
Council Kaunihera OPEN MINUTES

Minutes of a meeting of the Council held in Council Chamber and Audio Visual Link, Municipal Building, Garden Place, Hamilton and audio visual link on Thursday 16 December 2021 at 9.34am.

PRESENT

Chairperson Mayor P Southgate
Heamana

Deputy Chairperson Deputy Mayor G Taylor
Heamana Tuarua

Members

- Cr M Bunting
- Cr M Gallagher
- Cr R Hamilton
- Cr D Macpherson
- Cr M Donovan
- Cr R Pascoe
- Cr S Thomson (Exclusively via audio visual link)
- Cr M van Oosten
- Cr E Wilson

In Attendance

- Lance Vervoort – Chief Executive
- Sean Murray – General Manager Venues, Tourism and Major Events
- Chris Allen - General Manager Development
- Eeva-Liisa Wright - General Manager infrastructure Operations
- Sean Hickey – General Manager Strategy and Communications
- David Bryant - General Manager People and Organisational Performance
- Blair Bowcott - General Manager Growth
- Andrew Parsons – Executive Director Strategic Infrastructure
- Michelle Hawthorne - Legal Services Manager
- Julie Clausen - Unit Manager Strategy and Corporate Planning
- Katy Nudd - Business Planning Analyst
- Greg Carstens - Growth, Funding and Analytics Unit Manager
- Stephen Halliwell – Water Reform Financial Advisor
- Justine Kennedy - Project Manager Special Projects
- Nigel Ward - Communication and Relationships Manager, Three Waters Reform
- Hannah Windle – Special Projects Manager

Governance Staff

- Becca Brooke – Governance Manager
- Amy Viggers – Governance Team Leader
- Tyler Gaukrodger – Governance Advisor

The meeting was opened with a karakia from Tame Pokaia.

1. Apologies – *Tono aroha*

Resolved: (Mayor Southgate/Deputy Mayor Taylor)

That the apologies for absence from Cr O’Leary and Naidoo-Rauf are accepted.

2. Confirmation of Agenda – *Whakatau raarangi take*

Resolved: (Mayor Southgate/Deputy Mayor Taylor)

That the agenda is confirmed noting that:

- a) item 19 (Founder Theatre Site -TOTI proposals request for extension) will be taken after item 4 (Public Forum) to accommodate public in attendance;
- b) the late attachments (Infrastructure Acceleration Fund Draft Proposals) for Item 14 (Infrastructure Acceleration Fund (IAF) Proposals) are accepted. They were circulated under separate cover (and is available [here](#) as supplementary information) to enable the most up to date information to be included in the proposals;
- b) the late addition to item 15 (item 15 (Reform Response Programme – Update) and the Resource Management Reform section concerning the Ministry for the Environment’s Document ‘Transforming Aotearoa New Zealand’s Resource Management System - Materials for Discussion’ is accepted. The background material was circulated under separate cover (and is available [here](#) as supplementary information) as it was received after the agenda was circulated and is relevant to the matters already being discussed; and
- c) the late item C6 (Waikato Regional Airport Limited – Northern Precinct Development) is accepted. The report was circulated as a late item to enable timely decision on the matter.

3. Declarations of Interest – *Tauaakii whaipanga*

No members of the Council declared a Conflict of Interest.

4. Public Forum – *Aatea koorero*

Margaret Evans (TOTI) spoke to item 19 (Founders Theatre Site – TOTI proposal request for extension), requesting that Elected Members approve the extension requested by Theatre of the Impossible Charitable Trust (TOTI) to submit their proposal and outlined some of the proposed design. She responded to questions from Elected Members concerning future operating cost to Council, the proposed timeline, current funding acquired and proposed impact on the Waikato Regional Theatre.

Kelvyn Eglinton (Momentum Waikato) spoke to item 19 (Founders Theatre Site – TOTI proposal request for extension) noting that Momentum Waikato was neutral in their stance as to the future of the Founders Theatre Site but that their concerns were related to the proposed use for community event/town hall activities as this would be in direct competition with the Waikato Regional Theatre as outlined in the theatre’s business case. He responded to question from Elected Members concerning the theatre’s business case in relation to Community use and rates, and the revenue deficit.

Item 19 (Founder Theatre Site -TOTI proposals request for extension) was taken after item 4 (Public Forum) to accommodate public in attendance.

