



Otorohanga District Council

# AGENDA

2 April 2013

Members of the Otorohanga District Council

Mr DF Williams (Mayor)  
Mr MM Baxter  
Mrs S Blackler (Deputy Mayor)  
Mr RM Johnson  
Mr A Ormsby  
Mr KM Phillips  
Mrs DM Pilkington  
Mr R Prescott

Meeting Secretary: Mr CA Tutty (Governance Supervisor)

# OTOROHANGA DISTRICT COUNCIL

2 April 2013

Notice is hereby given that an ordinary meeting of the Otorohanga District Council will be held in the Council Chambers, Maniapoto St, Otorohanga on Tuesday 2 April 2013 commencing at 10.00am.

26 March 2013

**DC Clibbery**  
**CHIEF EXECUTIVE**

## AGENDA

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**PRESENT**

**OPENING PRAYER**

**IN ATTENDANCE**

**APOLOGIES**

**ITEMS TO BE CONSIDERED IN GENERAL BUSINESS**

**CONFIRMATION OF MINUTES – 12 MARCH 2013**

**REPORTS**

**Item 333            REVIEW OF GAMBLING VENUE POLICIES**

**To:**                **His Worship the Mayor & Councillors  
Otorohanga District Council**

**From:**           **Environmental Services Manager**

**Date:**            **2 April 2013**

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**Relevant Community Outcomes**

- The Otorohanga District is a safe place to live
  - Ensure services and facilities meet the needs of the Community
  - Foster an involved and engaged Community
  - Recognise the importance of the Districts rural character
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**Executive Summary**

The Gambling Act 2003 and the Racing Act 2003 both require Council to undertake a triennial review of their Class 4 Gambling Venue and Board Venue policies. The last review was undertaken in 2010 and Council must now review the performance of the existing policies over the preceding three years and consider options for the next policy period. Following the review the Policies in their current or amended form have to be notified for public consultation.

**Staff Recommendation**

It is recommended that:

1. The report from the Environmental Services Manager be received, and
2. The report be approved for public consultation.

**Report Discussion**

**Background**

The Gambling Act 2003 (the Act) and the Racing Act 2003 require Local Authorities to have a Class 4 Gambling Venue and a Board Venue Policy and these policies are to be reviewed every three years. Otorohanga District Council's Gambling Venue Policies were last reviewed in March

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2010 and were adopted in October 2010 with significant changes having been made to the original policy.

The Policies control the number and location of non-casino Class 4 gaming machine venues (pokies) and Board Venues (TABs), and the total number of gaming machines within Otorohanga District. Council must use the special consultative procedure, set out in the Local Government Act, to notify the review of these policies and any recommendation to make changes.

#### **CLASS 4 GAMBLING VENUE POLICY**

The review undertaken in 2010 resulted in significant change to the original policy adopted in 2007. Council adopted a 'sinking lid' policy which would over time reduce the number of gaming machines permitted in the District. This would be achieved by not allowing for the reallocation of machines when a licensee ceases to operate or through the voluntary reduction in machines at licensed venues. The policy had an almost immediate effect in that the Otorohanga Hotel closed its doors in 2011 and 18 gaming machines were removed. This represented a 40% decrease in the total number of gaming machines in the District. Although this decrease sounds dramatic there has been no indication of any dissatisfaction in the Community from this reduction in the availability of gaming venues.

This decrease is consistent with a national trend that has seen the number of 'pokie machines in pubs and clubs drop to 17,827 in 2012, a fall of almost 2500 machines since 2007. During the same period the number of gaming machine venues fell by 208 to 1390.

#### **Current Policy**

Councils current Class 4 Gambling Venue Policy is summarized below. The objectives of the policy are as follows;

##### **Class 4 Gambling Venue Policy**

#### **1. Objectives of the policy**

- a. To support the purpose and intent of the Gambling Act 2003
- b. To provide for the continued availability of class 4 gambling within the Otorohanga District in accordance with the purpose and intent of the Gambling Act 2003
- c. To control the growth of class 4 gambling machine numbers within the Otorohanga District
- d. To encourage responsible gambling practices and attitudes in class 4 gambling venues.

#### **2. Standards**

##### **a. Numbers of pokie machines to be allowed – per venue**

- i. Council will not grant consent for the establishment of any new Class 4 venues or machines under this policy.
- ii. Once the venue ceases to operate, the machine numbers will not be allocated to any new or existing venue.
- iii. All Class 4 venues, with the exception of venues that are also Board Venues (TABs), are required to have liquor licenses. Any liquor license issued will be compliant with the Council's Liquor Licensing Policy.
- iv. A gambling venue consent is for one venue (one premise) and is not transferable to another venue. The consent is given to a venue at a given address, not to a person or business.

