i>(cell will expand as you type)</i></b>
<p>Volunteering Waikato recruits and refers volunteers. If we were part of a community hub at the Founders location we would use this space for general office space, to interview prospective volunteers that seeking to volunteer in the community. If space was available we would also run some network meetings and training workshops from this space, and hold board meetings onsite.</p>
<b>Who will benefit from your activities and your use of Founders? <i>(cell will expand as you type)</i></b>
<p>Many parties would benefit. Those who choose to volunteer will continue to have access to a centrally located facility where they could access assistance in finding a role. 340 community organisations (members) benefit from our recruitment and referral service, and the public in general benefits from a strong and thriving volunteer ethos in the community.</p>
<b>Will there be any commercial activities undertaken at Founders? <i>(cell will expand as you type)</i></b>
<p>No.</p>

Is your proposal for all or part of Founders:	<input type="checkbox"/> All	<input checked="" type="checkbox"/> Part (please explain):
<p>We are interested in being part of a community hub.</p>		
What type of arrangement are you proposing?	<input type="checkbox"/> Lease	<input type="checkbox"/> Transfer of ownership
<p>Have you prepared a business plan for your proposal?</p> <p><input type="checkbox"/> Yes (please attach to email)      <input checked="" type="checkbox"/> No</p>		
<p>How will your organisation be able to contribute towards the reinstatement costs? <i>(cell will expand as you type)</i></p>		
<p>We do not have any particular preference on lease or ownership. We would need more information about reinstatement costs before we could comment on contribution, but it may be possible that we could contribute.</p>		
<p>Are there any specific requirements your organisation would need in the building / parking area? <i>(cell will expand as you type)</i></p>		
<p>We would need access to at least one staff carpark, and client parking. Ideally we would like a training room and board room. Disability access. We would need space for up to eight staff.</p>		
<p>When would you want to commence your lease/ownership of Founders? <i>(cell will expand as you type)</i></p>		
<p>2020 – but we are flexible on this.</p>		

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Email your proposal to [raewyn.napier@hcc.govt.nz](mailto:raewyn.napier@hcc.govt.nz) no later than Sunday 19 November 2017.

\* Remember to attach 2016/2017 financial statement and/or business plan, if necessary.



**Attachment 3**

**Performance Report**  
**Volunteering Waikato**

**For the Year Ended 31 December 2016**

**Item 6**



**Volunteering Waikato**  
**Performance Report**  
**For the Year Ended 31 December 2016**  
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**Item 6**

**Attachment 3**



## Volunteering Waikato

### Entity Information As at 31 December 2016

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Legal Name of Entity	Volunteering Waikato
Entity Type and Legal Basis	Incorporated Charitable Trust
Incorporation Date:	5th February 1993
Charities Registration Number	CC21648
Registration Date:	7th March 2008
Physical Address	Hamilton City Council Offices 2 Caro Street Hamilton 3204
Postal Address	PO Box 19-111 Hamilton 3244
Phone	(07) 839-3191
Website	<a href="http://www.volunteeringwaikato.org.nz">www.volunteeringwaikato.org.nz</a>
Board	Rachel Scott (Chair) Avi Chand (Treasurer) David Bluett Gail Gilbert Appointed 23/11/2016 Jason Sebastian (Deputy Chair) Raewyn Calvert Appointed 19/10/2016 Sarah Gibb Appointed 23/02/2016 Vicki Hill Appointed 23/11/2016 Rinu Kumar Retired 23/02/2016 Dee Holmes Retired 30/06/2016 Graeme Borland Retired 18/08/2016
General Manager	Heather Moore
Honorary Solicitor	Truman Wee Hamilton
Accountant	Colin Tuson MMS CA C Tuson & Associates Limited Hamilton
Auditor	Mark Campbell B. Com CA Campbell & Campbell Accounting Consultants Hamilton



## Volunteering Waikato

### Entity Information As at 31 December 2016

---

#### Entity Structure

Volunteering Waikato is a not for profit organisation governed by its Board of Trustees. The trust deed specifies that the board shall be comprised of no less than seven people and no more than twelve. Currently there are eight trustees that constitute our governance board, including four executive positions: Chair, Deputy Chair, Treasurer and Secretary.

#### Vision/Mission

Vision - Enriched lives and communities through volunteering  
Mission - To promote, support and enable opportunities in volunteering

#### Main Sources of Cash & Resources

Volunteering Waikato receives the majority of our income from philanthropic funding and grants. In 2016 we generated around 17% of our own income through membership, training fees, interest from investments, and fundraising.

#### Reliance on Volunteers

Volunteering Waikato has a team of 16 in-centre volunteers that are absolutely key to our operations. These volunteers undertake roles including interviewing and referring potential volunteers, accounts, data entry, client services and member services.



## Volunteering Waikato

### Statement of Service Performance

For the Year Ended 31 December 2016

#### Volunteering Waikato outcomes

- Champion Volunteering - Grow the concept and practise of volunteering in our communities
- Volunteer Recruitment - Provide excellent service and opportunities for those who choose to volunteer
- Community Organisations - Assist community organisations with their volunteering needs
- Training and Support - Provide training and support for organisations which involve volunteers

#### Volunteering Waikato outputs

	<u>Actual This Year</u>	<u>Actual Last Year</u>
• Recipients of Involved - newsletter for volunteers	8,542	7,345
• Recipients of update - newsletter for stakeholders	959	1,038
• Registrations of volunteers - total	3,195	3,037
• Registrations of volunteers - outside Hamilton	730	747
• Applications for voluntary positions - total	4,015	3,198
• Applications for voluntary positions - outside Hamilton	703	540
• Corporate/Group volunteering projects completed	76	63
• Volunteers involved in corporate/group volunteering	552	545
• Community organisation membership - total	335	316
• Community organisation membership - outside Hamilton	163	152
• Training Workshops held - total	7	8
• Training Workshops held - outside Hamilton	5	4
• Network Meetings for Volunteer Co-ordinators held	5	5

# Volunteering Waikato

## Statement of Financial Performance

For the Year Ended 31 December 2016



	Notes	<u>2016</u>	<u>2015</u>
<b>Revenue</b>		<b>\$</b>	<b>\$</b>
<b><u>Donations and fundraising</u></b>			
Grants received	2.5	224,487	258,044
Donations - general		19,789	20,293
		<u>244,276</u>	<u>278,337</u>
<b><u>Fees, Subscriptions and other receipts from members</u></b>			
Subscriptions		18,061	16,904
<b><u>Revenue from providing goods and services</u></b>			
Training Programme Income		2,539	4,596
Employee Volunteering Income		-	1,826
Depreciation Recovery		2,303	-
Other Income		244	2,740
		<u>5,086</u>	<u>9,162</u>
<b><u>Interest, dividends &amp; other investment income</u></b>			
Interest income		6,544	8,053
<b>Total Revenue</b>		<u><u>273,967</u></u>	<u><u>312,456</u></u>
<b>Expenses</b>			
	Refer page 5		
Volunteer / employee related payments		180,039	194,716
Costs relating to providing goods and services		30,886	32,646
Other expenses		38,472	47,018
		<u>249,397</u>	<u>274,380</u>
<b>Total expenses</b>		<u><u>249,397</u></u>	<u><u>274,380</u></u>
<b>Surplus for the year</b>		<u><u>24,570</u></u>	<u><u>38,076</u></u>



# Volunteering Waikato

## Analysis of Expenses

For the Year Ended 31 December 2016

Attachment 3

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Notes	<u>2016</u>	<u>2015</u>
	\$	\$
<b>Expenses</b>		
<b><u>Volunteer / employee related payments</u></b>		
ACC levies	484	586
Wages and salaries	175,044	190,308
Volunteer expenses	4,511	3,822
	180,039	194,716
<b><u>Costs relating to providing goods and services</u></b>		
Advertising	20,202	19,704
Catering & Hospitality	1,248	865
Volunteer Excellence Awards	5,670	6,217
Training Programmes	3,766	5,860
	30,886	32,646
<b><u>Other Expenses</u></b>		
Audit Fees	2,380	1,000
Bank Fees	70	100
Consultants	2,165	6,005
Depreciation - general	8,782	5,729
Insurance	1,138	1,102
Loss on Disposal of Assets	-	55
Property expenses	1,687	9,824
Photocopying, Printing & Stationery	4,572	6,542
Postage & PO Box Rental	657	148
Repairs & Maintenance - Property	1,190	-
Technology Support and Maintenance	3,310	3,848
Telephone	3,215	3,059
Travel - conference and meetings	1,442	2,286
Travel - vehicle, parking and mileage	4,881	5,425
Other operating expenses	2,983	1,895
	38,472	47,018
Total expenses	249,397	274,380



# Volunteering Waikato

## Statement of Financial Position

As at 31 December 2016

	Notes	2016 \$	2015 \$
<b>Current Assets</b>			
Bank accounts and cash	2.1	189,215	167,660
Receivables		785	-
Short term deposits	2.2	94,984	91,860
		<u>284,984</u>	<u>259,520</u>
<b>Non-Current Assets</b>			
Property, plant and equipment	2.4	26,910	14,051
<b>Total assets</b>		<u>311,894</u>	<u>273,571</u>
<b>Current Liabilities</b>			
Accounts payable & sundry accruals	2.3	2,992	4,328
Employee costs payable		10,702	9,570
Unused grants with conditions	2.6	74,341	60,384
		<u>88,035</u>	<u>74,282</u>
Total Liabilities		<u>88,035</u>	<u>74,282</u>
<b>Net Assets</b>		<u>223,859</u>	<u>199,289</u>
<b>Accumulated Funds</b>			
General Reserves	4.0	223,859	199,289
<b>TOTAL EQUITY</b>		<u>223,859</u>	<u>199,289</u>

Ramuel Scott  
Chair

22 March 2017  
Date



## Volunteering Waikato

### Statement of Cash Flows

For the Year Ended 31 December 2016

	2016
	\$
<b><u>Cash flows from Operating Activities</u></b>	
<b>Cash was received from:</b>	
Donations, fundraising and other similar activities	258,233
Fees, Subscriptions and Other Receipts from members	18,061
Receipts from Providing Goods and Services	2,783
Interest, dividends and other investment receipts	2,635
	<u>281,712</u>
<b>Cash was applied to:</b>	
Payments to Suppliers and Staff	<u>(240,819)</u>
	<b>(240,819)</b>
<b>Net cash flows from operating activities</b>	<b><u>40,893</u></b>
<b><u>Cash flows from investing &amp; financing activities</u></b>	
<b>Cash was received from:</b>	
Receipts from Sale of property, plant and equipment	6,087
Receipts from Sale of Investments	-
Withdrawal of short term investments	-
Funds from funds borrowed (loans)	-
	<u>6,087</u>
<b>Cash was applied to:</b>	
Purchase of property, plant and equipment	(25,425)
Payments to purchase investments	-
Purchase of Investments	-
Capital repaid to owners or members	-
	<u>(25,425)</u>
<b>Net Cash flows from investing &amp; financing activities</b>	<b><u>(19,338)</u></b>
<b>Net Increase / (decrease) in cash and cash equivalents</b>	<b>21,555</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>167,660</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b><u>189,215</u></b>
This is represented by:	
<b>Bank accounts and cash</b>	<b><u>189,215</u></b>



# Volunteering Waikato

## Statement of Accounting Policies For the Year Ended 31 December 2016

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### 1. Statement of Accounting Policies

#### **1.1 Basis of Preparation**

Volunteering Waikato has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

#### **1.2 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefit will flow to this entity and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

##### Donations

Donations are recognised as revenue upon receipt.

##### Grants

Grant revenue is recognised when the conditions to the grant has been complied with. Where there are unfulfilled conditions attaching to the grant, the amount relating to the unfulfilled condition is recognised as a liability and released to income as the conditions are fulfilled.

##### Revenue from providing goods and services

This entity receives revenue from providing training programmes.

##### Interest

Interest is recognised as it accrues, using the effective interest method.

#### **1.3 Income Tax**

This entity is registered as a charitable entity under the Charities Act 2005, has donee status and is exempt, from income tax under the Income Tax Act 2007.

#### **1.4 Goods and Services Tax (GST)**

This entity is registered for GST. The financial statements are prepared on a GST exclusive basis. Receivables and payables are stated as GST Inclusive.

#### **1.5 Bank accounts and cash**

Bank accounts and cash are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.



## Volunteering Waikato

### Statement of Accounting Policies For the Year Ended 31 December 2016

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**1.6 Property, plant and equipment**

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure attributable to the acquisition of the asset. Where an asset is donated to the entity, its cost is measured at its current value as at the date of acquisition.

Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any residual value over its remaining useful life, except for land which is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and are adjusted if there is a change in the expected pattern of consumption of future economic benefits or service potential embodied in the asset.

**1.7 Leases**

Payments on operating lease agreements, where the lessor retains substantially the risk and rewards of ownership of an asset, are recognised as an expense on a straight-line basis over the lease term.

**1.8 Changes in Accounting Policies**

There have been no changes in accounting policies during the year. All policies adopted at the commencement date have been consistently applied during the period.



## Volunteering Waikato

### Notes to the Financial Statements For the Year Ended 31 December 2016

<b>2.1</b>	<b><u>Bank accounts and cash</u></b>				<b><u>2016</u></b>	<b><u>2015</u></b>
				\$	\$	
	ASB Bank - Current Account			28,569	14,943	
	ASB Bank - On Call Saver Account			133,596	126,728	
	ASB Bank - Savings Plus Account			26,650	25,882	
	Petty Cash			400	107	
				<u>189,215</u>	<u>167,660</u>	
<b>2.2</b>	<b><u>Short term deposits</u></b>					
		<u>Rate</u>	<u>Term</u>	<u>Maturity</u>		
	ASB Retail Investment Deposit	3.20%	182 Days	08-Apr-17	94,984	91,860
					<u>94,984</u>	<u>91,860</u>
<b>2.3</b>	<b><u>Accounts payable &amp; sundry accruals</u></b>				\$	\$
	Sundry Payables				1,642	3,611
	GST Payable				1,350	717
					<u>2,992</u>	<u>4,328</u>
<b>2.4</b>	<b><u>Property Plant and Equipment</u></b>					
<b>2016</b>	<u>Opening Value</u>	<u>Purchases</u>	<u>Sales (Disposals)</u>	<u>Gain / Loss</u>	<u>Current Year Depreciation &amp; Impairment</u>	<u>Closing Value</u>
	\$	\$		\$	\$	\$
	Furniture & Fittings	-		-	329	2,958
	Plant & Equipment	5,434		-	4,406	7,846
	Motor Vehicles	19,991	6,087	2,303	4,047	16,106
	<u>14,051</u>	<u>25,425</u>	<u>6,087</u>	<u>2,303</u>	<u>8,782</u>	<u>26,910</u>
<b>2015</b>	<u>Opening Value</u>	<u>Purchases</u>	<u>Sales (Disposals)</u>	<u>Gain / Loss</u>	<u>Current Year Depreciation &amp; Impairment</u>	<u>Closing Value</u>
	\$	\$		\$	\$	\$
	Furniture & Fittings	-		-	365	3,287
	Plant & Equipment	6,688		(55)	3,673	6,818
	Motor Vehicles	-		-	1,691	3,946
	<u>13,147</u>	<u>6,688</u>	<u>-</u>	<u>-</u>	<u>5,729</u>	<u>14,051</u>



## Volunteering Waikato

### Notes to the Financial Statements For the Year Ended 31 December 2016

	<u>2016</u>	<u>2015</u>
	\$	\$
<b>2.5 <u>Grant Income</u></b>		
HCC Community Grants	4,500	3,000
Trust Waikato	68,000	65,000
Lottery Grants Board	94,000	94,000
COGS - Kirikiriroa	3,944	4,500
COGS - Waikato West	2,500	1,500
COGS - South Waikato	2,500	2,500
COGS - Hauraki	1,000	1,000
Glenice & John Gallagher Foundation	20,000	17,500
Lion Foundation	2,000	5,000
WEL Energy Trust	15,000	13,500
Department of Internal Affairs	25,000	25,021
D.V. Bryant Trust	-	2,000
	<u>238,444</u>	<u>234,521</u>
Unspent Tagged Grants (movements)	(13,957)	23,523
Total	<u>224,487</u>	<u>258,044</u>
<b>2.6 <u>Unused grants with conditions</u></b>		
Unspent tagged grants at year end	74,341	60,384
Previous year's unspent tagged funds	60,384	83,907
Unspent Movement	<u>(13,957)</u>	<u>23,523</u>

Grants unspent are grants with conditions (operational expenditure).

#### 2.7 Related Parties

There were no related party transactions

#### 2.8 Lease Commitments

Volunteering Waikato has, at balance date, the following lease commitments:

##### 1. Property/ Premises

Lessor:	Hamilton City Council
Commencement Date	11-Dec-14
Term	5 years
Rent from 1 January 2017	\$1,818.74 p.a. plus GST
Rent Review Date	01-Jan-18

##### 2. Photocopier

Lessor:	Fuji Xerox
Commencement Date	20-Aug-15
Term	5 years
Rent from 1 January 2017	\$2,551.68 p.a. plus GST
Final Payment Date	18-Sep-20

<u>Commitments</u>	<u>Less 1 yr</u>	<u>2-5 years</u>	<u>&gt; 5 years</u>	<u>Total</u>
Property	1,818.74	3,637.48	-	5,456.22
Photocopier	2,551.68	6,812.99	-	9,364.67
Total	<u>4,370.42</u>	<u>10,450.47</u>	<u>-</u>	<u>14,820.89</u>



## Volunteering Waikato

### Notes to the Financial Statements For the Year Ended 31 December 2016

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**2.9 Contingent Liabilities**

There are no Contingent Liabilities at balance date (last year Nil).

**3.0 Capital Commitments**

There are no Capital Commitments at balance date (last year Nil).

**3.1 Events after Balance Date**

There were no significant transactions after balance date.

**3.2 Correction of Errors**

There are no significant errors relating to the past periods that required correcting.

**3.3 Assets used as security**

No assets held by the association are held as security for liabilities.

**3.4 Significant grants and donations with conditions**

There have been no significant grants and donations with conditions which have not been recorded as a liability.

**General Reserves**

Opening Balance	199,289	161,213
Surplus / (Deficit)	24,570	38,076
Closing Balance	<u>223,859</u>	<u>199,289</u>
<b><u>Total Reserves</u></b>	<b><u>223,859</u></b>	<b><u>199,289</u></b>

# Independent Auditor's Report

## Volunteering Waikato

### For the year ending 31 December 2016

To the Board of Volunteering Waikato

#### Opinion

I have audited the performance report. The performance report provides information about the past financial performance of Volunteering Waikato and its financial position as at 31 December 2016.

#### **In my opinion, the accompanying performance report**

- complies with Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) in New Zealand.
- gives a true and fair view of the financial position of Volunteering Waikato as at 31 December 2016 and its financial performance for the year ended on that date.

#### **The performance report in the above opinion includes:**

- the statement of financial position as at 31 December 2016
- the entity statement, the service performance, statement of financial performance, statement of cash flows, statement of accounting policies and notes to the performance report for the year ending 31 December 2016

#### **Additionally, in my opinion**

- the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable.

#### Basis of Opinion

I conducted my audit in accordance with International Standards on Auditing (New Zealand). My responsibilities under those standards are further described in the Auditor's Responsibility section of this audit report.

Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the performance report is free from material mis-statement.

Other than my capacity as auditor I have no relationship with, and am independent of Volunteering Waikato

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### Responsibilities of the Board

The Board is responsible for the preparation of the performance report that give a true and fair view of the matters to which they relate and in accordance with Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) in New Zealand and for such internal control as it determines is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report the Board is responsible on behalf of Volunteering Waikato for assessing the ability of Volunteering Waikato to operate as a going concern, disclosing as applicable, matters relates to going concern and using the going concern basis of accounting.

### **Auditor's Responsibility**

My objective is to obtain reasonable assurance about whether the performance report as a whole is free from material misstatement whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with International Standard on Auditing (New Zealand) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decision of users taken on the basis of the performance report.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance report. The procedures selected depend on the auditor's judgement, including the assessment of risks of material mis-statement of the performance report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the performance report that give a true and fair view of the matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The audit includes performing procedures to obtain evidence about evaluating whether the reported outcomes and outputs and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represent the underlying transactions and events in a manner that achieves fair presentation.

I conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, determine whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.

I communicate with management and the governing body regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.

