



Ordinary Meeting of Council

AGENDA

10.00am Tuesday 6 December 2016

**Council Chamber, Wairoa District Council, Coronation
Square, Wairoa.**

The agenda and associated papers are also available on our website: www.wairoadc.govt.nz

For further information please contact us 06 838 7309 or by email info@wairoadc.govt.nz



Agenda

Chairman: His Worship the Mayor Mr C Little

Councillors: D. Eaglesome-Karekare (Deputy Mayor), M Bird, H Flood, J Harker, M Johansen, C Lambert.

	Pages
Procedural Items	
1. Karakia	
2. Apologies for Absence	
3. Declarations of Conflict of Interest	
4. Chairman's Announcements	
5. Items of Urgent Business not on the Agenda	
6. Public Participation A maximum of 30 minutes has been set aside for members of the public to speak on any item on the agenda. Up to 5 minutes per person is allowed.	
7. Minutes of the Previous Meeting	4-12
8. CEO Monthly Report – December F Power – Chief Executive Officer	13-14
General Items	
9. Kiwi Road and Dust Prioritisation List (LATE ITEM) J Cox – Engineering Manager	
10. Regional Multi-Sport Hub (10.45am) Presentation from Sir Graeme Avery and Marcus Agnew	
11. Cost Benefit analysis of Wairoa District Council Internship Programme (11.45am) K Tipuna – Communications Strategist and presentation by Mark Cox (Business & Economic Research Ltd)	15-16
Public Excluded Items	
12. Resolution to Exclude the Public	17
13. Confidential Minutes of the Previous Meeting	18-20

14. QRS Directorship
F Power – Chief Executive Officer

21-27



Minutes of an Ordinary Meeting of Council

10.10am Tuesday 22 November 2016 held in the Council Chamber, Wairoa District Council, Queen Street, Wairoa.

Present: His Worship the Mayor Mr C Little

Councillors: M Bird, D Eaglesome-Karekare, H Flood, J Harker, M Johansen, C Lambert.

F Power (Chief Executive Officer)
H Montgomery (Chief Operating Officer)
J Cox (Engineering Manager)
J Baty (Corporate Services Manager)
A Morton (Chief Financial Officer)
K Tipuna (Communications Strategist)
C Knight (Governance Advisor & Policy Strategist)

Procedural Items

1. Karakia

The karakia was given by the Corporate Services Manager.

2. Apologies for Absence

Councillor Bird entered the meeting at 10.11am

None

3. Declarations of Conflict of Interest

None.

4. Chairman's Announcements

None.

5. Items of Urgent Business not on the Agenda

- Mahanga Road – land swap
- Glendining Road
- Confidential – Mayoral Vehicle

- Confidential – Water
- Confidential – Postage

6. Public Participation

None.

7. Minutes of the Previous Meeting

Resolved: *That the minutes of the Ordinary Meeting of Council held on 25 October 2016 be confirmed as a correct record of the proceedings.*

Eaglesome-Karekare/Flood

8. CEO Monthly Report

The Chief Executive Officer presented his report. An update was given on 3.4.1 – Council has received a donation of \$5000 from Skyline Aviation towards airport upgrades.

Council discussed:

- Airport upgrade
- Kaikoura Earthquake

Resolved: *That the report be received.*

Little/Eaglesome-Karekare

General Items

9. Council Forum – Petitions Received

The Governance Advisor & Policy Strategist presented the report.

Resolved: *That Council:*

- Receive the attached petitions*
- Request a report comes back to December Council on: the costs of sealing Kiwi Road, and the dust nuisance prioritization list; and, the Council's responsibilities re Ormond Reserve.*

Harker/Eaglesome-Karekare

10. Regional Multi-Sport Hub

Presentation will be given at 6th December 2016 meeting.

11. Financial Delegations

The Chief Financial Officer presented the report.

Resolved:

That Council:

- 1. Receives the report.*
- 2. Approves the Chief Executive Officer to commit or authorise expenditure up to a Financial Delegation level of \$100,000 in any single transaction.*
- 3. In respect of the above delegation, the Chief Executive Officer may delegate authority to other officers of Council initially as per the attached Appendix 1(with amendment regarding Business Support Officer & Casual Business Support Officer) – Proposed Financial Delegation Limits, subject to change, but always within the maximum of the Chief Executive Officer’s own delegation level.*
- 4. The Chief Executive Officer is approved to withdraw and or amend Financial Delegations held by officers at any time.*
- 5. All Purchases above the Chief Executive Officers Financial delegation of \$100,000 are to be referred to the Finance Audit and Risk Committee for approval prior to the expenditure being committed.*

Harker/Flood

ADJOURNED: 10.47AM

RECONVENED: 10.52AM

12. Meeting Schedule

The Governance Advisor & Policy Strategist presented the report.

