



**The Ordinary Meeting of the
Kawerau District Council will be held
on Tuesday, 23 February 2021
in the Council Chamber commencing
at 9.00am**

AGENDA

GUIDELINES FOR PUBLIC FORUM AT MEETINGS

1. A period of thirty minutes is set aside for a public forum at the start of each Ordinary Council or Standing Committee meeting, which is open to the public. This period may be extended on by a vote by members.
2. Speakers may address meetings on any subject. However, issues raised must not include those subject to legal consideration, or be issues, which are confidential, personal, or the subject of a formal hearing.
3. Each speaker during the public forum is permitted to speak for a maximum of three minutes. However, the Chairperson has the discretion to extend the speaking time.
4. Standing Orders are suspended for the duration of the public forum.
5. Council and Committees, at the conclusion of the public forum, may decide to take appropriate action on any of the issues raised.
6. With the permission of the Chairperson, members may ask questions of speakers during the period reserved for public forum. Questions by members are to be confined to obtaining information or clarification on matters raised by the speaker.

**The Ordinary Meeting of the Kawerau District Council
will be held on Tuesday 15 December 2020
in the Council Chamber commencing at 9.48am**

Present: His Worship the Mayor M J Campbell
Deputy Mayor F K N Tunui
Councillor W Godfery
Councillor B J Julian
Councillor C J Ion
Councillor D Sparks
Councillor A Rangihika
Councillor R G K Savage
Councillor S Kingi

In attendance: Chief Executive Officer (R George)
Manager, Planning, Compliance & Capability (C Jensen)
Manager, Operations & Services (H van der Merwe)
Manager, Finance & Corporate Services (P Christophers)
Manager, Economic and Community Development (G Sutton)
Events and Venues Manager (L Barton)
Communications Manager (T Humberstone)
Administration Officer (T Barnett)

Apologies

No apologies were received.

Leave of Absence

No leave of absence were received.

Opening Prayer

Pastor Paul Heke opened the meeting with a prayer.

Public Forum

Alistair Holmes

Wished Councillors and staff a Merry Christmas.

Declarations of Conflict of Interest

No Conflict of Interest were declared.

1 CONFIRMATION OF COUNCIL MINUTES

1.1 Ordinary Council – 24 November 2020

Resolved

Councillors Julian / Rangihika

That the Minutes of the Ordinary Council meeting held on 24 November 2020 is confirmed as a true and accurate record.

2 Action Schedule (101120)

Resolved

Councillors Ion / Kingi

That the updated Action Schedule of resolutions/actions requested by Council is received.

Action Item - Page 8 - Amend the Kawerau District Council calming measures to include all schools.

3 His Worship the Mayor's Report (101400)

Resolved

His Worship the Mayor / Councillor Tunui

That His Worship the Mayor's report for the period Wednesday 18 November 2020 to Tuesday 22 December 2020 is received.

4 Proposed Insurance Policies for 2020/21 (Manager, Finance and Corporate Services) (201000)

Council discussed the report 'Proposed Insurance Policies for 2020/21'.

Resolved

Councillors Savage / Julian

That the report 'Proposed Insurance Policies for 2020/21' is received.

5 Request for Alleyway Closure – Fenton / Pollen Streets (Manager, Finance and Corporate Services) (408140)

Council discussed the report 'Request for Alleyway Closure – Fenton / Pollen Street'.

Resolved

Councillors Rangihika / Kingi

- 1. That the report 'Request for Alleyway Closure – Fenton / Pollen Streets' is received.*
- 2. That Council resolved to keep Fenton / Pollen Streets alleyway open.*

6 Budget Allocations – Three Waters Department of Internal Affairs (DIA) Grant (Manager, Operations and Services) (213000)

Council discussed the report 'Budget Allocations – Three Waters Department of Internal Affairs (DIA) Grant'.

Resolved

Councillors Ion / Deputy Mayor Tunui

1. *That the report 'Budget Allocations – Three Waters Department of Internal Affairs (DIA) Grant' is received.*
2. *That the allocation of the grant to the listed budget accounts is approved.*

7 Town Centre Redevelopment Stage 2: Disability Access Improvement (Engineering Manager) (213000)

Council discussed the report 'Town Centre Redevelopment Stage 2: Disability Access Improvement'.

Resolved

Councillors Julian / Godfery

1. *That the report 'Town Centre Redevelopment Stage 2: Disability Access Improvement' is received.*
2. *That Council approved the expenditure of \$175,435.00 for the Town Centre Redevelopment Stage 2: Disability Access Improvement.*

8 Adoption of Annual Report and Summary for the Year Ended 30 June 2020 (Manager, Finance and Corporate Services) (201000)

Council discussed the report 'Adoption of Annual Report and Summary for the Year Ended 30 June 2020'.

Resolved

Councillors Ion / Savage

1. *That the report 'Adoption of Annual Report and Summary for the Year Ended 30 June 2020' is received.*
2. *That Council adopts the Annual Report and Summary for the Year Ended 30 June 2020.*
3. *That Council resolved that the Mayor and Chief Executive Officer are delegated to sign the Annual Report for the Year Ended 30 June 2020*

9 Exclusion of the Public

Resolved

Deputy Mayor Tunui / Councillor Rangihika

That the public is excluded from the following part of the proceedings of this meeting, namely:

The Echo Publication.

The general subject of the matter to be considered while the public is excluded; the reason for passing this resolution in relation to the matter, and the specific grounds under Section

48(1) of the Local Government Information & Meetings Act 1987 for the passing of this resolution is as follows:

General Subject of the matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
1. The Echo Publication.	Maintain the effective conduct of public affairs through the free and frank expression of opinions.	That the public conduct of 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 exists. Section 48 (1) (a) (i)

This resolution is made in reliance on Section 48(1) (a) of the Local Government Official Information & Meetings Act 1987 and the particular interest or interests protected by Section 7 (2) (b) (i) of that Act.

Following the resumption of open meeting.

Meeting closed 11.04am

M J Campbell

Mayor

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**Minutes of the Regulatory & Services Committee
held on Tuesday, 15 December 2020
in the Council Chamber commencing at 9.00am**

Present: Councillor C J Ion (Chairperson)
His Worship the Mayor M J Campbell
Deputy Mayor F K N Tunui
Councillor B Julian
Councillor W Godfery
Councillor A Rangihika
Councillor D Sparks
Councillor R G K Savage
Councillor S Kingi

In Attendance: Chief Executive Officer (R George)
Manager, Finance and Corporate Services (P Christophers)
Manager, Planning, Compliance and Capability (C Jensen)
Manager, Operations and Services (H van der Merwe)
Manager, Economic and Community Development (G Sutton)
Events and Venues Manager (L Barton)
Communications Manager (T Humberstone)
Administration Officer (T Barnett)

Apologies

No apologies were received.

Public Forum

Anne Kubler

Thanked Councillors, and staff collectively for their work and efforts throughout the year.

Declarations of Conflict of Interest

No conflict of interest were declared.

PART A – REGULATORY

1 Monthly Report - Regulatory and Planning Services (340000)

The Committee discussed a report from the Manager, Planning, Compliance and Capability covering activities for the month of November 2020.

Resolved

Councillors Julian / Kingi

That the report from the Manager, Planning, Compliance and Capability on Regulatory and Planning Services activities for the month of November 2020 is received.

PART B – NON REGULATORY

2 Monthly Report - Finance and Corporate Services (211000)

The Committee discussed a report from the Manager, Finance and Corporate Services covering activities for the month of November 2020.

Resolved

Councillors Savage / Rangihika

That the report from the Manager, Finance and Corporate Services for the month of November 2020 is received.

3 Monthly Report - Operations and Services (440000)

The Committee discussed a report from the Manager, Operations and Services covering activities for the month of November 2020.

Action Item:

Speed hump on Peter Lipka Drive that was resolved to be moved 6 weeks ago needs to be actioned.

Speed hump that is designated to be installed outside 366 River Road needs to be actioned.

Resolved

Councillors Sparks / Kingi

That the report from the Manager, Operations and Services for the month of November 2020 is received.

4 Monthly Report - Economic and Community Development (309005)

The committee discussed a report from the Manager, Economic and Community Development covering activities for the month of November 2020.

Resolved

Councillor Julian / Deputy Mayor Tunui

That the report from the Economic and Community Development Manager for the month of November 2020 is received.

5 Monthly Report – Events and Community Activities (Events and Venues Manager) (340000)

The Committee discussed a report from the Events and Venues Manager covering events and community activities for the month of November 2020.

Resolved

Councillors Ion / Sparks

That the report from the Events and Venues Manager for the month of November 2020 be received.

The meeting closed at 9.48 am

C J Ion

Chairperson

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**Minutes of the Regulatory & Services Committee
held on Tuesday, 9 February 2021
in the Council Chamber commencing at 9.00am**

Present: Councillor C J Ion (Chairperson)
His Worship the Mayor M J Campbell
Deputy Mayor F K N Tunui
Councillor B Julian
Councillor W Godfery
Councillor A Rangihika
Councillor D Sparks
Councillor R G K Savage
Councillor S Kingi

In Attendance: Chief Executive Officer (R George)
Manager, Planning, Compliance and Capability (C Jensen)
Manager, Operations and Services (H van der Merwe)
Manager, Economic and Community Development (G Sutton)
Events and Venues Manager (L Barton)
Communications Manager (T Humberstone)
Administration Officer (T Barnett)

Apologies

No apologies were received

Public Forum

Anne Kubler

Wish Elected Members and Staff a Happy New Year.

Raewyn Geary

Commented on the trucks coming down Kawerau Road onto Tamarangi Drive at speed and queried what can be done to resolve the issue. Chair Ion suggested ring the Police if vehicles were speeding.

Asked what is happening with the Netball Pavilion. The Manager, Operations and Services explained that the tenders were out for the project and Council would deliberate in March which tender they will select to undertake to complete the repairs.

Thanked the Committee for the installation of the handrail in the Exceloo toilets.

Commended the Kawerau Fire Bridge on the work they do within our community.

Declarations of Conflict of Interest

No conflict of interest were declared.

PART A – REGULATORY

1 Monthly Report - Regulatory and Planning Services (340000)

The Committee discussed a report from the Manager, Planning, Compliance and Capability covering activities for the months of December 2020 and January 2021.

Resolved

Councillors Sparks / Julian

That the report from the Manager, Planning, Compliance and Capability on Regulatory and Planning Services activities for the months of December 2020 and January 2021 is received.

PART B – NON REGULATORY

2 Monthly Report - Finance and Corporate Services (211000)

The Committee discussed a report from the Manager, Finance and Corporate Services covering activities for the months of December 2020 and January 2021.

Action Item

The Manager, Finance and Corporate Services to define for the Committee what Paveessi composite flooring is and to report back to the Committee with findings.

Resolved

Councillors Julian / Savage

That the report from the Manager, Finance and Corporate Services for the months of December 2020 and January 2021 is received.

3 Monthly Report - Operations and Services (440000)

The Committee discussed a report from the Manager, Operations and Services covering activities for the months of December 2020 and January 2021.

Action Item

The Manager, Operations and Services to separate the figures for the Water Quality and Wastewater issues when submitting his next report to the Committee.

Resolved

Councillors Savage / Kingi

That the report from the Manager, Operations and Services for the months of December 2020 and January 2021 is received.

4 Monthly Report - Economic and Community Development (309005)

The committee discussed a report from the Manager, Economic and Community Development covering activities for the months of December 2020 and January 2021.

Action Item

The Economic and Development Manager to confirm that the correct figure was provided for permits issued for 2020/21

His Worship the Mayor has requested that a meeting be arranged with DOC in regards to what actions they are undertaking at the Tarawera Outlet.

Resolved

Councillors Julian / Sparks

That the report from the Economic and Community Development Manager for the months of December 2020 and January 2021 is received.

5 Monthly Report – Events and Community Activities (Events and Venues Manager) (340000)

The Committee discussed a report from the Events and Venues Manager covering events and community activities for the months of December 2020 and January 2021.