##### **b. Exceptions**

- i. Clubs that rebuild or relocate may be allowed a maximum of the number of gaming machines approved at the time of closing of the former premises.

- ii. When two or more clubs wish to merge physically they may be allowed to operate the sum of the number of gaming machines specified in all the clubs Class 4 venue licenses at the time of application or 18 machines, whichever is the lesser.

### **Existing Venues**

Following the closure of the Otorohanga Hotel there are now only three licensed class 4 venues in the Otorohanga District, two in Otorohanga CBD with a total of 27 machines, and one in Kawhia CBD with a total of five machines. The existing venues and machine numbers are;

- Otorohanga Club (18)
- Otorohanga Services and Citizens Club (9)
- Kawhia Hotel (5).

There are no licensed class 4 venues in other parts of the District, which indicates the primary intent of Council to concentrate class 4 venues to the CBD of Kawhia and Otorohanga is being achieved. The Corporate Society that owns the pokie machines located in the Otorohanga Services and Citizens Club is the Trillian Trust and the pokie machines in the Kawhia Hotel are owned by Pub Charity. The Otorohanga Club is licensed as a Society to operate the machines within the Club.

In considering this policy review, Council is directed to consider the social implications on the community when making its decision, which for this report is broken down into two areas; the economic and social impact.

### **Economic Impact**

In regards to the economic impact this is sectioned into two areas; dollar takings/loss from the district community and dollar reinvested into the community by way of community grants.

#### **Takings/Loss**

As a result of an amendment to the Gambling Act, electronic monitoring and reporting of gaming machine takings became a requirement from April 2008. Using data published on the Department of Internal Affairs website it is possible to collate a clear picture of the amount of money a community spends on gambling machines

For the calendar year 2010 the total district spend (net loss) on gaming machines was \$1,283,276.00. This figure is consistent with the take from 'pokie' machines for the previous two years.

For the calendar year 2011 the total district spend on gaming machines was \$936,063.00. This is a drop in expenditure of 27% year on year. It is not known if this decrease can be attributed to the closure of the Otorohanga Hotel or is symptom of the economic downturn.

For the calendar year 2012 the total district spend on gaming machines was \$980,026.00.

These figures represent the loss from individual and family budgets and the District's economy as a result of Class 4 Gambling activity in this district.

### **Community Grants**

The Gambling Act 2003 provides for Class 4 gambling to be permitted only where it is used to raise funds for community purposes. A minimum of 37.12% of the gross takings/losses from Class 4 gambling is returned to the community in the form of community grants.

Corporate societies are required, under the Gambling Act 2003 and the Gambling (Class 4 Net Proceeds) Regulations 2004, to distribute a minimum of 37.12% of their annual gross proceeds from Class 4 gambling to authorised purposes (community grants), which is either:

- a charitable purpose; or

- a non-commercial purpose that is beneficial to the whole or a section of the community; or
- promoting, controlling, and conducting race meetings under the Racing Act 2003, including the payment of stakes.

The distribution of the 37.12% is not focused to the communities of interest, in this matter to Otorohanga District community but is open to the wider community of New Zealand.

The remaining 62.88% is administered as follows;

- 22.47% Society expenses
- 16.00% Maximum Venue payments
- 1.91% Problem Gambling Levy
- 22.50% Gaming Levy to Government

Based on the above defined percentages the Community Grants to be allocated based on the Nett Loss figures provided are;

	Nett Loss for the District	Expected Community Grants (37.1%)
Nett Loss for 2010	\$1,283,276.00	\$476,095
Nett Loss for 2011	\$963,063.00	\$357,296
Nett Loss for 2012	\$980,026.00	\$363,589

Review of community grants allocated to the Otorohanga District community from Corporate Societies for the previous three years indicates grants were made of at least \$219,085.

Actual Value of Grants made by Corporate Societies;

Pub Charity	\$80,866 (Oct 09 to Sept 12)
Trillian Trust	\$ information not provided
Otorohanga Club	Year 2010 = \$43,607 Year 2011 = \$49,523 Year 2012 = \$45,089

The disparity between expected and actual grants made to the Otorohanga District community indicates a significant loss to the community as a result of Class 4 Gambling machines located in the District. Following the 2010 policy review Council staff were criticised for not reporting other expenditure of gaming machine takings that resulted in community benefit. Gaining accurate information on community grants remains problematic and staff advised that if more detail on grant expenditure was provided to Council it would be included in future reviews. Unfortunately that information has not been forthcoming. In any event it is obvious that nowhere near the total of \$1.2 million in possible grants has been allocated to projects within Otorohanga District over the last three years.