*M Campbell*

Mark Campbell CA, B Com  
Campbell and Campbell Accounting Consultants  
Hamilton

22 March 2017

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## Proposal for the Future use of Founders Theatre

Proposal for the Future use of Founders Theatre	
Community group/Organisation name:	ARISE Church
Postal address:	P.O Box 38228, Te Puni Mail Centre, Petone 5045 Hamilton office - Level 1, 95 Collingwood Street, Hamilton
	Postal code: <input type="text"/> Postal code: <input type="text"/>
Name of the person completing this proposal on behalf of the community group or organisation:	
Steve Jeffares	
Email contact:	Steve.jeffares@arisechurch.com
Phone Contact:	021 979 263
Organisation type:	<input checked="" type="checkbox"/> Charitable Trust <input type="checkbox"/> Incorporated Society <input type="checkbox"/> Other:
Describe your organisation's/group's vision and mission:	
<p>ARISE Church is committed to making a positive contribution in the community, to being a part of the solution. We are passionate about equipping and empowering every community to live full and successful lives.</p> <p>ARISE is a local church currently in 7 locations across New Zealand; Whangarei, Hamilton, Kapiti, Lower Hutt, Wellington, Christchurch and Dunedin.</p> <p>Pastor Steve Jeffares has been pastoring in Hamilton for 11 years. ARISE is actively looking for a facility in Hamilton city to give the ARISE community and other community activities a permanent home and base of operations in Hamilton.</p> <p>We are grateful for all the work we have done with the Hamilton City Council in the past and are excited about our future partnership with the council.</p>	

Organisation/group governance structure:	
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ARISE Church was started in Wellington in 2002 and by John and Gillian Cameron. ARISE has since grown to be in 7 locations across New Zealand. ARISE is governed by a 5-person board which meets monthly.

The board members of ARISE Church are Israel Cooper (Director, Buildtec and Chartered Accountant), Graeme Kirkwood (Director, Global Church Solutions and Chartered Accountant), Andrew Simkin (Director, Comsmart), Brent Cameron (Executive Pastor, ARISE Church) and John Cameron (Lead Pastor, ARISE Church).

The head office is located at the ARISE Centre in Lower Hutt, Wellington and local campus offices are in each of the locations including in Hamilton city.

Organisation/group website:	<a href="http://www.arisechurch.com">www.arisechurch.com</a>
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Attach 2016/2017 financial statement to email
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Tell us about what you plan for Founders
--

What do you propose to use Founders Theatre for?
--

ARISE proposes to use the Founders theatre as a home for ARISE Church in Hamilton and its activities within Hamilton. ARISE Hamilton's community, currently 850 people in regular attendance, is currently transient between various hired venues. The lack of a home venue has an impact on this community and limits the availability of community services able to be provided by ARISE. Founders Theatre would be used as a permanent location for Sunday services, Youth programmes, ARISE Church offices and would provide a base to grow our community programmes, services and initiatives.

What activities will be undertaken at Founders Theatre?
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As the home of ARISE Church in Hamilton, Founders Theatre would host a wide range of church and community accessible activities. It would provide a stable base to house and grow existing programmes and initiatives such as:

- Church community to the benefit of 850 individuals in regular attendance and 1,600 people

involved in some way with church life.

- Youth programmes for teenagers that provide a positive and safe environment.
- University student programmes.
- Internship school with courses available through Laidlaw College.
- ARISE store house of food and other supplies for emergency response and poverty relief.
- ARISE Care Breakfast Clubs feeding children in low decile primary schools.
- Community welfare courses such as parenting, marriage, financial wellbeing, drug and alcohol rehabilitation and other courses.
- Community accessible activities.

ARISE in Hamilton has a volunteer force which currently donates 3,200 volunteer hours per month to community and church initiatives in Hamilton City.

Who will benefit from your activities and your use of Founders?

ARISE's activities based at the Founders Theatre would straight away benefit 1,600 Hamiltonians already involved in some way in the life of ARISE Church. This doesn't include the hundreds of people who would directly benefit from the programmes, activities and initiatives that ARISE would be able to provide with a firm base of operations in Hamilton City. The benefit increases further when programmes organized, staffed with volunteers and resourced from this base of operations are taken into consideration. For example, the hundreds of primary school children who are currently provided breakfast through ARISE Breakfast Clubs in Hamilton.

Through initiatives such as the ARISE Store house, ARISE is making future provision for significant benefit to the community in the event of an emergency or poverty relief. In response to the Christchurch Earthquakes, ARISE established a store house in Christchurch and shipped in Emergency supplies from ARISE Campuses around New Zealand. 7 trucks, a bus and 2 shipping containers full of aid were sent including a full Mainfreight truck from Hamilton. ARISE Church was awarded by the Christchurch City Council and Gerry Brownlee, Minister for Canterbury Earthquake Recovery for service to the local community.

ARISE respects the heritage of the Founders Theatre and what it means to the local community. We would therefore endeavour to preserve this heritage in the physical building, while ensuring it is structurally sound and functional as a community space. ARISE would enable Hamilton to retain the Founders theatre for future generations.

Will there be any commercial activities undertaken at Founders?	
<p>ARISE proposes to operate Founders theatre as a church facility that is available for use by the wider community and by providing community accessible activities. Church facilities such as children's facilities and café may be operated mid-week as day-care and a café respectively. We believe utilising the theatre mid-week with complimentary programmes would benefit the community and that operating a day-care and café would enable the public to regularly enjoy the refurbished facility.</p> <p>ARISE's primary use for the theatre will be Sunday and consequently will make the Founders theatre available midweek for use by the wider community and through offering community accessible activities organised by ARISE. The theatre auditorium would be available for use / hire by community groups and organisations.</p>	
Is your proposal for all or part of Founders:	<input checked="" type="checkbox"/> All <input type="checkbox"/> Part (please explain):
<p>ARISE would require all of Founders theatre for church and community activities.</p>	
What type of arrangement are you proposing?	<input type="checkbox"/> Lease <input checked="" type="checkbox"/> Transfer of ownership
Have you prepared a business plan for your proposal?	
<input type="checkbox"/> Yes (please attach to email) <input checked="" type="checkbox"/> No	
How will your organisation be able to contribute towards the reinstatement costs?	
<p>ARISE's assets and available funding would enable ARISE to undertake the strengthening and refurbishment of Founders Theatre. ARISE has assets of \$17million including its purpose built Lower Hutt facility, the ARISE Centre, completed in April 2017 to the value of \$13million dollars. Through the ARISE Centre project the nationwide ARISE Church community fundraised \$7.5million towards the cost of the project.</p> <p>ARISE worked with and continues to work with industry leading consultants, construction and project management companies such as AECOM, Marshal Day Acoustic, Holmes Fire, King and Dawson Architects and Structural Engineers, Armstrong Downes Commercial, NME Mechanical, Calibre Consulting and A-Build Engineers.</p>	

Due to the level of investment proposed in this EOI by ARISE Church in the strengthening and refurbishment of Founders Theatre, our lending partner will require security in form of ownership or at least 99-year lease over the land on which Founders Theatre sits.

Further due-diligence will need to be undertaken by an ARISE appointed structural engineer.

Are there any specific requirements your organisation would need in the building / parking area?

ARISE would require the entirety of the Founders Theatre building and the ability to undertake renovation, strengthening and minor extension works if required.

All available parking would be required primarily for Sundays and off-peak parking (outside working hours Monday – Friday and Saturdays). ARISE would be open to a shared use arrangement for on-peak parking to continue to offer parking for CBD workers who currently have access to these car parks. Shared use parking has worked well in our other locations across New Zealand.

When would you want to commence your lease/ownership of Founders?

ARISE would be able to take possession of Founders Theatre as soon as practicable for council and subject to completing due-diligences as mentioned above.

Email your proposal to [raewyn.napier@hcc.govt.nz](mailto:raewyn.napier@hcc.govt.nz) no later than Sunday 19 November 2017.

\* Remember to attach 2016/2017 financial statement and/or business plan, if necessary.

# ANNUAL REPORT 2016

*Year Ending December 2016* **ARISE** CHURCH

Item 6

Attachment 3



ARISE is a story of thousands of individuals making a positive impact in their communities. Over 12,500 hours are volunteered every week by individuals who, inspired by their relationship with God, work day-in, day-out, to improve the lives of people.

Whether it be positive environments for children, engaging programmes for teenagers, opportunities for community engagement for young workers, marriage counselling for couples, parenting tips for families, hospital visits, support for those grieving, life skills training, open homes, positive role models or in any one of a myriad of other ways, ARISE is about an amazing team of people wanting to make a difference in the lives of others.

We have made great progress with the construction of our ARISE Centre. We are entering the final few months of construction, the finishing touches are starting to go on and we know that this building will be a significant blessing to communities in the Hutt Valley.

The completion of this building will mark the launch of our newest campus, our Hutt Valley Campus, which, together with our City and Kapiti locations, will enable us to provide a local church for the entire Wellington region.

This year has been one of our biggest years yet but as we look forward to 2017 we are excited by the opportunities it presents. We are so deeply encouraged by the amazing team of people who make ARISE the place of love, grace and encouragement it is. Thank you all.

Yours sincerely,

John & Gillian Cameron  
Lead Pastors, ARISE Church

# LETTER FROM OUR LEAD PASTORS

LETTER FROM OUR LEAD PASTORS

## HIGHLIGHTS

630

WEEKLY BREAKFASTS SERVED TO CHILDREN IN 100 DUCILLE SCHOOLS ACROSS THE COUNTRY

### BREAKFAST CLUBS

Breakfast Clubs are run in Wellington, Christchurch and Hamilton with over 75 volunteers from ARISE Church who give their time to help make these programmes happen. We have seen this have a sizable impact on the well-being of these children resulting in changed patterns of behaviour, new confidence, and a chance to make the most of their day.

12,500

TOTAL VOLUNTEER HOURS SERVING IN ARISE PER WEEK, ACROSS ALL 6 CAMPUSES NATIONWIDE



### DIG HEARTS AT CHRISTMAS

Christmas is a season of joy and celebration – but we recognise that for many New Zealand families, it can be a struggle to put food on the table during a regular week, let alone over the Christmas season. 'Big Hearts at Christmas' is an opportunity for our church congregation to contribute items and monetary donations towards gift boxes, filled with everything a family needs for a great Christmas meal.

400+

CHRISTMAS BOXES DONATED TO FAMILIES IN NEED - CONTAINING FOOD ITEMS, CHICKEN, VEGETABLES & CHRISTMAS DECORATIONS.

850

YOUNG PEOPLE ATTEND ELEVATE AND BOOST PER WEEK NATION WIDE (APPROX)

### YOUTH PROGRAMMES

There is a need for constructive positive environments for young people throughout New Zealand. Our Boost (Yr 7-8) and Elevate (Yr 9-13) programmes are free of charge, engaging and fun. These programmes are run in 5 locations across New Zealand and are available for young people not only in our church but also in the wider community.

29

SCHOOLS HAVE CHRISTIAN GROUPS LED BY YOUNG YEAR 12&13 STUDENTS WHO ATTEND ELEVATE

Elevate and Boost are run consecutively on a Friday night with an average of 850 young people participating across the nation every week. Young people involved in these events are also given the opportunity for personal growth through contributing their skills in the success of these programmes. They are provided with teaching and mentorship in areas such as: leading in the music team; relational and interpersonal skills; event lighting; sound engineering; audio visual operation; group leadership; development; learning valuable life-skills and serving their peers. Leaders also run mid-week and weekend connect events for continued mentoring, leadership development and community. With more than 190 talented leaders and volunteers donating their time to Elevate and Boost, they are able to demonstrate how much they value each young person that they oversee and mentor. These leaders learn to walk with those they lead through the challenges of their teenage years, building strong character and resilience in the next generation.

### A MAN WHO RECEIVED A BIG HEARTS BOX

A gentleman we visited to deliver a Christmas box told us that both he and his wife had been made redundant the week prior, and that neither of them knew what they were going to do for Christmas. We left them with an extremely large hamper that someone had gifted and his parting words to us were:

“Maybe God is watching out for me.”

### KAIKOURA EARTHQUAKE RESPONSE

Following an earthquake in Kaikoura in November 2016 – as a church congregation we were able to show support and generosity by giving away more than 45 banana boxes full of non-perishable goods to distribute amongst residents who were affected by the earthquake. This totalled more than \$4,000 worth of donations. We also gave away \$500 worth of gifts for children in this area affected by the events.

ARISE CHURCH ANNUAL REPORT 2016

We continue to be amazed and inspired by the commitment of our congregation to see the community blessed and impacted through the work of ARISE Church. When a group of people who are so generous with their time and resources come together we will see something truly remarkable take place and that's what's happened this year!

Earlier this year we started construction of our first ever purpose built auditorium on a gateway property in Petone, Lower Hutt. Our ARISE Centre will be fitted out with a 1,200 seat auditorium and beautiful foyer and break out facilities. It will house not only our future Hutt Valley Campus but will also be available as a blessing to the wider Hutt community. We expect to see this facility fully utilised by housing parenting courses, budgeting services, marriage mentoring, youth gatherings, children's facilities, weddings, funerals and many more activities which will help to build strong families and communities in the Hutt Valley.

We are committed to seeing strong financial results so that our work is a blessing not just to the community today, but the generations to come. We are committed to having as little unnecessary debt as possible so that

the next generation is empowered not hindered by our decisions today. As a result of the generosity of our congregation this year, we produced a net surplus of \$1,130,000, these funds have been re-invested into our facilities and work in the community. We have seen this generosity exemplified by an 8% growth in regular donations. At the same time we have remained incredibly focused on containing all possible increases in operational expenses.

Earlier this calendar year we saw significant changes around New Zealand to Health and Safety both in legislation and public awareness. We continue to invest significant time and resources ensuring our internal processes match the importance of this value to us and are committed to ensuring the health and safety of all people who call ARISE Church their home.

We have enjoyed healthy growth in so many ways over 2016. Of note we continue to be inspired by the work of our ARISE Team. This is a team of thousands of individuals around the country who volunteer their time to build stronger communities.

On average these amazing people volunteer 12,500 hours per week! That amazing generosity has resulted in increases across ARISE Church and as well as that we've seen 3,300 people accept faith in Jesus!

We are excited about the future of ARISE Church. Looking at 2017 and beyond forces us to focus on work which won't just contain what we have done, but which will prepare our church to make the most of every opportunity that comes up. Over the last 6 months this has resulted in significant behind the scenes work as we go through every area of ARISE and prepare ourselves to maximise those opportunities.

We are committed as a team to diligently stewarding the people and resources of our church to ensure we multiply all that God has entrusted us with. On behalf of John and Gillian and the board we want to thank everyone for partnering with us to see the Love of Jesus build strong families and communities around Aotearoa.

Yours sincerely,



David Monk  
General Manager, ARISE Church

## LETTER FROM OUR GENERAL MANAGER

LETTER FROM OUR GENERAL MANAGER

Year Ending Dec 2016

# THE FIGURES

ARISE CHURCH ANNUAL REPORT 2016

Item 6

Attachment 3

**Arise Church**

**Financial Statements  
For the Period Ended 31 December  
2016**

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**Item 6**

**Attachment 3**

Arise Church  
Statement of Comprehensive Revenue and Expense  
For the Period Ended 31 December 2016

	Note	Group 6 months ended 31 December 16 \$	Group 12 months ended 30 June 16 \$
<b>Revenue</b>			
Donations received		3,487,145	6,708,550
Special purpose funds		1,635,505	2,766,540
Event revenue		492,378	778,111
Other revenue	2	214,842	293,148
<b>Total revenue</b>		<b>5,829,870</b>	<b>10,546,349</b>
<b>Expenditure</b>			
Event and services		1,381,172	2,350,088
Administration	3	898,979	1,446,781
Depreciation	7	247,209	497,252
Personnel costs	4	1,712,564	3,113,731
Donations and gifts		372,332	584,908
Other expenses		57,153	67,442
<b>Total expenditure</b>		<b>4,669,409</b>	<b>8,060,202</b>
<b>Net finance cost</b>			
Interest expense		22,238	13,342
Interest revenue		(6,286)	(46,553)
<b>Net finance cost</b>		<b>15,952</b>	<b>(33,211)</b>
<b>Total expenses</b>		<b>4,685,361</b>	<b>8,026,991</b>
<b>Other gains/(losses)</b>			
Gain/(loss) on sale of plant, property and equipment		(12,668)	25,851
<b>Total other gains/(losses)</b>		<b>(12,668)</b>	<b>25,851</b>
<b>Surplus/(deficit)</b>		<b>1,131,841</b>	<b>2,545,209</b>
<b>Other Comprehensive Revenue and Expenses</b>			
Property, plant and equipment donated		-	3,862,113
Gain/(loss) on revaluation of assets available for sale		-	(1,038,403)
<b>Total other comprehensive revenue and expenses</b>		<b>-</b>	<b>2,823,710</b>
<b>Total Comprehensive Revenue and Expenses</b>		<b>1,131,841</b>	<b>5,368,919</b>

*It is noted that under "Property, plant and equipment donated" the amount donated of \$3.86 million does not reflect cash at bank but rather a non-cash transaction.*

Arise Church  
Statement of Financial Position  
As at 31 December 2016

	Note	Group 6 months ended 31 December 16 \$	Group 12 months ended 30 June 16 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	270,262	2,361,894
Receivables	6	14,675	104,341
Prepayments		156,479	230,219
GST refundable		407,540	217,408
Assets available for sale		975,000	975,000
Other current assets		109,056	133,640
<b>Total current assets</b>		<b>1,933,012</b>	<b>4,022,503</b>
<b>Non-current assets</b>			
Property, plant, and equipment	7	14,667,464	8,887,447
<b>Total non-current assets</b>		<b>14,667,464</b>	<b>8,887,447</b>
<b>Total assets</b>		<b>16,600,476</b>	<b>12,909,950</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables	8	1,223,764	946,748
Borrowings	11	87,416	98,467
Accrued expenses		20,599	43,483
Revenue received in advance	9	204,669	408,119
Employee entitlements	10	137,550	238,845
Other current liabilities		211,023	81,732
<b>Total current liabilities</b>		<b>1,885,021</b>	<b>1,817,395</b>
<b>Non-current liabilities</b>			
Borrowings	11	2,877,728	386,669
<b>Total non-current liabilities</b>		<b>2,877,728</b>	<b>386,669</b>
<b>Total liabilities</b>		<b>4,762,749</b>	<b>2,204,064</b>
<b>Net assets</b>		<b>11,837,727</b>	<b>10,705,886</b>
<b>Represented by;</b>			
<b>Equity</b>			
General funds	12	11,187,727	10,055,886
Property revaluation reserve	12	650,000	650,000
Restricted reserves		-	-
<b>Total equity</b>		<b>11,837,727</b>	<b>10,705,886</b>

Arise Church  
Statement of Changes in Net Assets/Equity  
For the Period Ended 31 December 2016

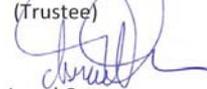
	Note	Group	Group
		6 months ended 31 December 16	12 months ended 30 June 16
		\$	\$
Balance at 01 July		10,705,886	5,336,967
Asset revaluation reserve movements		-	-
Total comprehensive revenue and expense		1,131,841	5,368,919
Balance at 31 December	12	11,837,727	10,705,886

The Board on the 05 May 2017 authorised these financial statements for issue.

On behalf of the Board;

  
Graeme Kirkwood  
(Trustee)

05/05/2017  
Date:

  
Israel Cooper  
(Trustee)

05/05/2017.  
Date:

Arise Church  
Statement of Cash Flows  
For the Period Ended 31 December 2016

	Note	<i>Group</i> 6 months ended 31 December 16 \$	<i>Group</i> 12 months ended 30 June 16 \$
<b>Cash flows from operating activities</b>			
Receipts from donations		5,122,650	9,475,091
Receipts from event revenue		288,928	799,004
Receipts from other revenue		297,385	246,967
Interest revenue received		6,237	46,553
Payments to employees and suppliers		(4,458,806)	(7,483,989)
Interest paid		(22,208)	(13,342)
Goods and services tax (net)		(190,132)	(68,309)
<b>Net cash flow from operating activities</b>		<b>1,044,054</b>	<b>3,001,975</b>
<b>Cash flows from investing activities</b>			
Gain/(loss) from sale of property, plant, and equipment		(2,476)	25,851
Purchase of property, plant, and equipment		(5,613,217)	(2,302,781)
<b>Net cash flow from investing activities</b>		<b>(5,615,693)</b>	<b>(2,276,930)</b>
<b>Cash flows from financing activities</b>			
Proceeds from secured borrowings		2,945,410	252,936
Repayment of secured borrowings		(465,402)	-
<b>Net cash flow from financing activities</b>		<b>2,480,008</b>	<b>252,936</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(2,091,631)</b>	<b>977,981</b>
Cash and cash equivalents at beginning of the year		2,361,894	1,383,914
Cash and cash equivalents at the end of the year	5	<b>270,262</b>	<b>2,361,894</b>

Arise Church  
Notes to and Forming Part of the Financial Statements  
For the Period Ended 31 December 2016

**1 STATEMENT OF ACCOUNTING POLICIES**

**REPORTING ENTITY**

Arise Church (ARISE) is a charity that is domiciled and operates in New Zealand. ARISE is a public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act (2013).