Council discussed:

- Start time of meetings

Resolved:

That the following meeting schedule be adopted for 2017:

Council

6 weekly meetings

Tuesday 1.30pm

Agenda closes 5 working days before the meeting date

Meeting Date	Agenda closes
14th February 2017	Friday 3 rd February 2017
28th March 2017	Monday 20 th March 2017
9th May 2017	Monday 1 st May 2017
20th June 2017 Annual Plan Adoption	Monday 12 th June 2017
1st August 2017	Monday 24 th July 2017
12th September 2017	Monday 4 th September 2017
24th October 2017 Annual Report Adoption	Friday 13 th October 2017
5th December 2017	Monday 27 th November 2017

Council Forum

6 weekly meetings

Tuesday 1.30pm

Agenda closes 2 weeks before the meeting date

Meeting Date	Agenda closes
7th March 2017	Monday 20 th February 2017
18th April 2017	Monday 3 rd April 2017
30th May 2017	Monday 15 th May 2017
11th July 2017	Monday 26 th June 2017
22nd August 2017	Monday 7 th August 2017
3rd October 2017	Monday 18 th September 2017
14th November 2017	Monday 30 th November 2017

Finance, Audit & Risk Committee

6 weekly meetings

Tuesday 1.30pm

Agenda closes 5 working days before the meeting date

Meeting Date	Agenda closes
28th February 2017	Monday 20 th February 2017
11th April 2017	Monday 3 rd April 2017
23rd May 2017	Monday 15 th May 2017
4th July 2017	Monday 26 th June 2017
15th August 2017	Monday 7 th August 2017
26th September 2017	Monday 18 th September 2017
7th November 2017	Monday 30 th October 2017

Economic Development Committee

6 weekly meetings

Tuesday 1.30pm

Agenda closes 5 working days before the meeting date

Meeting Date	Agenda closes
21st February 2017	Monday 13 th February 2017
4th April 2017	Monday 27 th March 2017
27th June 2017	Monday 19 th June 2017
8th August 2017	Monday 31 st July 2017
19th September 2017	Monday 11 th September 2017
31st October 2017	Friday 20 th October 2017

Conduct Review Committee

As required

Flood/Eaglesome-Karekare

13. Committee Structure

The Governance Advisor & Policy Strategist presented the report.

Council discussed:

- Type and number of committees

<u>Resolved:</u>	<p><i>That Council convenes the following committees (in addition to Maori Standing Committee – as already convened on 25th October):</i></p> <ul style="list-style-type: none">• <i>Asset & Activity – terms of reference as per Appendix 1. Workshop to discuss Terms of reference to be arranged</i>• <i>Finance, Audit & Risk – terms of reference as per Appendix 1</i>• <i>Conduct Review – terms of reference as per Appendix 1</i>• <i>Chief Executive Performance Review – terms of reference as per Appendix 1</i>• <i>Economic Development – terms of reference as per Appendix 1</i>• <i>Community Partnership – terms of reference to be discussed at a workshop</i> <p><i>Committees (with exceptions stated above) will review their terms of reference at their inaugural meetings and make recommendations to Council if changes are required.</i></p> <p style="text-align: right;"><i>Eaglesome-Karekare/Harker</i></p>
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14. Delegations – Warrant to Act

The Corporate Services Manger presented the report.

<u>Resolve</u>	<u>That:</u>				
<u>d:</u>	<ol style="list-style-type: none">1. <i>The report be received.</i>2. <i>The delegations and appointments as scheduled in the Schedule of Delegations be approved with immediate effect:</i> <table><thead><tr><th style="text-align: left;"><i>NAME</i></th><th style="text-align: left;"><i>DELEGATION/AUTHORITY</i></th></tr></thead><tbody><tr><td style="vertical-align: top;"><i>Peter Robson</i></td><td><ol style="list-style-type: none">1. An “enforcement officer” appointed under Section 177 of the Local Government Act 2002 for the enforcement of bylaws and regulations.2. “Enforcement Officer” Under Section 38 of the Resource Management Act 1991.3. A “Dog Control Officer” under Section 11 of the Dog Control Act 1996.4. A “Pound keeper and Ranger” under Section 8 of the Impounding Act 1955.</td></tr></tbody></table> <p style="text-align: right;"><i>Eaglesome-Karekare/Johansen</i></p>	<i>NAME</i>	<i>DELEGATION/AUTHORITY</i>	<i>Peter Robson</i>	<ol style="list-style-type: none">1. An “enforcement officer” appointed under Section 177 of the Local Government Act 2002 for the enforcement of bylaws and regulations.2. “Enforcement Officer” Under Section 38 of the Resource Management Act 1991.3. A “Dog Control Officer” under Section 11 of the Dog Control Act 1996.4. A “Pound keeper and Ranger” under Section 8 of the Impounding Act 1955.
<i>NAME</i>	<i>DELEGATION/AUTHORITY</i>				
<i>Peter Robson</i>	<ol style="list-style-type: none">1. An “enforcement officer” appointed under Section 177 of the Local Government Act 2002 for the enforcement of bylaws and regulations.2. “Enforcement Officer” Under Section 38 of the Resource Management Act 1991.3. A “Dog Control Officer” under Section 11 of the Dog Control Act 1996.4. A “Pound keeper and Ranger” under Section 8 of the Impounding Act 1955.				