19. Founders Theatre Site - TOTI proposal request for extension

The General Manager Venues, Tourism and Major Events took the report as read. Staff responded to question from Elected Members concerning the timeline in relation to the Annual Plan process, the cost of maintaining Founders Theatre as is, budgeted amounts for the future of Founders Theatre, the status quo, the proposed motions, and proposed operating model.

Resolved: (Mayor Southgate/Cr van Oosten)

That the Council:

- a) receives the report; and
- b) approves the extension requested by Theatre of the Impossible Charitable Trust (TOTI) to submit both final concept design and funded business case for the redevelopment of Founders Theatre by 31 March 2022.

Cr Hamilton Dissenting.

Motion : (Mayor Southgate/Cr van Oosten)

That the Council notes that no further extension to this deadline will be granted.

Those for the Motion: Deputy Mayor Taylor, Councillors Pascoe, van Oosten and Wilson

Those against the Motion: Mayor Southgate, Councillors Gallagher, Macpherson, Bunting, Hamilton and Thomson.

The Motion was declared LOST.

The meeting was adjourned 11.00am to 11.47am.

5. Confirmation of the Council Open Minutes of 11 November 2021

Resolved: (Mayor Southgate/Deputy Mayor Taylor)

That the Council confirm the Open Minutes of the Council Meeting held on 11 November 2021 as a true and correct record.

6. Confirmation of the Extraordinary Council Open Minutes - 30 November 2021

Resolved: (Cr Bunting/Cr van Oosten)

That the Council confirm the Open Minutes of the Extraordinary Council Meeting held on 30 November 2021 as a true and correct record.

7. Confirmation of the Extraordinary Council Open Minutes - 2 December 2021

Resolved: (Cr Wilson/Cr Pascoe)

That the Council confirm the Open Minutes of the Extraordinary Council Meeting held on 2 December 2021 as a true and correct record.

8. Confirmation of the Elected Member Open Briefing Notes - 3 November 2021

Resolved: (Deputy Mayor Taylor/Cr Bunting)

That the Council confirm the Open Briefing Notes of the Elected Member Briefing held on 3 November 2021 as a true and correct record.

9. Confirmation of the Elected Member Open Briefing Notes - 17 November 2021

Resolved: (Cr Wilson/Cr van Oosten)

That the Council confirm the Open Briefing Notes of the Elected Member Briefing held on 17 November 2021 as a true and correct record.

10. Confirmation of the Elected Member Open Briefing Notes - 24 November 2021

Resolved: (Mayor Southgate/Cr Wilson)

That the Council confirm the Open Briefing Notes of the Elected Member Briefing held on 24 November 2021 as a true and correct record.

11. Confirmation of the Elected Member Open Briefing Notes - 26 November 2021

Resolved: (Cr van Oosten/Cr Macpherson)

That the Council confirm the Open Briefing Notes of the Elected Member Briefing held on 26 November 2021 as a true and correct record.

12. Chair's Report

The Mayor took the report as read, noting that her report included changes to the Governance Structure.

Resolved: (Cr Wilson/Cr Macpherson)

That the Council:

- a) receives the report;
- b) approves all changes to the Governance Structure Terms of Reference and Delegations 2019-2022 as summarised below and as set out in attachment 2 (track changes) and 3 (clean version) of this report:
 - i. establishment of a Waikato Regional Council/Hamilton City Council Governance Group, with Mayor Southgate, Cr O'Leary, Cr Macpherson and Cr Thomson as members;
 - ii. Cr Bunting be removed as a member of the Environment Committee;
 - iii. Cr O'Leary be appointed as the HCC member of the WRC Transport Emissions Working Group;
 - iv. Cr Thomson be appointed as an alternate HCC member to the WRC Transport Emissions Working Group;
 - v. Cr Pascoe and Cr van Oosten replace Deputy Mayor Taylor, Cr Naidoo-Rauf and Cr Hamilton as members of LGNZ Zone 2; and
 - vi. Cr Gallagher replace Deputy Mayor Taylor as a member of the Waikato and Waipa District Council/Hamilton City Council Governance Group.

13. Building Hamilton's Wellbeing Together - Wellbeing Report

The Unit Manager Strategy and Corporate Planning introduced the report, noting that the matter had been discussed at the briefing of 3 November 2021. Staff responded to questions from Elected Members concerning the statistics provided being based on older annual figures.

Resolved: (Cr Hamilton/Cr Wilson)

That the Council:

- a) receives the report; and
- b) notes that the next 'Building Hamilton's Wellbeing Together' report will be presented to the Council in late 2022.

