

Sustainability

In a **finite** system we cannot keep on

- Using resources
- Polluting & creating waste
- Damaging the system

Faster than the system can recover.

AND

We must ensure strong social systems

The way

- Society at large...
- New Zealand
- Hamilton
- Hamilton City Council

Currently operates is **NOT** sustainable.

-
- We need significant change
 - Being a little "Less Bad" won't cut it.
-

For any other high priority change that Council needed to make, would you.....

- Rely on a set of guiding principles that staff 'may' apply

OR

- Build a **SOLID UNDERSTANDING** of the system you are working in and, in this case are totally reliant on.
- Have a **CLEAR PICTURE** of what a successful outcome would look like (In this case what a sustainable HCC would be) and a **VISION** that resonates with staff.
- Concrete **GUIDING PRINCIPLES** that are relevant to staff.
- Have a **PLAN** that spells out how you are going to get there.
- Targets and measures to show **PROGRESS**
- Use the clear and compelling vision developed above to draw in **OUTSIDE RESOURCES** and involve the community (Since much of the required change is outside Council control).
- Leverage engaged citizens to extend the scope of work

These are all part of any best practice approach to achieving change.

TABLED FOR ITEM 5
 S+P MEETING 22
 MARCH 2016.



What we're proposing

- There are just three proposals we're seeking submissions on:
 - Establish a regional services fund: 2015-2025 LTP amendment.
 - Tauhei flood protection project: 2016/17 Annual Plan.
 - Change to water take consent charges: 2016/17 Annual Plan.



Regional services fund

- **Proposal:** To establish a regional services fund.
 - Funded by way of a per property rate of between \$2.07 and \$3.74 (incl. GST).
 - To support surf life saving, Coastguard and rescue helicopter services in the region.
- Amendment to the 2015-2025 Long Term Plan.



Regional services fund continued

- The proposal was developed in collaboration with the Waikato Mayoral Forum.
- It's considered a more equitable and effective way of collecting and distributing monies.
- A regional rate ensures the cost of services available to everyone in the region is spread across Waikato ratepayers.



Regional services fund continued

- Funding criteria includes:
 - Money must be used in a way that helps to save lives.
 - Levels of service will be agreed before funding is provided.
 - Accountability and reporting framework to be approved to help us track how the money is spent.



OPTION 1: \$2.07 PER PROPERTY

 **\$100,000 Coastguard** – increase in the current level of funding provided by Waikato Regional Council and Waikato District Council to address funding gap for the operation of 9 units covering the region (Thames, Whitianga, Tairua, Whangamata, Waihi Beach, Rotorua, Taupō, Turangi, Raglan)

 **\$250,000 Surf Life Saving** – maintains the existing level of funding provided by Waikato Regional Council, and Hauraki, Thames-Coromandel and Waikato district councils

OPTION 2:
\$2.37 PER PROPERTY

PREFERRED OPTION

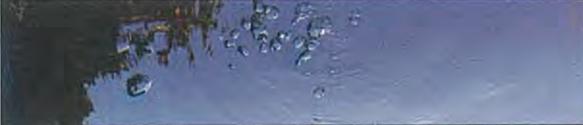
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- \$250,000 Surf Life Saving** – maintains the existing level of funding provided by Waikato Regional Council, and Hauraki, Thames-Coromandel and Waikato district councils
- \$25,000 Auckland Helicopter Trust** – maintains the current level of funding provided by Thames-Coromandel District Council
- \$25,000 Philips Search and Rescue Trust** – maintains the current level of funding provided by Waikato Regional Council and Waikato District Council

OPTION 3:
\$3.74 PER PROPERTY

- \$175,400 Coastguard** – 60 per cent of the funding identified by Coastguard to provide an increased level of service across the region
- \$354,600 Surf Life Saving** – 60 per cent of the funding required by Surf Life Saving to provide an increased level of service, which would include new patrols at Cathedral Cove, Hahei and South Beach Pauanui, and increased support for existing services at Sunset Beach (7 weeks) and Raglan (13 weeks)
- \$50,000 Auckland Helicopter Trust** – Increase in the current level of funding provided by Thames-Coromandel District Council
- \$50,000 Philips Search and Rescue Trust** – increase in the current level of funding provided by Waikato Regional Council and Waikato District Council

Water take consent charges

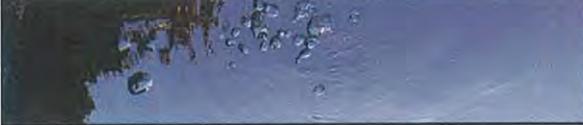
- Proposal:** To change the way we charge fresh water take consent holders for state of the environment monitoring we undertake.
 - There are three options we are seeking submissions on.



Water take consent charges

- Option 1:** Maintains the current method of applying charges.
 - The rate changes to 44 cents per cubic metre up 30,000 cubic metres per day, and 12 cents per cubic metre thereafter.
 - This results in all users seeing a reduction from the 2015/16 charge due to an increase in consent numbers.

more cents makes you penny



preferred opt 2

Water take consent charges

- Option 2:** Based on the current method, but with the addition of a minimum \$65 fee.
 - For those above the minimum fee, a rate would apply of 37 cents per cubic metre up to 30,000 cubic metres per day, and 12 cents per cubic metre thereafter.
 - This is the council's preferred option.
 - The minimum charge of \$65 for the small users would apply to approximately 3,200 consent holders – typically for dairy shed activities.