Late items – Glendinging legal road reserve realignment; and, Mahanga Road land swap

Resolved: *That in accordance with Section 46A (7) of the Local Government Official Information and Meetings Act 1987 the items **Glendinging legal road reserve realignment; and, Mahanga Road land swap** be considered given the item had not come to hand at the time of Agenda compilation and consideration of this matter is required now in order to respond within the timeframe allowed.*

Harker/Flood

Council discussed:

- Details of each transaction

Resolved:

- *That Council receives this information.*
- *That Council resolves to submit the information to the Minister of Lands for the purposes of declaring those parts of the subject land on which the road is currently constructed outside of the Legal Road Reserve to be road pursuant to section 114 of the Public Works Act 1981.*
- *That Council resolves to submit the information to the Minister of Lands for the purposes of declaring those parts of the subject land that are currently Legal Road Reserve but where the road is not currently constructed to be stopped pursuant to section 116 of the Public Works Act*
- *That Council undertakes all necessary steps for the purposes of giving effect to the Land Exchange Agreement between Wairoa District Council and William John Sidney Bowen dated 14 September 2005.*
- *That the Engineering Manager be delegated the role and all necessary powers for the purposes of advancing this application with the Minister of Lands.*

Johansen/Lambert

Resolved:

- *That Council receives this information.*
- *That Council resolves to submit the information to the Minister of Lands for the purposes of declaring Section 1 SO 487977 to be legal road reserve pursuant to section 114 of the Public Works Act 1981.*
- *That Council resolves to submit the information to the Minister of Lands for the purposes of declaring Section 3 SO 487977 to be stopped pursuant to section 116 of the Public Works Act*
- *That Council undertakes all necessary steps for the purposes of giving effect to the realignment of the legal road reserve.*
- *That the Engineering Manager be delegated the role and all necessary powers for the purposes of advancing this application with the*

15. Resolution to Exclude the Public

Resolved: That the public be excluded from the following parts of the proceedings of this meeting, namely:

1. Confidential Minutes of Previous Council Meeting
2. Rates remissions
3. HBLASS Evolution
4. Late item – Mayoral Vehicle
5. Late item – Postage
6. Late item – Water

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) to the passing of this resolution
	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to:	48(1)(a) That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist:
Confidential Minutes of Previous Council Meeting	Section 7 (2) (i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	(i) where the local authority is named or specified in the Schedule 1 to this Act, under section 6 or section 7 (except section 7(2)(f)(i)) [of the Local Government Official Information and Meetings Act 1987]
Rates remissions	Section 7 (2) (a) protect the privacy of natural persons, including that of deceased natural persons	(i) where the local authority is named or specified in the Schedule 1 to this Act, under section 6 or section 7 (except section 7(2)(f)(i))

			[of the Local Government Official Information and Meetings Act 1987]
HBLASS Evolution	Section 7 (2) (h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities		(i) where the local authority is named or specified in the Schedule 1 to this Act, under section 6 or section 7 (except section 7(2)(f)(i)) [of the Local Government Official Information and Meetings Act 1987]
Late item – Mayoral Vehicle	Section 7 (2) (i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)		(i) where the local authority is named or specified in the Schedule 1 to this Act, under section 6 or section 7 (except section 7(2)(f)(i)) [of the Local Government Official Information and Meetings Act 1987]
Late item – Postage	Section 7 (2) (h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities		(i) where the local authority is named or specified in the Schedule 1 to this Act, under section 6 or section 7 (except section 7(2)(f)(i)) [of the Local Government Official Information and Meetings Act 1987]
Late item – Water	Section 7 (2) (i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)		(i) where the local authority is named or specified in the Schedule 1 to this Act, under section 6 or section 7 (except section 7(2)(f)(i)) [of the Local Government Official Information and Meetings Act 1987]

Johansen/Eaglesome-Karekare

PUBLIC EXCLUDED: 12PM

READMITTED: 2.44PM

Cr Harker gave a closing karakia.