ARISE controls Arise Production Limited for financial reporting purposes because, in substance, ARISE predetermined the objectives of the company at establishment and benefits from the company's activities.

These consolidated financial statements for the period ended 31 December 2016, are comprised of the controlling entity and its controlled entities (together referred to as the 'Group').

During the year, the year-end balance date was changed to 31 December. The current period is for 6 months, 01 July 2016 to 31 December 2016. The comparative period represents the period for 12 months, 01 July 2015 to 30 June 2016.

**BASIS OF PREPARATION**

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

**Statement of compliance**

The consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with *Public Benefit Entity International Public Sector Accounting Standards* ("PBE IPSAS") and other applicable Financial Reporting Standards, as appropriate for Tier 2 not-for-profit public benefit entities, for which all reduced disclosure regime exemptions have been adopted.

The Group qualifies as a Tier 2 reporting entity as for the two most recent reporting periods it has had between \$2m and \$30m operating expenditure.

For the purposes of financial reporting, Arise Church is a Public Benefit Entity.

These financial statements were authorised for issue by the ARISE Trust Board on 05 May 2017.

**Measurement basis**

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position, which are measured at fair value;

- The initial measurement of assets received from non-exchange transactions

**Functional and presentation currency**

The financial statements are presented in New Zealand dollars (\$) which is the controlling entity's functional and Group's presentation currency, rounded to the nearest dollar.

There has been no change in the functional currency of the Group during the year.

## SIGNIFICANT ACCOUNTING POLICIES

### **Basis of consolidation**

The Group's financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, expenses and cash flows on a line-by-line basis. All significant intra-group balances, transactions, revenue and expenses are eliminated in full on consolidation.

### **Revenue**

Revenue is recognised when the amount of revenue can be measured reliably and it is probable that economic benefits will flow to the Group.

Revenue is measured at the fair value of consideration received or receivable.

#### *Revenue from non-exchange transactions*

Non-exchange transactions are those where the Group received an inflow of resources (i.e. cash and other tangible or intangible items) but provides no (or nominal) direct consideration in return.

#### *Tithes and offerings*

The recognition of non-exchange revenue from tithes and offerings are recognised as revenue at the point at which cash is received.

#### *Donations, bequests and pledges*

Donations, and bequests are recognised as revenue when the right to receive the fund or asset has been established, unless there is an obligation in substance to return the funds if conditions of the donation, grant or bequest are not met. If there is such an obligation, they are initially recorded as revenue in advance when received and recognised as revenue when the conditions are satisfied. Pledges are not recognised as assets or revenue until the pledged item is received.

#### *Other grants received*

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance when received and recognised as revenue when the conditions of the grant are satisfied.

#### *Fundraising*

The Group's fundraising activities involve a public cash collection once a year. Fundraising revenue is recognised at the point at which cash is received.

#### *Revenue from exchange transactions*

##### *Event revenue*

Revenue from conferences and event registration is recognised in the period in which the event is delivered.

##### *Student Fees*

Revenue from student fees is recognised proportionately over the period of the course.

Stipulations that are 'conditions' specifically require the Group to return the inflow of resources received if they are not utilised in the way stipulated, resulting in the recognition of a non-exchange liability that is subsequently recognised as non-exchange revenue as and when the 'conditions' are satisfied.

Stipulations that are 'restrictions' do not specifically require the Group to return the inflow of resources received if they are not utilised in the way stipulated, and therefore do not result in the recognition of a *non-exchange liability*, which results in the immediate recognition of *non-exchange revenue*.

**Leases***Finance leases*

A finance lease is a lease that transfers to the lessee substantially all the risk and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item and present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Group will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

*Operating leases*

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

**Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

**Receivables**

Receivables are recorded at their face value, less any provision for impairment.

**Employee entitlements***Short-term employee entitlements*

Employee benefits that are due to be settled with 12 months after the end of the year in which the employee renders the related service are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

*Long-Term Employee Benefits*

Employee benefits that are due to be settled beyond 12 months after the end of the year in which the employee renders the related service, such as long service leave have been calculated on an actuarial basis. The calculations are based on:

- i) Likely future entitlements accruing to staff based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- ii) The present value of the estimated future cash flows.

*Presentation of employee entitlements*

Employee benefits that are expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

**Superannuation schemes**

Employer contributions to KiwiSaver and other defined contribution superannuation schemes are accounted for as defined contribution schemes and are recognised as an expense in the surplus or deficit when incurred.

**Finance income and costs**

Finance income comprises interest income on financial assets. Interest income is recognised as it accrues in surplus or deficit, using the effective interest method.

Finance costs comprise interest expense on financial liabilities, borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in surplus or deficit using the effective interest method, otherwise borrowing costs are capitalised as part of a qualifying asset's initial cost.

**Financial instruments**

The Group initially recognises financial instruments when the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled, or expired.

The Group also derecognises financial assets and financial liabilities when there have been significant changes to the terms and/or the amount of contractual payments to be received/paid.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies financial assets into the following categories: fair value through surplus or deficit, held-to-maturity, loans and receivables, and available-for-sale.

The Group classifies financial liabilities into the following categories: fair value through surplus or deficit, and amortised cost.

Financial instruments are initially measured at fair value, plus for those financial instruments not subsequently measured at fair value through surplus or deficit, directly attributable transaction costs.

Subsequent measurement is dependent on the classification of the financial instrument, and is specifically detailed in the accounting policies below.

*Receivables and loans*

Receivables and loans are financial assets with fixed or determinable payments that are not quoted in an active market.

Receivables and loans are subsequently measured at amortised cost using the effective interest method, less any impairment losses.

Receivables and loans comprise of cash and cash equivalents, receivables, and concessionary loans issued.

Cash and cash equivalents represent highly liquid investments that are readily convertible into a known amount of cash with an insignificant risk of changes in value, with maturities of 3 months or less.

*(iv) Available-for-sale financial assets*

*Available-for-sale* financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets.

*Available-for-sale* financial assets are subsequently measured at fair value with gains or losses (other than foreign exchange gains or losses) recognised in other comprehensive revenue and expense and presented in the *AFS fair value reserve* within net assets/equity, less impairment. Assets are reviewed for impairment when there are indicators of impairment.

Upon derecognition, the accumulated gain or loss within net assets/equity is reclassified to surplus or deficit.

**Property, plant and equipment**

Property, plant and equipment consists of the following asset classes: Assets under construction, land, buildings, furniture and equipment, audio visual, production, computer hardware, music equipment and vehicles.

*Additions*

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the group and the cost of the item can be measured reliably.

Assets under construction is recognised at cost less impairment and is not depreciated.

The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

In most instances, an item of property, plant and equipment is initially recognised at cost. Where an asset is acquired at no cost, or for a nominal amount, it is recognised at fair value as at the date of acquisition.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- The cost of materials and direct labour
- Costs directly attributable to bringing the assets to a working condition for their intended use
- When the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located, and
- Capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

*Disposals*

Gains or losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are

sold, the amounts included in property revaluation reserves in respect of those assets are transferred to general funds.

#### **Depreciation**

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

Depreciation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Land is not depreciated. Assets under construction are not subject to depreciation.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Buildings	50 years	2%
Furniture and equipment	4 to 10 years	10-24%
Audio visual	4 years	25%
Production	4 to 7 years	15-25%
Computer hardware	5 years	20%
Music equipment	4 years	25%
Vehicles	4 years	25%

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

#### **Impairment of property, plant, and equipment**

Intangible assets subsequently measured at cost that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment.

Property, plant, and equipment and intangible assets subsequently measured at cost that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is considered to be impaired and the carrying amount is written down to the recoverable amount. The impairment loss is recognised in the surplus or deficit.

#### **Intangible Assets**

Intangible assets are initially measured at cost, except for intangible assets acquired through non-exchange transactions which are measured at fair value.

The Group has no intangible assets with indefinite useful lives.

**Payables**

Short-term creditors and other short-term payables are recorded at their face value.

**Borrowings**

Borrowings are initially recognised at their fair value net of transaction costs incurred. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

**Provisions**

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs" within the surplus or deficit.

**Equity**

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- General funds
- Property revaluation reserves
- Fair value through other comprehensive and expense reserve
- Restricted reserves

*Property revaluation reserves*

These reserves relate to the revaluation of land, building, and infrastructure assets to fair value.

*Fair value through other comprehensive and expense reserve*

This reserve comprises the cumulative net change in the fair value of fair value through other comprehensive revenue and expense assets.

*Restricted reserves*

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Group. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

**Goods and services tax**

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recovered as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the IRD is included in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

**Income tax**

The Parent entity is exempt from income tax. Accordingly, no provision has been made for income tax.

**Current income tax**

The controlled entity is not exempt from income tax. Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

**Critical accounting estimates and assumptions**

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities with the next financial year are discussed below

Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

## 2 REVENUE

## (i) Other revenue

	<i>Group</i> 6 months ended 31 December 16	<i>Group</i> 12 months ended 30 June 16
	\$	\$
Rental income	69,870	96,364
Student fees	19,565	27,950
Café revenue	25,207	67,704
Merchandise	30,510	-
Grants	1,000	1,000
Other	68,690	100,130
<b>Total other income</b>	<b>214,842</b>	<b>293,148</b>

## 3 ADMINISTRATION COST

	<i>Group</i> 6 months ended 31 December 16	<i>Group</i> 12 months ended 30 June 16
	\$	\$
Audit fees	9,545	23,992
Bank charges	32,303	69,458
Communication	69,530	149,434
Consultant fees	50,252	69,411
Hospitality	66,648	105,352
Information technology	72,708	51,847
Insurance	53,714	98,097
Office leases	120,865	224,410
Office and stationery	55,832	120,265
Building maintenance	6,389	-
Vehicle	74,115	142,783
Travel and accommodation	216,208	353,632
Administration other	70,870	38,100
<b>Total administration costs</b>	<b>898,979</b>	<b>1,446,781</b>

4 PERSONNEL COSTS

	<i>Group</i> 6 months ended 31 December 16	<i>Group</i> 12 months ended 30 June 16
	\$	\$
<b>Current</b>		
Staff remuneration	1,555,939	2,889,865
KiwiSaver contributions	42,039	77,996
Staff training and recruitment	108,878	123,128
Other personnel	5,708	22,742
<b>Total personnel cost</b>	<b>1,712,564</b>	<b>3,113,731</b>

5 CASH AND CASH EQUIVALENTS

	<i>Group</i> 6 months ended 31 December 16	<i>Group</i> 12 months ended 30 June 16
	\$	\$
Cash at bank and on hand	246,689	2,338,555
Term deposits with maturities less than 3 months at acquisition	23,573	23,339
<b>Total cash and cash equivalents</b>	<b>270,262</b>	<b>2,361,894</b>

The carrying value of cash at bank and term deposits with maturities less than three months approximates their fair value.

## 6 RECEIVABLES

	<i>Group</i> 6 months ended 31 December 16 \$	<i>Group</i> 12 months ended 30 June 16 \$
Trade receivables from exchange transactions	14,675	104,341
Allowance for impairment	-	-
<b>Net trade receivables from exchange transactions</b>	<b>14,675</b>	<b>104,341</b>

**IMPAIRMENTS**

Movement in the provision for impairment of receivables are presented below:

	<i>Group</i> 6 months ended 31 December 16 \$	<i>Group</i> 12 months ended 30 June 16 \$
Balance at 01 July	-	-
Additional provisions made during the year	-	-
Provisions reversed during the year	-	-
Receivables written off during the year	-	3,061
<b>Balance at 30 June</b>	<b>-</b>	<b>3,061</b>

There are no amounts overdue nor impaired as at year end relating to *Advances to related parties*

**7 PROPERTY, PLANT AND EQUIPMENT**

Movement of each class of property, plant, and equipment are as follows:

(Group) 6 months ended 31 December 2016	Opening Cost	Opening Accumulated Depreciation	Opening Net Book Value	Additions	Disposals	Accumulated Depreciation Reversed	Depreciation Charge	Impairment Charge	Transfers to Assets Available for Sale	Closing Cost	Closing Accumulated Depreciation	Closing Net Book Value
Assets under construction	2,750,824	0	2,750,824	6,002,150			-			8,752,974	-	8,752,974
Land	3,475,000	0	3,475,000				-			3,475,000	-	3,475,000
Buildings	1,675,000	6,800	1,668,200				16,750			1,675,000	23,550	1,651,450
Furniture and equipment	223,959	113,130	110,829	2,510			10,436			226,469	123,566	102,903
Audio visual	756,470	374,301	382,169	15,144			84,121			771,614	458,422	313,192
Production	1,345,107	1,016,119	328,988	0	20,381	(30,571)	94,720			1,365,488	1,141,410	224,078
Computer hardware	350,280	221,744	128,536	8,412			27,564			358,692	249,308	109,384
Music equipment	59,706	35,605	24,101	9,201			5,198			68,907	40,803	28,104
Vehicles	99,752	80,952	18,800	0			8,420			99,752	89,372	10,379
<b>Total</b>	<b>10,736,098</b>	<b>1,848,651</b>	<b>8,887,447</b>	<b>6,037,417</b>	<b>20,381</b>	<b>(30,571)</b>	<b>247,209</b>	<b>0</b>	<b>0</b>	<b>16,793,896</b>	<b>2,126,431</b>	<b>14,667,464</b>

(Group) 12 months ended 30 June 2016	Opening Cost	Opening Accumulated Depreciation	Opening Net Book Value	Additions	Disposals	Accumulated Depreciation Reversed	Depreciation Charge	Impairment Charge	Transfers to Assets Available for Sale	Closing Cost	Closing Accumulated Depreciation	Closing Net Book Value
Assets under construction	474,114	-	474,114	2,276,710			-			2,750,824	-	2,750,824
Land	2,510,000	-	2,510,000	1,449,850			-	(250,059)	(234,791)	3,475,000	-	3,475,000
Buildings	340,000	-	340,000	2,863,553			6,800	(788,344)	(740,209)	1,675,000	6,800	1,668,200
Furniture and equipment	227,102	105,158	121,944	11,176	14,319	14,319	22,291			223,959	113,130	110,829
Audio visual	667,226	221,763	445,463	91,994	2,750	2,750	155,288			756,470	374,301	382,169
Production	1,461,715	905,143	556,572	0	116,608	116,608	227,974			1,345,107	1,016,119	328,988
Computer hardware	308,510	168,378	140,132	41,770			53,366			350,280	221,744	128,536
Music equipment	47,825	29,010	18,815	11,881			6,595			59,706	35,605	24,101
Vehicles	99,752	56,014	43,738	0			24,938			99,752	80,952	18,800
<b>Total</b>	<b>6,136,244</b>	<b>1,485,466</b>	<b>4,650,778</b>	<b>6,746,934</b>	<b>133,677</b>	<b>133,677</b>	<b>497,252</b>	<b>(1,038,403)</b>	<b>(975,000)</b>	<b>10,736,098</b>	<b>1,848,651</b>	<b>8,887,447</b>

**Work in progress**

Buildings in the course of construction total \$8,752,974 (June 2016: \$2,750,824)



## 8 PAYABLES

	<i>Group</i> 6 months ended 31 December 16	<i>Group</i> 12 months ended 30 June 16
	\$	\$
Payables from exchange transactions	1,223,764	946,748
<b>Total payables under exchange transactions</b>	<b>1,223,764</b>	<b>946,748</b>

Payables are non-interest bearing and are normally settled on 30-day terms. Therefore the carrying value of payables approximates their fair value.

## 9 REVENUE RECEIVED IN ADVANCE

	<i>Group</i> 6 months ended 31 December 16	<i>Group</i> 12 months ended 30 June 16
	\$	\$
Student fees	-	1,304
Conferences	204,669	405,815
Grants	-	1,000
<b>Total revenue received in advance</b>	<b>204,669</b>	<b>408,119</b>

## 10 EMPLOYEE ENTITLEMENTS

	<i>Group</i> 6 months ended 31 December 16	<i>Group</i> 12 months ended 30 June 16
	\$	\$
<b>Current</b>		
Accrued pay	-	106,653
Annual leave	137,550	132,192
<b>Total employee entitlements</b>	<b>137,550</b>	<b>238,845</b>

11 BORROWINGS

	<i>Group</i> 6 months ended 31 December 16 \$	<i>Group</i> 12 months ended 30 June 16 \$
<b>Current portion</b>		
Bank overdraft	-	-
Secured loans	87,416	98,467
<b>Total current portion</b>	<b>87,416</b>	<b>98,467</b>
<b>Non-current portion</b>		
Secured loans	2,877,728	386,669
<b>Total non-current portion</b>	<b>2,877,728</b>	<b>386,669</b>
<b>Total borrowings</b>	<b>2,965,144</b>	<b>485,136</b>

**Interest terms for secured loans**

Secured loans are issued at floating rates of interest, with interest rates reset quarterly based on the 90-day bank bill rate plus margin for credit risk. During the reporting year interest was paid at 5.50%-9.70% (2016: 5.93%-9.70 %).

**Security held**

The overdraft is unsecured. The maximum amount that can be drawn down against the overdraft is \$20,000 (2016 \$420,000) There are no restrictions on the use of this facility held by the Group. At reporting date, the secured loans were secured by first mortgage over certain Land, buildings and equipment with a total carrying value of \$3.02 million for land and \$10.07 million for buildings (Jun 2016: \$4.35m).

**Repayment Terms**

During the period, the Group obtained loan and revolving credit facilities from Christian Savings Bank to finance the construction of the Arise Centre. The principal amount of the loan and revolving credit facilities are repayable in full in March 2018.

## 12 EQUITY

	<i>Group</i> 6 months ended 31 December 16 \$	<i>Group</i> 12 months ended 30 June 16 \$
<b>General funds</b>		
Balance at 1 July	10,055,886	4,686,967
Surplus/(deficit) for the year	1,131,841	5,368,919
Balance at 31 December	11,187,727	10,055,886
<b>Property revaluation reserves</b>		
Balance at 1 July	650,000	650,000
Gain/(loss) on land revaluation	-	-
Gain/(loss) on building revaluation	-	-
Balance at 31 December	650,000	650,000
<b>Total equity</b>	<b>11,837,727</b>	<b>10,705,886</b>

### 13 CAPITAL COMMITMENTS AND OPERATING LEASES

Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

	<i>Group</i> 6 months ended 31 December 16	<i>Group</i> 12 months ended 30 June 16
	\$	\$
<b>Capital commitments</b>		
Assets under construction	1,984,333	7,317,756
<b>Total capital commitments</b>	<b>1,984,333</b>	<b>7,317,756</b>
Not later than one year	1,984,333	7,317,756

#### Operating leases as lessee

ARISE leases property, plant and equipment in the normal course of its business. The majority of these leases have a non-cancellable term of 36 months.

The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

	<i>Group</i> 6 months ended 31 December 16	<i>Group</i> 12 months ended 30 June 16
	\$	\$
Less than one year	300,407	288,585
Between one and five years	298,013	336,490
Greater than five years	30,000	49,995
<b>Total non-cancellable operating leases</b>	<b>628,420</b>	<b>675,070</b>

#### Contingent assets and liabilities

As at 31 December 2016, ARISE has no contingent liabilities (June 2016: Nil).

As at 31 December 2016, ARISE has no contingent Assets (June 2016: Nil).

#### 14 RELATED PARTY TRANSACTIONS

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that are reasonable to expect that the Group would have adopted in dealing with the party at arm's length in the same circumstances.

*Related party transactions required to be disclosed;*

During the period the Group received IT services totaling \$74,863 (Jun 2016: 75,949) from Comsmart Limited of which Andrew Simkin is a Director and is a member of the Arise Trust Board. At reporting date, there is amount of \$10,755 outstanding (Jun 2016: \$31,903).

During the period the Group received consultant services totaling \$15,597 (Jun 2016: \$43,821) from Global Church Solutions of which Graeme Kirkwood is a Director and is a member of the Arise Trust Board. At reporting date, there is amount of \$nil outstanding (Jun 2016: \$1,715).

*Key management personnel compensation;*

Key management personnel comprise of Board of Trustees, Chief Executive, and the Executive Management team who have responsibility for the strategic direction, planning and controlling the activities of the Group.