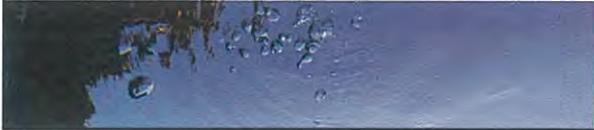
Water take consent charges

- Option 3:** Based on the current method, but with the addition of a minimum \$100 fee.
 - For those above the minimum fee, a rate would apply of 30 cents per cubic metre up to 30,000 cubic metres per day, and 13 cents per cubic metre thereafter.
 - The minimum charge of \$100 for the small users would apply to approximately 3,200 consent holders – typically for dairy shed activities.



What it means for you Hamilton City

2015/16 charge	Option 1 Charge projected for 2016/17	Option 2 Charge projected for 2016/17 + \$65 minimum fee	Option 3 Charge projected for 2016/17 + \$100 minimum fee
\$32,569.24	\$28,350.32	\$25,686.65	\$22,857.2



Tauhei flood protection project

- **Proposal:** Seeking agreement on the cost of works and the funding policy.
 - The works programme has been refined and has increased to an estimated \$4.28 million.
 - Seeking submissions on whether people prefer to make repayments over 20 or 30 years.



Tauhei flood protection project

- We're proposing to fund the work consistent with the Project Watershed Funding Policy.
 - Direct benefit share is assessed to be 50 per cent.
 - Indirect beneficiary, contributor zone rates and the general rate to meet the remaining 50 per cent.



Tauhei: Annual cost comparisons for direct and indirect beneficiaries

\$4.28 million project cost

	20 YEAR LOAN PERIOD	30 YEAR LOAN PERIOD
Direct benefit (50%)	\$208,505	\$172,145
Zone (15%)	\$62,552	\$51,644
Catchment (10%)	\$41,701	\$34,429
Rural contributor (15%)	\$62,552	\$51,644
Region (10%)	\$41,701	\$34,429
Total annual funding requirement	\$417,011	\$344,290

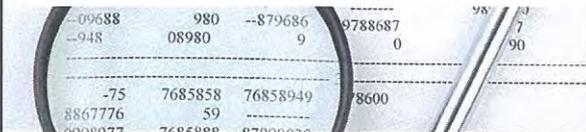
Rates revenue decrease

The 2016/17 programme will be delivered on rates revenue of \$80.5 million, which is a

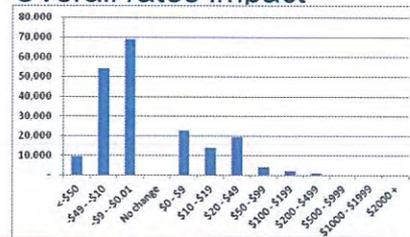
1.3%

decrease from existing ratepayers.

Increased property valuations in some local council areas means some rates invoices might rise.



Overall rates impact





2016/17 CONSULTATION DOCUMENT ANNUAL PLAN

2016/17 MAHERE Ā-TAU

PROPOSED 2016/17 ANNUAL PLAN incorporating an amendment to the 2015-2025 LONG TERM PLAN



Waikato

TABLED FOR ITEM
5
22 MARCH S+P
MEETING.

Mihi

Kei ngā rau kahurangi, koutou i ngaro wawe i te tirohanga kanohi, haere ki tua o Paerau, ki te kāpunipuni o te wairua ki reira okioki atu ai. Otirā, tēnā tātou e te hunga ora puta noa i te rohe, nei noa ake te hau o mihi e rere atu nā ki a koutou, tatū atu hoki ki a Kīngi Tuheitia. Nei anō te Mahere ā-Tau, hei wānanga, hei whiriwhiringa mā tātou kia ngātahitia ai tā tātou hoe, ā, kia tau pai ai tātou katoa ki uta.

This greeting acknowledges that we are all part of a journey, that includes those who have gone before and those still to come. To the many people of the Waikato region, and in particular the Māori King, we give you our warmest greetings. We present to you the annual plan as a matter of consideration and discussion with the hope that we can continue our journey together until we arrive at our destination.

MESSAGE FROM THE CHAIRPERSON AND CHIEF EXECUTIVE

HE KUPU WHAKAMIHI NĀ TE MANUKURA ME TE TUMU WHAKARAE



Almost 12 months ago we signed off on a 10 year plan that responds in a responsible way to the key issues and opportunities facing our region.

And the good news is that things are going great – we're on track to implement that plan to help us achieve our key priorities of land and water, coastal and marine, iwi Māori co-governance, regional development and community partnerships.

Local Government Act changes in 2014 now mean we only consult on any significant changes we make to our 10 year plans. So there are only two proposals for the 2016/17 Annual Plan and one 2015-2025 Long Term Plan (LTP) amendment on which we're seeking submissions.

