



**ROTORUA  
LAKES COUNCIL**  
Te Kaunihera o ngā Roto o Rotorua

# Kaupapataka Agenda

## NOTICE OF AN EXTRAORDINARY MEETING OF INFRASTRUCTURE AND ENVIRONMENT COMMITTEE

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**Date:** Wednesday 13 September 2023

**Time:** 1.30pm

**Venue:** Council Chamber

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### MEMBERSHIP

<b>Chair</b>	Cr Barker
<b>Deputy Chair</b>	Cr Wang
<b>Members</b>	Mayor Tapsell Cr Brown Cr Kai Fong Cr Kereopa Cr Lee Cr Maxwell Cr O'Brien Cr Paterson Cr Waru
<b>Quorum</b>	6

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## NGĀ TUKUNGA HAEPAPA A TE KAUNIHERA COUNCIL DELEGATIONS

### Infrastructure and Environment

<b>Type of Committee</b>	Whole of Council Committee
<b>Subordinate to</b>	N/A
<b>Subordinate Committees</b>	N/A
<b>Legislative Basis</b>	Schedule 7, clause 30 (1) (a), Local Government Act 2002.
<b>Purpose</b>	To develop, implement, monitor and review strategies, policies, plans and functions associated with Infrastructure and environment activities.
<b>Reference</b>	01-15-018
<b>Membership</b>	Mayor Deputy Mayor All councillors
<b>Quorum</b>	6
<b>Meeting frequency</b>	Monthly
<b>Delegations</b>	<ol style="list-style-type: none"> <li>1. Oversee the management of council's infrastructure assets, utility services and public facilities including:</li> <li>2. Transportation</li> <li>3. Three waters</li> <li>4. Land drainage</li> <li>5. Laboratory services</li> <li>6. Waste collection, landfill, recycling</li> <li>7. Sports, Reserves and Recreation</li> <li>8. Cemetery</li> <li>9. Civil Defence Emergency Management</li> <li>10. Accountable for the development and implementation of the Infrastructure Strategy, Asset Management Plan and inputs on infrastructure related projects associated with Development Contributions Policy</li> <li>11. Oversight of progress of design and build projects such as, but not limited to: <ul style="list-style-type: none"> <li>• Waste water treatment plant</li> <li>• Sewerage schemes (Rotoiti/Rotoma/Rotoehu, Tarawera</li> <li>• Development of major facilities for example Museum, Aquatic Centre, Libraries</li> <li>• Water storage and drainage for growth</li> <li>• Infrastructure provision for growth</li> <li>• Major transport projects, cycleways</li> <li>• Reticulation of water supplies</li> </ul> </li> <li>12. Undertake master planning of strategic facilities and spaces</li> </ol>

	<p>13. Encourage engagement with organisations within the sector to consider environmental matters including:</p> <ul style="list-style-type: none"> <li>○ Climate change response, both mitigation and adaptation</li> <li>○ Biodiversity</li> <li>○ Waste Minimisation</li> <li>○ Environmentally sustainable practices</li> <li>○ Environmental aspects of energy, transport and water</li> <li>○ Monitoring and reporting against action within the Climate Action Plan</li> <li>○ Monitor Council’s contribution to the Te Arawa Vision (specifically in relation to Infrastructure and Environment outcomes)</li> <li>○ The provision and maintenance of facilities and space for the general use of the public for recreation of all kinds including sporting activities, passive enjoyment, open spaces, play areas, toilets and changing sheds, flower beds, trees and shrubs, and display areas</li> <li>○ The production of Management Plans and the general management of reserves in compliance with the Reserves Act 1977 and the general administration of the Reserves Act 1977 with the exception of the Hearings of Objections to the Classification of Reserves and Management Plans</li> <li>○ The leasing of recreational land for commercial recreational purposes</li> <li>○ The beautification of public gardens and parks</li> <li>○ Street trees</li> </ul> <p>14. Council controlled organisations (CCO’s) - advising on the content of the annual Statement of Expectations, agreement on Statement of Intent, monitoring against the Statement of Intent the financial and non-financial performance of CCO’s</p> <p>15. Make appointments and authority to remove appointments to Council-Controlled Organisations (CCO’s).</p>
<p><b>Relevant Statutes</b></p>	<p>All the duties and responsibilities listed above must be carried out in accordance with the relevant legislation.</p>