There being no further General Business His Worship the Mayor declared the meeting closed.

CLOSED: The meeting closed at **2.45pm.**

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Chair

Council

06 December 2016



Chief Executive Officer's Monthly Report

Department	Office of the Chief Executive
Author	Chief Executive Officer – F Power
Contact Officer	As above
1. Purpose	1.1 To update Councillors on significant matters attended to by the CEO in the interval since the last report – 22 November 2016.
Recommendation	<p><i>The Chief Executive Officer RECOMMENDS;</i></p> <p>1.1 <i>THAT Council receive this report.</i></p> <p>1.2 <i>THAT Council approve the selection of Kiwa Hammond, Paul Kelly, Here Nissen, Peter Whaanga, Henare Mita, Whaiora Maindonald, Theresa Thorndon, Sharon Cooper and Adrian Manuel to the Wairoa District Council Māori Standing Committee.</i></p>
2. Staff and intern movements	2.1 Tina Wilcox (Cashier/Creditors Clerk) has resigned to take up a role in the private sector, and we wish her well with her new position.
3. Economic Development	<p>3 <i>Space Launch Planning Proceeds</i></p> <p>3.1 Rocket Lab has recently indicated that it does not intend launching the first test flight before Christmas.</p> <p>3.2 On 23 November 2016 I attended the opening ceremony for the Wairoa Museum refurbishment.</p>
4. Events and meetings	<p>4 <i>Strategic Planning Workshop</i></p> <p>4.1 <i>Regional Meetings</i></p> <p>4.1.1 On 24/25 November 2016 His Worship and I attended LGNZ Zone 3 in Stratford, where I gave a presentation on Councillor Information Systems.</p> <p>4.1.2 On 26 November 2016 His Worship, I and Māori Relationships Manager David Tipoki attended the Deed of Settlement signing at Takitimu Marae between Tātau Tātau O Te Wairoa Trust and the Crown.</p> <p>4.1.3 On 27 November 2016 a Hui-A-Iwi was held at Taihoa Marae to select candidates for the WDC Māori Standing Committee. The incoming Māori Standing Committee</p>

members selected at the Hui-A-Iwi are as follows; Kiwa Hammond, Paul Kelly, Here Nissen, Peter Whaanga, Henare Mita, Whaiora Maindonald, Theresa Thorndon, Sharon Cooper and Adrian Manuel. Confirmation of the WDC Māori Standing Committee will be formalised at a forthcoming Council meeting. I would like to acknowledge outgoing MSC members for their service to our community; Graeme Symes (Rakaipaaka and Outgoing Chair), Gaye Hawkins (Pahauwera), Esther Foster (Hōnengenenge), Neuton Lambert (Waikaremoana), Sam Jury (Whānau Whānui). Our thanks and gratitude for your service to our community.

4.1.4 I attended the LIFT HB Executive Meeting meeting in Napier on 01 December 2016.

4.1.5 His Worship and I attended the CDEM Joint Committee in Napier on 05 December 2016.

**Further
Information
Appendices
Background
Papers
Signatories**

None.

None.

None.

Author: F Power





Cost benefit analysis – Wairoa District Council Internship Programme

Department	Office of the Chief Executive
Author & contact officer	Kitea Tipuna – Communications Strategist
1. Purpose	1.1 The purpose of this report is to present to Council the cost benefit analysis of the Wairoa District Council internship programme.
Recommendation	<i>The Communications Strategist RECOMMENDS that:</i> 1. <i>The report be received.</i>
2. Background	<p>2.1 The Wairoa District Council internship programme has been in operation since December 2014.</p> <p>2.2 The Wairoa District Council has hosted approximately 30 interns from Wairoa, from across New Zealand and from around the world.</p> <p>2.3 Internships have varied in length and projects undertaken are generally from across the organisation including Health and Safety, Human Resources, GIS Mapping, Communications, Economic Development, Tourism, Engineering, Water Treatment, Financial Reporting, Law, Māori Relationships, Policy, Marketing, Urban Planning and many more.</p> <p>2.4 Projects carried out by interns include the following;</p> <ul style="list-style-type: none"> • Financial Reporting – Kang Lin (Victoria) • GIS Mapping – Briar Thomas (Canterbury) • Water Treatment Options – Winona Molano (Massey) • Wastewater Systems – Matheus Larrossa (Waikato) <p>2.5 Formal relationships have been established with the University of Auckland, Waikato University, Victoria University of Wellington, Massey University and Canterbury University.</p> <p>2.6 Councillors have requested that an independent cost benefit analysis be carried out of the Wairoa District Council internship programme.</p> <p>2.7 Business and Economic Research Ltd (BERL) were engaged to conduct an independent cost benefit analysis.</p>
3. What is the cost?	3.1 The cost of the programme is accommodated within existing budgets.
4. Significance	4.1 This has a low impact as there is no significant deviation

from current practices or policy direction.