### **Social Impact**

Numerous studies have been undertaken to endeavour to quantify the social cost of gambling to individuals, partners, families, and the wider community which the Council should consider in reviewing the Class 4 Gambling Venue Policy. A 2008 study funded by the Ministry of Health and undertaken by Massey University<sup>1</sup> identified pokie machine gambling over time to have negative impacts on an individuals;

- physical health

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<sup>1</sup> *Assessment of the Social and Economic Impacts of Gambling* by Professor Sally Casswell, En Li Lin, Ru Quan You and Brian Easton 2008

- mental well being
- relationships with family and friends
- feelings about self
- overall quality of life
- overall satisfaction with life, and
- care giving of children

The study also identified that 12% of the population surveyed had someone in their lives they considered to have been “fairly heavy gamblers” and that they were more likely to have been involved in illegal activities.

## **Options for Consideration**

### *Class 4 Gambling Venue Policy*

#### **Option 1 – Status Quo - Sinking lid policy**

As reported above this policy will progressively reduce the number of gaming machines permitted in the District. This is achieved by not allowing for the reallocation of machines when a licensee ceases to operate or through the voluntary reduction in machines at licensed venues.

#### **Advantages**

- Meets the purposes of the Act;
- Reduces the social impact of gambling on the community by providing less opportunities to gamble;
- Reduces the total financial loss to the community through less machines being available;
- Is some what reflective of social demand for pokie machine gambling
- More money could be spent in the local economy.

#### **Disadvantages**

- May result in a reduction of funding availability for community groups although given value of community grants currently received this is not expected to be significant.

#### **Option 2 – Controlled Increase in Venues**

This would allow for new venues that wish to have gambling machines outside the CBD areas of Otorohanga and Kawhia, to operate a maximum of 5 pokie machines per venue. New venues within the CBD areas of Otorohanga and Kawhia would be allowed to operate a maximum of 9 pokie machines per venue. Existing venues within the CBD established before October 2001 could have a maximum of 18 machines.

The principal entrance of any venue premises located outside the CBD areas of Otorohanga and Kawhia would not be located closer than 100 metres to any residential property, community facility, school or early child care centre.

The venue premises would not adjoin within the CBD area, or be within 50 metres of the principal entrance outside the CBD area of, any other class 4 gambling venue.

#### **Advantages**

- Meets the purposes of the Act;

### **Option 3 – No limit on the number of gaming machines**

This option would allow any number of machines and venues to operate in the District. Currently there are no formal venue limits applicable within the District, but there are limits on the number of gambling machines permitted in the District. However the venues would still have limitations placed upon them that are stipulated in the Act such as total number of machines, and a license must be obtained from the Department of Internal Affairs.

#### **Disadvantages**

- Does not meet the purposes of the Act;
- This will allow for more machines and thus potential for greater loss to the Otorohanga District community
- Gambling potentially could be more dispersed throughout the community and in people's daily lives whether they wanted it or not.

### **Option 4 – Maximum number of machines allowed (no ratio provision)**

This involves setting a maximum number of machines operating in the District, and does not provide for a ratio of so many machines per 1,000 people rather than linking the number of machines to population. The current number of gambling machines located in the District that are licensed is 50.

#### **Advantages**

- Meets the purposes of the Act;
- Limits exposure to the availability of gambling to current levels by providing no further opportunities for gambling;

#### **Disadvantages**

- New venues could not be established without existing venues ceasing to operate.

#### **Summary**

The policy options for Council to consider remain unchanged from 2010. They range from the sinking lid policy of reduction to more liberal options that would allow an increase in gaming machines.

It is the recommendation of Staff that the Class 4 Gambling Venue Policy remains unchanged and be adopted without amendment.

### **BOARD VENUE POLICY**

Prior to 2010 Council had a single gambling venue policy covering both gaming machine venues and board venues. In response to a submission from the New Zealand Racing Board a separate Board Venue (TAB) Policy was adopted.

#### **No Recommendation for Change**

There is one Board Venue in the Otorohanga District located at the Otorohanga Club in Maniapoto Street. Changes in betting behaviour through the introduction of phone accounts and online betting means that there has been no demand for nor reason to consider an increase in the number of Board Venues in the District.

**Andrew Loe**  
**ENVIRONMENTAL SERVICES MANAGER**

**Item 334            MAYORAL FORUM INITIATIVES**

**To:                    His Worship the Mayor and Councillors  
                          Otorohanga District Council**

**From:                Chief Executive**

**Date:                 2 April 2013**

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**Relevant Community Outcomes**

- The Otorohanga District is a safe place to live
  - Ensure services and facilities meet the needs of the Community
  - Provide for the unique history and culture of the District
  - Promote the local economy and opportunities for sustainable economic development
  - Manage the natural and physical environment in a sustainable manner
  - Foster an involved and engaged Community
  - Protect the special character of our harbours and their catchments
  - Recognise the importance of the Districts rural character
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**Executive Summary**

The Waikato Mayor Forum is proposing an integrated work program over three years to further explore the potential for inter-council collaboration in the Waikato.