PROPOSED 2015-2025 LTP AMENDMENT

1 The first is around whether you support us collecting a rate to establish a regional services fund on behalf of councils in the Waikato to support surf life saving, Coastguard and rescue helicopter services in our region.

We've followed a robust process in collaboration with the Waikato Mayoral Forum – comprising 10 mayors and the regional council chair – prior to agreeing the three options for a possible regional services fund, and the forum has been supportive of us collecting a regional rate.

A number of councils in the region have already been funding these services, but they agree that a regional rate is a more equitable and effective way of collecting monies for services available to everyone in the Waikato.

But we really want to know what you think of this proposal, which is an amendment to our LTP. We encourage you to read more about it on pages 2 and 3 of this document and to take this opportunity to share your opinions with us.

3 Our third proposal relates to a change in the way we charge fresh water take consent holders for state of the environment monitoring we undertake. This monitoring is even more important now with the increased demand for our fresh water. We'll be writing to affected consent holders to provide more detailed information, but have included information on page 5 of this consultation document so you can read more about this proposal.

We're conscious of the need to keep a tight focus on costs for 2016/17. We're proposing to collect about \$80.5 million in rates revenue in the next financial year – this equates to a reduction in rates revenue from existing ratepayers of about 1.3 per cent. The decrease is driven by lower inflation, more rateable properties due to regional growth, and the removal of the Lake Taupō protection and TBfree rates.

However, it's really important to note that not all ratepayers will see a decrease in their rates bill – in fact for some, their invoices will rise as a result of increased property valuations seen in the past year in some city and district council areas.

To understand what impact this will have on the rates for your property, head to the council's website: waikatoregion.govt.nz/rates.

We're excited about the year ahead and the work we'll be doing with others to unlock its potential. The future of the Waikato is looking bright and this is your chance to be involved. We welcome and value the opinions of our residents and ratepayers, and look forward to receiving your submissions.

2016/17 ANNUAL PLAN PROPOSALS

2 We're also going to be doing targeted consultation with landowners on the funding mechanism for capital works to prevent flooding of the land adjacent to the upper Tauhei stream.

It's been really important to us that landowners in this area have had an opportunity over recent months to meet with staff about the works we're planning to carry out in the area, reasons for them and the benefits that will result. Now it's time to get agreement on whether we proceed with the works and how they'll be funded. You can read more about the project on page 4 of this document.

Paula Southgate
Chairperson

Vaughan Payne
Chief Executive Officer

REGIONAL RATE PROPOSED FOR LIFE-SAVING VOLUNTARY EMERGENCY SERVICES



KEI TE WHIRIWHIRIHIA TĒTEHI RĒTI Ā-ROHE MŌ NGĀ RATONGA OHOTATA TŪAO WHAKAORA

WE'RE PROPOSING TO COLLECT A RATE TO ESTABLISH A REGIONAL SERVICES FUND ON BEHALF OF LOCAL COUNCILS TO SUPPORT SURF LIFE SAVING, COASTGUARD AND RESCUE HELICOPTER SERVICES IN THE WAIKATO.

A number of councils in the region have already been funding these services, but recently the Waikato Mayoral Forum has agreed that a regional rate will streamline the collection and distribution process and enable local government funds to be delivered appropriately. Councils have also told us a regional rate will ensure the cost of services available to everyone in the region is spread across Waikato ratepayers.

Through submissions to our 2015-2025 Long Term Plan (LTP) last year, we also received requests from Surf Life Saving NZ and Coastguard Northern Region to collect a regional rate to fund voluntary emergency services.

They told us the funding they receive from local councils falls short of current needs, and it's inefficient to seek variable amounts of funding from multiple councils in the one region.

In response to submissions, we resolved to work with the Waikato Mayoral Forum – comprising all mayors and the regional council chair – on options for consultation with the public.