Resolved

Councillors Julian / Rangihika

That the report from the Events and Venues Manager for the months of December 2020 and January 2021 be received.

The meeting closed at 9.45 am

C J Ion

Chairperson

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**Kawerau District Council Minutes of an
Audit & Risk Committee Meeting held on 2 February 2021
In the Council Chamber commencing at 1.00pm**

Present: Philip Jones – P J Associates (Chair)
His Worship the Mayor M J Campbell (Deputy Chair)
Councillor F K N Tunui
Councillor C J Ion
Councillor A Rangihika
Councillor D Sparks

In Attendance: Chief Executive Officer (R George)
Manager, Finance & Corporate Services (P Christophers)
Manager, Compliance and Capability (C Jensen)
Health and Safety Officer (P Snook)
Customer Service Officer (C Kinley)

Apologies

No apologies.

Declarations of Conflict of Interest

No conflicts of interest were received.

1 Confirmation of the Audit and Risk Committee Meeting Minutes dated 17 November 2020

The Committee considered the Minutes of the Audit and Risk Meeting on 17 November 2020.

Resolved **Councillors Sparks / Rangihika**

That the Minutes of the Audit and Risk Committee meeting held on 17 November 2020 is confirmed as a true and accurate record.

2 Occupational Health and Safety Management System Status (Health and Safety Officer) (509500)

The Health and Safety Officer provided an overview of his report.

Resolved **Chair Jones / Councillor Sparks**

That the report "Occupational Health and Safety Management System Status" is received.

3 Treasury Report to 31 December 2020 (Manager, Finance and Corporate Services) (110551)

The Committee reviewed the Treasury Report to 31 December 2020.

Resolved **Councillors Ion / Rangihika**

That the report "Treasury report to 31 December 2020" is received.

4 Review of Council Revenue and Financing Policy (Manager, Finance and Corporate Services) (408310)

The Committee discussed the Review of Council Revenue and Financing Policy.

Action Item

The Manager, Finance and Corporate Services to redraft the Council Revenue and Financing Policy to recognise the current contribution to facilities by users.

Resolved **His Worship the Mayor / Deputy Mayor Tunui**

That the report "Review of Council Revenue and Financing Policy" is received.

5 Review of Councils Financial Contributions Policy (Manager, Finance and Corporate Services) (110551)

The Committee discussed the Review of Councils Financial Contributions Policy.

Resolved **Councillor Ion / Chair Jones**

- 1. That the report "Review of Councils Financial Contributions Policy" is received.*
- 2. An external review to be completed and brought back to Council for review.*

6 Review of Councils Investment and Liability Management Policies (Manager, Finance and Corporate Services) (110551)

The Committee discussed the Review of Councils Investment and Liability Management Policies.

Action Item

The Manager, Finance and Corporate Services to amend the provisions relating to investment limits and the borrowing limits and provide an update for the next meeting.

Resolved **Chair Jones / His Worship the Mayor**

That the report "Review of Councils Investment and Liability Management Policies" is received.

The meeting closed at 1.55pm

P Jones

P J Associates

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Action Schedule

Meeting Date	Resolution / Action Requested	Action	Status	Comments	Estimated Completion Date
R&S 12.02.19	Monthly Report – Finance & Corporate Services Advise Council whether insurance will be paid for the bridge repair work. <u>26.05.20</u> Staff were asked to contact Council's lawyers and request arbitration.	MFCS	In progress	Council's lawyers sought further information from consultant (Opus) regarding whether the bridge could have been repaired in situ or required removal. Opus have completed the report and Council's lawyers have written to Trident's Insurers. Council's lawyer is currently negotiating settlement with Insurers' lawyer and hopes to reach an agreement by Friday 19 February 2021.	Ongoing
Council 30.04.19	Action Schedule Councillor Kingi noted the poor lighting between the Rautahi Marae drive-way to the other side of the Cosmopolitan Club.	MOS	In Progress	Investigation was completed in August. Trust Horizon funding awarded to install new streetlights. Awaiting bulbs to arrive.	2020/2021 Financial Year
R&S 16.07.19	Earthquake Prone Buildings The Committee expressed a desire to understand what was required for Rautahi Marae and then to discuss the issues with Trustees.	MPCC	In Progress	A report on CDEM status will be provided to a Council workshop. Council can then determine their next steps.	April 2021
A&R 17.12.19	Review of Revenue and Financing Policy Amend Council's Revenue and Financing Policy for 2021/22 so that it matches the practice adopted by Council.	MFCS	In Progress	Revenue and Financing Policy currently under review.	March 2021

A&R 04.02.20	Council's Risk Maturity – Improvement Programme Arrange KPMG to review Council's Risk Management Maturity profile once the tasks in progress / underway are completed.	MFCS	In Progress	There are still a couple of tasks remaining. Following their completion, a further review will be undertaken.	April 2021
Council 26.05.20	Results of 2020 NRB Survey Elected Members agreed to review the way in which Council engages community satisfaction.	CEO	Pending	The Leadership Team will review how to measure community satisfaction for 2022-2023 and report to Council.	March 2021
R&S 16.06.20	Monthly Report – Operations & Services Elected Members requested a report on the downstairs ladies toilets.	MOS/EM	In Progress	Minor works will commence in December. A full report will be provided to Elected Members in March.	March 2021
R&S 16.06.20	KDC Traffic Calming Measures Elected Members requested a report to Council on the safety aspects of speedhumps around Kawerau schools.	MOS/EM	In Progress	A workshop will be held with Elected Members following the Council meeting.	February 2021
R&S 14.07.20	Monthly Report – Operations & Services Elected Members requested an update on the status of CCTV cameras, where vandalism had been occurring and a mobile camera be put in the carpark behind the Library. R&S 13.10.20 Monthly Report – Economic & Community Development The Manager, Operations & Services to investigate the logistics in the installation of a mobile camera at the Community gardens.	MFCS/ MOS	In Progress	A verbal update was provided to Elected Members. A mobile camera has been installed in an area subject to repeated vandalism. A workshop will be held with Elected Members to discuss mobile cameras.	Completed March 2021

A&R 17.11.20	Occupational Health and Safety Management System Status Report The Committee requested an update on the outstanding recommendations for Firmin Lodge facility – health and safety observations.	HSO/EM	In Progress	The outstanding recommendation was a Speedhump installed at Firmin Lodge. The requirement for a speedhump is being reviewed.	
A&R 17.11.20	Treasury Report The Committee requested an update on Council's Treasury Policy.	MFCS	In Progress	Staff will update the Treasury Policy as part of the 2021-31 Long Term Plan.	March 2021
R&S 15.12.20	Monthly Report – Operations & Services Speedhump on Peter Lippa Drive that was commissioned to be moved 6 weeks ago needs to be actioned. Speedhump that is designated to be installed at 366 River Road needs to be actioned.	MFCS	In Progress	Speedhump will be installed by end of the month.	February 2021

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OC: Ordinary Council EC: Extraordinary Council A&R: Audit & Risk Committee R&S: Regulatory & Services Committee
 MFCS: Manager, Finance & Corporate Services MOS: Manager, Operations & Services EM: Engineering Manager
 MPCC: Manager, Planning, Compliance & Capability ECDM: Economic & Community Development Manager

Meeting Council
Meeting Date: 23 February 2021
Subject: His Worship the Mayor's Report
File No. 101400

1 **Purpose**

The purpose of this report is to outline meetings, functions and events that I have hosted, attended and/or participated in from the period Tuesday, 5 January to Tuesday, 16 February 2021.

January

- Get together with Councillors and CEO
- Meeting with members of Kawerau Cossie Club
- Porritt Glade Lifestyle Village AGM
- Farming like Grand-dad

February

- Audit & Risk Committee Meeting
- Regulatory & Services Committee Meeting
- Council Workshop

2 **RECOMMENDATION**

That His Worship the Mayor's report for the period Tuesday, 5 January to Tuesday, 16 February 2021 be received.



Malcolm Campbell, JP
Mayor

Meeting: Council

Meeting Date: 23 February 2021

Subject: Annual Plan Performance for the six months ended 31 December 2020

File No.: 110400

1 **Purpose**

The purpose of this report is to review Council's actual financial and non-financial performance to 31 December 2020 and compare it with what is in the Annual Plan for 2020/21.

Comments are provided where expenditure/revenue is likely to vary from the budget by year end, and the performance target may not be achieved for the year.

A summary of this report will also go to the Audit and Risk Committee.

2 **Financial Performance**

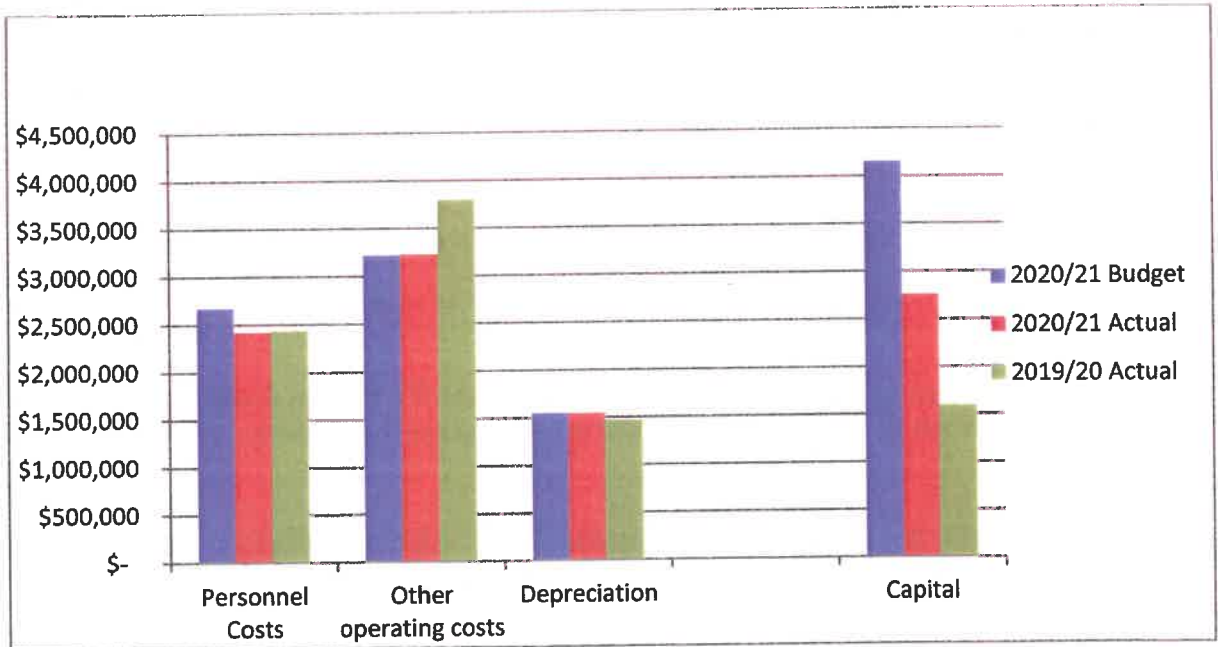
2.1 **Statement of Comprehensive Revenue and Expense**

The following table shows Council's financial performance to date, the annual budget and the amended annual budget. The amended budgets include the carried forward figures as well as any budget amendments approved by Council.