The aggregate level of remuneration paid and number of full-time equivalents for senior executive officers and the members of the governing body is presented below;

	<i>Group</i> 6 months ended 31 December 16	<i>Group</i> 12 months ended 30 June 16
	\$	\$
<b>Board Members</b>		
Full-time equivalent members	0.19	0.19
Remuneration	-	-
<b>Executive Management Team, including the Chief Executive</b>		
Full-time equivalent members	6.6	6.6
Remuneration	356,293	637,977
<b>Total full-time equivalent members</b>	<b>6.8</b>	<b>6.8</b>
<b>Total key management personnel compensation</b>	<b>356,293</b>	<b>637,977</b>

The full-time equivalent for Board members has been determined based on the frequency and length of board meetings and the estimated time for Board members to prepare for meetings.

#### 15 EVENTS AFTER REPORTING DATE

There were no events subsequent to reporting date that would affect the financial statements.

INDEPENDENT AUDITOR'S REPORT  
TO THE TRUSTEES OF ARISE CHURCH

**Qualified Opinion**

We have audited the financial statements of Arise Church, which comprise the statement of financial position for the six-month period ended 31 December 2016, and the statement of comprehensive revenue and expense, statement of changes in net assets/equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Arise Church for the six-month period ended 31 December 2016, its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") issued by the New Zealand Accounting Standards Board.

**Basis for Qualified Opinion**

Arise Church's control over donations and special purpose funds received prior to being recorded is limited, and there are no practical audit procedures to determine the effect of this limited control. Consequently, we were unable to determine whether any adjustments should be made to the reported amounts for that income stream.

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Arise Church in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, Arise Church.

**Trustees' Responsibilities for the Financial Statements**

The trustees are responsible on behalf of Arise Church for the preparation and fair presentation of the financial statements in accordance with PBE Standards RDR, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible on behalf of Arise Church for assessing Arise Church's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate Arise Church or to cease operations, or have no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an



BDO WELLINGTON

auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Arise Church's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Arise Church's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Arise Church to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Who we Report to

This report is made solely to Arise Church's trustees, as a body in accordance with the Trust Deed of Arise Church. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Arise Church and Arise Church's trustees, as a body, for our audit work, for this report or for the opinions we have formed.

*BDO Wellington*

BDO Wellington  
Wellington  
New Zealand  
5 May 2017

**ARISE CHURCH**

3 Pito-One Rd  
Korokoro  
Lower Hutt 5012  
New Zealand

PO Box 38228  
Te Puni Mail Centre  
Petone 5045, NZ

+64 4 499 0477  
info@arisechurch.com  
arisechurch.com

## Proposal for the Future use of Founders Theatre

Proposal for the Future use of Founders Theatre	
Community group/Organisation name:	August Avenue
Postal address:	15 Pulham Cres. Queenwood Hamilton, 3210
	Postal code: <input type="text"/>
	Postal code: <input type="text"/>
Name of the person completing this proposal on behalf of the community group or organisation:	
Donald Goodhall on behalf of August Avenue.	
Email contact:	<a href="mailto:donaldgoodhall@gmail.com">donaldgoodhall@gmail.com</a>
Phone Contact:	021 807 507
Organisation type:	<input type="checkbox"/> Charitable Trust <input type="checkbox"/> Incorporated Society <input checked="" type="checkbox"/> Other:
Describe your organisation's/group's vision and mission: <i>(cell will expand as you type)</i>	
<p>"WE'RE IN THE BUSINESS OF MAKING ARTISTS SUCCESSFUL AND BUILDING CAREERS FROM THE WORK YOU LOVE."</p> <p>At August Avenue, we specialise in providing services for artists and creatives, to develop and support long-term success. We're creatives ourselves and care about seeing our artists become successful. So we're down to earth, experienced and will always start with some practical advice for supporting your creativity as your career.</p> <p>Our team of legal, management and representation specialists will work with you to help build success, no matter what stage of your career you're at. In our experience, local or global, it's never too soon to take the basics seriously. So August Avenue is here to help with contracts, negotiations, tour and event management, representation and developing global networks.</p>	

Organisation/group governance structure: <i>(cell will expand as you type)</i>	
Organisation/group website:	<a href="http://www.augustavenue.co.nz">www.augustavenue.co.nz</a>
Attach 2016/2017 financial statement to email	

<b>Tell us about what you plan for Founders</b>	
What do you propose to use Founders Theatre for? <i>(cell will expand as you type)</i>	
See attached proposal.	
What activities will be undertaken at Founders Theatre? <i>(cell will expand as you type)</i>	
See attached proposal.	
Who will benefit from your activities and your use of Founders? <i>(cell will expand as you type)</i>	
See attached proposal.	
Will there be any commercial activities undertaken at Founders? <i>(cell will expand as you type)</i>	
See attached proposal.	

Item 6

Attachment 3

Attachment 3

Item 6

Is your proposal for all or part of Founders:	<input checked="" type="checkbox"/> All	<input type="checkbox"/> Part (please explain):
All		
What type of arrangement are you proposing?	<input checked="" type="checkbox"/> Lease	<input type="checkbox"/> Transfer of ownership
Have you prepared a business plan for your proposal?		
<input type="checkbox"/> Yes (please attach to email) <input type="checkbox"/> No		
How will your organisation be able to contribute towards the reinstatement costs? <i>(cell will expand as you type)</i>		
See attached proposal.		
Are there any specific requirements your organisation would need in the building / parking area? <i>(cell will expand as you type)</i>		
When would you want to commence your lease/ownership of Founders? <i>(cell will expand as you type)</i>		
We are keen to talk when you are.		

Email your proposal to [raewyn.napier@hcc.govt.nz](mailto:raewyn.napier@hcc.govt.nz) no later than Sunday 19 November 2017.  
 \* Remember to attach 2016/2017 financial statement and/or business plan, if necessary.

## Proposal for the Future use of Founders Theatre

**To:** Raewyn Napier, HCC  
**From:** Donald Goodhall, August Avenue  
**Date:** 19 November 2017  
**Subject:** Founders Theatre

The purpose of this proposal is to provide a solution to the crucial decision the HCC is facing on the future of Founders Theatre, which was closed last year due to safety concerns. This short document seeks to set out a vision to revitalise Founders Theatre, a vision that would see Founders become a vibrant part of the Hamilton creative arts landscape. We believe that this important performing arts venue can be transformed into a flourishing hub for the arts, serving the Hamilton community well into the future.

Founders Theatre represents an important part of Hamilton's history. It is a landmark brimming with memories. Hamiltonians young and old have performed on this stage. This community asset has served Hamilton well over the years as a place for people to meet, to enjoy performances, and to be entertained by local, national, and international artists.

We understand the challenge faced by HCC regarding the future of Founders to be a decision to either strengthen and upgrade the facility at a substantial cost or demolish this unique piece of Hamilton's heritage. What if these weren't the only options? What if there was another way? What if there is an alternative, one that would see Founders fulfil the aspirations of those who took the bold step to create this facility those many years ago? We believe there is.

A reimagined Founders Theatre has every potential to become a vibrant arts venue for the Hamilton community. Our vision for the facility would see it become an inviting multi-use facility that would serve to provide spaces for performance, exhibition space, studios, classrooms, workshops and an office environment suited to those involved in the creative arts. It would provide Hamilton with a medium sized venue, ideally suited to local community groups. Such a venue would also attract an exciting array of national and international touring acts.

Key to this vision for Founders Theatre is a diversifying of the function of this large facility. We believe we can get Founders to 'do more' than it has before, and in turn, generate a vibrant sense of life around the facility. Such a proposal hinges on utilising the multitude of spaces in fresh and creative ways and will require significant repurposing and adaptation of large sections of the building. This reconfiguration would create studio, exhibition, and office space. We see the foyer providing an ideal gallery and exhibition space, and this being complemented by an adjacent cafe that would create a further link with the community, fostering the necessary connection between people and place. The western wing that currently houses many changing rooms would be converted into creative hub containing studios, classrooms, and office spaces, with changing rooms being relocated to the eastern side of the stage area.

Of particular importance would be the reduction in capacity of the main auditorium to allow for the crucial structural work required to bring the building up to the appropriate earthquake standards. In

order to resolve the structural issues relating to the connection of the external walls with the clear span over the auditorium, columns would be required. These would be incorporated into a new internal wall that would serve to divide the existing theatre and reduce its capacity. Though reducing the capacity of Founders may seem counterintuitive to those of us who remember the theatre's glory years, such a modification would result in an ideally sized venue for many of Hamilton's community groups. The fly tower would also be significantly reduced in order to achieve the desired earthquake rating. Such modifications to the auditorium would provide an intimate venue fit for a variety of artistic disciplines.

A venue of this size would also complement the proposed new Waikato Regional Theatre which will cater for much larger events. We believe a reimagined Founders Theatre, rather than a fully refurbished Founders, could service a significant variety of community groups, and by so doing, allow the new Regional Theatre to focus on commercial activities to become sustainable. While the vision we propose does not reconstitute Founders Theatre to its former glory, it does provide a relatively low-cost solution to the dilemma that Hamilton faces regarding this central landmark. We can imagine Founders Theatre evolving into a vibrant, active arts hub that would greatly benefit local community groups, and are excited about the possibility of this historic facility being brought back to life to become once again the asset that it is to Hamilton.

#### ***Funding and Strategy***

Above, we have outlined a fresh vision that if pursued would revitalise Founders Theatre. We believe this picture of the future is possible. Thus, the brief section that follows will outline a management strategy and funding model that could achieve this outcome.

In reconfiguring Founders to achieve its optimal functionality—auditorium, studios, exhibition spaces, cafe, etc.—the opportunity for multiple income streams is also created. Given the mix of venue hire and long-term tenancies (e.g. a music school in the studios), we envisage a good mix of passive and volatile income. This diversification of risk provides a robust business model and a point of difference from the traditional 'dry-hire', single-space model that is commonly employed in similar venues.

Through the multiple connections we have with the creative community, both in its local manifestation here in Hamilton and its wider national expression, we are confident that a reconfigured Founders would provide an attractive venue option. We are aware of organisations that are excited by the possibility of studio and classroom spaces, and we have strong indication that multiple arts ventures would look to locate themselves in an arts hub such as that which we have outlined. Our initial soundings with potential users suggest that the model we are proposing is viable.

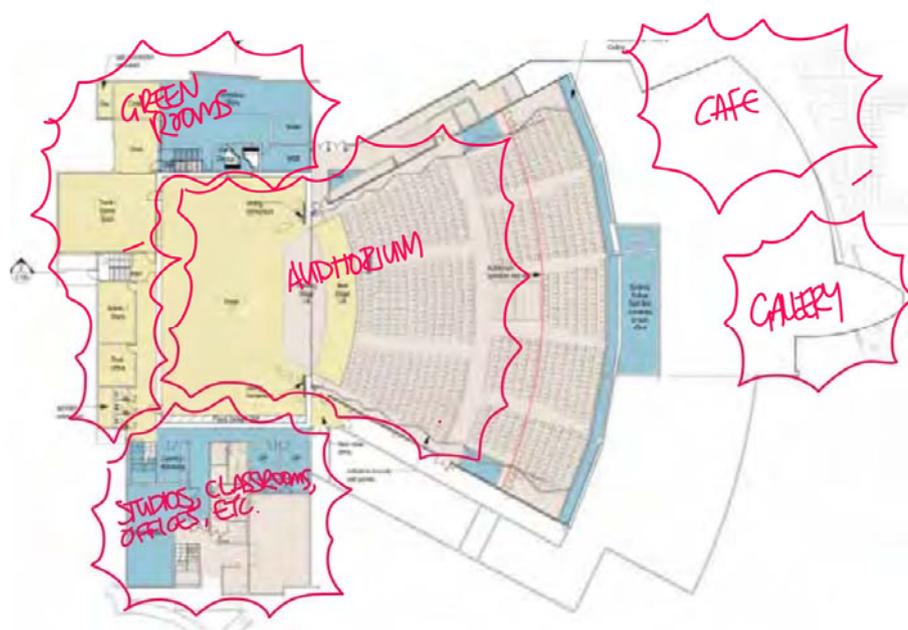
Management of the Founders Theatre Arts Hub would be by way of a management contract with a new entity that would we would create for this specific purpose. We would be seeking, through effective management of the various 'spaces' and 'tenancies', to generate a financial return from which a royalty would be paid to HCC. We envisage this royalty would be used to repay the initial project funding, and used as a maintenance reserve, with the balance to be invested back into arts development.

The initial project funding would consist of HCC investment in addition to contributions from relevant community organisations. We propose that a highly collaborative approach could be explored, with multiple community groups joining together to provide the necessary grassroots 'buy-in' and commitment to utilize the facilities. This approach would invite a diverse range of community organisations to invest in this dimension of Hamilton's future.

Highly effective management of the varying parties needs and desires would be necessary. August Avenue is excited by such a challenge, and we see our expertise fitting this specialised role very well. Such an approach would allow for the maximisation of facility usage while reducing the administrative demands upon any one particular community group. In effect, we could provide the glue necessary for one, two, or more community groups to breathe life back into this important facility.

It is our understanding that the HCC cost to demolish the existing Founders Theatre, which would be the cheapest option for HCC, is around \$1m. It is our view that repurposing these funds into the regeneration of Founders, rather than its demolition, to be a sensible decision, one that would have ongoing benefits to the community.

### **Diversification of the Facility**



As mentioned, key to this vision for Founders Theatre is a diversification of its function. This large facility has the potential to 'do' a lot more than simply provide a single theatre space, and an expansion of its purpose will generate a sense of a living, breathing organism, with the activity and animation of an artisan community. We can envision Founders Theatre brimming with life as people come and go from a variety of day-to-day activities that would be on offer. Gallery and exhibition space, along with an adjacent cafe, would provide a 'shop front' experience for the local community. This would not only provide a space for people to gather but also, provide a canvas for artists to showcase their work. (Gallery space of this sort is limited within Hamilton).

At the heart of our vision for a reimagined Founders is the desire to benefit the local community, and to be a stimulus for the growth and development of the arts community in particular. This is why we are excited about the possibility of a creative hub in the western portion of the facility. This two-level space would see classrooms, studios, and offices that would serve community groups. This creative

hub has the potential to provide an ideal context for making and creating, exploration and learning, a place for engagement with the arts resulting in a healthy flourishing community.

Central to our proposal is the somewhat counter-intuitive notion of reducing the existing theatre space to approximately 500 seats. The rationale for this is to create the lowest cost solution for earthquake strengthening. However, we believe this medium-sized venue, situated within a vibrant arts centre, would create an appealing performance space. Many of the independent artists, major recording labels, and touring companies we currently work with, have expressed the need for a medium-sized venue in Hamilton for touring or one-off performances, a performance space with a desirable aesthetic. Though modifications to the fly tower would likely reduce Founders' appeal to theatre companies, a medium sized, aesthetically appropriate performance space would provide an ideal venue for live bands and dance companies, along with schools and a variety of local community groups.

**Conclusion**

It appears to us that Hamilton is experiencing rapid growth and development, and we are excited about the future of this city. The development of a new Regional Theatre, ideally located overlooking the Waikato River, is an exciting proposition, one that will do much to support the arts in this region. While this is exciting, we believe Founders Theatre remains an important part of Hamilton's heritage, and with the revitalisation project that we have sketched above, can and should play its role, alongside the new theatre, in fostering the arts in Hamilton. This iconic piece of Hamilton's history can be preserved, reimagined, and revitalised to become an arts hub that truly serves the people of Hamilton.

## Proposal for the Future use of Founders Theatre

Proposal for the Future use of Founders Theatre	
Community group/Organisation name:	Tainui Waka Tourism Inc
Postal address:	PO Box 4397 Hamilton East
	Postal code: 3247
	Postal code:
Name of the person completing this proposal on behalf of the community group or organisation:	
Craig Muntz	
Email contact:	craig@aeltld.nz
Phone Contact:	07 3466512
Organisation type: Incorporated Society	
Describe your organisation's/group's vision and mission: <i>(cell will expand as you type)</i>	
<b>Vision:</b> Sharing our stories with the world	
<b>Mission:</b> To foster the development of Maaori Tourism within the Tainui Waka region	
Organisation/group governance structure: <i>(cell will expand as you type)</i>	
Tainui Waka Tourism Inc. was established in 2010 with the mandate of the Tainui Alliance (i.e. Waikato, Raukawa, Maniapoto & Hauraki Iwi Chairs). Our governance board comprises of 5 members who are supported by a part-time/project based Secretariat Officer.	

Item 6

Attachment 3

Organisation/group website:	Under development
<a href="https://www.facebook.com/tainuiwakatourism">https://www.facebook.com/tainuiwakatourism</a>	
Attach 2016/2017 financial statement to email	
<b>Tell us about what you plan for Founders</b>	
What do you propose to use Founders Theatre for? <i>(cell will expand as you type)</i>	
<p>We would like to explore the viability of Founders Theatre being repurposed as a possible cultural tourism attraction for Hamilton and the Waikato region. It would serve as a hub for the regions Maaori arts &amp; cultural tourism sector. We would like to retain part of the auditorium as a community performance and event space and integrate parts of the surrounding park to support the cultural tourism element. The concept is to create a significant cultural attraction in the heart of Hamilton to help anchor international visitation in the city and provide a platform to support and showcase our local cultural, hospitality and tourism sectors.</p>	
What activities will be undertaken at Founders Theatre? <i>(cell will expand as you type)</i>	
<p>Possible activities could include:</p> <ul style="list-style-type: none"> <li>• Maori cultural tourism hub &amp; booking services</li> <li>• Maaori arts and cultural workshops</li> <li>• Venue for public poowhiri / welcoming ceremonies</li> <li>• Maaori arts and cultural exhibitions</li> <li>• Maaori visual artists working in situ</li> <li>• Cultural performance spaces / mirror rooms</li> <li>• Hub / co-lab space for Maaori Business Eco-system</li> <li>• Food and beverage (café operation / hangi site)</li> <li>• Nightly concert parties</li> <li>• Venue to support community events / productions</li> <li>• Tourism retail and merchandising</li> <li>• Office &amp; Meeting facilities</li> <li>• Open park area for relaxing / cultural tourism activities</li> <li>• Possible base for an Institute of Maaori Performing Arts</li> <li>• Native landscaping and soundscape</li> <li>• Cultural installations &amp; built heritage around the venue</li> </ul>	

Who will benefit from your activities and your use of Founders? <i>(cell will expand as you type)</i>
<p>Potential beneficiaries include:</p> <ul style="list-style-type: none"> <li>• Tainui Waka Tourism Inc</li> <li>• Tainui Waka Cultural Trust</li> <li>• Maaori Tourism Operators</li> <li>• Hamilton City Council</li> <li>• Hospitality Sector</li> <li>• Iwi authorities</li> <li>• Training providers</li> <li>• Maaori arts and cultural exemplars</li> <li>• Maaori Youth</li> <li>• Hamilton Waikato Tourism</li> <li>• Ratepayers</li> <li>• Central government agencies</li> <li>• Hamilton arts sector</li> </ul> <p>Ultimately, we are looking at developing a cultural attraction that has the potential to anchor international visitors in the city. At present over 500,000 international visitors transit through Hamilton each year to experience iconic attractions such as Hobbiton and Waitomo Caves. However, most of these visitors choose to stay overnight in Rotorua to experience Maaori arts and cultural product. If we can provide a reason for international visitors to stay a night in Hamilton that will be a game changer for the city and for our regional tourism sector. At present there is a lack of commissionable product in Hamilton City and there is no cultural tourism offering that will attract the support of the industry (ITO's) and the interest of FIT travelers.</p>
Will there be any commercial activities undertaken at Founders? <i>(cell will expand as you type)</i>
<p>Yes. The following activities could be considered:</p> <ul style="list-style-type: none"> <li>• Entrance fee for exhibitions, workshops &amp; performances</li> <li>• Venue hire – meeting rooms, workshop/training spaces, auditorium etc.</li> <li>• Tourism Retail &amp; Merchandise (focusing on supporting local artists)</li> <li>• Booking service for cultural tourism / I site</li> <li>• Food &amp; Beverage (e.g. café, restaurant)</li> <li>• Sub leases – office space for Maaori creative organisations / artists</li> </ul>

Is your proposal for all or part of Founders:	All
<p>What type of arrangement are you proposing?</p>	
Transfer of ownership	
<p>Have you prepared a business plan for your proposal?</p>	
No	
<p>How will your organisation be able to contribute towards the reinstatement costs? <i>(cell will expand as you type)</i></p>	
<p>We would need to undertake extensive consultation with potential interested parties and commission an independent feasibility study to determine the viability of this proposal. At present there is a working party of key Maaori organisations and authorities exploring the potential of developing a creative hub in Hamilton. There is also strong interest in the cultural tourism space. The Founders Theatre site may therefore provide an option to meet current interest regarding the establishment of a creative hub and the development of cultural tourism product. We would approach a range of potential funders / sponsors (e.g. Iwi, central government, private sector, community funders) to support the due diligence process and any proposed development arising from this. There is a particular need to clearly demonstrate how ongoing operational costs and long term financial sustainability will be met.</p>	
<p>Are there any specific requirements your organisation would need in the building / parking area? <i>(cell will expand as you type)</i></p>	
<p>We would like to retain the existing parking spaces and possibly develop additional bus parking spaces around the venue. We would also look to integrate some of the park area around the venue to create a more attractive natural environment (e.g. through native plantings &amp; cultural installations) in support of the cultural tourism elements. There would be a need to reconfigure some of the office and foyer space and perhaps reduce the seating within the auditorium from 1200 to approximately 700 seats.</p>	
<p>When would you want to commence your lease/ownership of Founders? <i>(cell will expand as you type)</i></p>	
<p>This will be determined by the outcome of consultation with our stakeholders, completion of a robust feasibility study and business plan and confirmation of capital and operational funding. At this stage we are expressing our interest in the opportunity to explore the development of an iconic cultural tourism attraction / cultural hub as an option for Founders Theatre.</p>	

Email your proposal to [raewyn.napier@hcc.govt.nz](mailto:raewyn.napier@hcc.govt.nz) no later than Sunday 19 November 2017.  
\* Remember to attach 2016/2017 financial statement and/or business plan, if necessary.