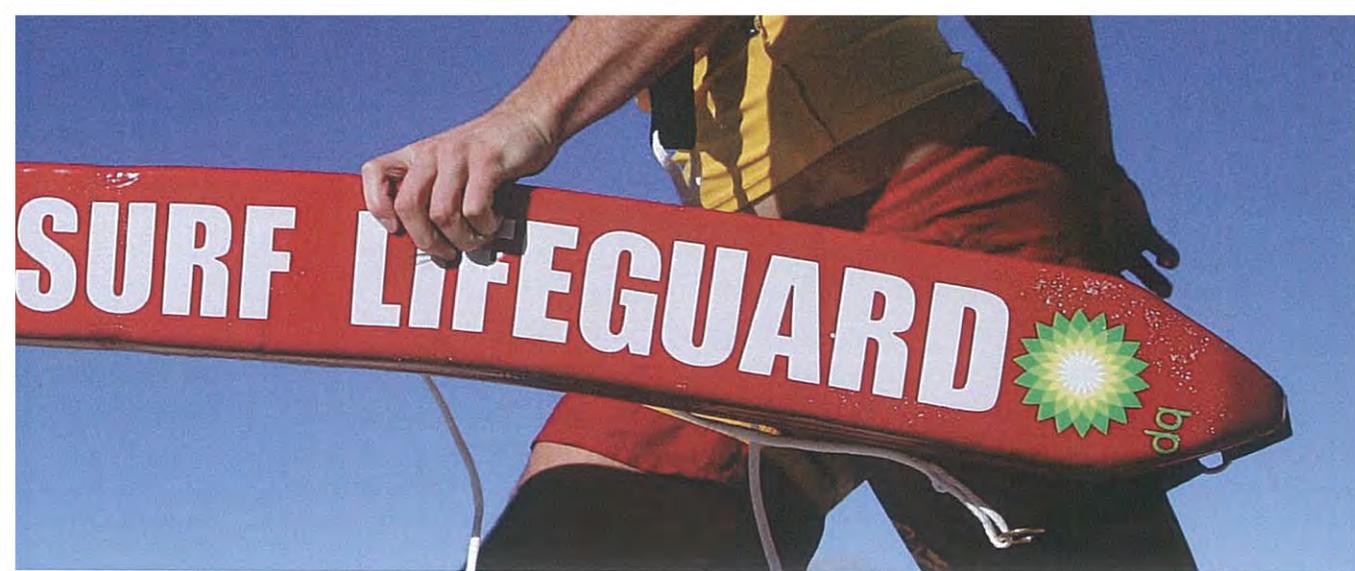
We've done that, and now we're seeking public feedback on three options which propose a per property rate of between \$2.07 and \$3.74 (including GST). One option does not include funding for the two rescue helicopters which cover our region and are operated by the Hamilton-based Philips Search and Rescue Trust and the Auckland Helicopter Trust.

If we don't get support for establishing the fund, then the regional council will continue to provide its current level of funding to Coastguard, Surf Life Saving Northern Region, and the Philips Search and Rescue Trust.

However, if we decide to go ahead with establishing a regional services fund for the next two years, this will replace funding your local council may already have been providing. This would also lead to a change to our Revenue and Financing Policy, which is why we are proposing an amendment to our 2015-2015 LTP.

OPTION 1: \$2.07 PER PROPERTY	OPTION 2: \$2.37 PER PROPERTY 	OPTION 3: \$3.74 PER PROPERTY
 \$100,000 Coastguard – increase in the current level of funding provided by Waikato Regional Council and Waikato District Council to address funding gap for the operation of 9 units covering the region (Thames, Whitianga, Tairua, Whangamata, Waihi Beach, Rotorua, Taupō, Turangi, Raglan)	 \$100,000 Coastguard – increase in the current level of funding provided by Waikato Regional Council and Waikato District Council to address funding gap for the operation of 9 units covering the region (Thames, Whitianga, Tairua, Whangamata, Waihi Beach, Rotorua, Taupō, Turangi, Raglan)	 \$175,400 Coastguard – 60 per cent of the funding identified by Coastguard to provide an increased level of service across the region
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 \$25,000 Auckland Helicopter Trust – maintains the current level of funding provided by Thames-Coromandel District Council	 \$50,000 Auckland Helicopter Trust – increase in the current level of funding provided by Thames-Coromandel District Council	 \$50,000 Auckland Helicopter Trust – increase in the current level of funding provided by Thames-Coromandel District Council
 \$25,000 Philips Search and Rescue Trust – maintains the current level of funding provided by Waikato Regional Council and Waikato District Council	 \$50,000 Philips Search and Rescue Trust – increase in the current level of funding provided by Waikato Regional Council and Waikato District Council	 \$50,000 Philips Search and Rescue Trust – increase in the current level of funding provided by Waikato Regional Council and Waikato District Council

 **VISIT**
waikatoregion.govt.nz/annualplan to make a submission on these options.



WE'LL FUND

The money collected goes to emergency services in the region that are registered charities.

We have had a form of existing funding arrangement with various organisations within the Waikato region. As a result, it is proposed that the fund be managed by the Waikato Surf Life Saving Northern Region, Coastguard, Philips Trust and Auckland Helicopter Trust.

The fund model could be reviewed and expanded during the 2018-2022 Long Term Plan (LTP) to include additional emergency services where appropriate. Further change would only be made after consultation with the community through the LTP review.

The money will be used in a way that helps to save lives and protect things as buildings and vehicles – so we're proposing to clarify how the money is spent. This is proposed to include: support for emergency services, including the purchase of life-saving equipment, training and volunteer costs

the overhead costs of individual units, clubs or areas

support for things such as rescue, emergency or life support services.

It is also important the money stays in the region. So, in our funding criteria, we've said money granted can only be used

to deliver services in the Waikato region and cannot be used to cover the overhead costs of the umbrella organisation, unless the costs are incurred specifically supporting individual units, clubs or areas.

How will we know the money is being spent as intended? Well, prior to any funding being paid to the recipient organisations we'll agree on the levels of service to be provided. The council will also first approve an accountability and reporting framework to help us track how the money is being spent.

WHAT THE LOCAL COUNCILS THINK

This proposal has been developed in collaboration with all councils in the region, through the Waikato Mayoral Forum.