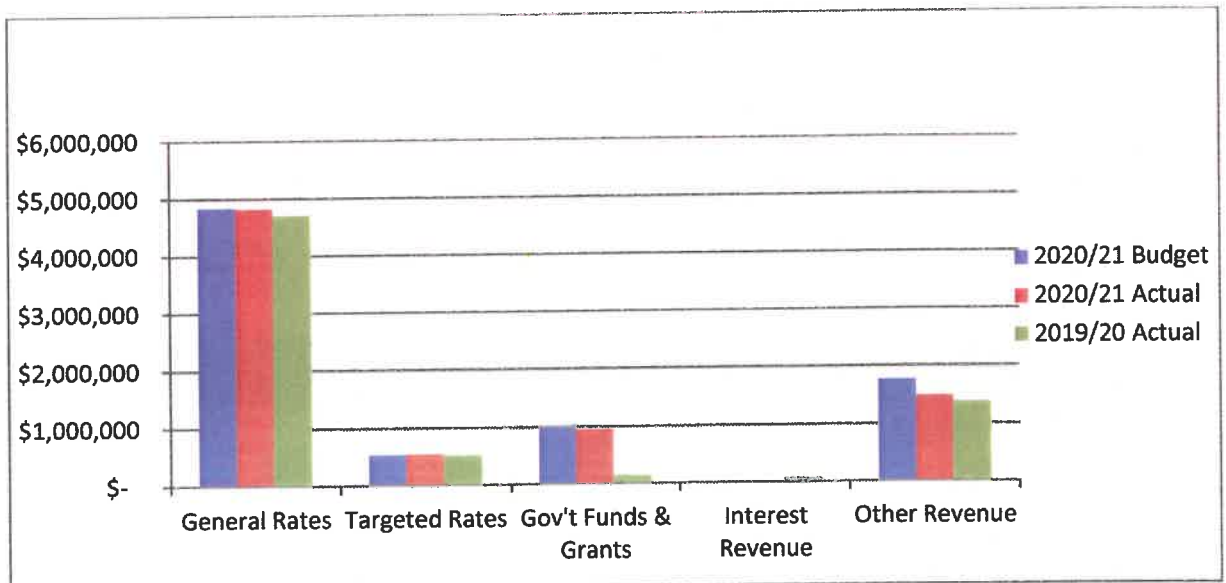
	Adopted Budget	Amended Budget	Actual 31-Dec-20	Comments
Revenue:	\$	\$	\$	
Rates	10,751,220	10,751,220	5,357,423	
Subsidies and Grants	1,393,820	1,840,820	945,400	Roading work done in 2 nd half of year
Interest Revenue	28,310	28,310	13,343	
Fees and Charges	2,784,730	2,784,730	1,485,553	
Other Revenue	69,000	69,000	22,216	Petrol Tax
Total Revenue	15,027,080	15,474,080	7,823,935	
Expenditure:				
Personnel Costs	5,366,150	5,366,150	2,420,984	On track
Depreciation	3,082,300	3,082,300	1,544,015	
Finance Costs	6,210	6,210	2,701	
Other Expenses	6,215,870	6,285,870	3,092,444	There will be additional expenditure for refuse disposal, KPTW & events
Total Expenditure	14,670,530	14,740,530	7,060,144	
Surplus (Deficit)	356,550	733,550	763,791	

Council's expenditure and revenue for the six months to 31 December 2020 are shown in the graphs below, compared to the budget and expenditure/revenue for 2018/19.

Expenditure to 31 December 2020



Revenue to 31 December 2020



2.2 Statement of Financial Position

The following shows Council's financial position at 31 December 2020 compared to the budget (at 30 June 2021). The financial position does not include all the final accruals for receivables and payables.

	Budget @ 30/6/2021	Actual to 31 Dec 2020	Comments
Assets:			
Current assets:			
Cash & cash equivalents	\$2,648,950	\$4,320,557	
Receivables	\$1,377,790	\$1,159,202	
Inventories	\$1,495,800	\$1,219,632	Includes residential developments
Non-current assets:			
Property, plant and equipment	\$68,517,750	\$67,358,080	
Intangible assets	\$85,100	\$55,926	
Other financial assets	\$36,250	\$36,252	
Total Assets	\$74,161,640	\$74,149,649	
Liabilities:			
Current liabilities:			
Payables, provisions & employee benefits	\$3,136,260	\$2,132,663	
Borrowing	\$10,340	\$11,211	
Non-current liabilities:			
Provisions & employee benefits	\$249,530	\$237,481	
Borrowing	\$9,560	\$19,917	
Total Liabilities	\$3,405,690	\$2,401,282	
Ratepayers Equity	\$70,755,950	\$71,748,367	
Total liabilities & ratepayers equity	\$74,161,640	\$74,149,649	

2.3 Statement of Cashflow

The cashflow statement shows an increase of \$527 k in Council's cash position up to 31 December 2020.

	Budget @ 30/6/2021	Actual to 31 Dec 2020	Comments
Cashflow from operating activities:			
Rates	\$10,620,810	\$5,466,035	
Subsidies	\$1,393,820	\$1,299,667	
Fees & Charges	\$2,853,730	\$1,199,560	
Interest Received	\$28,310	\$46,634	
Payments to suppliers and employees	\$(11,468,730)	\$(6,573,335)	
Interest paid on debt	\$(6,200)	\$(2,702)	
Net cashflow from Operations	\$3,421,740	\$1,435,859	
Net cashflow from investing:			
Disposal of Assets	\$1,860,000	\$1,860,000	
Property, Plant & Equipment purchase (less asset disposals)	\$(6,350,250)	\$(2,760,001)	
Net cashflow from investing:	\$(4,490,250)	\$(900,001)	
Net cashflow from financing:			
Debt repayment	\$(20,030)	\$(8,842)	
Net cash inflow/(outflow)	\$(1,088,540)	\$527,016	
Opening balance (1/7)	\$3,737,490	\$3,794,541	Includes investments > 3 months
Closing cash balance	\$2,648,950	\$4,321,557	

3 Non-Financial Performance

The following is a summary of the non-financial targets performance to date:

Activity	2020/21 No. of Targets	On track to achieve	2019/20 Achievement Rate
Democracy	5	5	38%
Economic & Community Development	7	7	67%
Environmental Services (excludes N/As)	18	16	37%
Roading (including Footpaths)	7	6	44%
Stormwater	3	3	100%
Water Supply	12	11	77%
Wastewater	7	5	63%
Solid Waste Management	4	4	63%
Leisure and Recreation	16	14	40%
TOTAL	79	71	51%

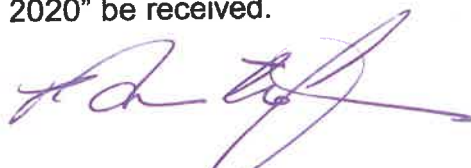
4 Capital Expenditure

The following is Council's capital budget (including carry forwards and amendments) and expenditure for the year.

Activity	2020/21 Budget	Actual	Comments
Economic & Community Development	\$1,523,740	\$924,049	Residential developments – River Road
Environmental Services	\$720,000	\$65,886	Dog Pound building
Roading	\$1,405,810	\$750,705	2 nd half of year
Stormwater	\$250,000	\$47,012	
Water Supply	\$2,557,150	\$360,153	
Wastewater	\$740,000	\$260,587	
Solid Waste	\$5,000	\$4,512	
Leisure & Recreation	\$1,165,970	\$148,110	
Plant, Depot and Office	\$563,080	\$195,256	New plant/vehicles, PCs & office building
Total	\$8,930,750	\$2,756,270	

5 RECOMMENDATION

That the report "Annual Plan Performance for the six months ended 31 December 2020" be received.



Peter Christophers, BBS, ACA
Manager, Finance & Corporate Services

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	Budget @ 30/6/2021	Actual to 31 Dec 2020	Comments
Assets:			
Current assets:			
Cash & cash equivalents	\$2,648,950	\$4,320,557	
Receivables	\$1,377,790	\$1,159,202	
Inventories	\$1,495,800	\$1,219,632	Includes residential developments
Non-current assets:			
Property, plant and equipment	\$68,517,750	\$67,358,080	
Intangible assets	\$85,100	\$55,926	
Other financial assets	\$36,250	\$36,252	
Total Assets	\$74,161,640	\$74,149,649	
Liabilities:			
Current liabilities:			
Payables, provisions & employee benefits	\$3,136,260	\$2,132,663	
Borrowing	\$10,340	\$11,211	
Non-current liabilities:			
Provisions & employee benefits	\$249,530	\$237,481	
Borrowing	\$9,560	\$19,917	
Total Liabilities	\$3,405,690	\$2,401,282	
Ratepayers Equity	\$70,755,950	\$71,748,367	
Total liabilities & ratepayers equity	\$74,161,640	\$74,149,649	

2.3 Statement of Cashflow

The cashflow statement shows an increase of \$527 k in Council's cash position up to 31 December 2020.

	Budget @ 30/6/2021	Actual to 31 Dec 2020	Comments
Cashflow from operating activities:			
Rates	\$10,620,810	\$5,466,035	
Subsidies	\$1,393,820	\$1,299,667	
Fees & Charges	\$2,853,730	\$1,199,560	
Interest Received	\$28,310	\$46,634	
Payments to suppliers and employees	\$(11,468,730)	\$(6,573,335)	
Interest paid on debt	\$(6,200)	\$(2,702)	
Net cashflow from Operations	\$3,421,740	\$1,435,859	
Net cashflow from investing:			
Disposal of Assets	\$1,860,000	\$1,860,000	
Property, Plant & Equipment purchase (less asset disposals)	\$(6,350,250)	\$(2,760,001)	
Net cashflow from investing:	\$(4,490,250)	\$(900,001)	
Net cashflow from financing:			
Debt repayment	\$(20,030)	\$(8,842)	
Net cash inflow/(outflow)	\$(1,088,540)	\$527,016	
Opening balance (1/7)	\$3,737,490	\$3,794,541	Includes investments > 3 months
Closing cash balance	\$2,648,950	\$4,321,557	

3 Non-Financial Performance

The following is a summary of the non-financial targets performance to date:

Activity	2020/21 No. of Targets	On track to achieve	2019/20 Achievement Rate
Democracy	5	5	38%
Economic & Community Development	7	7	67%
Environmental Services (excludes N/As)	18	18	37%
Roading (including Footpaths)	7	6	44%
Stormwater	3	3	100%
Water Supply	12	11	77%
Wastewater	7	5	63%
Solid Waste Management	4	4	63%
Leisure and Recreation	16	14	40%
TOTAL	79	73	51%

4 Capital Expenditure

The following is Council's capital budget (including carry forwards and amendments) and expenditure for the year.

Activity	2020/21 Budget	Actual	Comments
Economic & Community Development	\$1,523,740	\$924,049	Residential developments – River Road
Environmental Services	\$720,000	\$65,886	Dog Pound building
Roading	\$1,405,810	\$750,705	2 nd half of year
Stormwater	\$250,000	\$47,012	
Water Supply	\$2,557,150	\$360,153	
Wastewater	\$740,000	\$260,587	
Solid Waste	\$5,000	\$4,512	
Leisure & Recreation	\$1,165,970	\$148,110	
Plant, Depot and Office	\$563,080	\$195,256	New plant/vehicles, PCs & office building
Total	\$8,930,750	\$2,756,270	

5 RECOMMENDATION

That the report "Annual Plan Performance for the six months ended 31 December 2020" be received.

Peter Christophers, BBS, ACA
Manager, Finance & Corporate Services

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ACTIVITY GROUP 1: DEMOCRACY

Funding Impact Statement

	Budget	Actual
Operating funding -- Rates & Charges (A)	\$737,014	\$368,328
Applications of operating funding -- Staff & Suppliers (B)	\$713,920	\$367,661
Surplus (deficit) of operating funding (A - B)	\$23,094	\$667
Sources of capital funding (C)	\$0	\$0
Less (D):		
Renewals/capital	\$0	\$0
Increase/(decrease) in reserves	\$23,094	\$667
Surplus (deficit) of capital funding (C - D)	\$(23,094)	\$(667)
Funding balance ((A - B) + (C - D))	\$0	\$0

Statement of Service Provision

Levels of Service	Measures	Target	Status	Comment
Financial management is prudent, effective and efficient.	Percentage completion of the annual work programme.	>90%	On track	There are 102 projects in the annual work programme and significant progress has been made
Council provides quality democracy and representation to the Community.	Number of public meetings held (Committee and Ordinary Council).	11 Ordinary Council and 10 Committee meetings	Achieved to date	Every Council and committee meeting was publically notified. (6 Council and 6 R & S Committee meetings)
Council informs the Community about key issues and activities.	Number of visits to Council's website.	At least 44,000	On track	There were 28,332 visits to the council website to 31 December 2020.
	Number of newsletters.	At least 11	Achieved	14 newsletters were published to 31 December 2020
Council encourages the Community to contribute to Council decision-making.	Provision of a public forum at public Council and Committee meetings.	Every meeting	Achieved to date	Public forums have been provided for every council and committee meeting to date.