**Item 6**

**Attachment 3**

**TAINUI WAKA TOURISM INCORPORATED**

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2017**

**I N D E X**

<u>PAGE:</u>	
1	ENTITY INFORMATION
2 & 3	STATEMENT OF ACCOUNTING POLICIES & NOTES TO THE FINANCIAL STATEMENTS
4	STATEMENT OF PROFIT OR LOSS
5	STATEMENT OF MOVEMENTS IN EQUITY
6	BALANCE SHEET
7	AUDIT REPORT

## TAINUI WAKA TOURISM INCORPORATED

### DIRECTORY

---

YEAR OF INCORPORATION: 10 February 2000

SOCIETY NUMBER: 2401668

REGISTERED OFFICE: 23 King Street  
TE KUITI

PRINCIPAL ACTIVITY: Maaori Tourism Promotion

OFFICE HOLDERS:

CHAIRPERSON	Lee Ann Muntz
DEPUTY CHAIRPERSON	Ash Puriri
TREASURER/SECRETARY	Michelle Paki
SECRETARIAT OFFICER	Craig Muntz
BOARD MEMBER	Glen Katu
	Waimihi Hotere

AUDITORS: Jefferies Nock & Associates  
HAMILTON

BANKERS: Kiwi Bank

Item 6

Attachment 3

**TAINUI WAKA TOURISM INCORPORATED****STATEMENT OF ACCOUNTING POLICIES  
AND NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2017****GENERAL ACCOUNTING POLICIES****Reporting Entity**

Tainui Waka Tourism Incorporated is an incorporated society registered under the Incorporated Societies Act 1908.

**Statement of Compliance and Basis of Preparation**

The Special Purpose Financial Statements of Tainui Waka Tourism Incorporated have been prepared in accordance with the stated accounting policies.

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical cost and accrual basis have been applied.

The Special Purpose Financial Statements of Tainui Waka Tourism Incorporated are prepared to meet the requirements of Tax Administration (Financial Statements) Order 2014 and the Rules of the Society.

**SPECIFIC ACCOUNTING POLICIES****Revenue**

Grants & Contract Funding Received is returned when received. Grants which have not been expensed in the current year are carried forward to the next year and are shown in the Statement of Profit or Loss as an expense and as a liability in the Balance Sheet.

All other Income is returned when received and banked.

**Goods and Services Tax**

All transactions with the exception of accounts payables and accounts receivables are recorded exclusive of goods and services tax. Any balance due or owing at the end of the year is included in the Balance Sheet.

**Taxation**

Taxation expense charges to the Statement of Profit or Loss are the estimated total tax for the year, in accordance with the taxation return to the Inland Revenue Department

**CHANGES IN ACCOUNTING POLICIES**

All accounting policies were applied consistently during the year. The society has been operational since 10 February 2000 however a bank account had not been opened until June 2016.



**TAINUI WAKA TOURISM INCORPORATED**

**STATEMENT OF ACCOUNTING POLICIES  
AND NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2017**

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**NOTES TO ACCOUNTS**

**Related Parties**

There are related parties transactions for the Community Development Trust and Aotearoa Experience Limited where both Craig Muntz and Lee Ann Muntz are Trustees and Directors. Lee Ann Muntz is Chairperson and Craig Muntz holds a secretariat position for the society.

Aotearoa Experience Limited - \$ 30,000.00 Secretariat Fees  
Community Development Trust - \$ 15,000.00 Projects & Events.  
Community Development Trust - Grant Income \$5,000.00

There are also reimbursement expenses between the entities.

**Commitments**

Tainui Waka Tourism Incorporated has no capital commitments at balance date. (2016:Nil)

**Contingent Assets & Liabilities**

Tainui Waka Tourism Incorporated has no contingent liabilities of a material nature that are not disclosed in the accounts. (2016:Nil)

**Events after Balance Date**

No events have occurred after balance date which have a significant effect on Tainui Waka Tourism Incorporated (2016:Nil)

**Going Concern**

The Special Purpose Financial Statements of Tainui Waka Tourism Incorporated have been prepared on a going concern basis of accounting. This basis contemplates the continuity of its normal business activities and realisation of assets and settlement of liabilities in the normal course of business with the continuous support from its members.



## TAINUI WAKA TOURISM INCORPORATED

**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED 31ST MARCH 2017**

	2017	2016
<b><u>INCOME</u></b>		
Community Development Trust	5000	-
Hamilton Waikato Tourism	10000	-
Interest Received	385	-
New Zealand Maaori Tourism	20000	-
Waikato Raupatu Lands Trust	15000	-
Te Puni Kookiri	50000	-
Trust Waikato	9200	-
<b><u>TOTAL INCOME</u></b>	<b>109585</b>	<b>-</b>
<b><u>OPERATING EXPENSES</u></b>		
Board Meetings	923	-
Advocacy	1565	-
Office Equipment	252	-
Printing, Post & Stationery	226	-
Mileage Reimbursement	644	-
Marketing & Promotion	610	-
Printing & Stationery	589	-
Projects & Events	33000	-
Secretariat Expenses	30000	-
Training	26	-
Telephone	478	-
Unexpended Grants	40000	-
Website	56	-
<b><u>TOTAL OPERATING EXPENSES</u></b>	<b>108369</b>	<b>-</b>
<b><u>TOTAL EXPENSES</u></b>	<b>108369</b>	<b>-</b>
<b><u>SURPLUS FOR YEAR</u></b>	<b>1217</b>	<b>-</b>
LESS		
Provision for Taxation	72	-
<b><u>NET SURPLUS</u></b>	<b>\$1145</b>	<b>-</b>



The financial statements should be read in conjunction with the accompanying notes which form part of these financial statements and also in conjunction with the accompanying audit report.

TAINUI WAKA TOURISM INCORPORATED

STATEMENT OF MOVEMENTS IN EQUITY  
FOR THE YEAR ENDED 31ST MARCH 2017

	2017	2016
EQUITY AT 1 APR 2016	-	-
Net Surplus after Taxation	1145	-
<u>EQUITY AT 31 MAR 2017</u>	<u>\$1145</u>	<u>-</u>

Item 6

Attachment 3



The financial statements should be read in conjunction with the accompanying notes which form part of these financial statements and also in conjunction with the accompanying audit report.

**TAINUI WAKA TOURISM INCORPORATED**

**BALANCE SHEET**  
**AS AT 31ST MARCH 2017**

	2017	2016
<b><u>CURRENT ASSETS</u></b>		
Accounts Receivable	15000	-
Provision for Taxation	56	-
Kiwi Bank - Now	21338	-
Kiwi Bank Online Call	30258	-
Goods & Services Tax Receivable	4443	-
	71095	-
<b><u>CURRENT LIABILITIES</u></b>		
Accounts Payable	29950	-
Unexpended Grants	40000	-
	69950	-
<b><u>WORKING CAPITAL</u></b>		
	\$1145	-
<b><u>NET ASSETS</u></b>		
	\$1145	-
<b><u>REPRESENTED BY:</u></b>		
<b><u>EQUITY</u></b>		
TOTAL EQUITY	1145	-
<b><u>TOTAL EQUITY</u></b>		
	\$1145	-

.....  
Chairperson                      Executive Member

.....  
Date



The financial statements should be read in conjunction with the accompanying notes which form part of these financial statements and also in conjunction with the accompanying audit report.

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Tainui Waka Tourism Incorporated

#### Opinion

We have audited the financial statements of Tainui Waka Tourism Incorporated on pages 2 to 6, which comprise the balance sheet as at 31 March 2017, and the statements of profit or loss and changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared, in all material respects, in accordance with Special Purpose Financial Reporting Framework for For-Profit Entities (SPFR for FPEs), issued by Chartered Accountants Australia & New Zealand.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Tainui Waka Tourism Incorporated in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, Tainui Waka Tourism Incorporated.

#### Emphasis of Matter – Basis of Accounting

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements have been prepared for the members and Inland Revenue only. As a result, the financial statements may not be suitable for another purpose.

#### Restriction on Responsibility

This report is made solely to the Members, as a body, in accordance with specify source of audit duty, e.g. constitution of Tainui Waka Tourism Incorporated. Our audit work has been undertaken so that we might state to the Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Members as a body, for our audit work, for this report, or for the opinions we have formed.

#### Executive Committee' Responsibility for the Financial Statements

The Executive Committee are responsible on behalf of the entity for determining that the SPFR for FPE framework adopted is acceptable in Tainui Waka Tourism Incorporated's circumstances, the preparation of financial statements, and for such internal control as the Executive Committee

determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Committee are responsible on behalf of the entity for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Committee either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

conclude on the appropriateness of the use of the going concern basis of accounting by the Executive Committee and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



**Jefferies Nock  
& Associates**  
CHARTERED ACCOUNTANTS

167 Peachgrove Rd, Claudelands,  
PO Box 12226, Chartwell, Hamilton 3248

Ph. 07 853 6220  
Fx. 07 853 6221  
E. phil@jnock.co.nz  
don@jnock.co.nz  
office@jnock.co.nz

evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. We communicate with the Executive Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Other Matter**

This is the first audit of the society. No Income was received until June 2016 although the Society has been in existence since February 2000.

*Jefferies Nock & Associates*  
Jefferies Nock & Associates  
Hamilton

6 September 2017



**Community Group/organisation name:** To be established as Founders Childrens Museum Trust (FCM)

**Postal address:** 19 Richmond Street

Whitiora, Hamilton Post code: 3200

**Name of person completing this proposal**

Bruce Cresswell

**Email contact:** [brucecresswell@gmail.com](mailto:brucecresswell@gmail.com)

**Phone contact:** 0275 318 775

**Organisation Type:** To be a Charitable Trust

**Describe your organisations vision and mission**

**Vision:** To be a must visit Childrens Museum for local, national and international families.

Community engagement will be an integral component of the FCM and its success.

**Mission:** To be a quality essential experience and imagination builder for children and their families based on sustainable revenue and community engagement..

The FCM will play a role in children's social development, education, communication, co-operation, participation and responsibility.

**Organisation Governance Structure**

Board of Trustees

General management/CEO

Management: Marketing, Administration, Human resources

Volunteers

**Organisation Website**

Temporarily located on [www.infohamiltonnz.com](http://www.infohamiltonnz.com)

**What do you propose to use Founders Theatre for?**

The plan is to re-purpose Founders Theatre into a Childrens Museum. Children's museums are places where children learn through play and exploration in environments designed just for them.

Reflecting their diverse communities, children's museums create playful, interactive learning experiences. In an increasingly complex world, children's museums provide a place where all kids can learn through play with the caring adults in their lives. Most exhibits allow visitor handling creating entertaining and educational opportunities.

The FCM plans to play a key role in the community based on families and their well-being.

**What activities will be undertaken at Founders Theatre?**

Primarily the Founders will be inhabited by exhibits with which children will be able to engage. This will mean it will be an environment where families will be able to play together. They will experience

an adult world, understand diversity, do role plays and arts and crafts. Additional activities focused around fund raising will also be held involving catering, kiosk sales, events, school visits and children's birthday parties.

The FCM will also include a Community Shed where exhibits may be developed, maintained and repaired by local craftsfolk.

**Who will benefit from your activities and use of Founders Theatre?**

It is envisaged the major benefit will be to our children who will learn social tolerance, leadership, communication and diversity.

But benefits are also focused on the community where a wide range of mutually beneficial community relationships will be established. This means the Childrens Museum will operate in community shared decision making and understanding.

As a result it is the expectation that programs will benefit children with improved attitude toward society responsibility.

FCM will add employment opportunities to the community as well as encourage economic development programs based on access to worldwide children's museums.

Excess revenues, beyond Founders Childrens Museum needs, will be distributed to organisations that benefit family and children such as True Colours.

**Will there be any commercial activities undertaken at Founders?**

Yes, to support programs and to ensure revenue sustainability in a non-profit organisation. These activities will include a café, a shop, FCM entry fees and events such as birthday parties, weddings and other appropriate activities.

An opportunity to lease office space in the Stage wing where previously Community Waikato had an interest. Community Waikato are now seeking alternative venues.

But we also see non-commercial activities such as silent movies in the park for families, events orientated to children such as kite flying and other events that bring enjoyment to families.

**Is your proposal for all or part of Founders?**

The proposal is for all of Founders.

A staged implementation program has been aligned to earthquake strengthening time frames as well as working to achievable objectives with minimum risk.

**What type of arrangement are you proposing?**

Our preferred option is a lease of the Founders. This is subject to detailed evaluation of options with Hamilton City Council staff. Final decisions are to be based on due diligence.

**Have you prepared a business plan for your proposal?**

Yes. The business plan is subject to further detailed study in partnership with Hamilton City Council.

**How will your organisation contribute to the reinstatement costs?**

Our contribution will be too minimise council costs by not requiring refurbishment. Hamilton City Council has a responsibility to maintain Founders and to ensure its safety from earthquakes. This will be reviewed and determined in the consultation/due diligence process.

**Are there any specific requirements your organisation would need in the building/parking area?**

An empty building is preferred. Current parking is adequate to our needs.

**When would you like to commence your lease/ownership of Founders?**

The current goal is to work towards commencing exhibit placement mid 2019 and opening final quarter 2019.

A Submission to  
Re-Purpose  
Founder's Theatre  
as a  
Children's Museum

**Disclaimer.**

This submission is provided as a concept for the retention of Founders Theatre re-purposed to be a Childrens Museum. Should Council accept the concept has merit then a more detailed process of building a proposal needs to be undertaken to prepare a measurable set of plans and objectives, in partnership with Hamilton City Council, to confirm all aspects of the submission.

Submitted By: Bruce Cresswell  
19 Richmond St.,  
Whitiara, Hamilton  
Ph: 0275 318 775  
Email: [brucecresswell@gmail.com](mailto:brucecresswell@gmail.com)

Founders Te Whare Taonga o Tamariki, Waikato  
Founders Children's Museum, Waikato



Honouring Hamilton's Founders by investing in the future of children.



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### With Thanks

This submission was not the work of a single individual but results from a diverse range of people, opinions, suggestions and criticisms. I thank the following for their support:

**Val Harman** for her enthusiasm for this project. Without her enthusiasm it might never have started. Val is also responsible for giving rise to the export development concepts with her fashion prototype as a local innovative opportunity.

**Angela O’Leary**, Hamilton City Councillor, for the time taken to understand the nature of the proposal for Founders and her advice on process in relation to Hamilton City Council.

**Holly Snape**, CEO of Community Waikato, whose knowledge of community and how Founders might work in the community has been invaluable.

**Jason Dawson**, CEO of Tourism Hamilton and Waikato, for his bringing the tourism strategy into line with Hamilton’s focus on families and events.

**Jennifer Farrington** CEO Chicago Childrens Museum and President American Association of Childrens Museums for her willingness to spend time discussing Chicago’s Childrens Museum and its operations and providing insight on where to find information for future planning.

**Cynthia Ward**, CEO True Colours for her insight into family issues being faced in the Waikato and providing an understanding of the support work required for families.

**Richard Sutherland**, Economic Development HCC, for his timely responses to requests and visits to Founders Theatre without which the staged program could not have been developed. I anticipate a key role as the submission evolves as innovative exhibits are developed locally for overseas sales.

**Libby Wilson**, for her article on the Childrens Museum in the Waikato Times. The article generated interest and also created, from the public, some new ideas.

## Executive Overview

Hamilton has an objective to be a family friendly location for residents and visitors. The key to Hamilton's success is to build a stronger economy attractive for families. The Founders Childrens Museum adds to the nature of Hamilton and will take an important place along-side Hamilton Gardens, Hamilton Zoo, Waterworld and destination playgrounds.

This submission to re-purposing Founders Theatre as a Childrens Museum attractive to families has some important objectives:

1. To be financially sustainable;
2. To have strong community engagement;
3. To support, where appropriate, future Hamilton planning;
4. To develop as a tourist destination leveraging Hamilton's location and family orientation.

The research that has been undertaken for this submission strongly supports the viability of retaining the Founders as a Childrens Museum.

Situated in the heart of Hamilton, this is a rare opportunity to use a significant, heritage rated, building for a purpose that benefits children, their families and community alike. The strategies being adopted will allow existing community groups to take advantage of its evolution.

But the story does not stop within these confines. Expansion through imagination, innovation and ideas will make the Founders Childrens Museum a vibrant addition to Hamilton's social, financial, community and tourism well-being. The potential for local economic development for the promotion of locally developed exhibits to 500 global children's museums is an export opportunity.

The following pages give substance to Founders Theatre as a Childrens Museum and, as a result, seek Hamilton City Councils agreement to assist fund progressing this submission to a detailed plan for acceptance. This submission outlines why Founders is a good proposition and seeks Hamilton City Councils agreement to part fund a detailed study for Council consideration of a children's museum.

## Introduction

Hamilton City Council is reviewing options for the future of Founders Theatre as it plans to build a new Waikato Regional Theatre. Hamilton City Council is considering demolition of Founders Theatre as:

1. With the new Waikato Regional Theatre there will be an oversupply of theatre seating;
2. The concept of using the Founders Theatre as type of Community Town Hall will compete with the design functionality of the Waikato Regional Theatre;
3. The cost of remedial works is estimated from \$5.7m to \$12.0m;
4. Ongoing operational costs are a mixture of accelerated depreciation (65k per month) and allocated corporate and financial costs.

The Founders Theatre is centrally located in Hamilton's "green belt" with on-site parking, close to major sporting grounds and has substantial interior size (26,390sq.ft.). It represents the heritage of the generation who built it and is dedicated to Hamilton's Founders. It is located beside the Victoria medium density inner city residential suburb for a range of residents.

The issue becomes a matter of value (not of costs) to the community and how that value can be achieved.

## Creating Value

To create value a reason d'etre is required. In this case the concept of a Childrens Museum has exceptional possibilities in that:

1. It will not compete with any other theatres;
2. Visits by locals and tourists create the probability of raising significant revenue to offset costs;
3. Creates a basis for developing export earnings;
4. Will be shared with the community and community groups;
5. Offers employment opportunities;
6. Adds to the family orientated tourism focus.

Children's Museums are well established entities that focus on families, experiences and education. Here in Hamilton we have the Exscite Trust which is aimed at a slightly older age group with exhibits developed in conjunction with Waikato University. Overseas there are numerous examples of children's museums some over a century old. They all have several things in common:

1. They attract families;
2. They are focused on Children, their education and entertainment;
3. They are attractive to family holiday makers.

We have three, potential, outstanding values:

1. Revenue to offset high ongoing costs;
2. Social dividend with our new generation giving them the chance to enjoy childhood in an increasingly competitive world;
3. Community involvement.

# An investment in knowledge pays the best interest

Benjamin Franklin



**Laoniu Children's Discovery Museum in CNCC (LCDM)**  
LCDM, Chinese Zodiac-themed, contains five exhibit halls (sixteen galleries with nearly one hundred exhibits), a changing exhibit hall, and a 4D theatre. philosophy of hands-on and discovery learning. The museum is committed to providing kids with experiences that will ignite their imagination, creativity, and other potentials, so that they can get a clear understanding of the world and acquire knowledge and skills as well as developing independent thinking and problem-solving ability.