14. Infrastructure Acceleration Fund (IAF) Proposals

The Growth, Funding & Analytics Unit Manager and the Executive Director Strategic Infrastructure provided Elected Members with an update on the Infrastructure Acceleration Fund process and Council's the draft proposals. Staff responded to questions from Elected Members concerning the executive summary of the supplementary attachment, expected dwelling and other information covered in the proposals, letters of support that were also to be provided with the proposals, cost estimates, and the next steps in the process.

Resolved: (Mayor Southgate/Cr Wilson)

That the Council:

- a) receives the report;

- b) approves the Central City and Rotorua North Infrastructure Acceleration Fund (IAF) proposals to Kāinga Ora be submitted on 17 December 2021;
- c) delegates authority to the Chief Executive, in consultation with the Chair and Deputy Chair of the Strategic Growth Committee, to finalise and submit the Central City (Attachment 1) and Rotorua North (Attachment 2) Infrastructure Acceleration Fund proposals to Kāinga Ora no later than 17 December 2021; and
- d) notes that submitted proposals are non-binding on the Council, and that if a proposal is accepted the next stage in the Infrastructure Acceleration Fund process will require binding funding and housing outcome agreements.

15. Reform Response Programme – update

The General Manager Strategy and Communications and the Project Manager Special Projects outlined the matters covered in the report and noted the late attachment, the Ministry for the Environment's 'Transforming Aotearoa New Zealand's Resource Management System - Materials for Discussion'.

Three Waters Reform

The Executive Director Strategic Infrastructure and the Water Reform Financial Advisor provided Elected Members with an update regarding the Water Services Entities Bill and the updated staff recommendation. Staff responded to questions from Elected Members concerning the proposed consultation including the timeline, process, and education plan.

Resolved: (Mayor Southgate/Cr van Oosten)

That the Council:

- a) approves the Hamilton City Council Submission on Economic Regulation and Consumer Protection for Three Waters Services in New Zealand to Ministry of Business, Innovation and Employment.
- b) approves a copy of the submission be sent to the Department of Internal Affairs, expressing concern there is insufficient connection, essential to achieving efficiency and innovation in the establishment of new waters entities, between the Government's three waters reform programme (managed by the Department of Internal Affairs) and the Government's Three Waters Economic Regulation and Consumer Protection plans (managed by Ministry for the Business, Innovation and Employment).
- c) Community Engagement
- d) approves consultation and engagement **option C**, as outlined in the staff report, for the Water Services Entities Bill select committee consultation period, subject to Government timeframes;
- e) notes that staff will circulate a draft consultation document to all elected members for feedback prior to presenting a draft consultation document for approval at the next available Council meeting following confirmation of the introduction of the Water Services Entities Bill and subsequent Select Committee dates; and
- f) notes staff will report back to the Council with a summary of the feedback received through an engagement process, if approved.

Resource Management Reform

The Special Projects Manager then outlined the recently released 'Transforming Aotearoa New Zealand's Resource Management System - Materials for Discussion' and the submission process.

Resolved: (Mayor Southgate/ Deputy Mayor Taylor)

That the Council receives the report.

Resolved: (Mayor Southgate/ Deputy Mayor Taylor)
That the Council:

- a) approves the Chair, Deputy Chair of the District Plan Committee and staff to develop the Council's submission to the Ministry for the Environment's 'Transforming Aotearoa New Zealand's Resource Management System - Materials for Discussion' in consultation with Members;
- b) delegates authority to the Infrastructure Operations Committee to approve the final version of the Council's submission to the Ministry for the Environment's 'Transforming Aotearoa New Zealand's Resource Management System - Materials for Discussion' at its 24 February 2022 meeting; and
- c) notes that the approved Council submission will be sent to the Ministry for the Environment and by 28 February 2022 to meet submission closing date.

Cr Donovan joined the meeting (12.40pm) during the discussion of the above item. He was present when the matter was voted on.

16. Draft 2022 Schedule of Report for Council and Committee Meetings

The report was taken as read.

Resolved: (Cr Macpherson/Cr Wilson)
That the Council:

- a) receives the draft Schedule of Reports for Council and Committees – 2022; and
- b) notes that the Schedule of Reports for Council and Committees - 2022 will be updated as required and will be available to all Members via Diligent.

The meeting was adjourned 1.37pm to 2.29pm.