ACTIVITY GROUP 2: ECONOMIC AND COMMUNITY DEVELOPMENT

Funding Impact Statement

	Budget	Actual	Comment
Operating funding – Rates & Charges (A)	\$2,311,837	\$1,029,719	
Applications of operating funding – Staff & Suppliers (B)	\$2,132,840	\$1,086,847	
Surplus (deficit) of operating funding (A - B)	\$178,997	\$(57,128)	
Sources of capital funding (C)	\$1,860,000	\$1,860,000	Proceeds from unit sales (4)
Less (D):			
Renewals/capital	\$1,523,740	\$924,049	Development of retirement village
Increase/(decrease) in reserves	\$515,257	\$878,823	
Surplus (deficit) of capital funding (C - D)	\$(178,997)	\$57,128	
Funding balance ((A - B) + (C - D))	\$0	\$0	

Statement of Service Provision

Levels of Service	Measures	Target	Status	Comment
Economic Development				
Council is actively involved in the Eastern Bay of Plenty Regional Economic Development Agency.	Representation at Trustee Meetings.	Representation at 90% of Trustee meetings.	Achieved to date	CEO has attended all trustee meetings to date.
Council is actively involved in the Industrial Symbiosis Project.	Allocation of resources to ISK.	0.5 FTE staff member allocated	Achieved to date.	ECD Manager manages ISK projects/programmes and CEO is standing member of ISK Steering Group.
Council provides a local information centre.	Number of days open each year.	At least 360 days.	On track	The i-SITE was open 183/184 days.
Council encourages positive perceptions of Kawerau by supporting local events.	At least 1 event ¹ held per month from February to December.	At least 1 event held per month from February to December.	Achieved to date	There was at least 1 event held for each month of the year to 31 December 2020
Council contributes to the continuation of successful events.	Council employs an Events Coordinator.	1 FTE Events Coordinator employed.	Achieved to date.	0.75 FTE Event Co-ordinator 1 FTE Events & Venues Manager
Council supports young people to develop skills and attitudes needed to take a positive part in society.	Youth Council in place.	Annual appointments made.	Achieved to date	Youth Council appointed March 2020 and sworn in. (2021 appointments programmed for March 2021)
	Satisfaction with youth council collaboration from collaborating groups	78% satisfaction	Achievement anticipated	Survey of collaborating groups undertaken later in year.

¹ An 'event' is a public gathering of people for a distinctly defined celebratory, educational, commemorative or exhibition purpose. It occurs for a limited time and may be repeated on a cyclical basis (e.g. annually) but is not regularly scheduled (e.g. regular organised Saturday sport, a series of regular meetings, or ongoing gallery or commercial art exhibitions). Conferences are also considered to be events.

ACTIVITY GROUP 3: ENVIRONMENTAL SERVICES

Funding Impact Statement

Both revenue and expenditure are on target for these activities.

	Budget	Actual	Comment
Operating funding – Rates & Charges (A)	\$1,179,734	\$661,859	
Applications of operating funding – Staff & Suppliers (B)	\$1,210,350	\$527,055	Includes review of District Plan
Surplus (deficit) of operating funding (A - B)	\$(30,616)	\$134,004	
Sources of capital funding (C)	\$0	\$0	
Less (D):			
Renewals/capital	\$720,000	\$65,886	New dog pound
Increase/(decrease) in reserves	\$(750,616)	\$68,918	
Surplus (deficit) of capital funding (C - D)	\$30,616	\$(134,004)	
Funding balance ((A - B) + (C - D))	\$0	\$0	

Statement of Service Provision

Levels of Service	Measures	Target	Status	Comment
Building Control				
Service users consider Council's Building Control Activity to be effective	Satisfaction survey of service users - building consents processes	>90%	May not be achieved	1/2 satisfaction with building consent processes.
	Satisfaction survey of service users - building inspection processes	>90%	Achieved to date	4/4 satisfaction with building inspections.
Council provides in-house building consent, inspection and approval services	Bi-annual Building Consent Authority accreditation re-assessment	Accreditation and registration retained.	Achieved	IANZ routine assessment undertaken 26 – 29 November 2019. BCA accreditation has been retained for 2020/21
Relevant Kawerau buildings comply with Building Warrant of Fitness requirements.	Buildings audited for BWOF requirements	35%	On track	14/80 buildings audited.

Levels of Service	Measures	Target	Status	Comment
Building Control (continued)				
Swimming pools comply with statutory requirements	Survey to identify swimming pools in the District.	Survey and all follow up action undertaken.	N/A	Survey discontinued.
	Inspection of fencing for compliance – existing registered swimming pools.	35%	On track	3/44 (6.8%) inspected.
Environmental Health				
Customers consider Council's Environmental Health Activity to be effective.	Satisfaction of service users – Environmental health inspection processes	90%	Achieved to date	1/1 satisfaction with environmental health inspections.
	Audit of food premises operating Food Control Plans	100% annually.	On track	21/32 (65.6%) audits undertaken to date
Registered premises comply with statutory requirements.	Inspection of registered premises for compliance with relevant standards.	100% annually.	Achievement anticipated	0/5 (100%)
Premises licenced under the Sale and Supply of Liquor Act 2012 comply with the license conditions.	Inspection of licensed premises for compliance	100% annually.	On track	9/13 (69.2%) to date
Council monitors and keeps public places free of litter and general environmental health conditions	Weekday litter patrols.	At least 480 weekday patrols.	On track	258 weekday patrols to 31 December

Levels of Service	Measures	Target	Status	Comment
Environmental Health (continued).				
Council responds to complaints and service requests for environmental health conditions (noise, nuisance and conditions/health risks) complaints.	Response to noise complaints.	80% within 20 minutes and 98% within 30 minutes.	Achievement not anticipated	140/228 (61%) within 20 minutes. 212/228 (93.0%) within 30 minutes. 16 exceeded 30 minutes
	Response to other environmental health service requests/complaints.	100% within 1 working day.	Achieved to date	53/53 responses within 1 working day.
Dog Registration and Control				
The level of dog registration is maximised.	Frequency of dog patrols.	At least 480 weekday and 345 after hours dog patrols.	On track	258 weekday patrols to date and 191 after hours patrols
	Annual District survey to detect unregistered dogs.	All residential properties surveyed and follow up action undertaken.	N/A	Survey discontinued.
	Number of dogs on Council's register of known dogs that are unregistered.	None as at 30 April ²	On track	1,471/1473 (99.8%) of known dogs registered to date
	Adherence to complaint response process to respond, investigate and record the complaint and advise complainant of progress or the outcome within 24 hours.	80% within 20 minutes and 98% within 30 minutes.	Achieved to date	312/390 (80.0%) responses within 20 minutes and 380/390 (97.4%) within 30 minutes Minutes 10/380 (2.6%) responses exceeded 30 minutes
Service requests about public nuisance and intimidation by uncontrolled dogs are actioned.				

² Date chosen to coincide with beginning of cycle for the ensuing year's registration programme.

Civil Defence

<p>Council plans and provides for civil defence emergency management as required by the Civil Defence Emergency Management Act.</p>	<p>Kawerau District Civil Defence Emergency Management Plans are current and reviewed every three years.</p>	<p>All plans reviewed within past 3 years.</p>	<p>Achievement anticipated</p>	<p>4 plans are due to be reviewed</p>
	<p>Emergency Operating Centre (EOC) is equipped and operational within two hours of the controller activating.</p>	<p>Staff are identified, trained (85%) and exercised twice each year</p>	<p>Achievement anticipated</p>	<p>29/30 (97%) staff were identified and trained to date Exercises to be held later in year.</p>
	<p>Council delivers 4 public engagement initiatives to promote Community awareness, preparedness and resilience.</p>	<p>Initiatives delivered.</p>	<p>Achievement anticipated</p>	<p>2 initiatives delivered (Exercise with KNS & Christmas in the park/Santa parade)</p>

ACTIVITY GROUP 4: ROADING

Funding Impact Statement

	Budget	Actual	Comment
Operating funding – Rates & Charges (A)	\$1,443,051	\$678,683	
Applications of operating funding – Staff & Suppliers (B)	\$1,092,180	\$569,141	
Surplus (deficit) of operating funding (A - B)	\$350,871	\$109,541	
Sources of capital funding (C)	\$858,900	\$409,148	
Less (D):			
Renewals/capital	\$1,405,810	\$750,705	On track
Increase/(decrease) in reserves	\$(196,039)	\$(232,016)	
Surplus (deficit) of capital funding (C - D)	\$(350,871)	\$(109,541)	
Funding balance ((A - B) + (C - D))	\$0	\$0	

Capital Renewals

Item	Budget	Actual	Comment
Kerb replacement	\$93,500	\$49,727	
Street light renewals and upgrades	\$81,500	\$0	
Reseals	\$134,000	\$0	
Pavement treatment	\$36,500	\$22,022	
Minor safety improvements (speed humps)	\$36,600	\$28,499	
Stormwater upgrade	\$596,000	\$328,975	River Road Culverts
Footpath repairs	\$167,100	\$116,308	
Bins/seating/music system/lights	\$26,510	\$1,155	
Town centre video cameras	\$10,000	\$6,137	
Town centre - paving	\$210,000	\$195,144	
Carparks and turnarounds	\$14,100	\$2,740	
Total	\$1,405,180	\$750,705	

Statement of Service Provision

Levels of Service	Measures	Target	Status	Comment
Roading				
Council provides a network of roads which facilitates the safe movement of people and vehicles around the District.	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.	Increase of zero or less.	Achieved to date	There have been no fatalities/serious injuries on the roads controlled by Council
Road Quality.	The average quality of ride on a sealed local road network, measured by smooth travel exposure. ³	Not less than 95%.	Achievement anticipated	Road roughness survey to be completed May 2021
Road maintenance.	The percentage of the sealed local road network that is resurfaced.	Between 5 and 6.5 % per annum.	Achievement anticipated	Resealing undertaken in March 2021
Response to service requests. (Roads)	The percentage of customer service requests relating to roads to which Council responds within the time frame specified.	Potholes: 90% within 14 days and 100% within 28 days.	Achieved to date	No pothole repairs requested to date
		Streetlights: 90% within 14 days and 100% within 28 days.	Not Achieved	23 Streetlight outages reported. 7 responded to within 14 days and 7 exceeded 28 days to repair. 2 still in progress
Footpaths				
Footpath condition	Percentage of footpaths that fall within the level of service or	95%. ⁴	Achievement anticipated	Survey to be completed May 2021

³ The percentage of Vehicle Kilometres Travelled in the District exposed to roads with roughness less than the threshold for urban roads set by the National State Highway Strategy

⁴ Against a standard of no more than 20 lips in the 70 km of footpaths (each lip above 20 mm equates to three metres of footpath needing replacement).

Levels of Service	Measures	Target	Status	Comment
	service standard for the condition of footpaths set out in the Long Term Plan.			
Response to service requests.	The percentage of customer service requests relating to footpaths to which Council responds within the time frame specified.	100% within 14 days.	Achieved to date	2 service requests received and both were attended to within 14 days.