4.2 The financial impact of the cost of the BERL analysis will be sourced from existing budgets.

4.3 There is no alteration of service levels of any council significant activities.

4.4 There is no impact on any council strategic assets.
This decision does not change the way any significant activities are delivered.

5. Risk Management

5.1 No strategic risks have been identified in the recommendations contained in this report.

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author: K Tipuna



Approved: F Power



Benefit: Cost Analysis of Wairoa District Council's Internship Programme

Final report

November 2016

www.berl.co.nz



MAKING SENSE OF
THE NUMBERS

Author(s): Mark Cox and Ganesh Nana

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Making sense of the numbers

Wairoa District Council's Internship Programme is now in its third year. During its brief lifetime, it has evolved from a 12 week summer vacation programme, intended to provide opportunities for university students from the District, into a 20 week (full semester) programme, mainly involving students from overseas. This is a consequence of New Zealand students (including those from Wairoa District) not being available for internships for most of the year as a result of their commitment to their University studies. That said, there is a commitment to Wairoa district interns in that local applicants are given preference over non-local applicants.

Many of the projects undertaken by the interns at the start of the Programme involved work to update the Council's systems and processes. More recently, however, the emphasis has shifted towards projects intended to support economic development, especially in the tourism sector.

By the end of the current financial year, the Programme will have provided opportunities for 30 interns, all but one of whom have been from outside the District. The interns will have worked for a total of 496 weeks.

This report estimates and compares the quantifiable benefits and costs of the Programme. It also describes the non-quantifiable benefits and costs.

The quantifiable benefits have been the value of the work done by the interns, the value of work that the interns have freed-up Council managers to undertake, and the value of the spending by the interns in the local economy. The quantifiable costs have been the cash spending by the Council on the interns' accommodation and some of their recreation, and the cost of the time spent by Council managers supervising the interns.

The non-quantifiable benefits have taken the form of interns' projects that have advantaged individual local businesses and tourism development more generally. The interns have also contributed to community activities. The non-quantifiable costs will have been the value of alternative uses to which the Council's cash spending on the Programme might have been put, although it is not clear what the alternative uses might have been.

We have been careful not to overstate the benefits and understate the costs, but we estimate that by the end of the current financial year, the Programme will have generated quantifiable benefits to the value of \$926,320. We also estimate that the Programme will have been associated with quantifiable costs of \$242,526. In other words, the Programme will have yielded \$3.82 worth of benefits for every \$1 it has cost.

We also believe that the non-quantifiable benefits will have been considerably greater than the non-quantifiable costs.

Now that the Programme has reached a steady state, in which it provides 17 Internships of 20 week duration every year, we estimate that the quantifiable benefits will settle down at around \$4.25 for every \$1 of quantifiable costs. The non-quantifiable benefits, in the form of a boost to tourism in the District, are likely to grow by more than the non-quantifiable costs.

The international linkages that the Programme is helping to establish will also be beneficial to the District's economic development in the longer term.

In addition, the Programme is likely to yield benefits outside the District. It will help to boost tourism in the Gisborne/Tairāwhiti region. It has resulted in systems and process improvements that can be shared with other Councils. And it will demonstrate to other Councils the value of having an internship Programme.

As part of our research, we also sought an opinion from a leading academic who has been familiar with the Programme from the start. His view is that the Programme is exemplary, being of considerable value to the Council, the Wairoa community and the Interns.



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1 Introduction

This report compares the benefits and costs of Wairoa District Council's Internship Programme to date; and it considers how the benefits and costs are likely to change in the future.

The Programme is now into its third year. It was originally intended to provide opportunities mainly for young people coming home to the district during the 12 week university summer break. However, it has quickly evolved into a programme that provides opportunities mainly for overseas students to spend 20 weeks working on Council projects.

The reasons for the evolution have been two-fold. First, it was discovered that, understandably, local young people coming home for the summer break preferred to take up paid work to restore their finances. Secondly, the extension from 12 to 20 week internships was better suited to providing overseas students with semester-long projects for which they could obtain academic credits.