Deputy Mayor Taylor and Cr Bunting left the meeting during the above adjournment.

17. Recommendations from Open Committee Meetings

Economic Development Committee meeting 23 November 2021

Resolved: (Cr Hamilton/Cr Wilson)

That the Council approves \$100,000 of additional funding for rent relief for eligible Council tenants in the Covid-19 Level 3 and 2 lockdowns from 1 November to 31 December 2021, in accordance with the criteria approved by Council on 5 October 2020.

Community Committee meeting 25 November 2021

Resolved: (Cr Bunting/Mayor Southgate)

That the Council approves the easement to WEL Networks Ltd over Lot 9 DPS 87761 and Section 1 SO 499978, subject to:

- ii. the Department of Conservation approval being obtained for Lot 9 DPS 87761; and
- iii. all costs relating to the easement, and registration of it on relevant Titles, being the responsibility of WEL Networks Ltd.

Deputy Mayor Taylor and Cr Bunting re-joined the meeting (2.30pm) during the discussion of the above matter. They were present when the matter was voted on.

Environment Committee meeting 30 November 2021

Resolved: (Cr Gallagher/Cr Thomson)

That the Council:

- a) approves its support of the 'Free Fares Campaign' to central government which is seeking free bus fares for community service card holders, tertiary students and under 25's;
- b) delegates authority to the Mayor to sign the petition on the Council's behalf; and
- c) delegates its Regional Connections Committee Members to discuss the petition at the Regional Connections Committee.

Finance Committee meeting 14 December 2021

Resolved: (Cr Pascoe/Cr van Oosten)

That the Council:

- a) approves the capital movement as identified in paragraph 26 of the 14 December 2021 Capital Portfolio Monitoring Report;
- b) approves the significant forecast adjustments as set out in paragraphs 50 to 54 of the staff report; and
- c) approves the revised Financial Strategy position for Debt to Revenue, Net Debt and Balancing the Books as set out in paragraphs 56 to 58 of the staff report.

District Plan Committee meeting 15 December 2021

Resolved: (Cr Hamilton/Deputy Mayor Taylor)

That the Council:

- a) approves amending the Hamilton District Plan to include a new objective as set out in Attachment 1 of the staff report, in accordance with the requirements of the National Policy Statement on Urban Development 2020; and
- b) b) notes that a public notice of this change to the Hamilton District Plan will be issued within 5 working days of implementation of the change.

Infrastructure Operation Committee meeting 7 December 2021

Resolved: (Cr Thomson/Cr Bunting)

That the Council approves Option 1 of the staff report – adopt the proposed Hamilton Traffic Bylaw 2021 (Attachment 1 of the staff report).

18. Resolution to Exclude the Public

Resolved: (Mayor Southgate/Deputy Mayor Taylor)

Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

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

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

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Confirmation of the Council Public Excluded Minutes of 11 November 2021) Good reason to withhold) information exists under) Section 7 Local Government	Section 48(1)(a)

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- C2. Confirmation of the Elected Member Public Excluded Briefing Notes - 3 November 2021) Official Information and) Meetings Act 1987)
- C3. Confirmation of the Elected Member Public Excluded Briefing Notes - 17 November 2021
- C4. Contract for Electoral Services for 2022 Triennial Elections
- C5. Recommendations from Public Excluded Committee Meetings
- C6. Waikato Regional Airport Limited - Northern Precinct Development

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:

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|----------|--|---|
| Item C1. | to prevent the disclosure or use of official information for improper gain or improper advantage | Section 7 (2) (j) |
| Item C2. | to prevent the disclosure or use of official information for improper gain or improper advantage | Section 7 (2) (j) |
| Item C3. | to prevent the disclosure or use of official information for improper gain or improper advantage | Section 7 (2) (j) |
| Item C4. | to enable Council to carry out commercial activities without disadvantage
to enable Council to carry out negotiations
to prevent the disclosure or use of official information for improper gain or improper advantage | Section 7 (2) (h)
Section 7 (2) (i)
Section 7 (2) (j) |
| Item C5. | to prevent the disclosure or use of official information for improper gain or improper advantage | Section 7 (2) (j) |
| Item C6. | to enable Council to carry out commercial activities without disadvantage
to prevent the disclosure or use of official information for improper gain or improper advantage | Section 7 (2) (h)
Section 7 (2) (j) |

The meeting moved into a public excluded session at 2.39pm.