ACTIVITY GROUP 5: STORMWATER

Funding Impact Statement

	Budget	Actual	Comment
Operating funding – Rates & Charges (A)	\$96,450	\$50,862	
Applications of operating funding – Staff & Suppliers (B)	\$43,550	\$26,476	
Surplus (deficit) of operating funding (A - B)	\$52,900	\$24,386	
Sources of capital funding (C)	\$187,500	\$35,259	
Less (D):			
Renewals/capital	\$250,000	\$47,012	
Increase/(decrease) in reserves	\$(9,600)	\$12,633	
Surplus (deficit) of capital funding (C - D)	\$(52,900)	\$(24,386)	
Funding balance ((A - B) + (C - D))	\$0	\$0	

Capital Renewals

Item	Budget	Actual	Comment
Stormwater pipe renewals	\$250,000	\$47,012	

Statement of Service Provision

Levels of Service	Measures	Target	Status	Comment
Council provides an effective stormwater network which removes stormwater to protect dwellings from flooding (System adequacy)	The number of flooding events that occur in the District. For each flooding event, the number of habitable floors affected.	No more than 0	Achieved to date	There were no flooding events
Council provides an effective stormwater network which removes stormwater to protect dwellings from flooding (Customer satisfaction)	The number of complaints received by Council about the performance of its stormwater system.		Not applicable. ⁵	
Response times	The median response time to attend a flooding event.	Less than one hour.	Achieved to date	There were no flooding events
Discharge compliance.	Compliance with Council's resource consents for discharge from its stormwater system, measured by the number of: <ul style="list-style-type: none"> • abatement notices • infringement notices • enforcement orders, and • convictions, received by Council in relation to those resource consents.	No notices, orders or convictions	Achieved to date	Council has complied with all the conditions of its resource consent. Council did not receive any notices, orders or convictions.

⁵ The mandatory measure per 1,000 properties connected to Council's stormwater system is not applicable, because properties in Kawerau are not permitted by building consents to connect to the stormwater system.

⁶ The mandatory measure per 1,000 properties connected to Council's stormwater system is not applicable, because properties in Kawerau are not permitted by building consents to connect to the stormwater system.

ACTIVITY GROUP 6: WATER SUPPLY

Funding Impact Statement

Both revenue and expenditure are on target.

	Budget	Actual	Comment
Operating funding – Rates & Charges (A)	\$1,222,550	\$655,769	
Applications of operating funding – Staff & Suppliers (B)	\$735,330	\$399,930	
Surplus (deficit) of operating funding (A - B)	\$487,220	\$255,839	
Sources of capital funding (C)	\$0	\$0	
Less (D):			
Renewals/capital	\$2,557,150	\$360,153	
Increase/(decrease) in reserves	\$(2,069,930)	\$(104,314)	
Surplus (deficit) of capital funding (C - D)	\$(487,220)	\$(255,839)	
Funding balance ((A - B) + (C - D))	\$0	\$0	

Capital Renewals

Item	Budget	Actual	Comment
Pipework replacement	\$2,016,000	\$200,736	Project c/fwd from 2019/20
Toby replacement	\$120,000	\$21,356	
Valve refurbishment	\$36,900	\$1,058	
UV Tube Replacement	\$12,850	\$16,956	
Pump Refurbishment	\$167,400	\$7,013	
Headworks	\$20,000	\$2,230	
Chlorine and Lime dosing	\$15,000	\$0	
Water flow restrictor	\$49,000	\$0	
Tarawera Bores	\$120,000	\$110,804	
Total	\$2,557,150	\$360,153	

Statement of Service Provision

Levels of Service	Measures	Target	Status	Comment
Customer satisfaction.	<p>The total number of complaints received about any of the following:</p> <ul style="list-style-type: none"> a) drinking water clarity b) drinking water taste c) drinking water odour d) drinking water pressure or flow e) continuity of supply, and f) Council's response to any of these issues expressed per 1,000 connections to the networked reticulation system. 	<ul style="list-style-type: none"> a) No more than 4 per 1,000 connections b) No more than 2 per 1,000 connections c) No more than 1 per 1,000 connections d) No more than 2 per 1,000 connections e) No more than 2 per 1,000 connections f) 0 per 1,000 connections 	Not achieved	<p>Council has 2,800 connections</p> <ul style="list-style-type: none"> a) 20 complaints about dirty water (7.1 per 1,000 connections) b) No complaints about taste c) No odour complaints d) No complaints about water pressure e) No complaints regarding continuity of supply f) No complaints about responses to above issues
Safety of drinking water.	<p>The extent to which Council's drinking water supply complies with:</p> <ul style="list-style-type: none"> a) part 4 of the 2008 drinking-water standards (bacteria compliance criteria), and b) part 5 of the 2008 drinking-water standards (protozoal compliance criteria). 	<ul style="list-style-type: none"> a) No more than 1 instance of bacteria criteria non-compliance, and b) No instances of protozoal criteria non-compliance. 	<ul style="list-style-type: none"> a) Achieved to date b) Achieved to date 	<p>There no instances of bacteria or protozoal non-compliance</p>

Levels of Service	Measures	Target	Status	Comment
Maintenance of the reticulation network.	The percentage of real water loss from the Council's networked reticulation system, measured using the minimum night flow (MNF) analysis method contained in the DIA Guidelines.	<200 litres per connection per day ⁷	Achievement anticipated	Measured in June 2021. Water loss expected to be similar to previous years
Demand management.	The average consumption of drinking water per day per resident within the district.	< 0.6 m3	Achieved to date	The average daily consumption to 31 December 2020 was 0.57 m ³ per person.
	Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the median response times are:			
Fault response times.	a) attendance for urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site, and	Less than two hours.	Achieved to date	There were 2 urgent call outs received and the median response time was 5 minutes
	b) resolution of urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption.	Less than 8 hours.	Achieved to date	Median resolution was 2 hours 33 minutes.
	c) attendance for non-urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site.	24 hours.	Achieved to date	34 non-urgent call outs and median response time 10 minutes
	d) resolution of non-urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption	48 hours.	Achieved to date	Median resolution was 1 hour 14 minutes.

⁷ Measured using the minimum night flow (MNF) analysis method contained in the DIA Guidelines.

Levels of Service	Measures	Target	Status	Comment
The water supply is reliable and has minimal disruptions.	Number of unplanned shutdowns – reticulation.	No more than 12.	Achieved to date	5 unplanned shutdowns occurred.
	Number of unplanned shutdowns - pump stations.	None.	Achieved to date	No unplanned shutdowns of the pump stations.
	Number of water main breaks.	No more than 8.	Achieved to date	0 water main breaks to date.
Water is sourced with minimal environmental effects.	Compliance with BOP Regional Council water supply resource consents as reported in Annual Consents and Compliance Field Sheet.	Compliance ⁸	Achieved to date	Complying with old consent.

⁸ BOPRC inspection reports state either compliance or non-compliance.

ACTIVITY GROUP 7: WASTEWATER

Funding Impact Statement

	Budget	Actual	Comment
Operating funding – Rates & Charges (A)	\$1,776,871	\$1,243,295	
Applications of operating funding – Staff & Suppliers (B)	\$1,346,960	\$650,531	
Surplus (deficit) of operating funding (A - B)	\$429,911	\$592,764	
Sources of capital funding (C)	\$0	\$0	
Less (D):			
Renewals/capital	\$740,000	\$260,587	
Increase/(decrease) in reserves	\$(310,089)	\$332,177	
Surplus (deficit) of capital funding (C - D)	\$(429,911)	\$(592,764)	
Funding balance ((A - B) + (C - D))	\$0	\$0	

Capital Renewals

Item	Budget	Actual	Comment
Pump refurbishment	\$35,000	\$14,247	
Milliscreen bearings	\$292,000	\$74,100	
Wastewater treatment plant & computer equipment	\$250,000	\$80,534	
Pumping Station/Drives/Dosing Pump	\$93,000	\$59,691	
RIB Development	\$70,000	\$0	
Pipework	\$0	\$32,015	
Total	\$740,000	\$260,587	

Statement of Service Provision

Levels of Service	Measures	Target	Status	Comment
Customer satisfaction.	<p>The total number of complaints received about any of the following:</p> <ul style="list-style-type: none"> a) sewage odour b) sewerage system faults c) sewerage system blockages, and d) Council's response to issues with its sewerage system, (expressed per 1,000 connections to the sewerage system). 	<ul style="list-style-type: none"> a) No more than 1 per 1,000 connections b) No more than 15 per 1,000 connections c) No more than 15 per 1,000 connections d) 0 per 1,000 connections 	Achieved to date	<p>Council has 2,800 connections</p> <ul style="list-style-type: none"> a) No odour issues b) 0 faults c) 3 blockage (1.1 per 1,000) d) No complaints about response to service.
System adequacy.	<p>The number of dry weather sewage overflows from Council's sewerage system, expressed per 1,000 connections to that sewerage system.</p>	0 per 1,000 connections to the sewerage system.	Achieved to date	No dry weather overflows.
	<p>Where Council attends to sewage overflows resulting from a blockage or other fault in its sewerage system, the median response times are:</p>			
Fault response times.	<ul style="list-style-type: none"> a) attendance time: from the time that Council receives notification to the time that service personnel reach the site, and 	Less than 1 hour.	Achieved to date	1 sewerage overflow that was attended (10 minutes)

Levels of Service	Measures	Target	Status	Comment
	b) resolution time: from the time that Council receives notification to the time that service personnel confirm resolution of the blockage or other fault.	Less than 8 hours.	Not achieved	1 sewerage overflow that was resolved after 2 weeks – due to sewer line collapse
Council provides a reliable domestic wastewater collection and disposal service.	Number of disruptions to wastewater collection service.	No more than 50.	Achieved to date	There was 1 disruption to the waste water collection service to date.
Discharge compliance.	Compliance with resource consents for discharge from Council's sewerage system measured by the number of: a) abatement notices b) infringement notices c) enforcement orders, and d) convictions, received in relation those resource consents.	No notices, orders or convictions.	Achieved to date	Council has not received infringement notices for 2020/21
The wastewater treatment plant operates effectively.	Compliance with BOPRC wastewater treatment plant resource consents as reported in annual Consents and Compliance Field Sheet.	Compliance. ⁹	Not achieved	Council has not complied with all conditions of the resource consent due to volumes received from the dairy factory

⁹ BOPRC inspection reports state either compliance or non-compliance.

ACTIVITY GROUP 8: SOLID WASTE

Funding Impact Statement

Both revenue and expenditure are likely to exceed the budget due to additional waste volumes.

	Budget	Actual	Comment
Operating funding – Rates & Charges (A)	\$1,826,118	\$976,954	
Applications of operating funding – Staff & Suppliers (B)	\$1,792,010	\$941,284	
Surplus (deficit) of operating funding (A - B)	\$34,108	\$35,670	
Sources of capital funding (C)	\$0	\$0	
Less (D):			
Renewals/capital	\$5,000	\$4,512	Recycling shed
Increase/(decrease) in reserves	\$29,108	\$31,158	
Surplus (deficit) of capital funding (C - D)	\$(34,108)	\$(35,670)	
Funding balance ((A - B) + (C - D))	\$0	\$0	

Statement of Service Provision

Levels of Service	Measures	Target	Status	Comment
Refuse Collection and Disposal				
Council's refuse collection and disposal services meet the needs of the Kawerau Community and help maintain public health and a clean environment.	Frequency of residual refuse collection from residential properties.	52 weekly collections.	On track	Collection occurred every week. (26/26)
	Level of compliance with BOP Regional Council refuse disposal resource consents as reported in annual Consents and Compliance Field Sheet.	Compliance. ¹⁰	Achieved to date	No notices, abatement notices, enforcement orders or convictions.
Zero Waste (Recycling)				
Material that would otherwise go to landfill as household refuse is collected by the recycling collection service.	Average amount of recyclable material collected from each household.	No less than 178 kg per annum.	On track	2,800 households
	Frequency of recycling collection from properties.	52 weekly collections.	On track	Collection occurred every week (26/26)

¹⁰ BOPRC inspection reports state either compliance or non-compliance

ACTIVITY GROUP 9: LEISURE AND RECREATION

Funding Impact Statement

Costs and revenue are on track and it is expected to be close to budget at year end