WHEN WILL THE FUND BE REVIEWED?

It is proposed to undertake a review of the fund – including the recipient organisations and grant amounts – through our next long term plan, which will be in two years.



waikatoregion.govt.nz/annualplan for more detail on the regional services fund proposal and to make a submission.



TAUHEI FLOOD PROTECTION PROJECT UPDATE

NGĀ KARERE HŌU MŌ TE ĀRAI WAIPUKE KI TAUHEI

AS A RESULT OF ADDITIONAL WORK OVER THE PAST YEAR TO REFINE THE TAUHEI FLOOD PROTECTION UPGRADE, WE ARE SEEKING AGREEMENT ON THE COST OF WORKS.

During the 2015-2025 Long Term Plan (LTP), we responded to landowners who wished for more extensive flood mitigation works in the area. At the time the initial project cost was estimated to be \$3.25 million based on standard construction methods.

Since the 2015-2025 LTP was adopted, the cost of the project covering all investigation, design, consents, community consultation, procurement of contractors and contract management, construction and environmental improvements has increased to an estimated \$4.28 million. The increase is due to:

- enlarging the project to include the Mangatea tributary
- an improved understanding of on-site conditions and construction requirements
- current market construction costs that are expected to increase during the implementation of the project.

Late last year our staff met with local landowners and had two open day events as part of pre consultation on the 2016/17 Annual Plan to discuss the works we intend carrying out, reasons for them and the benefits that will result.

WHAT WE PLAN TO DO

The work will involve widening stream channels and floodways, shifting stopbanks back from the edges of streams, and building new stopbanks. As a result of these works, there will be:

- a consistent standard of protection from floods up to the 10-year event
- a reduction in the frequency, depth and duration of flooding
- improvements to the drainage and floodway system across the whole catchment
- more stable channels and stream banks.

MORE INFORMATION

As part of the 2016/17 Annual Plan process, we'll be contacting landowners in this catchment directly to provide them with an update on the projected cost of the works, and to demonstrate the impacts of the funding apportionment we're proposing.



waikatoregion.govt.nz/annualplan to read the newsletter to landowners and to make a submission.

HOW THE WORK WILL BE FUNDED

In the LTP, we proposed a funding policy based on 75 per cent funded by direct beneficiaries with the remaining 25 per cent funded by zone (15 per cent) and region (10 per cent).

We have revised this funding policy, consistent with the Project Watershed Funding Policy. The direct benefit share of funding is assessed to be 50 per cent of the total cost. The remaining 50 per cent is funded by indirect beneficiary and contributor (zone, catchment and region) rates.

To help make the payment costs more manageable for people, we are seeking feedback on whether people would prefer to make payments over either 20 or 30 years.

However, it should be noted that while increasing the payback period to 30 years decreases the annual cost and may make repayments more affordable, it does increase the total cost paid over the life of the loan.

ANNUAL COST COMPARISONS FOR DIRECT AND INDIRECT BENEFICIARIES: \$4.28M PROJECT COST

	20 year loan period	30 year loan period
Direct benefit (50%)	\$208,505	\$172,145
Zone (15%)	\$62,552	\$51,644
Catchment (10%)	\$41,701	\$34,429
Rural contributor (15%)	\$62,552	\$51,644
Region (10%)	\$41,701	\$34,429
Total annual funding requirement	\$417,011	\$344,290

WATER TAKE CONSENT FEES REVIEW

AROTAKENGA MŌ TE NAMA WHAKAAETANGA KIA TANGO WAI

WE'RE PROPOSING A CHANGE TO THE WAY WE CHARGE FRESH WATER TAKE CONSENT HOLDERS FOR STATE OF THE ENVIRONMENT MONITORING WE UNDERTAKE.

The need to actively manage fresh water is especially important now due to the increased demand for it.

The charge helps the council recover part of the cost of its monitoring, which is generally incurred as a result of a consent holder's activity. As such, the charge is not for the use of water. Our work includes monitoring of groundwater and rivers to determine allocable fresh water; and investigations into the value of the water bodies to be managed, including existing water takes, fish, invertebrates, biodiversity and water quality.

The way that we apply our state of the environment monitoring charges was changed last year following consultation on our 2015-2025 Long Term Plan (LTP). As a result, we moved from having four-step charges to a graduated charge.

The overall impact of the change saw a reduction in charges for about 64 per cent of current consent holders, with increases for consent holders with larger takes.

We have since received feedback from a small number of consent holders concerned about the increase in costs to them and have taken another look at how the charges are applied.

As a result, we are asking for feedback on three options. One maintains the current method of applying charges, while the other

two options, also based on the current method, propose the addition of a minimum fee of \$65 or \$100. The council's preferred option is to introduce a \$65 minimum fee to reflect that all consent holders receive benefit from our work in this area.