The meeting moved into an open session at 3.27pm.

The meeting was adjourned from 3.27pm to 3.39pm.

17. Recommendations from Open Committee Meetings – Continued

Motion: (Mayor Southgate/Cr Wilson)

That the Council declines the application for the speed limit of the section of Wairere Drive between Arthur Porter Drive and Pukete Road to be decreased from 80km/h to 60km/h.

Amendment: (Cr Macpherson/Cr Pascoe)

That the Council:

- a) approves that the speed limit on a section of Wairere Drive between Arthur Porter Drive and Pukete Road from 80km/h to 60km/h;
- b) notes that the new speed limit will come into effect in conjunction with the construction of traffic signals at Karewa Place intersection on Wairere Drive which will be fully funded and completed by Foodstuffs; and
- c) requests staff report back to a future Infrastructure Operations Committee with the final intersection design for approval.

The Amendment was put.

Those for the Amendment:

Councillors Gallagher, Pascoe,
Macpherson, Bunting, Taylor, Hamilton
and van Oosten

Those against the Amendment:

Councillors Southgate, Thomson, Wilson
and Donovan

The Amendment was declared carried.

The Amendment as the substantive Motion was then put and declared CARRIED.

Resolved: (Cr Macpherson/Cr Pascoe)

That the Council:

- a) approves that the speed limit on a section of Wairere Drive between Arthur Porter Drive and Pukete Road from 80km/h to 60km/h; and
- b) notes that the new speed limit will come into effect in conjunction with the construction of traffic signals at Karewa Place intersection on Wairere Drive which will be fully funded and completed by Foodstuffs; and
- c) requests staff report back to a future Infrastructure Operations Committee with the final intersection design for approval.

Cr Wilson Dissenting.

The meeting was adjourned 3.45pm to 3.54pm during the above item.

The meeting was declared closed at 4.17pm.

Minute Note 3/06/2022:

*On 3/06/2022 the following report and resolutions were determined to be released to the public via these minutes and the quarterly update. The report is attached as **Appendix 1** of these minutes.*

Contract for Electoral Services for 2022 Triennial Elections

Resolved:

That the Council:

- a) receives the report;*
- b) approves the re-appointment of Independent Election Services Limited (IES) to provide electoral services to the Hamilton City Council for the 2022 triennial local election;*
- c) delegates the Chief Executive to negotiate and execute a contract with Independent Election Services Limited to deliver electoral services to the Council for the period of 2022 to 2025 (excluding the 2025 triennial election), with these services to be consistent with those provided by IES for the 2019 triennial election, at the most cost-effective price; and*
- d) notes that the decision and information in relation to this matter will be released at the appropriate time to be determined by the Chief Executive.*

Appendix 1:

Council Report

Item C4

Committee: Council

Date: 16 December 2021

Author: Becca Brooke

Authoriser: David Bryant

Position: Governance Manager

Position: General Manager People and Organisational Performance

Report Name: Contract for Electoral Services for 2022 Triennial Elections

Report Status	<i>This report is taken as a publicly excluded item to enable Council to carry out commercial activities without disadvantage; AND to enable Council to carry out negotiations; AND to prevent the disclosure or use of official information for improper gain or improper advantage.</i>
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Purpose - Take

1. To seek approval for the re-appointment of Independent Electoral Services Limited (IES) to provide the Council's electoral services for the 2022 triennial local elections.

Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Council:
 - a) receives the report;
 - b) approves the re-appointment of Independent Election Services Limited (IES) to provide electoral services to the Hamilton City Council for the 2022 triennial local election;
 - c) delegates the Chief Executive to negotiate and execute a contract with Independent Election Services Limited to deliver electoral services to the Council for the period of 2022 to 2025 (excluding the 2025 triennial election), with these services to be consistent with those provided by IES for the 2019 triennial election, at the most cost-effective price; and
 - d) notes that the decision and information in relation to this matter will be released at the appropriate time to be determined by the Chief Executive.

Executive Summary - *Whakaraapopototanga matua*

3. The Council has outsourced the delivery of electoral services to comply with local electoral legislation since at least 2001.
4. Local authority elections are the most public-facing and significant democratic process in local government, and Council must therefore ensure such services are provided in a compliant manner for the 2022 local authority triennial election which will take place on 8 October 2022.
5. The estimated cost for a contract to provide electoral services for the 2022 triennial election exceeds the Chief Executive's delegations for direct appointments, and therefore requires the Council's approval.