	Original Budget	Actual	Comment
Operating funding – Rates & Charges (A)	\$4,136,883	\$2,071,463	
Applications of operating funding – Staff & Suppliers (B)	\$3,393,960	\$1,499,487	
Surplus (deficit) of operating funding (A - B)	\$742,923	\$571,976	
Sources of capital funding (C)	\$550,000	\$0	
Less (D):			
Renewals/capital	\$1,165,970	\$148,109	
Increase/(decrease) in reserves	\$126,953	\$423,867	
Surplus (deficit) of capital funding (C - D)	\$(742,923)	\$(571,976)	
Funding balance ((A - B) + (C - D))	\$0	\$0	

Capital Renewals

Item	Budget	Actual	Comment
Library:			
Collection renewals	\$71,360	\$29,251	Replacement books
Equipment, Fixtures and Fittings	\$25,160	\$3,320	
Building	\$77,700	\$13,797	
Swimming Pool:	\$789,600	\$79,829	
Recreation Centre	\$16,500	\$0	
Town Hall	\$8,600	\$0	
Concert Chambers	\$24,400	\$0	
Sports fields and amenity buildings	\$19,350	\$8,788	Tarawera Park – irrigation & changing room upgrade
Passive Reserves	\$72,850	\$10,404	Boundary fences, carparks and outlet
Playgrounds	\$40,230	\$2,720	Playground and fence renewals
Cemeteries	\$20,220	\$0	New plots and fence
Total	\$1,165,970	\$148,109	

Statement of Service Provision

Levels of Service	Measures	Target	Status	Comment
Library				
The library is accessible to the public.	Percentage of the population who are active members of the library. ¹¹	>25%	On track	Currently 1,743 (24.5%) of the population are active members of the library.
	Number of visits to the library annually	>90,000	Unlikely to achieve	32,680 people visited the library to 31/12
	New items per 1,000 population added to the collection each year.	>500	On Track	1,455 new items (205 per 1,000 population) were added to the collection.
Museum				
Council provides a museum service which reflects Community needs.	Number of exhibitions held.	6	On track	4 exhibitions have been held to date.
	Number of historical articles produced. ¹²	10	On track	7 articles produced to date.
	Number of objects accessioned to the museum collection per annum.	200	On track	There were 18 objects accessioned into the museum collection to 31 Dec 2020
Swimming Pools				
Swimming pool water meets water quality standards.	Level of compliance with standards.	Full compliance in 95% of tests.	Achieved to date.	97% compliance of tests done.
Council provides a Swimming Pool Complex which is accessible to the Community.	Weeks open per year.	At least 48.	On track	Pool has been open 23/26 weeks for the year to 31 December 2020.
Public Halls and Facilities				

¹¹ Those who have used library services in the past two years.

¹² Historical articles include a mix of oral histories, exhibition booklets and special event DVDs.

Levels of Service	Measures	Target	Status	Comment
Four Community halls are available for hire: Ron Hardie Recreation Centre, Town Hall, Concert Chambers and the Bert Hamilton Hall.	Number of weeks public halls available for hire	Each hall is available for 50 weeks. ¹³	May not be achieved	All halls were open for 24/26 weeks
Clean public toilets are provided in the central business district.	Council provides town centre public toilets.	Open at least 360 days.	On track	The town centre public toilets were open 184/184 days
Parks and Reserves				
Playing surfaces at sports fields are maintained to the requirements of the codes for which they are used.	Implementation of recommendations of NZ Sports Turf Institute advisory reports.	100%	On track	NZ Sports and Turf inspected the sports fields in August and provided recommendations
Council provides an adequate number of reserves for Community leisure and recreation.	Percentage of households situated within 500 metres of a reserve.	At least 95%.	Achieved	100% of properties are within 500 metres of a reserve
Bedding displays are attractive and updated to suit the season.	Number of bedding displays.	2 (1 summer and 1 winter).	On track	Summer displays are planted in October and the winter displays planted in May
Playground equipment is safe for children to use.	Monthly inspections of all playground equipment.	12 inspections conducted.	On track	6 inspections have been undertaken to date
	Remediation of all identified ¹⁴ problems.	All repairs completed within 2 weeks.	Not achieved	Minor defects identified by inspection and from the public via requests for service All rectified within 2 weeks apart from 1

¹³ Each hall is closed for scheduled maintenance for up to two weeks per year.

¹⁴ Problems can be identified by users, parents, community members or staff at any time.

Levels of Service	Measures	Target	Status	Comment
Cemetery				
The Kawerau cemetery meets community interment needs in the present and the medium term	Number of burial plots available	Enough for at least 5 years	Achieved	<i>There are currently enough plots for approximately a further 10 years.</i>

SUNDRY (VANDALISM, PLANT AND ELIMINATIONS)

Funding Impact Statement

These activities include vandalism, plant and eliminations. Eliminations mostly include the rates charged to Council properties and any past years' surpluses that Council has resolved to use to reduce rates.

	Budget	Actual	Comment
Operating funding – Rates & Charges (A)	\$(934,824)	\$(480,850)	
Applications of operating funding – Staff & Suppliers (B)	\$(812,860)	\$(477,245)	
Surplus (deficit) of operating funding (A - B)	\$(121,964)	\$(3,605)	
Sources of capital funding (C)	\$0	\$0	
Less (D):			
Renewals/capital	\$136,220	\$160,742	Small plant & vehicles
Increase/(decrease) in reserves	\$(258,184)	\$(164,347)	
Surplus (deficit) of capital funding (C - D)	121,964	\$3,605	
Funding balance ((A - B) + (C - D))	0	0	

ACCOMMODATION AND CORPORATE OVERHEADS

Funding Impact Statement

These activities include the buildings costs as well as overheads (CEO's and Managers' cost centres). These costs are allocated and are included in the other activities costs, which is required for reporting purposes.

	Budget	Actual	Comment
Operating funding – Rates & Charges (A)	\$121,920	\$64,591	
Applications of operating funding – Staff & Suppliers (B)	\$3,272,950	\$1,727,310	
Less allocated to activities	\$(3,272,950)	\$(1,727,310)	
Surplus (deficit) of operating funding (A - B)	\$121,920	\$64,591	
Sources of capital funding (C)	\$0	\$0	
Less (D):			
Renewals/capital	\$216,860	\$34,514	IT and building renewals
Increase/(decrease) in reserves	\$(94,940)	\$30,027	
Surplus (deficit) of capital funding (C - D)	\$(121,920)	\$(64,591)	
Funding balance ((A - B) + (C - D))	\$0	\$0	

Meeting: Council

Meeting Date: 23 February 2021

Subject: Sewer pipe repair – Cosmopolitan Club to Plunket Street

File No.: 405000

1 **Background**

The sewer pipe between the Rautahi Marae and the Cosmopolitan Club failed due to geothermal degradation of the asbestos-cement (AC) pipe in September 2020. An emergency repair was done and the whole line and the manhole was replaced at a total cost of \$40,686.

The actual state of the AC-sewer system in geothermal areas are not known and an amount of \$21,000 has been included in the 2021/22 financial year to camera and evaluate all AC-lines in geothermal areas. This work has now been moved forward and the camera and evaluation work is being performed in February and March 2021.

On 12 February 2021 the next section of the line, from the Cosmopolitan Club to Plunket Street failed and an emergency repair was performed on 18 February.

Quotations to replace the 108m line were requested. However, due to the short notice, only two contractors were able to quote:

Contractor	Comment	Quoted price
Goodrick Contracting Ltd	Unavailable	-
Draintech Ltd	Unavailable	-
Waiotahi Ltd	Directional drilling of line	\$40,745
	Sucker truck hire	\$2,200
Opotiki Pumps & Irrigation	Directional drilling of line	\$34,072
	Sucker truck hire	\$2,200

The received quotes are similar in value to the September 2020 emergency sewer pipeline replacement. Both companies are trusted contractors with good records doing work for Council.

The whole area is being evaluated now and it is likely that all the sewer lines and manholes in the area will be replaced once the camera and evaluation work is completed. This has not been planned, however it will be more cost effective to perform this work in a planned manner now than anymore emergency repairs later.

2 Options Considered

The pipe needs to be replaced and runs underneath some parking areas. Directional drilling is the only option considered as other methods will require the installation of additional manholes which will be significantly more expensive.

Repair the pipe with lowest conforming quote

The lowest conforming quote is \$36,272 by Opotiki Pumps and Irrigation. This includes an additional \$2,200 to hire a suction truck during the repair work.

3 Policy and Plan Considerations

This option is not contrary to any of Council's Policies and Plans.

4 Legal Considerations

There are no Legal Considerations with approving or declining to approve the additional expenditure.

5 Significance and Engagement

Obtaining the Community's views is not considered necessary.

6 Financial Considerations

The cost of this repair of \$34,072 would be funded from Depreciation Reserves and \$2,200 will be funded from the operational budget.

7 Conclusion

The AC-sewer pipes in geothermal areas in the District have started to fail and have not been included in annual and long-term plans. The actual state of the AC-sewer system in geothermal areas is not known and an amount of \$7,000 has been included in the Three Waters Stimulus Grant Delivery Plan in addition to the planned \$14,000 to camera and evaluate all AC-lines in geothermal areas. This work has been brought forward and will be completed in March 2021.

It is expected that all the sewer lines and manholes will need to be replaced in geothermal areas between Onslow, Plunket and Glasgow Streets as well as the areas around the Mauri Kjar Pools.

The work to repair the sewer line has already started and Council is requested to approve this repair retrospectively and allocate the required funding.

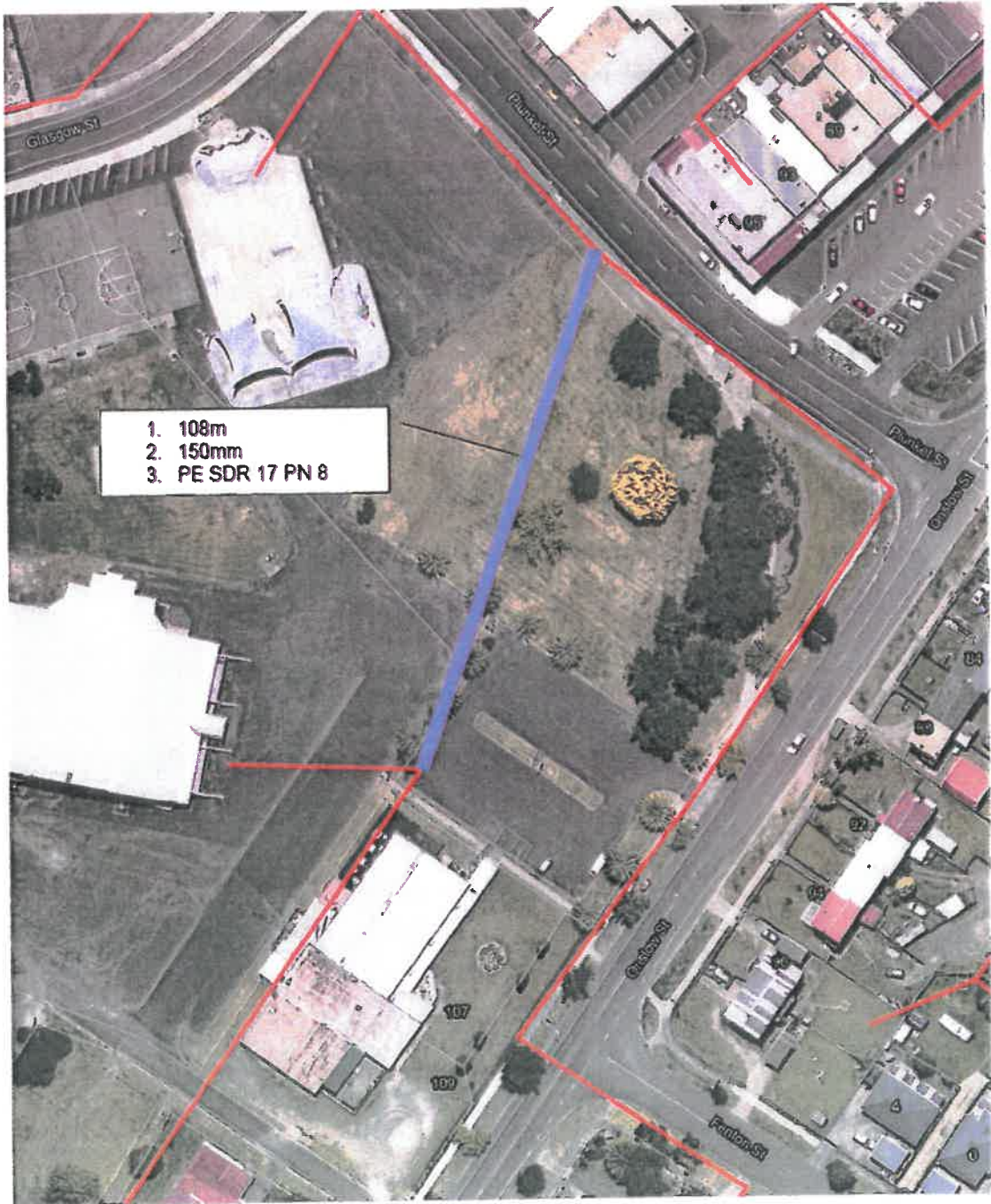
8 **RECOMMENDATIONS**

1. That the report “Sewer pipe repair – Cosmopolitan Club to Plunket Street” be received.
2. That \$34,072 plus GST be approved to undertake the sewer pipe and manhole replacement.