# Order of Business

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- 2. Ngā Whakapāha - Apologies .....5**
- 3. Whakapuakitanga Whaipānga - Declarations of interest.....5**
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## 1. Karakia Whakapuaki - Opening Karakia

### TŪTAWA MAI

Tūtawa mai i runga  
Tūtawa mai i raro  
Tūtawa mai i roto  
Tūtawa mai i waho  
Kia tau ai te mauri tū  
Te mauri ora, ki te katoa  
Hāumi e. Hui e. Tāiki e!

### TŪTAWA MAI

I summon from above  
I summon from below  
I summon from within  
I summon the surrounding environment  
The universal vitality and energy to infuse  
and enrich all present  
Enriched, unified and blessed

## 2. Ngā Whakapāha - Apologies

The Chair invites notice from members of:

1. Leave of absence for future meetings of the Rotorua Lakes Council; or
2. Apologies, including apologies for lateness and early departure from the meeting, where leave of absence has not previously been granted.

## 3. Whakapuakitanga Whaipānga - Declarations of interest

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

## 4. Ngā Take Whawhati tata kāore i te Rārangi Take - Urgent Items not on the Agenda

### Items of business not on the agenda which cannot be delayed

The Chair will give notice of items not on the agenda as follows:

Matters Requiring Urgent Attention as Determined by Resolution of Rotorua Lakes Council

The Chair shall state to the meeting.

1. The reason why the item is not on the agenda; and
2. The reason why discussion of the item cannot be delayed until a subsequent meeting.

The item may be allowed onto the agenda by resolution of the Rotorua Lakes Council.

s.46A (7), LGOIMA

### Discussion of minor matters not on the agenda.

Minor Matters relating to the General Business of the Rotorua Lakes Council.

The Chair shall state to the meeting that the item will be discussed, but no resolution, decision, or recommendation may be made in respect of the item except to refer it to a subsequent meeting of the Rotorua Lakes Council for further discussion

s.46A (7), LGOIMA

## 5. Pūrongo Kaimahi - Staff Reports

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Doc No: 19960317

### ROTORUA LAKES COUNCIL

Mayor  
Chairperson and Members  
INFRASTRUCTURE AND ENVIRONMENT COMMITTEE

#### 5.1 Te Whare Taonga O Te Arawa – Building Governance Group (Decision Required)

**Report prepared by:** Gina Rangī, Manahautū Te Arawa Hourua

**Report approved by:** Geoff Williams, Chief Executive

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##### 1. TE PŪTAKE PURPOSE

The purpose of this report is to provide an update to the Councillors on the establishment of a building governance group to support the construction phase for Te Whare Taonga o Te Arawa.

##### 2. TE TUHINGA WHAKARĀPOPOTOTANGA EXECUTIVE SUMMARY

The Committee has confirmed its intention to proceed with the strengthening of Te Whare Taonga subject to a number of conditions. One of those conditions is that staff were to negotiate a construction contract and project management approach that sufficiently de-risks the project and a progressive approach to construction.

Accordingly, the project sponsor has recommended that a project steering group be established specifically for the construction aspects of the project (the “**Building Governance Group**”). The members of the Building Governance Group include relevant staff Gina Rangī (executive sponsor), Thomas Collé,(GM Corporate Services) and three independent, highly experienced construction specialists (Ray Cook, Mike Romanes and Will Smith). In addition, it is recommended that the Infrastructure and Environment Committee approve an elected member as an observer on its behalf (committee chair, Cr Karen Barker).

##### 3. HE TŪTOHUNGA RECOMMENDATION

1. That the report ‘Te Whare Taonga o Te Arawa – Building Governance Group’ be received.
2. That the Committee notes the establishment of the Building Governance Group, and approves the appointment of Councillor Karen Barker as the committee observer.