In what follows, we first present some data and information on participation in the Programme and the projects undertaken. We then examine the benefits and costs of the programme to date, before setting out our estimates of the benefit: cost balance. Lastly we consider how the benefits and costs – and, hence, the benefit: cost balance – are likely to change in the foreseeable future.

In developing our estimates we have sought to avoid overstating the benefits and understating the costs. For example, we adopted what we think is a conservative assumption about the amount the interns inject into the local economy through their spending in shops, cafes etc. We also used what we believe might well be a generous estimate of the cost to the Council of supervising the interns. Overall, this means that, if anything, the true benefit: cost ratio for the Programme is greater than we have estimated.

2 Participation in the Programme

By the end of the current local government financial year (ending June 2017), the Programme will have had a total of 30 interns. All but one of the interns have come from outside Wairoa District, and the majority have been students from overseas. The home countries of the interns from overseas have included Brazil, Germany, Austria, France, Belgium and the Netherlands.

Broken down by year, the numbers of interns and their average length of internship have been as follows:

- 2014/15
 - 5 interns, working an average of 12 weeks.
- 2015/16
 - 8 interns, working an average of 12 weeks
- 2016/17
 - 17 interns, working an average of 20 weeks.

Over the three years, the interns will have worked a total of 496 weeks.

The projects the interns have worked on have varied. At the start of the Programme, a number of the projects focused on Council systems and processes. More recently, the projects have focused largely on economic development.

Topics for individual projects have included:

- GIS mapping and datasets
- Local government governance and administration
- Whenua Rāhui (Māori reserve land) policy
- Sustainable tourism
- Food hygiene and water treatment
- Asset management
- Cycleway and walkway development
- Health and safety procedures
- Tourism development related to Rocket Lab
- Graphic design related to economic development
- Marketing
- Council financial management
- Council HR policies and procedures.

It should be noted that the interns' projects were not make-work activities. Several of the managers we interviewed commented that a number of the Council's systems and processes had been outdated, and that the interns' projects were often concerned with bringing the systems and processes up to date.

3 Programme benefits

We have identified a number of benefits associated with the Programme. Some of the benefits can be quantified, but others can only be described. The benefits that can only be described are real, nonetheless, but they are likely to accrue mainly in the future.

The quantifiable benefits comprise the following:

- The value of the work that the interns do
- The value of the work the interns free-up Wairoa District Council managers to do
- The cash spending by the interns in the local economy.

The other, non-quantifiable benefits comprise the following:

- The support provided by interns' projects that enables individual local businesses to start up and develop
- The support provided by the interns' projects for the development of tourism more generally
- The contribution of the interns to aspects of community activities.

3.1 Quantifiable benefits

3.1.1 Value of work done by the interns

Based on the interviews we conducted with Council managers who have supervised interns, we believe that it would be reasonable to calculate the value of work done by the interns on the assumption that they have made an effective contribution for an average of 30 hours per week over the course of their internships.

It was stated in the previous section that the interns will have worked a total of 496 weeks by the end of the current financial year. This means that their total effective contribution will have been $30 \times 496 = 14,880$ hours.

The managers interviewed gave slightly varying estimates of the value per hour of the interns' work. However, the consensus was that the interns were worth 70-80% of the average Council staffer. The data on staff remuneration in the Council's latest annual report implies that the average staffer is paid \$33 per hour, based on an assumed 40 hours per week. This implies that the interns' work should be valued at around \$26 per hour.

Given this information we, therefore, estimate the value of the interns' work at $\$26 \times 14,880 \text{ hours} = \$386,880$.

3.1.2 Value of the work the interns free-up Council managers to do

The interviews with the Council managers also indicated that, if the interns had not worked on their respective projects, the work would need to have been done anyway, either by the managers themselves or by contractors and consultants. In effect, therefore, the interns have freed-up the managers to work on other activities.

It does not follow, however, that the managers would have worked the same number of hours on other activities that the interns put into their projects. This is because the managers' greater skills and experience make it likely that they would be able to complete the work done by the interns somewhat more quickly. To enable an estimate to be derived, we assume that the managers would have been able to work twice as quickly as the interns, and this implies that they have been freed-up to do $14,880/2 = 7,440$ hours of other work.

To estimate the value of these 7,440 hours, we further assume that, by virtue of their seniority, the managers will be remunerated at twice the average for all council staffers, i.e. at \$66 per hour. This then implies that the total value of the other work will be $\$66 \times 7,440 \text{ hours} = \$491,040$.

3.1.3 Cash spending by interns in the local economy

The interns are provided with free accommodation, power and internet, and they have also been given access to some recreational facilities free of charge. However, they still need to pay for their own food and cover the cost of most of their entertainments and any clothing purchases.