**Japan**  
Kids Plaza Osaka is the first museum in Japan dedicated to child education. Founded in July 1997, our basic philosophy is that children learn while playing and having fun nourishes creativity and awakes new potentials to personal development. Kids Plaza Osaka is always ready to provide kids with amusing facilities and new surprises and thrills every time they visit. Since our opening, more than 400,000 guests from every region in Japan (mainly from Kinki region's 6 prefectures) visit annually.



**Minnesota Children's Museum**  
**St. Paul, MN**  
Six million kids and their families have visited this big museum since it set up shop in its current downtown St. Paul location. It's all about immersive experiences, including local habitats, a pretend neighbourhood, and art on the rooftop. For toddlers, there's aptly named Habitot®. The museum is in the process of a \$28 million dollar expansion that will double its size and add more play spaces -- designed in part by "kid testers" and including a four-story climbing tower. In the meantime, attend some of the cool drop-in activities.

## What Is a Childrens Museum

### Definitions

A Museum is an institution devoted to the procurement, care, study and display of objects of lasting interest or value. Objects are exhibited but are usually encased to prevent visitor handling.

Children's museums are places where children learn through play and exploration in environments designed just for them. Reflecting their diverse communities, children's museums create playful, interactive learning experiences. In an increasingly complex world, children's museums provide a place where all kids can learn through play with the caring adults in their lives. Most exhibits allow visitor handling creating entertaining and educational opportunities.

### Waikato Museum, Exscite

The concept of a Children's Museum for Hamilton is based on Museums in the United States, Australia and right here in Hamilton at Te Whare Taonga O Waikato (Waikato Museum). The Exscite Trust science gallery aims to foster a learning experience in an exciting and engaging environment. Exscite is packed with interactive, science based activities for young people to actively learn while having fun.

The Children's Museum envisioned for Founders Theatre is targeted towards a younger and different audience that should complement Exscite. Exscite Trust's success underlines the concepts of a Childrens Museum at Founders and the enormous opportunities of an expanded program by its;

1. Ability to scale exhibits according to age ranges and profiles for wider visitation;
2. Make more space available in the Waikato Museum for display of their Museum exhibits.

### How A Children's Museum Works

- Exhibits range from simple to complex with interactivity and **hands on experiences**;
- Creates family experiences that are **educational and entertaining** for all ages;
- Encourages **participation and communication** leading to knowledge;
- Provide **inspiration** for bringing some of the elements in the Museum back into the home by way of discussion and activity;
- Inspires **family interconnection** away from command and control;
- Creates a positive experience for future **social development**;
- Let's the children take leadership in activity and **interactions** with other kids;
- **Caters for children** in an age range from very young up to 10 years of age.

### Important Note

The concept of a Children's Museum is not to create a child minding centre it is to create a family experience focused on children.

## For Our children

### Background

Children today live in an entirely different world to that of their parents and grandparents.

Consider working parents, organised sports, emphasis on schooling, the extra-ordinary distraction of technology (phones and internet) and it becomes a situation where children do not find the time to roam free, experiment with boundaries or simply relax from the overall stress.

We can see this in headlines featuring children and their social issues which appear on daily news ranging from mischief to severe misbehaviour, occasionally with tragic consequences.

While it is not suggested that a Children's Museum is a panacea for bad behaviour it creates an opportunity to add to young lives by offering:

- freedom of expression;
- activity free of phones and distractions;
- free running interaction with other children.

All this experience being in the context of a family unit.

The possibilities of this type of circuit breaker in young lives leading to improved social behaviour makes the value of a Children's Museum irresistible.

### Inside a Children's Museum

The appealing aspects of a children's museum is the opportunity for children to express themselves, to communicate with others and to demonstrate their capabilities. In their Museum:

- Nothing is off-limits - it's "Hands-on";
- Include sand and water play where children can build dams, redirect streams, pump wells, assemble tubing etc;
- Arts and crafts either in solo, with new friends or with family;
- Exercise related activities includes climbing apparatus;
- Dress up in role playing costumes e.g. as a fireman;
- Experience an "adult" world on their level such as shopping and role playing leading to an understanding of banking, postal services, television production, grocery all using pseudo products;
- Separate areas designated for younger children under the age of two with "floor" friendly toys and activities;
- Digging areas which includes exhibits designed to replicate archaeological work or fossicking on the moon. These are simple in design but have tremendous interest for the developing mind;
- Role play which combines multiple elements e.g. dressing up as a fireman, dousing a fire, crawling under the "smoke", climbing over an engine, using a microphone and sliding down the pole;

A Children's Museum also utilises modern technology bringing features from organisations such as National Geographic, solar power exhibits that race cars on a track, or show effects of an asteroid hitting earth. All simple low-cost exhibits.

The end results? Children, and their families, treasure the experiences available to them.



#### More than Exhibits

A Childrens Museum has more than exhibits. For example, an art studio provides an environment for a child's need to create their newest masterpiece. Decorate an interactive paint window. Illuminate shape and form in a Shadow Room. Take a seat to sculpt, draw, and weave. Rotating exhibits and thousands of petite pieces by local kids provide an endless supply of inspiration.

Move into a world of fashion where kids create ensembles using fabrics exposing them to colours and texture using specially designed templates.

Parents tours will also be a feature in evenings where learning benefits can be illustrated, perhaps special times for older people where memories might be refreshed through art.

The possibilities are endless.

## Why the Founder's Theatre

The Founders' Theatre has been "mothballed" due to Earthquake concerns and its future is under consideration. It remains as a cultural asset and opportunity. It is apparent that there is a concern of residents that it might be demolished. If this is the case Hamilton will lose another of its iconic buildings.

Yet Hamilton, with an abundance of theatre seating (including Waikato Regional Theatre), cannot afford to retain Founders as a theatre. The conundrum for Council is how to retain the Founder's Theatre as a contributing asset to Hamilton.

A Children's Museum provides a strong answer.

### Green Belt

The Founders lies in Hamilton's "Green Belt" – a corridor that stretches from Waikato Stadium (where Waikato beat the Springboks in 1956 14-10) to Seddon Park, home to International Cricket. Founders is central to both.

It is adjacent to Frankton as well as an easy distance from Victoria on Victoria Street and the Waikato River.

Located in Boyes Park it will be planned to link the outside with the inside, not by park development building a playground but by utilising its space for events such as kite flying, picnic/bbq family days, dress up costume days and the like. A starlight silent theatre - just bring a chair, family and hang out. Boyes Park offers an important asset not available to many Children's Museums.

Set amongst the parklands Founders makes a superb location for indoor/outdoor activity for family.

### Size and Location

There is street parking and on-site parking surrounding Founders offering easy access to continual traffic as might be expected throughout the visiting day.

A children's museum needs space to place a range of activities. The current Founders Theatre, if the interior is cleared, would provide the space (26,390sq.ft.) necessary for a wide range of exhibits.

## Community Engagement

The Childrens Museum has a primary focus on children, their play and their development with family. Interaction with the community is a responsibility that will lead to good decision making as well as securing the support of parents whose understanding of our objectives will lead to better parenting opportunities as well as shaping Childrens Museum evolution.

The definition of community will be mutually beneficial relationships with groups or individuals to further common goals. Community will include parents, teachers, children, community based organisations, artists, performers, service providers, institutional partners, funders, professionals with children's welfare concerns and others.

Founders Childrens Museum engagement with the community will mean:

- Founders Childrens Museum is established as a trusted member of the community;
- Recognition in the education field;
- Established communications across departments;
- Audience expansion;
- A broad range of perspectives influencing decision making;
- Increased awareness and understanding of diverse communities;
- Building staff learning opportunities and advocacy;
- Strong quality and delivery of Founders Childrens Museum's services, programs and resources;
- A wide-ranging resource pool for special occasions;

Community engagement with Founders Childrens Museum will mean:

- Access to diverse learning opportunities that support community goals;
- Access to facilities, resources and expertise to enhance and develop skills and knowledge;
- Motivation to understand perspectives;
- Opportunities for self-expression, input, involvement and representation;
- An educational platform and services to a diverse audience;
- Links community members through their interest in children.

## Excess Funds

Should the Founders Childrens Museum realise revenue beyond its needs then those excess funds will be distributed to Children's welfare organisations such as True Colours.

## Tourism

“Hamilton needs more visitor experiences. It needs to be promoted as the home of family events and a key destination” says Jason Dawson, Chief Executive of Hamilton and Waikato Tourism.

The Founders Childrens Museum will be a major tourism family destination as is Hamilton Gardens and Hamilton Zoo. There is no reason to believe that Founders Childrens Museum will not achieve strong success of similar magnitude.

Consider the Following.

1. Adults plan vacations, but for their children, many of these activities require adult-like strength, skills or knowledge. Children’s museums produce programs and exhibits that empower children to set their own pace — important features for young vacationers who can get overwhelmed by being away from home and exhausted from an action-packed itinerary.
2. Tourists travelling distances with family are looking for breaks where their children can have some freedom. The Founders Childrens Museum is ideally placed located between all major tourism destinations in the central North Island. Hamilton offers a natural journey planned or unplanned break (which adult hasn’t heard the refrain “how much longer”)
3. It is located between two major Waikato sporting arenas. This makes it an opportunity for a family attending the sporting event to include a visit to the Children’s Museum.
4. It adds to the family visitor proposition Hamilton already has (Hamilton Gardens, Zoo, Lake and destination playgrounds).

From Waikato Times 6<sup>th</sup> November 2017

Tasmania: Scene & heard

Adventurers and culture vultures alike are flocking here, writes James Stewart.

“So long, Sydney, move over, Melbourne. Australia’s second-oldest city, Hobart, is the coolest little capital Down Under right now. At weekends it is packed with tourists who have come for the food and easy pace of life, as much as for Australia’s hippest art gallery, Mona.”

(Of course we should not forget the national interest in Te Papa as a Local family destination).

### Cultural Tourism

Cultural tourism is defined as visits by persons from outside the host community motivated wholly or in part by interest in the historical, artistic, scientific, or lifestyle/heritage offerings of a community, region, group or institution (Silberberg, 1995).

Educational activities reveal a cultural product which increases the likeliness of tourists and may increase their length of stay in the area. Cultural products such as ... Childrens Museums..... attract tourists and investors to the area because of the enhance image (Strom 2003). A study by the Travel Industry Association (TIA) estimates that 65% of people that travel at least 50 miles or more consume at least one cultural activity (Stynes, et al., 2004)” see Appendix 4.

Waikato Times November 10<sup>th</sup>, 2017

“A survey of 1500 people showed reasons for travelling to and from Hamilton were split for business (53%) and leisure (47%).”

Jason Dawson said “.....we have definitely seen an increase in the leisure travel market using it (the airport) again”.

Tourism market segments that a children’s museum would support are culture, heritage, health and well-being, leisure and visiting relatives and friends.

Tourist profiles:

Visitors to NZ	YTD Sept 2017	Holidays, Family & Friends	Percentage
Australia	1,466,624	1,159,534	79.1%
China	407,744	303,604	74.4%
USA	319,520	266,048	83.3%
UK	246,032	223,260	90.7%
Total Visitors	3,677,744		

Source: NZ Bureau of Statistics

Families in Hamilton and Greater Waikato 2017

2 parent families 42572 est.

1 parent families 22,739est.

Total families 65,311est.

Source: Waikato Regional Council Technical Report 2014/47

## Hamilton City Council

- Plans to build a stronger economy and **a more attractive city for families;**
- **Is home to many young people and families** and is one of the only places in New Zealand that will continue to have future growth in its youth population;
- Is an economic leader where **people choose to live for lifestyle;**

### City With Distinctive Suburban Villages

The central city has a strong commercial centre which is connected to the river and **residential living. Planned residential growth at the Victoria end of Victoria Street.** Suburbs like Hamilton East and Frankton have their own identity and distinctiveness that makes them attractive for people to live and visit.

### An Urban Garden

Destination playgrounds have been completed as planned and **Hamilton is known in New Zealand for amazing playgrounds.**

The Childrens Museum is a natural extension of this concept, its indoor activities complement the physical nature of the destination playgrounds.

### Arts and Culture

Art, music and culture is part of Hamilton's everyday life. Hamilton is known for having a strong arts culture. Audience engagement has increased. The Founders Childrens Museum plans to have a focus on this aspect providing space for children's expression in art across several formats.

### The Frankton Plan

The Frankton plan contains objectives that the Founders Childrens Museum would either assist or provide.

### Strengthen Frankton's connections

Frankton is located close to Seddon Park, FMG Stadium Waikato, Hamilton Lake and **the Founders Theatre**, providing pedestrian-friendly connections between event spaces and Frankton's urban village activities. **Making these connections more visible and easier to use will raise Frankton's profile** as a destination and provide attractive and interesting biking and walking routes to and through Frankton.

### Frankton Gateway

Community-led project to install a major artwork to promote the entry to Frankton at the Founders Roundabout.

### Frankton Heritage Museum

**Community led project to develop a Museum in the Frankton Village** that tells the history of Frankton. In the short term, there will be pop up heritage exhibitions that share and celebrate Frankton's stories, heritage and historical artefacts

### Create an Events Programme

In partnership with the business community and community funders, **identify a major attraction annual event.**

### Central City Transformation

#### Events

Founders Childrens Mueum will be a continuous event attracting families to the central city. It will also be recognised for its reputation as a family orientated destination. This brings direct benefits to central city businesses.

#### Victoria

Founders Childrens Museum sits on the boundary of Victoria (the northern end of Central City). Founders Childrens Museum location, adjacent to Victoria's medium density housing, will be a significant attraction for families.

#### The Business District

Founders Childrens Museum sits on the boundary of the central city precinct. This provides an opportunity for business and retail visits to include a family experience at the Childrens Museum in addition to the business attractions currently bringing people to the inner city. More people staying longer is the economic benefit.

#### The Waikato River

The Childrens Museum will have a focus on the Waikato River with a planned full-scale model that will highlight natural and man-made features. Children will be able to open and close dams and see how electricity is generated.

### Heritage

#### Heritage Value

Richard Knott, who completed the Heritage Assessment of the Founders Theatre (completed in July 2016) concluded that the Theatre, pool and fountain have heritage significance and is worthy of Plan Ranking B.

#### Plan Ranking B

Historic places of significant heritage value include those assessed as being of high or moderate value in relation to one or more of the heritage criteria and are considered to be of value locally or regionally.

#### Dr Denis Rogers, Past Mayor of Hamilton

"This truly wonderful and beautiful Founders Memorial Theatre is to me an expression of our faith in the City of Hamilton, of our faith in those cultural aspects of life which have stood the test of time and of faith in ourselves by showing this very real sense of community purpose.

**The whole concept of this theatre ideal big thinking for a small city and I am sure it will not only serve the community well for generations to come but that it will give great momentum for a cultural and spiritual advance into the new world which lies ahead of us all."**

Waikato Times. November, 1962

#### Sustainability and Use

Enabling the ongoing retention of heritage requires activities that facilitate the continued use of places. The Founders Childrens Museum will minimise the loss of heritage values by undertaking the adaptive reuse of Founders Theatre.

#### Benefits

- Conserve heritage;

- Repurpose Founders Theatre for families, communities and tourism;
- Sustainable heritage values;
- Management and use of sites and area for families.

#### Economic Growth

##### Leadership

- Founders Childrens Museum creates a platform for economic development and growth;
- Work with business and industry sectors and communities to support economic opportunity.

##### Strategic Investment

Council to take a role in Founders Childrens Museum planning where public investment can provide economic growth.

## Childrens Museum Plan Overview

### Mission

A quality essential experience and inspiration as an imagination builder for children and their families.

### Vision

To be a “must visit” for local, national and international families.

### Objectives

#### Financial

1. To generate sustainable income to cover costs and to invest in future programs;
2. Maximise cash flow while avoiding “Risk” projects;

#### Operational

1. Attract 40,000 visitors in the base year (equals 4% of the number that annually visit Hamilton Gardens and 40% of Hamilton Zoo);
2. Have programs for socially imperilled children;
3. Create an environment that will attract and retain volunteers;
4. Create a “Community Shed” for exhibit development, building and maintenance;
5. Connect to like organisations in the region (Men’s Shed, Exscite Trust; True Colours, Schools etc.).
6. Establish a Tourism Guide facility for like attractions in the region.

#### Governance

1. Establish sound policies for issues such as
  - a. compensation,
  - b. purchasing and procurement,
  - c. human resources,
  - d. volunteer management,
  - e. asset and risk management.

#### Partnership

1. Identify the type of external parties with which Founders Childrens Museum can collaborate,
2. Ensure that partners’ principles and philosophy are in accordance with Founder’s Childrens Museum (An example of the type of organisation might be True Colours).

#### Performance Indicators

1. Quantitative and qualitative measures identified and met for each objective.

#### Outcomes

1. Family unit communications;
2. Social support programs;
3. Educational support programs;
4. Activity based roles for older citizens (Community Shed);
5. Community interaction and participation;
6. Tourist attraction of high significance.

### Strengths

- This plan well researched;
- Large, historic building in place;
- Centrally located;
- Clear revenue opportunities;
- Phased program for introduction (investment aligned to cash flows);
- Financial plans understated and achievable;

### Opportunities

- A largely unserved market
- Leadership in family social integration
- Significant tourism destination of interest
- Self-sustaining revenue generation
- Based on known practises and principles
- Local employment
- Global market for innovative exhibits (over 500 Childrens Museums worldwide and growing)
- Leverages the success of Exscite
- Builds on national education programs
- Local specialist programs building off Childrens Museum's programs

### Weaknesses

- Community sees Founders as a Theatre/Town Hall

### Threats

- Council views as a cost
- Council defers earthquake repairs
- Council says no to submission

### Organisation Structure

- Not for profit charitable institution
- Board of Trustees
- General Manager
- Managers for Administration, Marketing and Human Services
- Volunteers (Community Shed, Play experience, operations)
- Culture of inclusion
- Co-operative management - not command and control

### Process

A decision needs to be made by Hamilton City Council to further investigate the concept of re-purposing Founders Theatre as a Childrens Museum. Hamilton Council is requested to:

- a. Decide the concept of a children's museum should be investigated further and;
- b. That Council should share the next phase of detail plan development;
- c. Recognise that up to 9 months of consulting and research will be required;
- d. Consider Council investment, up to \$NZ100,000, in plan development.

The submitter of this proposal will:

- a. Provide equal investment in time and expenses

**Attachment 3**

- b. Offers council a fixed price fee
- c. Will take the majority of the fee based on successful plan submission.

**Item 6**



Item 6



Attachment 3

### Some Number Concepts

Suggested remedial works will cost up to \$12,000,000 leaving Hamilton City with a positive asset value.

The cost to demolish Founders is under \$1,000,000 and leave Hamilton City with no asset value.

Refurbishment funding of \$13.8m was set aside in the 2021-23 budget to refurbish Founders Theatre. This cost is now estimated at \$20m.

A Children's Museum will not require the following components of the refurbishment plan:

- A new larger stage and back-of-house production facilities including a new flying system to fit the stage size, changes to the dressings rooms, green room, storage and loading docks;
- Refurbishment of the auditorium, including new seats and hospitality in the front-of-house area;
- Improved acoustics in the theatre;
- A better entrance and larger foyer with a bar.

Additionally, the Frankton plan's investment in feature can be replaced by Founders Childrens Museum reducing any need for investment by Hamilton City Council.

As a result, the budget envisaged for refurbishment (which includes \$6,000,000 for earthquake strengthening) and the Frankton plan will be reduced.

### Result

A Children's Museum will have Founders as an asset for years to come.



## Revenue and Funding Opportunities

Revenue generation from the Founders Childrens Museum is subject to detailed analysis of opportunities in the consultant planning phase. The Founders Childrens Museum will be offering:

Local family admission (Hamilton, Waikato and Waipa with scales depending on funding offered from each Council). In total 80,000 visits by fee paying members of the public might generate an est. \$400,000 revenue.

Tourist family admission (premium pricing). 10,000 tourist admission per annum might generate an est. \$75,000

Local business donations. Est. revenue of \$50,000 per annum

Major business donations (probably linked to exhibits). Estimate up to \$100,000 per annum

Local citizen donations through an events structure. Estimate up to \$25,000 per annum.

School programs (aligned to educational syllabus), Estimate up to \$15,000 per annum

Children's birthday party programs. Estimate up to \$40,000 per annum

Children's art programs. Estimate up to \$10,000 per annum.

Special event programs (e.g. Weddings, "People in the Park") Estimate up to \$10,000per annum

Government and Trust Funds grants. Estimate up to \$50,000 per annum.

Gift Shop and Café. Estimate up to \$50,000 per annum

Income from sales of exhibits to other Museum (worldwide there are over 500 Children's Museums). Estimate up to \$10,000 per annum

Depending on approvals rented out Office space. Estimate up to \$60,000 per annum

Car parking. Estimated \$10,000 per annum.