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#### 4. TE TĀHUHU BACKGROUND

At its August meeting, the Committee confirmed its intention to proceed with the strengthening of Te Whare Taonga subject to a number of conditions. One of those conditions is that staff were to negotiate a construction contract and project management approach that sufficiently de-risks the project and a progressive approach to construction.

The existing project steering group (PSG) was first appointed in early 2018. Members included a mix of important stakeholder representatives and champions for the project including Te Pukenga Kōeke, the Centennial Trust and councillors. The current appointees to the PSG are: Lyall Thurston (chair of the Centennial Trust), Monty Morrison and Ken Raureti (chair and deputy chair of Te Pukenga Kōeke o te Whare Taonga), Te Taru White (Te Tatau o Te Arawa representative, and sector expert as a former Kaihautū of Te Papa Tongarewa), the Mayor and a Councillor (this role is currently vacant). The PSG also includes staff including the executive project sponsor, the project owner and CFO. The existing PSG has been a valuable conduit for keeping stakeholders informed and to maintain their support throughout the project. Over the past five years they have provided significant support for overall direction, fundraising and the exhibition project.

##### **Building Governance Group**

As we move into construction, there is a need for a governance group with direct experience of complex construction projects. As such, it is recommended that a project steering group be established specifically to provide strategic direction and decision-making to ensure successful delivery of the construction aspects of the project (the Building Governance Group).

The group's main tasks are:

- To recommend to Council Committee a suitable contractor procurement strategy and the successful contractor.
- Within the approved contingency, to oversee variation and extension of time claims.
- To oversee scope and quality changes that do not breach funding agreements or jeopardise project objectives and benefits.
- To oversee time extension claims that do not significantly compromise overall delivery of timeframes.

Out of scope work programmes include: fundraising to secure the full budget, stakeholder engagement, exhibition development and any work necessary to re-open as a museum. It is proposed that the existing PSG continue to have a valued role in respect of supporting the fundraising efforts, stakeholder engagement and exhibition development.

Given the role of the Building Governance Group, its members should include independent experts with the following skills and expertise: construction sector expertise, procurement, contract management, construction issue resolution and risk management. As such, together with project executive sponsor Gina Rangi and Thomas Collé, the external members are:

- Ray Cook: Long-standing Rotorua property developer, Ray Cook established R&B Consultants Ltd and has developed significant commercial sites along Te Ngae Road including Landpower Tractors & IMG at Eastgate, St John Ambulance and Ebbets car dealership. Other developments include the GHA Associates building, and Novotel and Ibis in Rotorua and across New Zealand. He is a former board member of the Rotorua Tourism Advisory Board, and former director for Rotorua Airport Ltd, BikeNZ and other commercial and community organisations. In 2014 he was awarded an Officer of the NZ Order of Merit for services to tourism and the community.

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- Mike Romanes: Mike Romanes established Concrete Structures NZ, a leading precast manufacturing and civil engineering company operating across three sites in Rotorua, Hastings and Christchurch. His company has delivered hundreds of infrastructure projects for NZTA, KiwiRail and local authorities. Local projects include supporting construction at Te Puia (waharoa and whare manaaki).
- Will Smith: Has over 30 years experience delivering complex real estate development projects. In New Zealand, Will was formerly Chief Executive of the Wairaka Land Co, which led strategy, master planning and zone change for a new urban suburb of more than 3,000 homes. He has significant negotiation experience across major development projects in New Zealand and the US (including significant arts and culture sector projects).

In addition, it is recommended that the Infrastructure and Environment Committee appoint an elected member to be an observer. This person is responsible for understanding the project on behalf of the committee and communicating back to Councillors, providing a Councillor perspective to the Project Sponsor and being a champion for the project to stakeholders and the broader community. It is recommended that the committee chair Cr Karen Barker be appointed.

### Broader governance of the project

Overall governance of major capital works is the responsibility of the Infrastructure and Environment Committee. In particular, under its Terms of Reference, the committee is responsible for “oversight of progress of design and build projects such as... major facilities for example Museum”. The committee is responsible for receiving, considering and approving or declining staff recommendations in respect of:

- The overall project budget.
- The award of the construction contract (including approving the contract price and contingency).
- Any contract variation that is more than the approved contract price + contingency.