**Staff Recommendation**

It is recommended that:

1. Council supports the integrated work program proposed by the Waikato Mayoral Forum, as described in this report.
2. Council agrees to provide the associated funding for progress of the above work program, through budget allocations of \$6,150, \$16,430 and \$6,280 (all GST exclusive) in the 2012/13, 2013/14 and 2014/15 financial years respectively.

**Report Discussion**

Councillors have previously been made aware, in very general terms, of the initiatives towards greater inter-council collaboration and shared services being proposed by the Waikato Mayoral Forum.

Further details of these initiatives, associated work streams, and financial commitments sought from councils for the further advancement of these work streams, were presented to elected members at a workshop at Karapiro on 25 March 2013.

The four work streams are roading, water and wastewater, economic development and planning & governance. Further details of these work streams are attached.

These work streams will in some cases put in place collaborative processes, or will further explore the potential for collaboration and shared services.

**Requested Financial Commitments**

In total, the total cost of the progressing the 4 work streams over 2012/13, 2013/14 and 2014/15 years is estimated to be \$1.39 million. This will be split between the 4 work streams as follows:

Roading - \$80,000

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Water & Wastewater - \$220,000

Economic Development - \$170,000

Planning & Governance - \$920,000

These costs were then divided by councils and years based upon a methodology developed by the various Council chief executives.

Using this methodology the indicated required contributions from Otorohanga District Council are \$6,150, \$16,430 and \$6,280 (all GST exclusive) in the 2012/13, 2013/14 and 2014/15 financial years respectively.

These contributions are relatively modest amounts, and that required for 2012/13 can be funded from an existing budget allocation.

The Mayoral Forum is suggesting that there is potential for significant cost savings and/or level of service improvements in the areas being explored by these work streams.

Whilst there may also be significant barriers to realising such benefits, it is considered that strong justification exists for supporting and funding the work streams, including the following:

- Without further investigation, discussion of shared service and collaboration opportunities will remain largely as conjecture, leaving all councils in a weak position when responding to potential future central government initiatives.
- If benefits of anything like the order suggested by the mayoral forum are achievable, then the initial investments proposed are negligible in relation to them.
- Whilst the Otorohanga District may be less likely to derive benefit from potential shared services and collaboration than some other districts, it could still indirectly benefit if such initiatives strengthen Hamilton City and its surrounds as the 'growth engine' of the Waikato.

As such it is recommended that Council continues to be supportive of the Mayoral Forum initiative, both in principle and in financial terms.

**Dave Clibbery**  
**CHIEF EXECUTIVE**

## **Attachments**

- a. Waikato Mayoral Forum – Media Release – Working together for Waikato

# Waikato Mayoral Forum

**MEDIA RELEASE – 25 MARCH 2013**

## Working together for Waikato

**Waikato mayors and the regional council chair are proposing an integrated work programme over three years to help boost the regional economy and deliver multi-million dollar cost savings.**

The announcement from the Waikato Mayoral Forum, which includes local mayors and the regional council chair, follows a mass briefing on the proposals to city, district and regional councillors at Karapiro today.

For the work streams proposed by the forum it has already been established that savings of millions of dollars could be achieved through greater efficiencies and joint operations by councils. Further work will help quantify those savings more precisely but it's estimated they could be in the tens of millions of dollars worth. The cost of the work streams designed to achieve these savings is estimated at just under \$1.4 million to be met by a combination of councils' staff time and financial contributions.

A central feature of the proposed work is the creation of a Waikato Plan to develop a shared vision and collective voice on the high priority regional and sub-regional opportunities that can improve the quality of living in Waikato over the next 30 years.

The plan will do this by drawing together all councils' information and plans, and other publicly available information, and using this analysis to come up with a set of recommendations for moving forward across a wide range of areas to maximise opportunities.

"Waikato's mayors and the regional council chair have been working hard together to look at ways of improving our collective economic performance and making combined cost savings," said forum chair Hugh Vercoe, the mayor of Matamata-Piako.

"We've come up with a set of funding proposals for work streams that we believe will help us gather the right information to determine the way forward. The proposals help spread the costs of the work programmes across councils in what we believe is a fair manner. It will now be up to individual councils to decide on whether they agree and how they will fund their share."

The proposed work streams – covering planning and governance, economic development, water and wastewater, and roading – represented an integrated package designed to deliver solid results, said Mr Vercoe.