It is planned these activities will generate nett revenue estimate of \$NZ905,000 per annum. Calculating a "risk factor" of 50% will give net revenue of just over \$450,000 per annum. Of course these figures are indicative only and subject to detailed plan review and due diligence in the next stage.

Additionally, the Hamilton plan contains allocations for refurbishment and other activities and as these will no longer be required a strategy will be submitted to access some of those funds to assist the start-up phase.

## Staging

### Introduction

The theatre offers many opportunities to support a new role as a Children's Museum. To facilitate transition to a Children's Museum requires considering:

1. Earthquake modifications and their timetable;
2. The need to generate revenue at soonest;
3. The various specific locations and their revenue generating possibilities.

This leads to creating a staged timetable to balance revenue and costs and creating an identifiable, measurable and sustainable set of objectives.

### Stage 1

#### The Loading Bay

In Australia a concept of "Men's Sheds" was introduced in response to an apparent decline in men's health. Their purpose was to create a space where men could meet, talk and create. Since its inception it has grown significantly nationally and internationally.

The Children's Museum will have a "Community Shed" located in the Loading Bay. It will be open to men and women volunteers, generally, but not restricted to, an older retiree age group, who will form teams to build and maintain exhibits. Many of the exhibits will be craft based and local skills of volunteers and educational institutions will form the basis of Exhibit development.



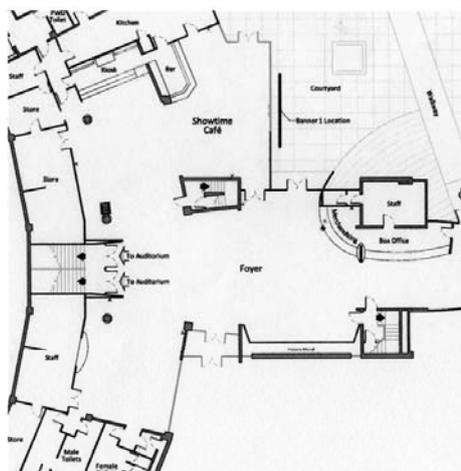
The approximate area of the Community Shed is 15mx10m or 150 sq. mtrs

This approach offers social benefits as well as economic benefits lowering exhibit costs in construction and maintenance. It is important to understand that quality standards will apply before exhibits are accepted into the Children's Museum.



Another benefit is that this environment will offer training opportunities to young people in their work development programs.

The Theatre Entrance



This will be the first exhibit area.

Stage 1 actions include

1. Determining exhibits and time frames for their construction;

2. Mobilising the Cafeteria as a commercial, “franchised” operation;
3. Establishing the Kiosk as a shop based on Museum exhibits and activities;
4. Establishing a small but important travel centre to cater for tourism opportunities.

In stage 1 the objective will be to install between 12 and 17 exhibits. They will feature (in random order)

1. A grocery shop
2. A water course
3. A car garage
4. A fashion experience
5. A musical experience
6. Fire department
7. Ambulance department
8. House construction
9. A fossil dig
10. A bus simulation
11. Artist work stations
12. A television and broadcast experience
13. Light experiences (combined with music)
14. Caring for pets (veterinary) experience
15. Various activities (based on gravity)
16. Exhibition room (gallery of small objects and collections, might be craft)
17. Post office workings
18. Bank workings
19. Small and compact exhibits for space filling
20. Roof hanging features e.g. early pioneer airplanes
21. Solar Power
22. How Government works
23. Energy cycles and sources

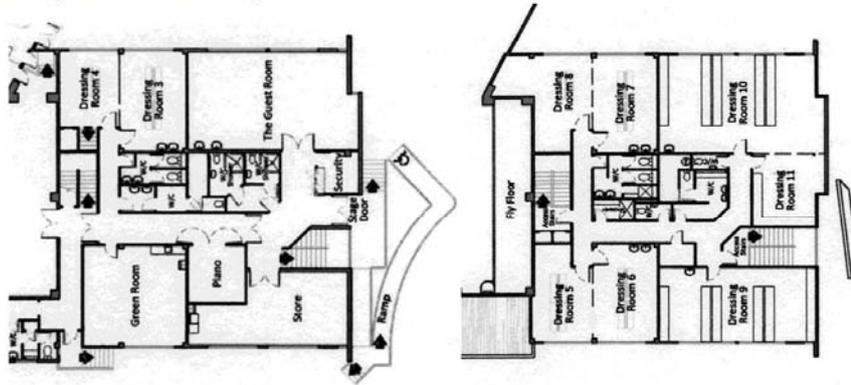
The above preliminary ideas are based on local capabilities and enlisting the support of prominent businesses.

#### The Cafeteria and Kiosk

In Stage 1 these will be planned and contracted as “franchised operations” ensuring consistent revenue to the Children’s Museum.

Stage 2

The Stage Entrance Building

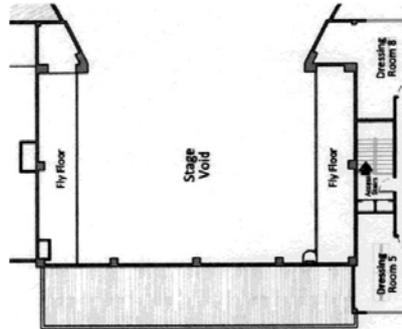


Ground Entrance Level

Upper Level

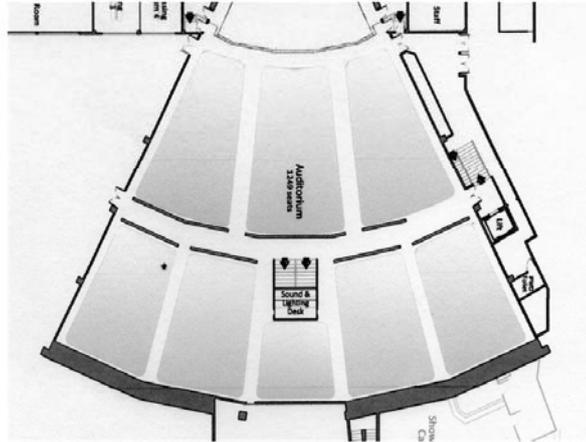
These levels include approx. 266 sq. metres of space not including corridors, toilets and other spaces. As Founders is located near the heart of the City, with easily available parking and local green spaces it is considered as highly desirable for Office space (subject to Council regulations).

The Stage



The stage will be populated by Museum exhibits. It will be connected to the foyer by the side passage which will become an exhibit (yet to be determined).

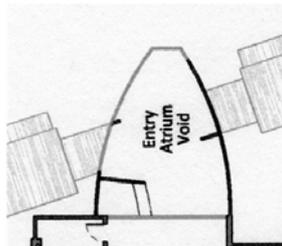
Stage 3  
The Auditorium



This represents the largest area for exhibits. It is envisaged that there will be tiered layers offering a series of level areas for exhibits. These will have a scientific orientation with a view to older children. This area also lends itself to gravity exhibits (based on the old concept of rolling Jaffas down the aisles, perhaps).

The major exhibit in this area will be a real-life depiction of the Waikato River, its dams and importance to Waikato Community.

Stage 4  
Entry Atrium



The Museum Motif envisaged as a model of an adult life size Moa with head arm and, possibly, foot movement capabilities.

This model concept is designed to give the Museum national visibility and some international recognition.

## Summary

The space available in Founders will give a lot of latitude in designing a world class Children's Museum, especially being set in a park environment. It has facilities in place that can deliver significant revenue. It is well placed to be a major tourist attraction. The social benefits are incalculable.

The opportunity of the Founders Theatre for this purpose should not be ignored.



### Conclusion

The Hamilton 10-year plan states “But first it plans to spend \$100,000 on a business plan to examine all the options for upgrading the 50-year-old theatre”.

This submission seeks Hamilton City Councils agreement to:

1. The concept of re-purposing Founders Theatre to be used as a Childrens Museum;
2. Creating a business plan based on the concept of a Childrens Museum;
3. Part funding the preparation of a business plan based on this submission.

## Appendix 1. Association of Childrens Museums

### Some Facts

- There are 341 ACM museum members, representing a total of 22 countries. Approximately 23 percent of these children's museums are in the start-up phase.
- Including children's museums, businesses, individuals and museums with programs for children, ACM has more than 515 members.
- According to 2007 data, more than 30 million children and families annually visited children's museums.
- Sixty-five percent of children's museums are located in urban areas.
- Twenty-three percent of children's museums are located in suburban areas.
- Twelve percent of children's museums are located in rural areas.
- **Thirty-five percent of children's museums are flagships in downtown revitalization projects.**
- Sixty-two ACM member children's museums are undergoing a capital campaign in order to build a new facility or expand an existing facility.
- Four percent of children's museums are accredited by the American Association of Museums.
- Eighteen children's museums are green buildings; 24 museums are in the process of building a green facility. Therefore, 12 percent of ACM member institutions have committed themselves to be green children's museums.
- In 1975 there were approximately 38 children's museums in the United States. Eighty new children's museums opened between 1976 and 1990. Since 1990, an additional 125 have opened. There are about 70 children's museums in the planning phase.
- Outreach programs in ACM member museums extended to nearly 4 million people in 2007.
- Eighty-one percent of ACM museums have a dedicated early childhood exhibit space specifically designed for infants and toddlers.
- Thirty-five percent of ACM museums have an outdoor exhibit and/or garden.
- Forty-nine percent run after school programs.
- Sixty percent develop curriculum materials.
- Seventy percent provide school outreach.
- The largest children's museum is The Children's Museum of Indianapolis (Indiana), which has a total of 433,000 square feet.
- The oldest children's museum is the Brooklyn Children's Museum (New York), which opened in 1899.

## Appendix 2. Forbes

When families travel, one of the hardest challenges facing parents is keeping their kids entertained and finding appropriate attractions for a variety of ages. For these reasons, a good museum can be a real lifesaver, and in some cases, the very best can even be the cornerstone of an entire vacation.

Many adult museums have exhibits that also appeal to children, like the dinosaur skeletons at New York's American Museum of Natural History and Chicago's Field Museum, or the myriad planes and rockets at the Smithsonian's National Air & Space Museum in Washington, DC. But there is an entire niche of museums devoted exclusively to children, hundreds of them worldwide. The non-profit Association of Children's Museums includes well over 200 museums throughout the United States designed specifically designed to foster the education of kids, which receive some 30 million children and parents annually.

The best of these feature extensive slates of hands-on interactive exhibits, as well as physically engaging facilities like climbing walls and structures. Many have both indoor and outdoor spaces, and the most family friendly also offer food or picnic facilities that are inexpensive, healthy, and caters to kids' appetites.

## Appendix 3: Technology: Is it making kids anti-social?

By  
**Morgan Hampton**

August 22, 2014

A study by the International Center for Media & the Public Agenda found that students feel isolated when disconnected from their electronics, but in reality technology is isolating them from the world. (Photo illustration by Elliott Miller)

What used to be a crowded community park is now filled with silence and a few occasional visitors, thanks to technology's effects on children.

Most children and teens spend 75 percent of their waking lives with their eyes fixed on a screen, according to a recent study performed by the International Center for Media & the Public Agenda (ICMPA). The study also found that students who unplugged their electronic devices for one 24-hour period felt extremely lonely and didn't know how to fill their time.

The majority of today's rising generation is not learning how to expand minds without the use of technology and social media. The prominent role social media plays in society has both increased and decreased progress in human communication.

"Gone are the days when I would get on the Internet and wait 15 minutes for the browser to load," said Brett Huntington, a business major from Orem. "Now technology makes things happen immediately. It allows us to keep track of old friends, get immediate updates on their lives and even see current pictures."

Social media is no longer just a social activity, and using technology is no longer just a way to pass time. It is a way of life, and problems surrounding it are making their way into society.

### Lack of personal relationships

Verbal communication is essential to human development, but nonverbal communication, or body language, reveals even more about a person's emotions. Without enough face-to-face communication, these nonverbal cues are unable to develop properly, skewing children's relationships with others as they grow up in a technology-inclusive society.

"This media we call social is anything but ... we open our computers, and it's our doors we shut," said video blogger Gary Turk on his recent viral YouTube video "Look Up."

Today children are more dependent upon electronics and less dependent on human interaction. They may have an Instagram account with hundreds of followers and still feel like they do not have any friends.

"Children need to use technology at a ratio of one to five," said Larry Rosen, a psychology professor at California State University, Dominguez Hills. "For every minute of tech use there should be an equivalent five minutes of time spent doing something else including talking to people, interacting with toys that promote creativity and doing activities that calm an overactive brain."

Relationships are essential; humans are social creatures. Human nature craves human interaction, and that interaction cannot be effectively replaced by technology.

Increased risk for obesity

Excessive tech time promotes laziness and encourages children to live a sedentary lifestyle, leading indirectly to obesity. The Center for U.S. Disease Control and Prevention reported that approximately 10 percent of preschool kids, and 15 percent of children ages 6–17, are considered obese, with many others close to becoming overweight.

“Technology does everything for us,” said Ciarah Cook, an exercise science major from Orem. “We don’t need to go to the post office or the mall or the movies anymore because it’s all online. I even know some people who grocery shop online. We just don’t have to make a physical effort for anything anymore. It’s kind of concerning.”

It is estimated that children spend an average of seven hours per day in front of a screen either watching television, playing video games or using the computer, according to ICMIPA. The Center for U.S. Disease Control and Prevention suggests that children eliminate at least one hour of that screen time and devote it to physical activity. This small lifestyle change could make a difference for children — especially those who are already on the path to obesity.

Low self-esteem

The impersonal communication that comes through technology and social media platforms results in arguments, opinions and unnecessarily crude remarks because the two communicating are not doing so face to face.

“People say things that are inappropriate, and they feel comfortable doing it because that buffer is present,” said Victor Johnson, a psychology major from Orem. “Cyber-bullying comes because of this. People feel like they can voice their opinions freely without regard for what the reader could be feeling or how they could be interpreting the message.”

Society’s reliance upon social media for confidence often leaves one feeling targeted, bullied and empty-handed. When people live life for a worthwhile Instagram feed, they will feel like they have come up short. It is a common misconception that real life is not depicted; rather, social media often shows an illusion of an exciting, adventurous life, documented entirely on camera.

In a technologically-advanced society, people might benefit from enjoying the most unexpected and important moments in life without documenting it for their social media profiles.

Technology will only progress as time moves forward, and teaching children the value of personal relationships will be key to ensuring success in their future endeavors.

“I believe the relationships we nurture within our families [and circle of friends] can be the most essential connections of our lives,” said Tyler Stark, of Wasatch Family Therapy. “I enjoy working with families to strengthen these relationships.”

## Appendix 4: Study of Value of Childrens Museum and its Impact on Local Revenue Generation

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TRAVEL, TOURISM, AND ECONOMIC IMPACT OF THE CHILDREN'S MUSEUM OF SOUTH CAROLINA

Jerome Christia, Coastal Carolina University, Department of Marketing and Resort Tourism  
Monica Fine, Coastal Carolina University, Department of Marketing and Resort Tourism

Abstract

Generally, museums are an integral part of the fabric of any prosperous society. Specifically, children's museums serve to educate and entertain the youth and the young at heart. The Children's Museum of South Carolina allows visitors of all ages to touch, explore, play, and learn. According to the Association of Children's Museums (2013), the total economic activity of its children's museum members was \$449 million. This paper assessed direct, indirect, and induced economic impacts to determine an associated total economic impact that exceeds \$4 million for the Children's Museum of South Carolina.

Keywords: Economic Impact; Cultural Tourism; Marketing Impact; Myrtle Beach, South NonProfits; Cultural Activities.

The purpose of this paper is to assess the economic impact of the Children's Museum of South Carolina (CMSC) which is located in the heart of Myrtle Beach. The Children's Museum of South Carolina is a non-profit organization that was established in 1994 and has since expanded their operations by moving to a larger location (Children's Museum of South Carolina, 2011). It is important to have reliable information about the cost and benefits of the museum and the economic impact on the local community.

Previous studies have studied the economic impacts of the Coastal Carolina University Football Program (Christia, 2007), Michigan Museums (Stynes, VanderStoep, & Sun, 2004), The Guggenheim Museum (Plaza, 2000), sport expenditures (Siegfried & Zimbalist, 2002), professional sport franchises (Latashia & Cochran, 2007) and the New York City Waterfalls (City Economic Development Corporation, 2008). Economic impact studies such as the previous are important policy and planning tools (Fleming & Toepper, 1990). New alliances in US cities are being established to encourage development of cultural activities. With the battle over grants and public funding increasing, cities must stress the educational and economic benefits of their institutions (Strom, 2003).

The goals of the CMSC include entertaining and educating children by providing unique, creative learning activities. The CMSC also offers learning opportunities to educators from area schools and daycares. By providing enriching volunteer activities the CMSC also gives back to the community.

Promoting cultural tourism is yet another goal of the CMSC. Cultural tourism is defined as visits by persons from outside the host community motivated wholly or in part by interest in the historical, artistic, scientific, or lifestyle/heritage offerings of a community, region, group or institution (Silberberg, 1995). The total number of visitors to the Myrtle Beach area was estimated at 14.5 million in 2011 (Statistical Abstract, 2013). Previous literature has suggested that cultural tourists normally have a higher than average income and education (Trainer, 2010). Therefore, we would

like to study the direct and indirect economic impact of the CMSC on the Myrtle Beach area. We will examine how the museum:

☑ Attracts visitors to the Grand Strand. ☑ Contributes to the local economy through museum admissions, investments in building new museum exhibits, daily operations including marketing and promotional efforts, wages to employees, concession and gift shop sales and through spending by visitors on lodging, restaurants, bars, and retail trade. ☑ Enriches the cultural heritage of the area by providing a cultural activity for locals and tourists.

Myrtle Beach is unlike competing vacation destinations such as Charleston, South Carolina, which is known for its culture and history. Myrtle Beach is often viewed as a low-cost, full of adventure parks, mini-Orlando, Florida vacation spot (Lacher & Oh, 2012). Educational activities reveal a cultural product which increases the likeliness of tourists and may increase their length of stay in the area. Cultural products such as the CMSC attract tourists and investors to the area because of the enhance image (Strom 2003). A study by the Travel Industry Association (TIA) estimates that 65% of people that travel at least 50 miles or more consume at least one cultural activity (Stynes, et al., 2004).

#### Travel and tourism impact

The U.S. Travel Association's Travel Economic Impact Model (TEIM) exclusively measures the impact of travel on the U.S. economy at the national, state and local level including travel generated spending, employment, payroll income and tax receipts annually.

TEIM is the only economic model that produces travel economic impact data that can be compared across all 50 states and the District of Columbia, thereby allowing states and localities to assess their share nationally, regionally or within the state.

The travel spending measured by TEIM includes a variety of categories including lodging, food, retail, public transportation, auto transportation, and amusement/recreation. TEIM estimates include:

- Consumer survey, conducted by the U.S. Travel Association as well as other reputable organizations;
- Travel industry data;
- Economic and business statistics from government sources; and
- Travel statistics provided by destinations.

Travel-generated employment and payroll is estimated by multiplying calculated travel expenditures by the employment/sales ratio of each travel-related industry using official governmental statistics (U.S. Departments of Commerce and Labor) at the national, state and local level. Travel-generated tax revenues for federal, state and local governments are estimated by applying tax rates and fees to appropriate travel expenditures and payroll income estimated by the TEIM. National tourism

With stable growth in the U.S. and the world economies in 2011, the U.S. travel industry continued to grow following the increase in 2010. In 2011, domestic and international travelers' spending in the U.S. increased 8.8% over 2010. Of the \$813 billion total, \$696.7 billion was spent by domestic travelers (8.2% increase from 2010) and \$116.3 billion was spent by international travelers

to the U.S. (12.3% increase from 2010). The U.S. travel and tourism industry generated a \$42.8 billion trade surplus in 2011, \$11.1 billion more than 2010 (US Travel Association, 2012).

National Tourism is one of the world's largest industries, employing millions worldwide. The United States Travel Association estimates domestic and international travelers spent \$758.7 billion in the U.S. in 2010 and created more than 14 million jobs (US Travel Association, 2012).

#### State tourism

The most impressive contribution that travel and tourism makes to the South Carolina economy is the number of businesses and jobs it supports. A study prepared for the South Carolina Parks Recreation and Tourism (2010) agency by the United States Travel Association revealed that domestic travel accounted for a direct economic impact of nearly \$10 billion annually and created 107,900 jobs.

Spending on travel or on behalf of tourism in South Carolina totaled \$15 billion in 2010. Tourism supported 1 in 10 South Carolina jobs. Arts, Entertainment, and Recreation account for \$430 million - \$391m direct, \$11m indirect, \$28m induced (US Travel Association, 2012).