Appendix 1:

6. Independent Election Services ('IES') has provided electoral services to the Council since 2001. Its principal director, Dale Ofoske, is the Council's Electoral Officer and is acknowledged as a national expert on local authority electoral and representation arrangement matters.
7. Electionz is the only other national provider of electoral services to local authorities in NZ.
8. IES' cost estimate for delivering the 2022 triennial election is \$575, 000 excl GST. This compares to a contract price of \$503,113 excl GST for the 2019 triennial election. The difference mainly reflects the economies of scale in providing electoral services to what is expected to be a larger electorate population in 2022.
9. IES expects approximately 30% of the total cost for the 2022 triennial election to be reimbursed by the Waikato Regional Council, for services provided by IES on their behalf.
10. The Council may choose to complete a tender to select a preferred provider for electoral services; re-appoint IES; or explore the provision of electoral services in-house (i.e., instead of outsourcing). Staff have evaluated these options in this report.
11. It is likely that the opportunity cost of staff running a tender process would exceed a cost benefit (if any) between IES and the other national provider. This factor, combined with the importance of a high-quality and compliant service has led staff to recommend the direct re-appointment of IES (Option 2 detailed in paragraph below).
12. Staff consider the decision in this report has low significance and that the recommendations comply with the Council's legal requirements.

Background - *Koorero whaimaarama*

13. IES has operated since 1994, currently providing electoral services to 23 local authorities (20 territorial authorities and 3 regional councils) and 7 licensing trusts - which account for just over half the total number of electors in New Zealand.
14. Some of the bigger Council's IES has contracts with include:
 - Auckland City
 - Porirua City
 - Palmerston North City
 - Far North District
 - Waikato District
 - Western Bay of Plenty District
 - Gisborne District
 - New Plymouth District
15. IES has provided electoral services to the Council since 2001 in relation to local authority triennial elections and other electoral matters.
16. Dale Ofoske, the principal director of IES, was appointed as the Council's Electoral Officer in June 2016. Prior to this, he acted as the Deputy Electoral Officer.
17. Contract 16097 with IES, in relation to the 2019 triennial elections and general electoral consultancy services is due to expire on 22 March 2022.
18. As part of the provision of electoral services under the current electoral services contract with Council, IES undertook the 2019 local election, the 2021 Eastward By-Election.

Item C4

Appendix 1:

19. IES also provided consultancy services for electoral system review in 2020, and the Maaori and Wider Representation Reviews that took place this year, noting the Wider Representation Review is still in its final steps of the process.
20. Electionz is the only other national provider of electoral services to local authorities in NZ and was the provider of electoral services to the Council for the 2004 triennial elections.
21. The next triennial elections will take place on 8 October 2022, with nominations opening in June 2022.

Discussion - *Matapaki*

22. The Council has outsourced electoral services for undertaking local authority elections at least since the Local Electoral Act came into force in 2001. These services have been provided by IES for all but one triennium within that period.
23. The estimated costs for providing full electoral services for the 2022 triennial elections is approximately \$575,000 excluding GST (\$5.25 + GST per elector based on 110,000 electors).
24. This amount exceeds the Chief Executive's delegation for non-tendered contracts and is a matter that requires the Council's approval.

Financial Considerations – *Whaiwhakaaro Puutea*

25. The actual total election cost for IES undertaking the 2019 elections was \$503,113 excl GST (\$4.90 + GST per elector based on 102,714 electors).
26. Of this amount \$354.621 excl GST was a cost share for Hamilton City Council (70.49%) and \$148,492 excl GST was cost share for Waikato Regional Council (29.51%)
27. IES have estimated the cost of delivering electoral services for the 2022 triennial election at \$575, 000 excl GST (\$5.25 + GST per elector based on 110,000 electors). Of this amount, it is estimated that 30% (\$172,500 excl GST) will be recovered from Waikato Regional Council, reflecting the cost of electoral services that Hamilton City Council must provide on behalf of the Regional Council, as required under the Local Electoral Act.
28. The final cost to the Council will be determined substantially by:
 - i. the number of electors enrolled and voter turnout;
 - ii. cost of postage; and
 - iii. any complexity unable to be assessed at this stage (for example, additional issues such as a citizens referendum, judicial recounts).
29. The estimated cost per elector is comparable with the rates that IES charge for the provision of substantially similar services to other territorial authorities. The amount per elector takes into account the complexity of governance arrangements and electorate size for each local authority. For example, many territorial authorities have community boards and, therefore, more complex electoral requirements.