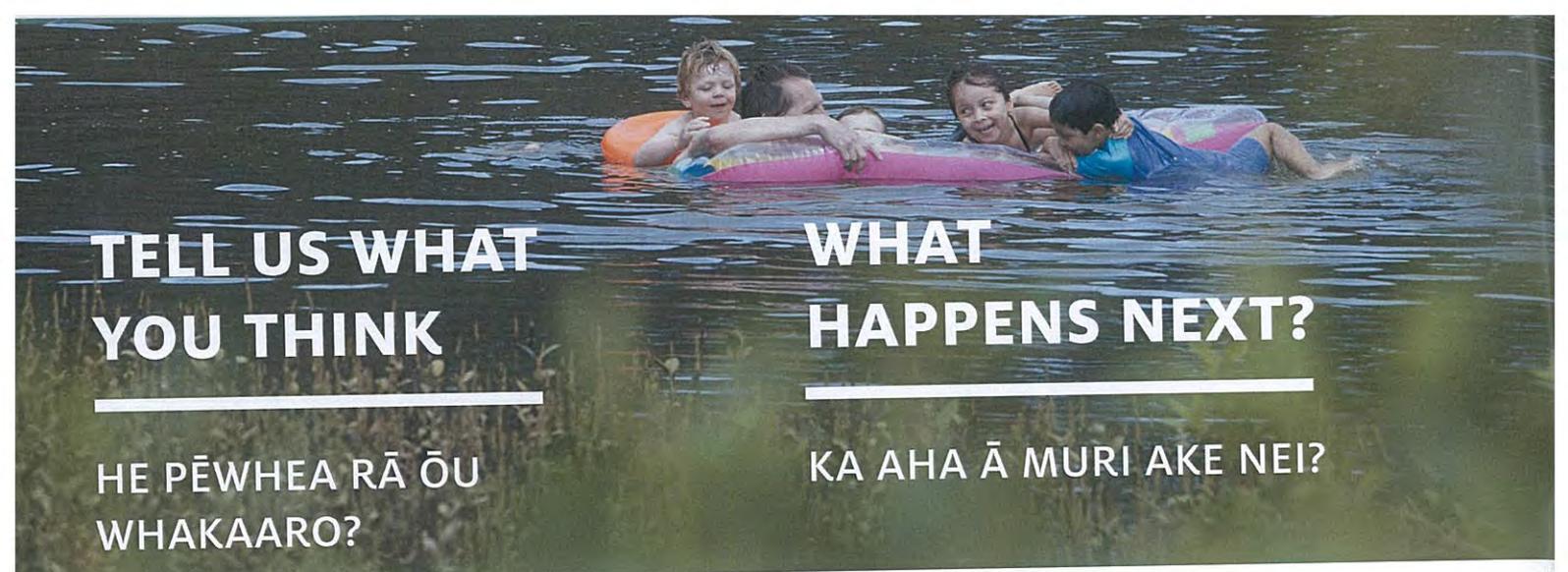
As part of the 2016/17 Annual Plan process we'll be writing to all affected consent holders to provide more detailed information on the options we're proposing and how they could apply to them.



waikatoregion.govt.nz/annualplan for more information and to make a submission.

Daily maximum take size m ³ /d				
	Current charge 2015/16	OPTION 1 Current charge but projected for 2016/17 ¹	OPTION 2 Projected charge for 2016/17 with addition of minimum fee of \$65	OPTION 3 Projected charge for 2016/17 with addition of minimum fee of \$100
15	\$7.95	\$6.60	\$65.00	\$100.00
50	\$26.50	\$22.00	\$65.00	\$100.00
100	\$53.00	\$44.00	\$65.00	\$100.00
250	\$132.50	\$110.00	\$92.50	\$100.00
500	\$265.00	\$220.00	\$185.00	\$150.00
1000	\$530.00	\$440.00	\$370.00	\$300.00
2000	\$1060.00	\$880.00	\$740.00	\$600.00
5000	\$2650.00	\$2200.00	\$1850.00	\$1500.00
7500	\$3975.00	\$3300.00	\$2775.00	\$2250.00
10,000	\$5300.00	\$4400.00	\$3700.00	\$3000.00
30,000	\$15,900.00	\$13,200.00	\$11,100.00	\$9000.00
50,000	\$17,900.00	\$15,600.00	\$13,500.00	\$11,600.00
100,000	\$22,900.00	\$21,600.00	\$19,500.00	\$18,100.00

¹Projected charge is less than for 2015/16 due to a large number of new consents.



TELL US WHAT YOU THINK

HE PĒWHEA RĀ ŌU WHAKAARO?

WHAT HAPPENS NEXT?

KA AHA Ā MURI AKE NEI?



DO IT ONLINE

We're making it easier for you to have your say – and saving costs at the same time!



VISIT

waikatoregion.govt.nz/annualplan and click the link to the online submission form.



REGISTER

your details, if you haven't before. Now you'll be able to read and provide feedback on our proposals.



READ

something you want to have your say on? Tell us about it by clicking on 'add comments' and then follow the prompts.



SUBMISSIONS

close at 4pm on Monday, 11 April 2016. You will be sent a written explanation of the outcome of your submission after deliberations have taken place.