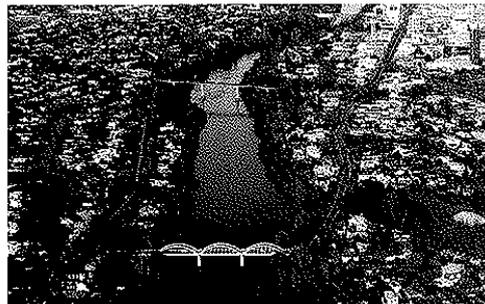
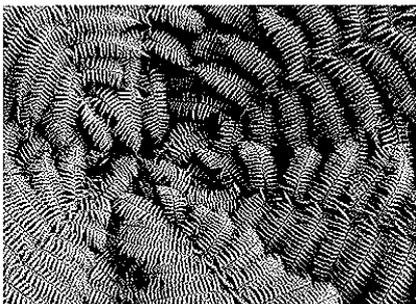
Besides a Waikato Plan, highlights of the work programme include:

- Work on a regional economic development strategy with business.
- Examination of cost savings and efficiencies for water, wastewater and roading services.

"While we can be proud of many things about our region - such as our dairying and manufacturing sectors – it's clear we could be doing a lot more. The work streams being suggested will help develop the building blocks we need to give Waikato Inc even more substance on the economic performance and efficiency fronts. It will also help the Waikato have a clearer collective voice with central Government and other key stakeholders, and position us to spread costs better and maximise savings."

Mr Vercoe stressed the forum was not discussing amalgamations of local councils. "Our work is about making the Waikato perform better. The work on a Waikato Plan may help with discussions about the future shape of local government in our region but the forum does not have any collective view about what that might be."

*Continued overleaf*



The cost and focus of individual work streams is as follows:

#### Planning and governance:

Development of a Waikato Plan. Key benefits include:

- ensuring that local authorities in the Waikato share common goals and objectives when it comes to making policy choices, investment decisions and engagement with central Government.
- helping reduce the number of plans and policy documents that individual local authorities are required to consult on (640 at present).
- providing a sound basis for future debate about the local government arrangements that best suit Waikato.
- Estimated cost of staff and consultant time, community consultation and statutory process costs over three years - \$920,000
- Potential savings – up to \$48 million over 10 years.

#### Economic development:

Creation of a regional economic development strategy.

Key benefits include:

- Facilitates a collaborative and integrated approach to regional development
- Assists engagement with industry, Government and others on boosting the Waikato's economic performance
- Estimated staff time and financial cost over three years - \$170,000

#### Water and wastewater:

An examination of options for more efficient water and wastewater-related services.

Key benefits include:

- Identification of regional and sub-regional opportunities to collectively improve the efficiency of water and wastewater services
- Carrying out technical work to develop a common cost management and benchmarking framework
- Progressing joint procurement opportunities
- Estimated staff time and financial cost over three years - \$220,000
- Potential savings - \$3 million-\$4 million annually via shared services, and possibly much more via joint management across council boundaries.

#### Roading:

Development of more efficient regional roading operations.

Key benefits include:

- Improving collaboration and consistency in the road standards and policies leading to efficiencies
- Joint procurement opportunities
- Estimated staff time and financial cost over three years - \$80,000
- Potential savings – Up to \$30 million over three years.

Media contact: Stephen Ward – 07 859 0782 or 021 756 310

## Waikato Mayoral Forum

# Waikato Mayoral Forum

## Boosting Waikato's economy

**The Waikato's a great place to live and work, with a strong economy based on our wide-ranging natural resources. But the reality is we could and should be doing better.**

The Waikato Mayoral Forum – through its economic development working party - is proposing creating a new Waikato economic strategy to help us better realise our potential.

Why exactly is a Waikato economic strategy needed?

Waikato is New Zealand's fourth-largest regional economy. We're an important centre of primary production. However, there is clear evidence suggesting Waikato is not achieving its potential:

- Estimated Waikato GDP per capita in 2011 was \$40,000, approximately nine per cent lower than GDP per capita nationally (\$44,000).
- Waikato's median weekly household income is higher than only three other regions. Median weekly household income increased from 1998 to 2011 at a lower rate annually (3.4%) than New Zealand (3.8%).
- The level of social deprivation is slightly worse than New Zealand as a whole.

As well as being influenced by the global economy generally, the Waikato economic performance is becoming increasingly connected to the economies of neighbouring regions. The need to align efforts with Auckland and Bay of Plenty is increasingly important. However, the Waikato is the only region without a clear vision and strategy to inform strategic discussions with the rest of the upper North Island.

Also, a recent report for Local Government New Zealand identified a wide range of ways in which local government can support economic development. A strategy will help inform and prioritise actions for the Waikato.

The advantages of working together

It is clear the economic challenges and opportunities facing the region are significant and inter-related. No single organisation has the scale or scope to address them across the region and maximise the benefits to themselves or the wider community. With greater competition for central government and other resources, the various parts of the Waikato do not have a clear, shared understanding of the region's "value proposition" and its ability to attract such resources.