Our estimate of this spending is based on the conservative assumption that the interns spend only \$100 per week out of their own pockets. All but one of the 29 interns to date have come from outside Wairoa District, so this means that the total spending will by the non-local interns will be \$100 x 484 weeks = \$48,400.

This spending represents a cash injection into businesses in the district.

3.1.4 Total quantifiable benefits

By the end of the current financial year, the total quantifiable benefits will be:

Value of interns' work:	\$386,880
Value of work Council managers have been freed-up to do:	\$491,040
<u>Cash spending by interns form outside the District:</u>	<u>\$48,400</u>
Total	\$926,320

3.2 Non-quantifiable benefits

3.2.1 Support provided to individual local businesses

We understand that work by interns has helped at least two local businesses to offer walking cycling and horse-trekking activities to visitors.

3.2.2 Support for tourism development more generally

In addition, a number of the interns' projects have been related to the plans by Rocket Lab to develop a launch site on the Mahia peninsula. If Rocket Lab's plans go well, there could be anything up to one launch a week, and this would be a major attraction for visitors.

Attracting visitors into the District to witness rocket launches will provide the impetus for other business development, including in activities such as accommodation and food & beverage services.

Several of the interns also worked on the development of an augmented reality app, for use on the android platform, which could be used to guide visitors around the District and its attractions.

3.2.3 Interns' contribution to community activities

The interns have also made significant contributions to community life in Wairoa. For example, we were told that one intern had played a significant role in running the town's Gaiety Theatre. Others had provided interpreting services at the i-Site. More generally, the Interns had helped out as hosts in community events of various kinds.

4 Programme costs

Similarly, some of the costs of the Programme can be quantified, while others can only be hinted at.

The quantifiable costs comprise the following:

- The cash spending by the Council on interns' accommodation and initiatives aimed at integrating the interns into the local community
- The cost of Council managers' time spent supervising the interns.

The Council managers interviewed were asked if there were any projects costs (e.g. for consumables related to individual project activities), but all indicated that they were negligible.

The non-quantifiable costs can only be speculated about. They comprise the value of the alternative uses the cash spending by the Council could have been put to¹.

4.1 Quantifiable costs

4.1.1 Cash spending by the Council

Projections indicate that the Council will have incurred cash expenditure on the interns totalling \$88,667. Most of this amount relates to the cost of leasing and equipping the interns' accommodation. Lesser amounts have been spent on computers and small purchases related to maximising opportunities for the interns to be quickly integrated into the community, leading to better outcomes for the projects and the interns themselves.

4.1.2 Costs of Council managers' time

The value of the time the Council managers spent on supervising the interns represents a cost of the programme and it can be estimated relatively easily.

The interviews with the managers revealed that the amount of time that was spent on supervision varied according to the individual intern and the project they were working on. The amount of supervision time required also declined over the course of an internship.

The managers' estimates of the average amount of time they spent on supervision over the course of an internship, ranged from 0.5 hours per week to 7 hours per week. The average across all interns and managers was 4.7 hours per week. An average of 4.7 hours of supervision time per week per intern strikes us as, perhaps, being on the high side. Nonetheless, in the interests of avoiding the possibility of understating the Programme's costs, we used that figure in our calculations.

Based on the assumption that the managers' time can be valued at \$66 per hour (see section 3.1.2), this implies that the cost of supervision works out at $\$66 \times 4.7 = \310.20 per week. And based on a total of 496 weeks activity by the interns over three years (see section 2), the total cost of supervision is estimated to be $\$310.2 \times 496 = \$153,859$.

¹ Strictly speaking, the value that could have been derived from the alternative uses represents an opportunity cost, rather than an actual cost. However, it is important to recognise explicitly that something, albeit small, has been foregone because of the Programme.

4.1.3 Total quantifiable costs

By the end of the current financial year, the total quantifiable costs will be:

Cash spending by the Council:	\$88,667
Cost of Council managers' time:	<u>\$153,859</u>
Total	\$242,526

4.2 Non-quantifiable costs

4.2.1 Alternative uses of cash spending

In theory, the Council's cash expenditure of \$88,667 could have been put to some alternative use, or uses. The value that the alternative use(s) could have generated should be counted as a cost of the Programme, but it is difficult to envisage what value the alternative use(s) could have generated over a three year period. Nonetheless, it should be noted that the total Programme costs will be slightly under-estimated.

5 The benefit: cost balance

As shown above, we estimate that the total quantifiable benefits of the Programme over the first three years will be \$926,320, while the total quantifiable costs will be \$242,526. This means that the benefit: cost balance will be 3.82: 1.