Reference Checks

30. In 2019 Staff contacted three other councils which receive services from IES – Auckland City Council, Whangarei District Council and Western Bay of Plenty District Council. As part of the considerations of this 2021 report, staff again contacted three Councils which receive services from IES – Auckland City, Waikato District Council and New Plymouth District Council. The purpose of these reference checks were to gauge other councils' satisfaction with IES' performance.
 - i. All councils were very happy with the services provided by IES and will be looking to re-appoint IES for the next triennial election.

Appendix 1:

- ii. IES' key strengths were noted as including its extensive experience and knowledge in the sector; its trusted advisor status in terms of both staff and elected members; its prompt and effective delivery of high-quality services; and the consistency and continuity of the service provided, which has resulted in IES acquiring expert local and institutional knowledge.
 - iii. IES respond to concerns promptly and often identify and initiate improvements themselves.
 - iv. IES have experience in electoral system and representation reviews and this is a value-add to the provision of electoral services.
 - v. While aware of Electionz as the other national provider, IES is considered to be the provider of choice by these three councils.
 - vi. Quality of service is the dominant factor for IES' appointment by these councils, given the significance of electoral matters for local authorities.
 - vii. Professional, high standards, timely, reliable, collaborative, flexible, trustworthy were common descriptors used by references in their feedback.
31. The above summary of the references undertaken aligns with the experiences of HCC staff involved in recent election, by-election, electoral system review and representation reviews.

Options

32. Staff have assessed that there are three reasonable and viable options for the Council to consider.

Option 1 – Tender for Electoral Services for 2022 triennial election

33. The Council can request a full tender is undertaken to determine the provider of electoral services for the 2022 triennial election. As noted, it is expected only two providers – IES and Electionz – could provide these services.
34. No tender for the provision of electoral services has been undertaken since 2006. A tender would enable staff to evaluate the two national providers in terms of like-for-like services and cost. However, a tender would not necessarily assess the quality of electoral services provided.
35. A tender is likely to take about 2 months to complete, requiring approximately 4-5 weeks of staff time (spread over 3-4 staff members). Staff do not believe the resources expended in delivering a tender will necessarily result in more competitive or improved provision of electoral services to the Council.

Option 2 (recommended option) – Re-appointment of IES for the 2022 triennial election

36. The Council can delegate the Chief Executive to negotiate and execute a re-negotiated contract with IES. Staff envisage this would substantially be based on the previous contract with IES, though the discretion to negotiate improved rates and key performance indicators would be retained by the Chief Executive.
37. The contract would also cover any other electoral matters that the Council requires assistance with up to the 2025 triennial elections, the cost of which would be determined on a case-by-case basis. The previous contract with IES enabled the delivery of additional services for the East Ward by-election, Electoral System Review and Representation Reviews.
38. This option would enable the Council to continue to benefit from IES' local and institutional knowledge, and its relationship established with the Council. This has been particularly invaluable for unexpected and less regular (but still significant) legislative requirements. For example, the passing of an elected member which triggered a by-election; and the recent Representation Review. Staff are confident the Council will continue to receive high-quality services should IES be re-appointed.

Appendix 1:

39. If re-appointed, IES' principal director, Dale Ofoske, would continue as the Council's Electoral Officer. Mr Ofoske is widely recognised as a national expert on local authority electoral matters.
40. This option would not enable staff to ascertain whether IES is providing the services at the same or lower cost than Electionz, to the same extent as if a tender was completed.

Option 3 – In-house provision of electoral services for the 2022 triennial election

41. This option would result in all or most electoral services, currently outsourced, to be undertaken by the Council staff.
42. As noted, the Council has outsourced the delivery of electoral services under the Local Electoral Act since at least 2001. While a significant proportion of the administration, communications and marketing for triennial elections is already completed by Council staff, there is currently neither the in house resource nor experience to deliver the services provided by an expert provider, such as IES or Electionz.
43. In-house provision of electoral services would enable the Council to leverage existing contractual relationships (for example, printing, design etc) and provide a direct connection to candidates and the public. This has its advantages and disadvantages. Over time, the Council would also expect to build its own 'know-how' on local electoral requirements.
44. The success of this option relies on depth and continuity of knowledge, which is difficult for a local authority to control. The independence of an external provider, on the other hand, supports the integrity of the Council in undertaking elections – any perception of bias or improper processes is removed.
45. As this is a specialist service, it is also arguable an in-house resource would not be as effective and efficient as an external provider with extensive experience. It is not known whether an in-house option would be able to be delivered at a lower cost than an external provider. However, given the time commitment involved it could not be done without employing additional staff in a fixed term capacity.
46. Staff recommend **Option 2** – the re-appointment of IES - because of the reliability and quality of services provided to date, and IES' experience and expertise on all electoral matters and in particular local knowledge and relationships.