Economic activities and investments require better coordination within the region and between the region and central government. It is also necessary to improve the utilisation of regional resources and have a regional strategic focus. Collaboration is therefore required among and between firms and industry groups, central and local government organisations, iwi, tertiary education and research providers, and commercialisation and economic development agencies.

A regional economic development strategy will help identify opportunities to make significant differences in the Waikato.

*Continued overleaf.*



Photo: Dave Abbott Liquid Action Films



Photo: HCC

### What is being recommended?

A jointly funded Waikato economic development strategy would enable a collaborative and integrated approach to regional economic development by:

- leveraging new resources
- increasing the number of joint projects undertaken
- aligning activities and resources for economic development.

A strategy would look to boost economic growth by building on areas of regional advantage and helping the Waikato region to identify and take opportunities, and effectively manage risks.

It's proposed a governance and planning working party will oversee the development of the strategy and provide a vehicle to ensure the community has the opportunity to fully engage and contribute to the process. The membership will consist of:

- business representatives (4)
- Māori business representatives (2)
- the Waikato Mayoral Forum economic development subcommittee (4).

The research phase of the strategy as been completed substantially through Waikato Regional Council's regional economic profile. An external project manager would be engaged to deliver the rest of the strategy outcomes required.

### Next steps

The next steps in the process are due to be:

- Step 1: Councils approve funding contributions
- Step 2: Appointment of project manager to support the governance group
- Step 3: Hold business forum (by invitation), to share information about the regional economy, gain the views of industry about barriers and opportunities and galvanise support for the strategy process
- Step 4: Appointment of business and Māori business representatives on the governance group
- Step 5: Prepare initial draft strategy completed
- Step 6: Industry, business, Māori and central government engagement on initial draft strategy and feedback incorporated
- Step 7: Final draft strategy completed by end calendar 2013.

For more information contact Langley Cavers, economic development CEO, 07 862 5021 or email [langley@hauraki-dc.govt.nz](mailto:langley@hauraki-dc.govt.nz).

## Waikato Mayoral Forum

# Waikato Mayoral Forum

## Planning for our future

The Waikato Mayoral Forum's governance and planning working party has been looking closely at making improvements to the way councils jointly plan for the future.

### Why collaborate in governance and planning?

There are 11 territorial authorities and a regional council within the Waikato region. In June 2012, Statistics NZ estimated the regional population to be 415,000, with local authorities ranging in size from 9000 to 148,000 people.

Local authorities in the Waikato hold combined assets of \$11 billion and have combined annual operating revenues of over \$800 million, the majority of which are funded by ratepayers. Collaborative planning and governance is one way local authorities can reduce costs to ratepayers and improve service delivery.

Many of the strategic issues that affect our communities – such as economic growth, land use, water allocation, environmental quality, emergency management, and social deprivation - are common concerns for all local authorities, and are often shaped by forces beyond local government's control.

Through greater collaboration, local and regional councils can learn from each other and respond to challenges in a more efficient and effective manner.

Also, central Government is seeking more efficient and effective local government and planning practise through its Business Growth Agenda, Better Local Government and Resource Management Reform programmes.

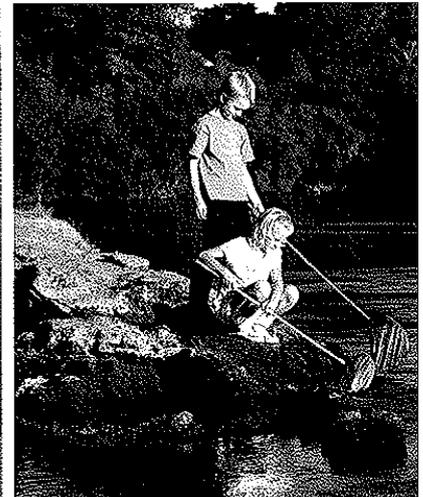
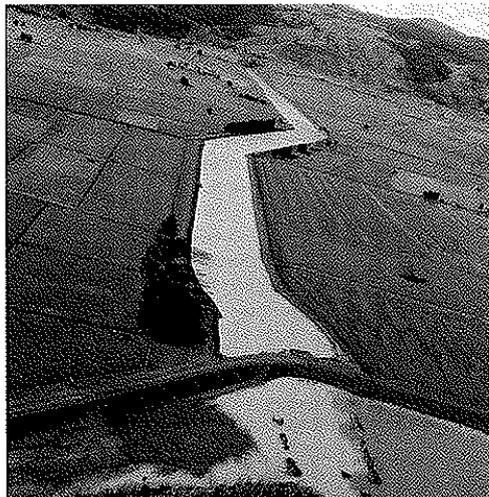
Waikato councils are responding to local community challenges and Government policy reform programmes through the Waikato Mayoral Forum's discussions on opportunities for greater collaboration.