#### In-State Leisure Travel in South Carolina

Travel by South Carolina residents inside the state for leisure purposes is the definition of Instate leisure travel. In-state leisure travel parties generate 14% of all domestic trips in South Carolina annually. This is 15% of all domestic visitors and 10% of all domestic visitor-days in South Carolina annually. They stay an average of 1.6 nights, and their median party size is 2 people. Their average party expenditure is \$410 per trip, and children are present on 29% of these trips. Among travel parties on in-state leisure trips in South Carolina 95% of them drive. None report traveling by air on their trip (US Travel Association, 2012).

- In-state leisure travel parties on day trips account for 48% of in-state leisure trips in South Carolina annually. They represent 46% of all in-state leisure visitors and 17% of all in-state leisure visitor-days in South Carolina annually. Their median party size is 2 people. Their average party expenditure is \$180 per trip. Children accompany adults on 23% of these trips.
- In-state leisure travel parties on overnight trips account for 52% of in-state leisure trips in South Carolina annually. They represent 54% of all in-state leisure visitors and 83% of instate leisure visitor-days in South Carolina annually. They stay an average of 3.2 nights with a median party size of 2 people. Their average party expenditure is \$618 per trip. Of these trips, 34% include children (SCPRT, 2010).

#### Domestic Leisure Travel to South Carolina from Out-of-State

Domestic leisure travel parties traveling to South Carolina from out-of-state account for 30% of all domestic trips in South Carolina annually. This is 34% of domestic visitors and 44% of domestic visitor-days in South Carolina annually. Their median party size is 2 people, and they stay an average of 3.8 nights. Their average party expenditure is \$1,105 per trip, and children are present on 35% of these trips. Among domestic leisure travel parties from out-of-state, 87% drive to South Carolina, while 7% travel to South Carolina by air (SCPRT, 2010).

- Domestic leisure travel parties from out-of-state on day trips account for 14% of out of state domestic leisure travel to South Carolina annually. They represent 11% of out-of-state domestic leisure visitors and 2% of out-of-state domestic leisure visitor-days. They have a median party size of

2 people. Their average party expenditure is \$216 per trip. Children accompany adults on 23% of these trips (SCPRT, 2010).

- Domestic leisure travel parties from out-of-state on overnight trips account for 86% of out-of-state domestic leisure travel to South Carolina annually. They represent 89% of out-of-state domestic leisure visitors and over 98% of out-of-state domestic leisure visitor-days. They stay an average of 4.4 nights with a median party size of 2 people. Their average party expenditure is \$1,206 per trip. Children accompany adults on 37% of these trips (SCPRT, 2010).

Local tourism

Coastal Carolina University estimates tourism accounts for a \$6.3 billion economic impact and another \$1.8 billion in indirect economic impact and 73,500 jobs throughout the local community. The tourism industry is made of various industries that benefit directly from traveler spending in South Carolina (USTA, 2012). Accommodations, food services, and amusement are 3 of the top outputs for tourism. Tourism generates \$1.2 billion in State and Local taxes.

Horry County, which includes the resort area of Myrtle Beach, led all counties in travel expenditures, payroll income and jobs directly generated by domestic traveler spending in 2010. Domestic travel expenditures in Horry County reached nearly \$3.1 billion, accounting for 31.8 percent of the state total. These expenditures generated \$612.1 million in payroll income and 36.6 thousand jobs for area residents (USTA, 2012).

Economic impact

Economic impact analysis (EIA) examines the effect of a policy, program, project, activity or event on the economy of a given area. The area can range from a neighborhood to the entire globe. Economic impact is usually measured in terms of changes in economic growth (output or value added) and associated changes in jobs (employment) and income (wages). The analysis typically measures or estimates the level of economic activity occurring at a given time with the project or policy and calculating the difference from what would otherwise be expected if the project or policy did not occur (EMSI, 2013).

Travelers produce “multiplier” impacts on the U.S. economy. In addition to the goods and services that are purchased directly by travelers, the inputs used to produce these goods and services are also purchased through travel industry business operators — indirect travel spending. Furthermore, as a result of spending in the areas by the employees of travel businesses and their suppliers, additional sales are generated - induce output. Total travel related output was \$1.9 trillion in 2011(EMSI, 2013).

Total travel-related employment was 14.4 million in 2011. This indicates that one in 9 U.S. non-farm jobs directly and indirectly relies on the travel and tourism industry. Total travel related employment includes 7.5 million direct tourism jobs — jobs where workers produce goods and services sold directly to visitors — and 6.9 million indirect and induced travel related jobs — jobs where workers produce goods and services used to produce what visitors buy and jobs supported by induced sales (EMSI, 2013).

Total economic impact is equal to the summation of direct, indirect, and induced effects. In terms of the Children’s Museum of South Carolina, direct effects include: expenditures by museums for day-to-day operations, expenditures by museums for annual capital improvements, and spending by tourists. Direct effects initiate additional economic activity to occur, therefore setting off a ripple in the local economy. These ripples fall into two categories, indirect effects, created by business-to-

business transactions, and induced effects, created by business-to consumer transactions. In an economic impact analysis, researchers quantify the direct effects. An input-output model then measures the indirect and induced effects (Tuck & Schwartau, 2012). In this study, researchers reviewed survey data collected by CMSC.

**Direct Impact** – This study defines direct impact as the initial spending as an increased income into an economy (Lee 2001). Specifically, they are the expenditures injected into the Myrtle Beach area by CMSC.

**Indirect Impact** – This study defines indirect impact as the effects from other industries and visitor spending due to the existence of CMSC. Local industry sectors benefitting from CMSC are: restaurants, lodging, retail stores, and other recreation and entertainment activities.

**Induced Effect** – This study defines induced impact as additional rounds of spending and the impacts of household expenditures from wages and salaries. This results as the employees of businesses and their suppliers spend part or all of their earnings in the area. The spending itself generates sales additional to the indirect impact. An economic multiplier is utilized to account for this “ripple effect”. Since, the process of money “cycling” through the local economy is the multiplier effect, the multiplier effect represents the overall economic impact of an event (Lee 2001). Further ripple effects are caused by employees of impacted businesses spending some of their salaries and wages in other business in the host community. According to IMPLAN, the average multiplier score for a museum the size of CMSC is 1.409648. In essence, each employee represents the re-circulation of every dollar they receive .409648 times.

**Total Impact** – the sum of direct, indirect, and induced effects.

#### Employment

Employment represents the number of jobs generated by traveler spending, both full and part-time (SC DOT 2003). Total personnel expense at the Children’s Museum of South Carolina is \$158,130. There is a general manager and eight staff members employed at the Children’s Museum. In addition, there are several part time workers that assist the programs, seasonally. “After two years of declines, travel-generated employment increased 1.9% to 7.5 million in 2011” (USTA, 2012).

In 2011, travel expenditures directly generated \$195.6 billion in payroll income for Americans, as well as \$124.1 billion tax revenue for federal, state and local governments. After five years of consecutive declines, business travel started to grow in 2010 and continued to increase in 2011 (USTA, 2012).

#### Visitors/Ticket Sales

Ticket sales can be grouped into four categories: General Admission, Membership, Birthday Party, and Museum Rental. Visitors traveled from 46 states and the District of Columbia. In addition, travelers came from 18 different countries.

The total ticket sales for the Children’s Museum of South Carolina in 2012 were \$158,918 (Table 2). CMSC enjoyed a 25.6% increase in attendance and a 35.6% increase in field trip attendance over the previous year. The museum connected with 42,420 patrons, 17,616 adults and 24,804 children. There were 1654 adults and 6449 children who experienced the museum through community outreach efforts. There were 34,317 visitors to the museum.

#### Merchandise

The merchandise consists of refreshments, tie dye t-shirts, Children's Museum of South Carolina souvenir and gift items. Also, that is revenue from several exhibits: hurricane simulation, gem mining, and fossil dig. The museum sold \$19,979 of merchandise in 2012. This is an average of \$2.70 per person.

#### Business to Business Expenditures

The Children's Museum of South Carolina utilizes local vendors, financial and insurance services, transportation services, food, and equipment services and suppliers. In 2012, the museum spent \$5,494 on in-house exhibits and \$30,790 on traveling exhibits. Expenditures include \$37,502 on facilities which include utilities, supplies, supplies, building restoration and maintenance. There are several sources of marketing related expenditures. General advertising, public relations, printing and reproduction cost \$23,124. Total fundraising expense was \$12,777. (Children's Museum of South Carolina, 2013).

#### Lodging

For CMSC, there were 17,550 individuals who patronized the museum with overnight stays. These individuals comprised 4806 families, averaging 3.6 individuals per family. The average daily rate for hotels in 2012 was \$99.26 (Smith Travel Research, 2011). There were 26,430 total room nights (Table 1). Visitors associated with CMSC spent an average of \$2,643,000 on lodging.

Table 1: Total Room Nights (Children's Museum of South Carolina 2013)

Number of Hotel Nights	Number of Families	Room nights	Total room nights \$
1	113	113	\$11,300.00
2	309	618	\$61,800.00
3	509	1527	\$152,700.00
4	604	2416	\$241,600.00
5	528	2640	\$264,000.00
6	673	4038	\$403,800.00
7	1482	10374	\$1,037,400.00
8+	588	4704	\$470,400.00
		<b>26430</b>	<b>\$2,643,000.00</b>

#### Entertainment, Food, and Shopping

Nearly a third of food and beverage business comes from tourism (USTA, 2012). Entertainment and recreation impact is defined as visitor spending on user fees, admissions at amusement parks and attractions, attendance at nightclubs, movies, shows, other sports events, and all other forms of entertainment and recreation (U.S. Travel Data Center, 2006) while traveling.

The food service sector, which includes restaurants and other eating and drinking places, provided more jobs than any other industry sector. During 2010, domestic traveler spending in this sector supported 54.2 thousand jobs, accounting for over half (50.3%) of the state total jobs generated by domestic travel. The labor-intensiveness of these businesses and the large proportion of travel expenditures spent on food service together contribute to the importance of this sector (USTA, 2012).

Food expenditures are defined as spending in commercial eating facilities and grocery stores or carry-outs (U.S. Travel Data Center 2006). Grand Strand leisure travelers spent an average of \$121 per person per day. Furthermore, visitors typically use their own car as their primary transportation (88%). Most Grand Strand visitors (49%) stayed in hotels, while 29% stayed in condos and villas (Statistical Abstract,, 2013).

Since the average family size is 3.65, the average family expenditure is \$442. Subtracting the ADR of \$100, the group spends an average of \$342 per day on non-lodging expenditures. This amount equals \$94 per person in non-lodging expenditures. There were a total of 97,522 heads in beds (individuals multiplied by the total number of days visited). We are able to estimate the food, entertainment, shopping value at \$913,868.

#### Additional Impacts

There are several intangible benefits generated by the Children’s Museum of South Carolina. Among the intangible benefits are word of mouth communication and social media exposure, which enhance national and international recognition. Furthermore, there are social benefits enhance the reputation of the local area. Across the United States, museums are considered an integral part of the community fabric and an important factor in the quality of life. “Arts and culture helps foster creativity, bridges class divides, retains college graduates, recruits companies, and raises the quality of life” (Trainer, 2010). In general, the presence of CMSC increases its host city’s overall marketability. Other benefits include an increase in community visibility, positive psychic income, and an enhancement in community image (Lee, 2001). Prestige means more visitors (McCartha, 2002). A successful children’s museum is a valuable recruiting tool to attract existing and future families.

#### Total (economic)Impact

The economic impact of the Children’s Museum of South Carolina is affected by the following activities (Children’s Museum of South Carolina, 2013):

Employment	\$158,130
Ticket Sales	\$147,767
Merchandise	\$19,979
Marketing/PR	\$23,124
Educational programs/events	\$7,957
Exhibits	\$5,494
Entertainment/meals/shopping	\$913,868
Lodging	\$2,643,000

Facilities \$37,502

Fees \$22,259

Table2: Total Economic Impact

EXPENDITURES	Direct	Indirect	Induced	TOTAL IMPACT
Employment	\$158,130		\$222,908	\$381,038
Ticket Sales		\$147,767		\$147,767
Merchandise		\$19,979		\$19,979
Marketing/PR		\$23,124		\$23,124
Educational programs/events		\$7,975		\$7,975
Exhibits		\$5,494		\$5,494
Traveling exhibits		\$30,799		\$30,799
Fundraisers		\$12,777		\$12,777
Transportation		\$3,380		\$3,380
Entertainment/meals/shopping		\$913,868		\$913,868
Lodging		\$2,643,000		\$2,643,000
Facilities		\$37,502		\$37,502
Fees(Equip rental, ins.,		\$22,259		\$22,259
	<b>\$158,130</b>	<b>\$3,867,924</b>	<b>\$222,908</b>	<b>\$4,248,962</b>

We calculate the total economic impact as the sum of direct, indirect, and induced spending associated with the Children's Museum of South Carolina (Table 2). This study proposes that staff employment is a direct expenditure. The direct impact is \$158,130. In addition, indirect spending is generated with ticket sales, merchandise, advertising, sponsorships, concessions, entertainment, meals, shopping, lodging, and other museum related activities. The indirect impact is \$3,867,924.

Finally, induced expenditures result from the ripple effect that occurs from salaries of wages of museum staff, and spending their households. The economic multiplier representing this effect is 1.40965. The induced impact is \$222,908. Combining direct, indirect, and induced expenditures, we report that the total economic impact from CMSC is \$4,248,962.

#### Implications

Children's museums can be found in 22 countries. This paper has marketing and segmentation implications, by emphasizing the relevance of a children's museum and the possibilities of pinpointing specific travelers for future patronage. In calendar year 2010, according to I-94 data at least 71,393 overseas travelers, excluding Canadians and Mexicans, indicated South Carolina was the first or primary destination on their US trip. Historical data indicates that two of South Carolina's largest overseas visitor origin-countries are Germany and the UK. In calendar year 2010, according

to I-94 data, at least 15,472 UK residents and 14,776 German residents visited South Carolina (SCPRT, 2010). Understanding the geographic origin of visitors to the local area is critical in customizing specific marketing collateral for each group.

The findings of this paper influence destination managers to be aware of their target market's need for memorable experiences. These experiences do not require large amusement parks which are often the focus of advertising in tourist driven areas. The CMSC can partner with destination managers to design these experiences for young children, which will increase tourism and the economic impact. Visitors are willing to stay at a destination longer and spend more money when they have more to see and do. In a collaborative effort, the museum has the ability to promote family-friendly places to play, shop, eat, and stay while visiting. In return, CMSC is able to benefit from partnering entities in cooperative marketing efforts to day-trippers and overnight visitors.

Politically, CMSC is able to present a strong case to the local government in seeking financial and moral support. In addition, the potential political impact of CMSC can result from the ability to influence city government's policies and priorities. CMSC is an integral part of the community, with strong ties with individuals, families, and area businesses. A successful children's museum has the ability to persuade local residents from going elsewhere for an excursion. The museum's associated total economic impact of \$4,248,962 is a significant contribution, not only to the local economy, but to the entire region.

#### Conclusion

This study was made possible with the cooperation and support of the CMSC General Manager. Conducting an economic impact study is important because it is a quantitative evaluation of the presence and effect of a new or changing event on a particular geographic area. This study was designed to examine the effects of the contribution of Children's Museum of South Carolina on the Myrtle Beach economy. Generally, economic impact is represented by measures of spending, employment, payroll, business receipts, and tax revenues (TIAA, 2002).

In Myrtle Beach, influential leaders have created strong initiatives to address staggering tourism in the area due to the recent recession. These same leaders have supported cultural

tourism and lower price family-fun options such as the CMSC. Attracting more tourists and improving the city's image has become the vision of Myrtle Beach. This vision is a win-win for the city and for the CMSC. The CMSC's ability to maintain operations can be seen by continuous contributor support, developing new exhibits, and continuing to increase ticket sales. According to the Association of Children's Museum (2013), 30 million children and families visit children's museums annually. The economic impact of the CMSC mutually benefits the city, county, and state in their vision of a strong tourism focus.

This study set the parameters for direct, indirect, and induced economic impacts. The total impact incorporated assessments of spending generated by employment, tickets, general merchandise, marketing, food and drink, recreation, hotels, and other support services. This paper has provided evidence that a children's museum has had a monumental financial impact on travel, tourism, and the economy of Myrtle Beach area of South Carolina.

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#### ABOUT THE AUTHORS

Jerome Christia serves as Professor of Marketing in the E. Craig Wall, Jr., College of Business Administration at Coastal Carolina University. He earned his Ph.D. from Oklahoma State University. His research has been published in a variety of outlets, including the *American Journal of Business Research*, *Coastal Business Journal*, *Journal of Business and Economic*

*Perspectives*, and the *Journal of the International Society of Business Disciplines*. Jerome serves on the board of directors for the Children's Museum of South Carolina and the Academy of Hope Public Charter School.

Monica B. Fine is an Assistant Professor of Marketing at Coastal Carolina University. Her primary research interests include linking marketing spending to financial performance measures such as firm risk, long-run performance, and financial analyst coverage using econometric modeling. Dr. Fine

**Attachment 3**

received her Ph.D. from Florida Atlantic University. Before pursuing her Ph.D., she taught at Northwest Missouri State University.

**Item 6**

## Appendix 5. Suzanne Cavanagh

### Item 1: Destination Management

Extracts from an article by Suzanne Cavanagh

The marketing and management of cities and regions is a complex task. Get it right and the city or destination brand will be central to driving the local economy, building international and interstate goodwill, attracting major events and reinforcing social cohesion and even civic pride. Get it wrong and it has the potential to destroy local business and create untenable friction between visitors and locals.

#### Moving from Products to Experiences

##### Example

Tasmania has many wonderful tourist sites and an extraordinary history and stunning natural environment, but it was MONA and its story, that has radically changed how Tasmania sees itself and how the world now sees Tasmania.

"The museum has created a new conversation about Tasmania and what the island state is all about." "[It's] also helped stimulate the development of a range of new and more adventurous cultural and food experiences in Hobart". Phil Souter, Corporate Communications and Research Manager, Tourism Tasmania

"What Mona's done is allow those pre-existing industries to float to the surface to where they can be seen and appreciated," he says. "I think it's given everyone courage to do things a little more boldly than before Mona was here and led the way." Brett Steel, Tasmanian Whisky Tours

Waikato Times 6<sup>th</sup> November 2017 Travel

Tasmania: Scene & heard

Adventurers and **culture vultures** alike are flocking here, writes James Stewart.

So long, Sydney, move over, Melbourne. Australia's second-oldest city, Hobart, is the coolest little capital Down Under right now. At weekends it is packed with tourists who have come for the food and easy pace of life, **as much as for Australia's hippest art gallery, Mona.**

#### Creating Strategic branding

A clear **vision** for a destination, city, urban centre or region is fundamental. Knowing *who you are as a destination* means you can more closely target your visitors and as a result, you will likely increase their happiness with their local experience. Visitation is often the lifeblood of local communities attracting spending and revenue. The destination's appeal, therefore, is a key driver of its economic prosperity.

#### Value your assets

Local cultural organisations, galleries, artisans, performers, designers, producers, craftspeople, musicians are all rich assets of the destination. They should be highly valued as such, as they help deliver the unique location story. They can help underpin the rising sharing economy. They can help define and create a region's brand personality.

Suzanne Cavanagh

Social Marketing Strategist | Tourism Marketer | Director at Creative Planet Media

**Attachment 3**

Experienced marketing & communications manager with a strong strategic business focus and a track record of creativity and innovation.

Has worked in mining, film, tourism and arts industries and has many years experience in and in-depth knowledge of marketing for the tourism and travel sectors, both in Australia and the U.K.

Specialties: Extensive background in brand management, campaign strategy, media planning, communication, distribution management & social media.

**Item 6**

## Resolution to Exclude the Public

### Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

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

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

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Business case for full service contact out of Aquatic Services	) Good reason to withhold information exists under Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)
C2. Management lease of Te Rapa Sportsdrome	)	

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

Item C1.	to avoid the unreasonably, likely prejudice to the commercial position of a person who supplied or is the subject of the information to enable Council to carry out commercial activities without disadvantage to enable Council to carry out negotiations	Section 7 (2) (b) (ii) Section 7 (2) (h) Section 7 (2) (i)
Item C2.	to avoid the unreasonably, likely prejudice to the commercial position of a person who supplied or is the subject of the information to enable Council to carry out commercial activities without disadvantage to enable Council to carry out negotiations	Section 7 (2) (b) (ii) Section 7 (2) (h) Section 7 (2) (i)