Note that Council has a clear delegated authorities policy that limits staff delegations, and requires council approval for variations over the approved contract price and contingency, as well as for variations within the contingency that exceed specific limits. This ensures that the committee retains control over the project. In addition to receiving decision-making reports, the committee will also receive regular progress reporting on the project’s progress.

## 5. TE MATAPAKI ME NGĀ KŌWHIRINGA DISCUSSION AND OPTIONS

The existing PSG has served the community, the Council and the project well. As the project moves into construction, there is a real advantage in establishing a governance group to specifically support the construction phase. It is recommended that the appointment of a committee representative will support the building governance group to make informed decisions/recommendations, which are responsive to the concerns and priorities of the committee. The options are:

**Option 1 - To appoint an observer (recommended):** While the group will still have a degree of independence through the expertise and experience of its members, the involvement of an elected member will help ensure that the building governance group is well informed as to the concerns, priorities and values of the committee. This contributes to ensuring the committee recommendations are well-informed and aligned with the broader programme of committee and Council priorities. It is therefore intended that the group’s recommendations will support both the success of the project and the overall direction of Council.



Potential disadvantages are that the observer may inaccurately convey the broader governance priorities, which could lead to misalignment and poor decision-making. There could be an over-reliance on the observer to report back to the other committee meetings, also leading to misalignment as well as a lack of transparency. It is therefore important that the elected member observer has:

- a thorough understanding of committee priorities/concerns,
- good judgement as to what requires reporting to the full committee.

In addition, it will be important to ensure that the group has a clear purpose, and that there is regular and meaningful reporting to the committee.

**Option 2 – Don't appoint an observer:** The committee could choose not to appoint an observer, and instead require regular reporting to the full committee. This would provide greater transparency and more opportunities for the full committee to provide input.

Potential disadvantages include:

- A significant slow-down in decision-making, given that committee meetings are only monthly and are difficult to convene at short notice (compared to a smaller governance group).
- The likelihood of undermining the building governance group's ability to carry out its role, and the significant sector experience the group has, including compared to the committee.
- An increased potential that the building governance group makes decisions and recommendations that are mis-aligned with the committee's concerns and priorities.

## **6. TE TINO AROMATAWAI ASSESSMENT OF SIGNIFICANCE**

The decisions or matters of this report are not considered significant in accordance with Council's Significance and Engagement Policy.

## **7. NGĀ KŌRERO O TE HAPORI ME TE WHAKATAIRANGA COMMUNITY INPUT/ENGAGEMENT AND PUBLICITY**

Community input is not required for this issue.

## **8. HE WHAIWHAKAARO CONSIDERATIONS**

### **8.1 Mahere Pūtea Financial/budget considerations**

The decision to appoint an observer has no budget impact.

### **8.2 Kaupapa Here me ngā Hiraunga Whakariterite Policy and planning implications**

The decision to appoint an observer has no policy and planning implications.

### **8.3 Tūraru Risks**

The decision to appoint an observer has some risk (potential to inaccurately convey the broader governance priorities, or an over-reliance on the observer to report back to the other committee meetings).

It is therefore important that the elected member observer has:

- a thorough understanding of committee priorities/concerns,
- good judgement as to what requires reporting to the full committee.

In addition, it will be important to ensure that the group has a clear purpose, and that there is regular and meaningful reporting to the committee.

#### **8.4 Te Whaimana Authority**

The committee has the authority to appoint an observer.

## 6. He whakataunga kia hoki atu te aronga o te hui hai hui tūmatawhānui - Resolution to move into public excluded (to consider and adopt confidential items)

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 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) for passing of this resolution
Te Whare Taonga o Te Arawa - Procurement	Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.	Section 48(1)(a) Section 7(2)(b)(ii)
	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	Section 48(1)(a) Section 7(2)(i)

This resolution is made in reliance on Section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Sections 6 or 7 of the Act or Sections 6, 7 or 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as shown above (in brackets) with respect to each item.