### Don't Waikato local authorities already collaborate?

Yes. Waikato councils already collaborate in a number of ways such as growth management, insurance of assets, transport modelling and power supplies. This collaboration is undertaken to help improve efficiency and effectiveness of service delivery to ratepayers, and already provides over three quarters of a million in annual savings to ratepayers.

Local authorities have also successfully collaborated with central Government. In 2006, the Regional Transport Committee negotiated an additional \$220 million of additional transport investment into the Waikato. This has helped advance the Waikato Expressway and doubled the amount of freight able to be delivered on the East Coast Main Trunk Railway. These investments have unlocked economic development opportunities such as the Ruakura Inland Port proposed by Waikato Tainui.

*Continued overleaf.*



### How does the region currently plan for its communities?

Resource management and community planning are two areas where greater collaboration could be more effective. At present, Waikato local councils each have their own district plan, long term plans, and a range of community, asset, financial and reserve management plans, policies, bylaws and strategies. There are over 640 individual plans, strategies, bylaws and policies that influence land use and resource allocation in the Waikato.

The Waikato Mayoral Forum – which includes the Waikato regional Council chair - believes reducing the number of plans and achieving greater consistency between plans would give significant benefit to the Waikato. This will help communities, government, iwi and other key stakeholders to respond to the high priority issues in the region, and engage more effectively and efficiently with local government in the Waikato.

### What changes are suggested?

To build a collective voice within the Waikato, the Waikato Mayoral Forum proposes to develop a “Waikato Plan”.

Responding to common challenges, unlocking economic growth potential and improving our planning delivery systems are all core outcomes sought by the forum’s governance and planning group. We need a collective voice on these issues and positive engagement with central government if the Waikato is going to build on previous successes.

### What will the Waikato Plan do?

The Waikato Plan will help:

- Save ratepayers up to an estimated \$48 million over the next ten years in planning-related costs.
- Guide more efficient planning and service delivery
- Provide a collective approach to regional investment decisions
- Engage more effectively with central government on issues
- Local authorities speak with a collective voice on the high priority challenges for the region
- Enable conversations on governance frameworks.

Implementation of the plan would provide a simpler regulatory framework which will help our community, iwi and key stakeholders engage in business with confidence, reduce regulatory compliance hurdles and achieve positive environmental outcomes.

### What will happen now?

Subject to funding approval, the first stage of a draft Waikato Plan process will be completed by end of 2013, with the first stakeholder engagement due in early 2014. The Waikato Plan will be written by the people and communities of the region, and the Waikato Mayoral Forum encourages everyone to be involved in these important discussions.

For more information contact governance and planning working party CEO Garry Dyet on 07 872 0043 or email [garry.dyet@waipadc.govt.nz](mailto:garry.dyet@waipadc.govt.nz).

## Waikato Mayoral Forum

## Water and wastewater savings potential

The following table illustrates how water and wastewater operations are major services in the Waikato.

Depreciated asset value (June 2011)	\$1.7 billion
Combined projected spend 2012/13	\$277 million
Projected spend 2012–2022	\$3 billion
Properties serviced	165,000
FTEs	251

A preliminary review suggests at least several million dollars a year could be saved by Waikato councils working together smarter over water and wastewater services.

The review looked at whether efficiency and/or effectiveness advantages would be possible if the region's councils took a more 'shared' approach to providing water and wastewater services.

The review found no evidence that the current approach is 'broken' but concluded there was:

- potential for cost savings
- a need to improve the resilience of water and wastewater services.

It is calculated that greater co-operation between councils could yield savings of \$3 million to \$4 million annually – that's about a 6% saving in operation and maintenance costs. However, it is unlikely that these savings would be spread evenly across the region, and further detailed work is required to validate if these savings can be achieved and the practical implications of any changes promoted. Smaller councils, such as Otorohanga and Waitomo Districts, already "run on the smell of an oily rag" and any additional cost savings in these areas would be minimal.

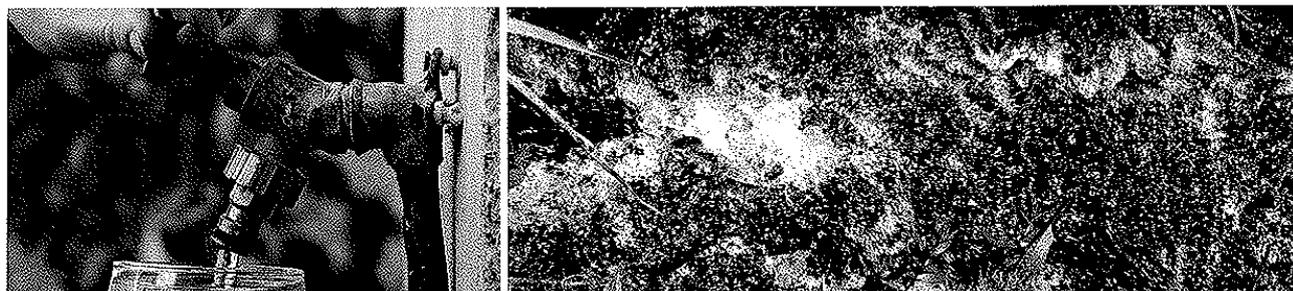
Working together more closely would also improve 'resilience' issues, which are a particular concern for smaller councils. The term 'resilience' means the ability of councils to consistently provide a high quality service, and specifically to the ability of councils to attract and retain highly skilled and specialist staff, address changing environmental demands and cope in the event of an emergency.