We also believe that the non-quantifiable benefits will be considerably greater than the non-quantifiable costs.

Overall, therefore, we conclude that the Council's Internship Programme has proved very good value for money.

Moreover, we believe that the Programme's value for money will be greater in the future than it has been to date. The reasons for this are as follows:

Quantifiable benefits and costs

- To date, the average length of the internships has been 16.5 weeks, but the move to 20 week internships means that the value of each intern's contribution will increase.
- In addition, there are now more interns in each intake than there were initially. This will also increase the interns' total contribution.
- The Council's cash expenditure on the Programme was front-loaded because much of it was associated with upgrading and equipping the interns' accommodation.
- The total amount of time the Council managers spend on supervising the interns will increase because the length of internships has increased. However, the average amount of time they spend per week supervising the interns will decrease because the interns require less and less supervise as time goes on.
- The Council managers will also be freed-up to do more other work than they have been to date.

Based on a steady state in which there are 17 interns a year, each working for 20 weeks, we estimate that the quantifiable benefits will increase to \$635,880 a year, while the quantifiable costs will increase to \$149,260 a year. This implies that the benefit: cost balance will increase to 4.26: 1.

Non-quantifiable benefits and costs

- The non-quantifiable benefits are likely to increase, not only because the total amount of work done by the interns will be greater in the future, but also because the focus of the interns' projects has shifted: away from updating Council systems and processes, towards economic development.
- The non-quantifiable costs, in the form of the value associated with possible alternative uses of the Council's cash spending on the Programme, are also likely to increase.

However, it is difficult to see how the non-quantifiable costs could increase more rapidly than the non-quantifiable benefits.

6 Spill-over and other effects

We also believe that the Wairoa District Council's Internship Programme has the potential, over time, to generate benefits for other Councils. We have not examined these spill-over benefits in depth, but we believe they could include:

- Encouraging tourism development further into the East Coast.
 - If the work as part of the Programme to attract more visitors into the District is successful, it is likely that at least some of the visitors will also venture into the Gisborne/Tairāwhiti region.
- Sharing improved systems and processes with other Councils.
 - It is likely that other Councils will need to update some of their systems and processes, just as Wairoa District Council needed to do. We understand that several of the improved systems and processes developed as part of the Internship Programme are already of interest to neighbouring Councils.
- Demonstrating the value of having an internship programme.
 - Wairoa District Council's Internship Programme is innovative, and we believe that we have shown it to be greatly beneficial. Other Councils could learn from Wairoa and reap benefits from developing their own Internship Programmes.

Lastly, it is worth noting that, in the longer term, the Programme could yield benefits to Wairoa as a result of the international linkages it will help to develop. The interns are all above-average students, who are likely to build successful careers in positions of influence, when they return to their home country and complete their studies. In due course, they might return as visitors to Wairoa. They might encourage others to visit. And they might even help to develop business relationships with the town.

7 Post-script: Another perspective on the Programme

In order to complement our economics-focused assessment, we discussed the Programme with Professor Chris Gallavin, Pro-Vice-Chancellor in the School of Humanities and Social Sciences at Massey University. Professor Gallavin has had the opportunity to gain some insights into the Programme since its early stages.

His view was that the Programme is exemplary, being of considerable value to the Council, the Wairoa community and the Interns. He described the Wairoa Programme as being “life-changing” for the Interns.

Professor Gallavin commented that experiential learning (i.e. learning in a “real world” working environment) was increasingly important for students, and that the Wairoa Internship Programme is an excellent model that other Districts might want to follow.

However, he emphasised that other Councils hoping to emulate Wairoa needed to offer high quality and genuine projects for the interns to work on, so as to enable them to gain academic credits from their experience. He also cautioned that other Councils would need to recognise that managing Interns required a significant amount of thought and time on the part of staff.



RESOLUTION TO EXCLUDE THE PUBLIC

That the public be excluded from the following parts of the proceedings of this meeting, namely:

1. Confidential Minutes of Previous Council Meeting
2. QRS Directorship

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) to the passing of this resolution
Confidential Minutes of Previous Council Meeting	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to: Section 7 (2) (i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	48(1)(a) That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist: (i) where the local authority is named or specified in the Schedule 1 to this Act, under section 6 or section 7 (except section 7(2)(f)(i)) [of the Local Government Official Information and Meetings Act 1987]
QRS Directorship	Section 7 (2) (a) protect the privacy of natural persons, including that of deceased natural persons	(i) where the local authority is named or specified in the Schedule 1 to this Act, under section 6 or section 7 (except section 7(2)(f)(i)) [of the Local Government Official Information and Meetings Act 1987]