Hanno van der Merwe, MSc(Eng), PhD

Manager, Operations and Services

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Meeting: Council

Meeting Date: 23 February 2021

Subject: Review of Revenue and Financing Policy

File No: 408310

1 **Purpose**

The purpose of this report is to amend/confirm Council's Revenue and Financing Policy following the review done by the Audit and Risk Committee prior to consulting with the community.

2 **Background**

Council adopted a Revenue and Financing Policy as part of the 2018 – 28 Long Term Plan. Following the adoption of the revenue and financing policy, fees and charges were determined so that users contribute the private benefit share of the activity cost.

For most activities the actual results are fairly consistent with the policy, however, the current fees and charges revenue for facilities do not meet the private benefit share identified, and therefore requiring an increased share to be funded from rates.

The Audit and Risk Committee confirmed that it was reasonable for Council to set fees that enabled all residents to use the facilities and did result in the facilities remaining unused. The committee concluded the Revenue and Financing Policy should be amended to recognise the reduced contribution from users.

The following table shows the actual percentage of the total facility costs recovered from users in 2018/19 and 2019/20 compared to the percentage indicated in the revenue and financing policy.

Facility	User % of total cost - per policy	Actual (2019/20) % of total cost	Actual (2019/20) % of user costs
Swimming Pool	1.8%	1.8%	5.5%
Recreation Centre	11.2%	1.2%	6.6%
Town Hall	15.6%	0.5%	3.0%
Concert Chamber	23.9%	5.7%	15.9%
Bert Hamilton Hall	20.7%	17.6%	60.0%

3 **Council Policy**

Council's existing revenue and financing policy specifies the percentage of the facility costs that should be recovered from the users (for example 70% of the use costs for public halls).

The table below lists the hire fees set for 2020/21 for the respective facilities:

Facility	Fee	Fee for locals
Swimming Pool – admission fee	\$0	\$0
Swimming Pool – casual hire (after hours)	\$25.00 per hour	\$25.00 per hour
Swimming Pool – hire of lanes (schools)	\$6.50 per hour	\$6.50 per hour
Recreation Centre – casual hire	\$66.50 per hour	\$20.00 per hour
Recreation Centre – bulk hire	\$31.00 per hour	\$10.00 per hour
Town Hall – casual hire	\$44.00 per hour	\$13.20 per hour
Town Hall – bulk hire	\$22.00 per hour	\$6.40 per hour
Concert Chamber – casual hire	\$38.00 per hour	\$11.20 per hour
Concert Chamber – bulk hire	\$19.00 per hour	\$5.60 per hour

At present, the fee revenue (at the current level of usage) is not sufficient to recover the share of the facility costs identified in Council's Revenue and Financing Policy, particularly as a number of users have been granted a waiver of the fees.

4 Options and Financial Consideration

The amenity buildings which include the netball pavilion, Kawerau Sports Clubrooms and Onepu Clubrooms have long term leases in place.

Essentially Council has the following options for its Revenue and Financing Policy:

4.1 Status Quo

Council could keep the facility hire fees the same as 2020/21 including continuing to waive fees for approved groups, and the Revenue and Financing Policy be amended to reflect the lower revenue from users of these facilities and consulted with the community

The current annual cost of this option is \$14,000 pa plus the cost of any additional waiver of fees.

4.2 Remove facility hire fees for all local groups

Council could decide to not charge hire fees for its facilities for all local groups so they are treated consistently with those that currently have their fees waived. Council will also need to amend the Revenue and Financing Policy to reflect the lower revenue for its facilities (no recovery from users), and the revenue shortfall will need to be added to rates. The annual cost of this option (based on the fees received for 2018/19) is approximately \$28,100 pa as well as the cost of the fees that are currently being waived.

4.3 Review facility fees and charges as well as decision(s) to waive fees

Council could review the decision to waive fees to the groups that are currently not paying hire fees or only getting a minimal charge, as Council is incurring additional costs for electricity, cleaning and security/lockup. Also, it could introduce a new increased fee for afterhours users that recognises the additional cost of unlocking and then locking up the facility.

This option would add another \$14,000 to Council's revenue along with the additional recovery for after-hours charges. This option would mean Council is closer to meeting the allocations (between users and ratepayers) as stated in the 2018 - 28 Revenue and Financing Policy.

The Audit and Risk Committee recommended the status quo and that the Revenue and Financing Policy be amended to reflect the current user contributions.

5 Legal Considerations and Significance & Engagement Policy

The Local Government Act 2002 permits Council to set its fees and charges by resolution and there is no requirement to publically consult on the matter. However, if there a significant change to what is presently being charged then it is recommended that Council consult the community on the matter, ensuring affected parties can make submissions and Council can consider these.

The Revenue and Financing Policy will be consulted on as part of the 2021 – 2031 Long Term Plan.

6 Risks

There are risks with each of the options. If the current practice of remitting facility fees and charges to organisations continues, there is a risk that ratepayers will have to pick up the increasing cost associated with using a facility.

However, if Council was to charge all users, then it is likely that some of the current users may reduce their usage of the facility or stop using it altogether.

The discount (of 70%) for local organisations was a compromise to achieve some recovery of the usage cost, while making the facility affordable.

7 Appendix

Revenue and Financing Policy (amended)

8 RECOMMENDATIONS

1. That the report "Review of Revenue and Financing Policy" be received.
2. That Council confirm the amended Revenue and Financing Policy for inclusion in the Draft 2021 – 2031 Long Term Plan for public consultation



Peter Christophers, BBS, ACA

Manager Finance and Corporate Services

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Revenue and Financing Policy

Policy Objectives

The objectives of this policy are to explain who pays and why, to outline how Council's activities are funded and to meet the requirements of the Local Government Act 2002.

Principles

This policy is based on the principles that:

- Council has a responsibility to exercise prudent financial management.
- The cost of providing Council services should be borne equitably by the community and those who use the service.
- Fees and charges should be fair.
- Council will consider affordability when determining the level of fees and charges.

Definitions

Community outcomes

The outcomes a local authority aims to achieve in order to promote the economic and cultural well-being of its district in the present and for the future. They define the desired future for the District. Kawerau's community outcomes are described in the Long Term Plan.

Distribution of benefits

Identifying who benefits from an activity provided by Council is important when considering who should pay for the service. Generally, if only individuals receive the benefits of an activity (private benefits), a user-pays system should be considered. If the benefits of an activity are shared by a large group within the community then an appropriate funding option for that activity would be a targeted rate. Alternatively, if the benefits of an activity are shared by the whole community (public benefit) then an appropriate funding option for that activity would be the general rate.

Industrial/Commercial

All properties other than those defined as "Residential".

Residential Properties

situated in any zone used solely for residential purposes.

Period of benefits

A statutorily required assessment of the period over which the benefits from each activity will flow. This aids in identifying the period over which the operating and capital expenditure should be funded.

For all activities, operating costs are directly related to providing benefits in the year of expenditure. As such, they are appropriately funded annually.

Assets provide benefits over more than one year and therefore benefits are derived over the useful life of each asset. Useful lives range from a few years in the case of computer equipment through to many decades for infrastructural assets such as the water supply network. This introduces the concept of intergenerational equity whereby costs of any expenditure should be recovered at the time the benefits of that expenditure accrue. This is particularly relevant for larger assets such as the wastewater, stormwater, roading and water supply networks.

To ensure that each generation of ratepayers pay for the benefits that are received, the depreciation charges for an asset are funded by that year's rates. This results in infrastructural costs being spread more evenly across the life of the asset and the different ratepayers who benefit from it.

Funding of capital expenditure

Capital expenditure that needs to be funded relates predominantly to three things: the purchase of new assets, the replacement of existing assets and the repayment of loan principal on debt (both external and internal).

Depreciation reserves are used to fund capital expenditure in Council activities for which asset depreciation is funded. Internal borrowing is used when there are insufficient reserve funds for an activity.

It is estimated that Council will not need to borrow externally to fund infrastructural asset renewals during the current Long Term Plan. A table showing planned renewal expenditure is included in the financial statements of the Plan.

The Local Government Act requires that operating revenues in any one financial year should be set at a level sufficient to meet all projected operating expenses. The expenditure must include the cost of depreciation.

Depreciation on some assets is not fully funded (see financial strategy). Any capital expenditure on those assets is funded from general rates or internal loans.

Contributors to the need for an activity (polluter pays)

The 'polluter pays' principle is that if a person creates a problem which incurs costs for Council, that person should contribute some or all of the funds to meet those costs. For example, dog owners who allow their dogs to roam should pay a fine to cover the cost of impounding. However, this is not always practical, as identifying and charging the offender is not always possible. Similarly, people who do graffiti or dump rubbish illegally are not always caught. Council's policy is to recover these costs where practicable.

Costs and benefits of funding the activity distinctly from other activities

When selecting a particular funding mechanism Council is required to consider the costs and benefits. It is possible to establish specific charges or rates for each service, however this is not the best approach if the cost of establishing and administering a charging system outweighs the benefits or the revenue gained. This is assessed on a case-by-case basis. Council is also required to consider alternative funding mechanisms in terms of transparency and accountability. One which is targeted for specific cost items is more transparent to users of the activity than general or aggregated funding. However, if the targeted charging approach excessively increases administrative costs then an aggregated charging approach may be better.

Overall impact of the method of funding

In addition to all of the issues explained above, Council is required to consider the overall impact that any allocation of charges and costs may have on the current and future social, economic, environmental and cultural well-being of the Community.

Background

Council has broken its business down to activity level. For some activities, it has divided costs into two components - availability of the service and use of the service. Activities have been separated in this way when they benefit different groups in the community. In general, Council has assessed the availability of an activity as a public benefit and the use of an activity as a private benefit.

'Availability' relates to the costs incurred to keep a service or asset in such a condition that it can become operational (e.g. keeping library items up to date). 'Use' relates to costs incurred as a result of the asset being used (e.g. staff costs of issuing library items).

Legislative requirements

The Local Government Act requires that the funding needs of Council must be met from those sources that are deemed to be appropriate, following the consideration of:

- The community outcomes to which the activity primarily contributes
- The distribution of benefits among the Community as a whole, any identifiable part of the Community, and individuals
- The period in or over which those benefits are expected to occur
- The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity
- The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities

Then Council must assess the overall impact of allocating the liability for the revenue on the community, before determining the appropriate funding mechanisms.