The review goes on to say that "significant further cost savings" may be possible if regional water and wastewater activities were managed as one entity or possibly as sub-regional clusters. It is recommended that further investigation be undertaken, particularly in areas such as asset management.

Improving asset management could bring substantial opportunities for efficiencies. This includes operational savings (such as reducing 11 management structures to only one, having two asset management plans instead of 22 and providing region-wide procurement). Capital expenditure savings may also be possible and "if a major investment in plant can be deferred through optimised asset management or better demand management, savings can be significant".

The review also identified that, despite the similarity of the function being delivered by each territorial authority, there was substantial disparity in the data collected, which makes comparisons across councils very difficult to achieve. A more detailed understanding of cost and cost drivers could, in itself, lead to the identification of cost efficiencies.

*Continued overleaf.*



### Where to from here?

The Waikato Local Authority Shared Services Ltd has been requested to consider the opportunities for greater cooperation identified in the report, test the financial and practical considerations, and pursue them if a business case is justified.

A technical advisory group is to be formed in order to establish a common cost management and benchmarking framework across all participating councils. The group will also assist with other investigations.

A stage II study has been scoped. This is intended to explore the benefits of creating regional and/or sub-regional entities to manage water and wastewater (or elements of these services such as regional and/or sub-regional asset management) and the implications for individual councils, including financial considerations.

For more information contact water and wastewater working group CEO David Hall on 07 885 0741 or email [david.hall@southwaikato.govt.nz](mailto:david.hall@southwaikato.govt.nz).

# Waikato Mayoral Forum

## A smoother path for roading

**There are some strong opportunities to make savings on council roading operations in the Waikato.**

While these are attractive in their own right, the opportunities we've identified come as the Government – through the New Zealand Transport Agency (NZTA) – is pushing for further efficiencies.

NZTA provides on average 50% of the costs of managing and maintaining the region's road network.

The agency is currently reviewing the way its cost share is allocated.

Roads in the Waikato, and their management and maintenance, make up around 11% of the national network and more than 11% of the national funds applied to operations and maintenance areas. Over the 2009-12 Long Term Plan period some \$340 million was spent on operations and maintenance, including state highways, in the Waikato.

A national study last year through the Road Efficiency Task Force speculated that between 2% and 20% could be saved nationally in the road operations and maintenance areas.

For the Waikato, including state highways, that would amount to between \$8 million to \$70 million over three years. For council roads the indicative saving is \$2 million to \$30 million over three years.

A stock take of roading in the Waikato indicates:

- Different road type definitions (arterials/collectors/local) across all councils
- Different standards across all councils (pavement width, traffic control systems)
- Different levels of response to problems in each council
- Different ways of collecting management data and different types of data.

Objectives for the Waikato Mayoral Forum roading working party are:

- Local accountability to continue
- Unify road policies and standards as much as possible
- Deliver agreed levels of service, with consistency being a goal
- Establish optimal contract format, size and management
- Utilise existing resources, and provide resilience to specialist staff
- Sustainability of the service for the future
- Achieve efficiencies.

The immediate next steps are to work on a regional approach to agreed standards, levels of service, categorization of road type across the region, and contract optimization.

For more information, contact Don McLeod, roading working party CEO, on 07 884 0600 or [don.mcleod@mpdc.govt.nz](mailto:don.mcleod@mpdc.govt.nz).



**Item 335 ODC MATTERS REFERRED FROM 12 MARCH 2013**

**To: His Worship the Mayor & Councillors  
Otorohanga District Council**

**From: Governance Supervisor**

**Date: 2 April 2013**

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**Executive Summary**

**1. ENGINEERING MANAGER**

19 February 2013

- i. To prepare material for communication to the Otorohanga Community in respect of managing a potential flooding event.

12 March 2013

- ii. To prepare a submission for forwarding to Transit NZ on the Review of the Funding Assistance Rate for roading, to retain the status quo.

**2. ENVIRONMENTAL SERVICES MANAGER**

29 January 2013

- i. To prepare a report on the number of Building Consents issued for the quarterly period.

**GENERAL**