WANT TO SUBMIT BUT DON'T HAVE ACCESS TO A COMPUTER OR THE INTERNET

YOUR SUBMISSION CAN ALSO BE

FAXED TO
07 859 0998



EMAILED TO
haveyoursay@waikatoregion.govt.nz



POSTED TO
Planning and Performance
Measurement Team
Freepost 118509
Waikato Regional Council
Private Bag 3038
Waikato Mail Centre
Hamilton, 3240



DELIVERED TO
Waikato Regional Council
401 Grey Street
Hamilton East
Hamilton, 3216



11 MARCH 2016

CONSULTATION BEGINS

Go to waikatoregion.govt.nz/annualplan to make your submission online. Please make written comments as clear as possible.

11 APRIL 2016

CONSULTATION ENDS AT 4PM

Please make sure all submissions are received by the close-off time and date.

10-11 MAY 2016

HEARINGS

Members of the public are welcome to listen to hearings. Meeting details are available at waikatoregion.govt.nz/agendas. If presenting, please use the time to highlight the most important aspects of your submission.

31 MAY AND 1 JUNE 2016

DELIBERATIONS

Councillors will meet to discuss the submissions and make final decisions on the 2016/17 Annual Plan | Mahere ā-Tau 2016/17, and amendment to the 2015-2025 LTP.

30 JUNE 2016

ANNUAL PLAN ADOPTED

The final 2016/17 Annual Plan | 2016/17 Mahere ā-Tau and amendment to the 2015-2025 LTP will be adopted during the council meeting. A copy of the plan will then be available at waikatoregion.govt.nz/annualplan.

ENQUIRIES: FREEPHONE 0800 800 401.

SUBMISSION FORM | Puka tāpaetanga

SUBMITTER

Title (please circle): Dr Mr Mrs Ms Miss Other (please specify)

First name: Surname:

Organisation/group submitting (if applicable):

Postal address (Please ensure you provide your full postal address, including rural delivery and postcode):

.....

.....

..... Postcode:

Phone (daytime): Mobile:

Email (please print):

I wish to present these comments to the council in person at the hearings. Yes No

Hearings are scheduled for 10-11 May 2016. You will be notified when to appear.

Signed:

YOUR SUBMISSION

Note that your submission and any information you supply as part of your submission is considered public information and will be available in reports and documents relating to this process and may be published on our website at www.waikatoregion.govt.nz.

Only submissions on proposals in the consultation document will be considered by the council.

REGIONAL SERVICES FUND PROPOSAL: 2015-2025 LTP AMENDMENT

Q: Do you support us collecting a rate on behalf of local councils for a regional services fund? (tick one) Yes No

Q: Which option do you prefer? (tick one) Option 1 Option 2 Option 3

Q: What do you think of the proposed criteria for funding regional services?

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Please turn over

READ MORE ABOUT IT

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One document that includes:

- Regional services fund criteria
- Information from background reports to the Waikato Mayoral Forum and Waikato Regional Council
- Amended financial statements for the regional services fund
- Revenue and financing policy rationale

FINANCES

- Financial statements
- Funding impact statement
- Rating impacts for sample properties



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freephone 0800 800 401 to request a copy.



Independent Auditor's Report on Waikato Regional Council's Consultation Document

I am the Auditor-General's appointed auditor for Waikato Regional Council (the Council).

The Council is proposing to amend its 2015-2025 Long-Term Plan (the LTP) by collecting a new region-wide targeted rate to establish a regional services fund. The creation of a new region-wide targeted rate would require a change in the Revenue and Financing Policy.

The Council is also consulting on two proposals for its 2016/17 annual plan. These proposals represent changes from the information and forecasts in the LTP for 2016/17.

In this situation, the Local Government Act 2002 (the Act) requires the Council to prepare a combined consultation document. The Act also requires an audit report on whether the consultation document provides an effective basis for public participation in the Council's proposal to amend the LTP, and the quality of the underlying information and assumptions in the document.

We have audited the information in the Consultation Document about the proposed LTP amendment but not the annual plan proposals.

We carried out the audit using the staff and resources of Audit New Zealand. We completed the audit on 10 March 2016.

Opinion

In my opinion:

- the information in Consultation Document about the proposed amendment of the LTP provides an effective basis for public participation in the Council's decisions about the proposed amendment, because it:
 - fairly represents the reasons for and implications of the proposed amendment; and
 - identifies and explains the main issues and choices facing the Council and region, related to the proposed amendment; and
- the information and assumptions underlying the information in the Consultation Document related to the proposed LTP amendment are reasonable.

Basis of Opinion

We carried out our work in accordance with the Auditor-General's Auditing Standards and the:

- International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information;
- International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information, and
- ethical requirements in those standards.

We assessed the evidence the Council has to support the information and disclosures in the Consultation Document related to the proposed LTP amendment. To select appropriate audit procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the Consultation Document.

We did not evaluate the security and controls over the publication of the Consultation Document.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the Consultation Document whether in printed or electronic form;
- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a Consultation Document that meets the purposes set out in the Act; and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

I am responsible for reporting on the Consultation Document, as required by section 93D of the Act. I do not express an opinion on the merits of any policy content of the Consultation Document.