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

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

Risk - *Tuuraru*

48. There is a risk of a significant loss of public confidence and potential litigation if electoral services are not provided to a high standard and in a compliant manner.

Wellbeing Considerations – *Whaiwhakaaro-aa-oranga tonutanga*

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

Appendix 1:

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

Significance

51. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendations in this report have a low level of significance.

Engagement

52. No public engagement is required.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Independant Election Services - HCC Cost Estimates 2022

Item C4



T +64 9 973 5212
E info@electionservices.co.nz
W electionservices.co.nz
PO Box 5135, Wellesley Street, Auckland 1141, New Zealand
Level 2, 198 Federal Street, Auckland

// bringing change

17 November 2021

Hamilton City Council
Private Bag 3010
Hamilton 3240

(Attention: Becca Brooke - Governance Manager)

RE: Provision of Electoral Services 2022-2025

We refer to an email from Becca Brooke of 16 November 2021 requesting an indicative cost for the provision of electoral services to the Hamilton City Council for the period 2022-2025, including undertaking the 2022 triennial elections.

Specifically, a quote was requested for a full electoral service for the 2022 Hamilton City Council triennial elections (including elections required for other organisations), to the same level as we provided for the 2019 triennial election.

We advise as follows:

The cost to provide a full electoral service to Hamilton City Council for the 2022 triennial elections has been estimated at \$575,000 + GST, or for 110,000 electors, \$5.23 + GST per elector. Any in-house costs (e.g. communications and marketing, internal staff etc) would be in addition to the above estimated cost.

Of this figure, there is likely to be an estimated 30% cost recovery from the Waikato Regional Council for holding their respective election (\$172,500 + GST), leaving an estimated net cost to Council of \$402,500 + GST (70%).

By way of comparison, the actual cost of the 2019 elections was \$503,113 + GST, or for 102,714 electors, \$4.90 + GST per elector. This resulted in a \$354,621 + GST cost share for Hamilton City Council (70.49%) and \$148,492 + GST cost share for Waikato Regional Council (29.51%).

The estimated 2022 election unit cost of \$5.23 + GST per elector is an increase of + 6.73% from the actual 2019 election cost of \$4.90 + GST per elector.

The 2022 election estimated cost by activity is:

<i>Component</i>	<i>Budget</i>
Ratepayer Roll	\$6,210
Postage	\$149,190
Voting mailer	\$205,050
Labour	\$110,675
Advertising	\$1,500
Candidate Meetings	\$1,250
Premises	\$19,800
Computer/IT	\$50,690
Administration	\$19,620
Insurance	\$9,015
Electoral roll	\$2,000
Total	\$575,000

The above costs are exclusive of GST.

Assumptions

In respect of the above estimated costs, the following assumptions have been made:

- Dale Ofoske is confirmed as the electoral officer
- 110,000 electors (up from 102,714 in 2019, or + 7.09%)
- mayor and 14 councillors to be elected (12 general ward councillors, two Maaori ward councillors)*
- three wards (two general and one Maaori)*
- outward postage costs + 30.89% inward postage costs + 22.5% (from 2019)
- insurance cost + 20.6% (from 2019)
- voter turnout 40% (39.4% in 2019)
- STV electoral system for Council and FPP for Waikato Regional Council
- no DHB election
- candidate names in either alphabetical, pseudo-random or random order
- votes returned to Auckland for processing

* subject to a possible final determination by the Local Government Commission

A by-election or poll can occur anytime during the three-year term and are generally unexpected and unbudgeted.

We can provide a cost estimate for any by-election or poll that may occur on request.

We are happy to provide more detail in respect of any of the above should this be required.

Thank you for the opportunity to provide this information for you.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Craig Taylor', with a large, stylized 'C' and 'T'.

Craig Taylor

Business Manager

Election Services

HCC-Letter of service and costs 2021

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Attachment 1