Policy Statement

Funding for Operating Expenses

All operating expenses will be funded each year in accordance with the summary table which lists the following funding sources for each activity after Council determined:

- the beneficiaries of Council activities
- the ability of residents to pay for Council services
- whether there are any "exacerbators" for the particular activity; and
- the costs and benefits of using the selected funding source.

Funding for Capital Expenditure

Capital expenditure is funded in accordance with the type of expenditure that is incurred.

- Renewals are funded from depreciation reserves
- Capital expenditure to improve the level of service is funded from an internal loan

Other sources for capital funding include:

- NZTA subsidy (Roading and Stormwater)
- Sale/Disposal of Assets
- Grants from various funding agencies

General rate

Council charges general rates through both a Uniform Annual General Charge (UAGC) on each separately used or inhabited part of a rating unit and a rate in the dollar on capital value in accordance with Council's Differential Rating System.

The purpose of the UAGC is to ensure a minimum contribution to the general rate from all ratepayers and more even allocation of the general. The UAGC amount has been set by Council to produce the fairest and most equitable overall result for the community.

Council charges general rates on a differential basis in accordance with the Local Government (Rating) Act 2002. Council introduced differential rating in 1978. The objective of Council's system of differential rating is primarily to retain the ratio between commercial and industrial ratepayers on the one hand and residential ratepayers on the other. The general rate (including the UAGC)

is apportioned on a ratio of 55:45 Industrial/Commercial: Residential.

Targeted rates

Water Council charges a uniform fixed amount for the provision of water supply.

The rate is charged to each separately used or inhabited part of a rating unit to which Council supplies water, except for properties on metered water supply.

Wastewater Council charges a uniform fixed amount for the collection and treatment of wastewater.

The rate is charged to each separately used or inhabited part of a rating unit that is connected to Council's wastewater disposal network.

Refuse Collection Council charges a uniform fixed amount for the collection of residual refuse. The rate is charged to each separately used or inhabited part of a rating from which Council is prepared to remove residual refuse.

Grants and subsidies

A large part of Council expenditure on roads is subsidised by the New Zealand Transport Agency (NZTA). Subsidies contribute to the long term maintenance of carriageways and their associated drainage and lighting systems and partly fund street cleaning.

Interest and dividends

Council has minimal equity investments and therefore receives no dividend income of any consequence.

Council receives interest from its financial investments. Significant replacement of infra-structural assets will not occur until the years 2027 to 2030. Until this time, Council will continue to have a cash surplus and depreciation reserves. These reserves are invested in accordance with Council's Investment Policy and will be retained for expenditure on asset replacement. Interest revenue from the investment of these reserves lowers the amount of depreciation funding that is required from general rates.

Fees and charges

Council has fees and charges on a wide range of its activities. A number of considerations are taken into account by Council when setting fees. These include:

- The cost of the service provided and the private benefits received
- The ability of users to pay and the possible exclusionary effects to people on low incomes
- The risk of people not using Council services if charges for those services are perceived to be too high
- In appropriate cases, whether the user lives in the district or outside the district

Proceeds from asset sales

Proceeds from asset sales will be used for the repayment of debt or the acquisition of new assets.

Reserve funds

Most Council reserve funds are associated with depreciation reserves, which will be used to finance the renewals of existing assets.

Financial contributions

Council has the ability to collect financial contributions as per its Financial Contributions Policy.

Assessment of overall impact of allocation of revenue needs

Council believes that its selection of funding tools leads to the most equitable funding of Council activities in terms of:

- The distribution of benefits amongst the community
- The period in, or over which those benefits are expected to occur
- The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity
- Being affordable.

While some activities would normally be funded by user fees and charges due to the level of private benefit that they provide, Council wishes to enhance the well-being of Kawerau residents by encouraging them to use various Council services. It is felt that the inability to pay for various services should not stop or restrict access to those services.

Council has therefore determined that the following activities will be funded through general rates:

- Access to the Library/Museum for Kawerau residents and property owners
- Access to the Swimming Pool
- Partial waivers of rentals of the Town Hall, Concert Chambers, Recreation Centre and Passive Reserves for groups who achieve the outcomes desired by this policy
- Free access to the Town Centre Toilets
- Free access to the Refuse Disposal Site for people acting charitably

Table: Allocation of costs

Significant Activity	Funding Ratio	
	Public Benefit (%)	Private Benefit (%)
Democracy	100	0
Economic and Community Development		
Economic Development	100	0
Pensioner Housing	0	100
Community, Cultural and Social	100	0
Commercial Buildings/Residential Development	0	100
Firmin Lodge	55	45
Information Centre	25	75
Environmental Services		
Resource Management - Planning	Availability	100
Resource Management - Consents		30
Building and Inspection	Availability	100
Building and Inspection	Use	20
Environmental Health	Availability	100
Environmental Health	Use	50
Dog Control		90
Dog Registration		0
Civil Defence		100
Roading		100
Stormwater		100
Water Supply		
Water Supply	Availability	100
Water Supply	Use	0
Wastewater		
Wastewater	Availability	100
Wastewater	Use	0
Solid Waste		
Refuse Collection		10
Refuse Disposal	Availability	100
Refuse Disposal	Use	0
Zero Waste		100
Leisure and Recreation		
Library/Museum	Availability	100
Library/Museum	Use	95
Swimming Pools	Availability	100
Swimming Pools	Use	95
Public Halls		
Recreation Centre	Availability	100
Recreation Centre	Use	90
Town Hall	Availability	100
Town Hall	Use	90
Concert Chamber	Availability	100
Concert Chamber	Use	90
Bert Hamilton Hall	Availability & use	90
Public Toilets		100
Parks and Reserves		
Sports Fields		100
Passive Reserves		100
Road Berms		100
Street Trees		100
Annual Bedding Displays		100
Playgrounds		100
Cemetery	Availability	100
Cemetery	Use	0

Table: Mix of funding mechanisms for operating expenses

Activity Group		Public Benefit	Private Benefit
Democracy		General Rates	
Economic and Community Development			
Economic Development		General Rates	User Fees and Charges
Commercial Rental Buildings			User Fees and Charges
Community, Cultural and Social	Availability	General Rates	
Pensioner Housing			User Fees and Charges
Commercial Rental Buildings			User Fees and Charges
Firmin Lodge		General Rates	User Fees and Charges
Information Centre		General Rates	User Fees and Charges
Environmental Services			
Resource Management - Planning	Availability	General Rates	
Resource Management - Consents		General Rates	User Fees and Charges
Building and Inspection	Availability	General Rates	
Building and Inspection	Use	General Rates	User Fees and Charges
Environmental Health	Availability	General Rates	
Environmental Health	Use	General Rates	User Fees and Charges
Dog Control		General Rates	
Dog Registration			User Fees and Charges
Civil Defence		General Rates	
Roading		General Rates	Subsidies, LA Fuel Tax
Stormwater		General Rates	Subsidies
Water Supply			
Water Supply	Availability	General Rates	
Water Supply	Use		Targeted Rate and User Fees and Charges
Wastewater			
Wastewater	Availability	General Rates	
Wastewater	Use		Targeted Rate and User Fees and Charges
Solid Waste			
Refuse Collection		General Rates	Targeted Rate and User Fees and Charges
Refuse Disposal	Availability	General Rates	
Refuse Disposal	Use	General Rates	User Fees and Charges
Zero Waste		General Rates	
Leisure and Recreation			
Library/Museum	Availability	General Rates	
Library/Museum	Use	General Rates	User Fees and Charges
Swimming Pools	Availability	General Rates	
Swimming Pools	Use	General Rates	User Fees and Charges
Public Halls			
Recreation Centre	Availability	General Rates	
Recreation Centre	Use	General Rates	User Fees and Charges
Town Hall	Availability	General Rates	
Town Hall	Use	General Rates	User Fees and Charges
Concert Chamber	Availability	General Rates	
Concert Chamber	Use	General Rates	User Fees and Charges
Town Centre Toilets	Availability	General Rates	
Town Centre Toilets	Use	General Rates	
Public Toilets		General Rates	
Parks and Reserves			
Sports Fields		General Rates	User Fees and Charges
Passive Reserves		General Rates	
Road Berms		General Rates	
Street Trees		General Rates	
Annual Bedding Displays		General Rates	
Playgrounds		General Rates	
Cemetery	Availability	General Rates	
Cemetery	Use		User Fees and Charges

**The Ordinary Meeting of the Kawerau District Council
will be held on Tuesday, 23 February 2021
in the Council Chamber commencing at 9.00am**

A G E N D A

Apologies

Leave of Absence

Opening Prayer

Public Forum

A period of 30 minutes is set aside for public forum at the commencement of this meeting. Each speaker during the public forum section of the meeting may speak for 3 minutes.

Declarations of Conflict of Interest

Any member having a "conflict of interest" with an item on the Agenda should declare it, and when that item is being considered abstain from any discussion or voting. The member may wish to remove themselves from the meeting while the item is being considered.

1 CONFIRMATION OF COUNCIL MINUTES

1.1 Ordinary Council – 15 December 2020

Pgs. 1 - 4

Recommendation

That the Minutes of the Ordinary Council meeting held on 15 December 2020 be confirmed as a true and accurate record.

2 RECEIPT OF COMMITTEE MINUTES

2.1 Regulatory and Services Committee – 15 December 2020

Pgs. 5 - 7

Recommendation

That the Minutes of the Regulatory and Services Committee meeting held on 15 December 2020 be confirmed as a true and accurate record.

2.2 Regulatory and Services Committee – 9 February 2021

Pgs. 9 - 11

Recommendation

That the Minutes of the Regulatory and Services Committee meeting held on 9 February 2021 be confirmed as a true and accurate record.

2.3 Audit and Risk Committee – 2 February 2021

Recommendation

Pgs. 13 -14

That the Minutes of the Audit and Risk Committee meeting held on 2 February 2021 be confirmed as a true and accurate record.

2 Action Schedule (101120)

Pgs. 15 - 17

Recommendation

That the updated Action Schedule of resolutions/actions requested by Council be received.

3 His Worship the Mayor's Report (101400)

Pg. 19

Recommendation

That His Worship the Mayor's report for the period Tuesday 5 January 2021 to Tuesday 16 February 2021 be received.

4 Annual Plan Performance for 6 Months Ended 31 December 2020 (Manager, Finance and Corporate Services) (110400)

Pgs. 21 - 55

Attached is a report summarising Council's performance to 31 December 2020.

Recommendation

That the report "Annual Plan Performance for 6 Months Ended 31 December 2020" be received.

5 Sewer Pipe Repair (Manager, Operations and Services) (405000)

Pgs. 57 - 60

Attached is a report asking Councillors to consider a request to close Fenton Street / Pollen Street Alleyway following feedback from the community.

Recommendation

- 1. That the report "Sewer Pipe Repair" be received.*
- 2. That Council approve \$34,072 plus GST to undertake pipe and manhole replacement.*

6 Review of Revenue and Financing Policy (Manager, Finance and Corporate Services) (408310)

Pgs. 61 - 69

Attached is a report requesting members review and approve the Revenue and Financing Policy prior to consultation with the public.

Recommendation

- 1. That the report "Review of Revenue and Financing Policy" be received.*

2. That Council confirm the amended Revenue and Financing Policy for inclusion in the Draft 2021 – 2031 Long Term Plan for public consultation.

9 Exclusion of the Public

Recommendation

That the public is excluded from the following part of the proceedings of this meeting, namely:

Confirmation of Minutes of the Ordinary Council Meeting (Confidential) – 15 December 2020

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

General Subject of the matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
<i>1. Confirmation of Minutes of the Ordinary Council Meeting (Confidential) – 15 December 2020.</i>	<i>Maintain the effective conduct of public affairs through the free and frank expression of opinions.</i>	<i>That the public conduct of 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 exists. Section 48 (1) (a) (i)</i>

This resolution is made in reliance on Section 48(1) (a) of the Local Government Official Information & Meetings Act 1987 and the particular interest or interests protected by Section 7 (2) (b) (i) of that Act.

R B George
Chief Executive Officer

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