Independence

We have followed the independence requirements of the Auditor-General, which incorporate those of the External Reporting Board. Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council.



Clarence Susan
Audit New Zealand
On behalf of the Auditor-General, Tauranga, New Zealand

HE TAIAO MAURIORA

HEALTHY ENVIRONMENT

HE ŌHANGA PAKARI

STRONG ECONOMY

HE HAPORI HIHIRI

VIBRANT COMMUNITIES

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Waikato

REGIONAL COUNCIL
Te Kaunihera ā Rohe o Waikato

TABLED FOR ITEM 9

22 MARCH 2016 STP MEETING

**HCC Sustainability Advisory Panel
Comments on Council Report:
'Sustainability at Hamilton City Council',
Strategy and Policy Committee, 22 March 2016**

Overview

- **The Panel welcomes the opportunity to comment on this Report.**
- **The Panel also welcomes the developments that have enabled the work that it completed in March 2014 to now be considered properly by Council.**

The 'Stocktake' Document (1)

- The 'Stocktake' document appended to the Report is an apparently comprehensive and very useful resource.
- It shows that Council is engaged in several major initiatives that are contributing to sustainability as well as a wide range of activities that have the potential to impact on sustainability.
- The Panel welcomes the adoption in the 'Stocktake' of the Full Sustainability Model recommended in the Panel's report.

The 'Stocktake' Document (2)

- The Full Sustainability Model has the potential to guide transition of Hamilton towards becoming more sustainable, but the recommendations in the Report lack the processes and concrete actions required to achieve this.
- The 'Stocktake' demonstrates that Council's actions pertaining to sustainability are not focussed or integrated and lack clear objectives.
- The 'Stocktake' does not identify the key indicators of progress towards sustainability and there is little mention of intentions to measure such progress. There is reference to a 'sustainability rating tool' but no indication of what it will measure or how.

The 'Stocktake' Document (3)

On the basis of the 'Stocktake', the Panel concludes that Council has no means of:

- Assessing the effectiveness of its actions related to sustainability
- Knowing whether it has prioritised its actions correctly
- Knowing whether the resources allocated to these actions are sufficient, excessive, or insufficient.

This seems to be an undesirable situation.

The Example of Energy Efficiency

- The Energy Efficiency section of the 'Stocktake' is an example of an unbalanced approach to sustainability.
- There is considerable and commendable detail on improving the Council's internal uses of energy.
- However, there is little acknowledgement of the much larger impact that Council strategies can have on energy use by the public, for example in subdivision layout, spatial planning, transport modes, and demonstration and advisory services.

Assessment of Significance (1)

- **The Report states that ‘a decision in accordance with the recommendations is not considered to have a high degree of significance’.**
- **The Panel considers that this position is logically untenable because the field of sustainability includes preparation and planning for the greatest risks to Hamilton’s economy and wellbeing that will occur over the next 20 years and beyond.**
- **The Panel also notes that the statement implies that the Council’s commitment to the Local Government Leaders Climate Change Declaration does not have high significance – which is surprising.**

Assessment of Significance (2)

- The statutory import of 'low significance' means that the sustainability principles and strategies do not need public consultation.
- To the contrary, the Panel believes that the public needs to be involved because the transition to a truly sustainable Hamilton can only happen with public input and commitment.
- The Council will struggle to implement sustainability policies without strong public understanding of the need for them.
- The essential public acceptance of the need to plan for the impacts of climate change would best be achieved through a consultation process.

Recommendations from Management (1)

- The Panel supports the recommendation that a set of Sustainability Principles be developed.
- However, the Panel disagrees strongly with Management's view that sustainability can be implemented effectively through these principles being 'considered when developing or reviewing strategies, policies and plans' (Report paragraph 30).

Recommendations from Management (2)

- **Management’s proposed approach will not provide overall measurable objectives or outcomes for sustainability.**
- **This approach also overlooks the need to resolve at a Council/Management level any conflicts between some of the Councils’ objectives (such as aspects of economic growth) and other objectives that will ensure healthy and sustainable environmental systems.**

Recommendations from the Panel (1)

- That a set of sustainability principles be developed, as proposed by Management.
- That specific and measurable Hamilton City sustainability goals/objectives be established in each of these elements:
 - Climate Change Mitigation
 - Climate Change Adaptation (direct effects and also responses to global, national, and regional economic effects)
 - Energy Efficiency
 - Adaptation to Energy Costs (direct effects and also responses to global, national, and regional economic effects)
 - Transport
 - Land Use
 - Biodiversity
 - Water
 - Waste.

Recommendations from the Panel (2)

- That concrete and practical measures of progress towards each of these objectives be specified, basing these measures on internationally well-regarded procedures and standards, and integrated into sub-plans for Waste, Water, Energy, Transport, Climate Change, Biodiversity, and Land Use.
- That each Business Unit work to specific objectives, actions, and targets to contribute to the overall objectives.
- That these expected contributions be included as KPIs in each Business Unit, according to standard practice.

TABLED FOR
ITEM 10
22 March StP
Minutes
Meeting

