

**The Meeting of the
Audit and Risk Committee will be
held on Monday 7 October 2024
commencing at 1.00pm**

A G E N D A

AUDIT AND RISK COMMITTEE

Her Worship the Mayor – F K N Tunui

Councillor C J Ion

Councillor A Rangihika

Councillor B J Julian

Philip Jones – Consultant - P J Associates (Chair)

KAWERAU DISTRICT COUNCIL

The Meeting of the Audit and Risk Committee will be held on
Monday 7 October 2024
commencing at 1.00pm

AGENDA

Karakia Timatanga

Apologies

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 AUDIT AND RISK COMMITTEE MINUTES

1.1 Audit and Risk Committee – 5 August 2024

Pgs. 1 - 3

Recommendation

That the minutes of the Audit and Risk Committee Meeting held on 5 August 2024 be confirmed as a true and accurate record.

2 Health, Safety and Wellbeing Report for period – 1 July 2024 to 31 August 2024 (Group Manager, Regulatory and Planning) (509500)

Pgs. 4 - 11

Attached is a report from the Group Manager, Regulatory and Planning covering Health, Safety and Wellbeing Report for period – 1 July 2024 to 31 August 2024.

Recommendation

That the report “Health, Safety and Wellbeing Report for period – 1 July 2024 to 31 August 2024” be received.

3 Treasury Report to 31 July 2024 and 31 August 2024 (Group Manager, Finance and Corporate Services) (110551)

Pgs. 12 - 17

Attached is the report from the Group Manager, Finance and Corporate Services covering the Treasury Report to 31 July 2024 to August 2024.

Recommendation

That the report “Treasury Report to 31 July 2024 to August 2024” be received.

4 Annual Plan Performance for year ended 30 June 2024 (Group Manager, Finance and Corporate Services) (110400)

Pgs. 18 - 22

Attached is the report from the Group Manager, Finance and Corporate Services covering the Annual Plan Performance for the year ended 30 June 2024.

Recommendation

That the report "Annual Plan Performance for the year ended 30 June 2024" be received.

5 Draft Annual Report to 30 June 2024 Update (Group Manager, Finance and Corporate Services) (201000)

Pgs. 23 - 29

Attached is the report from the Group Manager, Finance and Corporate Services covering the Draft Annual Report to 30 June 2024 Update.

Recommendation

That the report "Draft Annual Report to 30 June 2024 Update" be received.

6 Audit and Risk Review Timetable from October 2024 to August 2025 (Group Manager, Finance and Corporate Services) (101300)

Pgs.30 - 32

Attached is a report from the Group Manager, Finance and Corporate Services covering Audit and Risk Review Timetable from October 2024 to August 2025.

Recommendation

That the report "Audit and Risk Review Timetable from October 2024 to August 2025" be received.

7 Council Bylaw and Policy Review Update (Group Manager, Regulatory and Planning) (320000 & 110800)

Pgs. 33 - 40

Attached is a report from the Group Manager, Regulatory and Planning covering Council Bylaw and Policy Review Update.

Recommendation

That the report "Council Bylaw and Policy Review Update" be received.

8 Long Term Plan 2025 – 2034 Update (Group Manager, Finance and Corporate Services) (110555)

Pgs. 41 - 44

Attached is a report from the Group Manager, Finance and Corporate Services covering Long Term Plan 2025 – 2034 Update.

Recommendation

That the report "Long Term Plan 2025 – 2034 Update" be received.

9 **Insurance Policies Update (Group Manager, Finance and Corporate Services)**
(201000)

Pgs. 45 - 51

Attached is a report from the Group Manager, Finance and Corporate Services covering Insurance Policies Update.

Recommendation

That the report "Insurance Policies Update" be received.

Karakia Whakamutunga

M Godfery

Chief Executive Officer

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**Kawerau District Council Minutes of an
Audit and Risk Committee held on 5 August 2024
commencing at 1.00pm**

Present: Philip Jones – P J Associates (Chair)
Her Worship the Mayor – F K N Tunui
Councillor C Ion
Councillor B J Julian

In Attendance: Chief Executive Officer (M Godfery)
Group Manager, Finance and Corporate Services (L Butler)
Group Manager, Regulatory and Planning (M Glaspey)
Group Manager, Operations and Services (R Nel)
Administration Officer (L Kerei)

Karakia Timatanga | Opening Prayer

Chief Executive Officer Godfery opened the meeting with a prayer.

Apologies

Resolved

Apologies were received from Deputy Mayor Rangihika.

***Her Worship the Mayor / Councillor Ion
CARRIED***

Declarations of Conflict of Interest

No conflicts of interest were received.

1 CONFIRMATION OF AUDIT AND RISK COMMITTEE MINUTES

1.1 Audit and Risk Committee – 10 June 2024

Resolved

That the minutes of the Audit and Risk Committee Meeting held on 10 June 2024 be confirmed as a true and accurate record.

**Councillor Julian / Her Worship the Mayor
CARRIED**

2 Health, Safety and Wellbeing Report for Period 1 June – 30 June 2024 (Group Manager, Regulatory and Planning (509500))

Committee discussed the report from the Group Manager, Regulatory and Planning covering Health, Safety and Wellbeing report for period 1 June – 30 June 2024.

Resolved

That the report "Health, Safety and Wellbeing report for period 1 June – 30 June 2024" be received.

**Her Worship the Mayor / Councillor Ion
CARRIED**

3 Top Emerging Kawerau District Council Risks (Chief Executive Officer) (105000)

Committee discussed the report from the Chief Executive Officer covering the Top Emerging Kawerau District Council Risks

Resolved

That the report "Top Emerging Kawerau District Council Risks" be received.

**Councillor Julian / Ion
CARRIED**

4 Treasury Report to 31 May 2024 and 30 June 2024 (Group Manager, Finance and Corporate Services) (110551)

Committee discussed the report from the Group Manager, Finance and Corporate Services covering the Treasury Report to 31 May 2024 and 30 June 2024.

Resolved

That the report "Treasury Report to 31 May 2024 and 30 June 2024" be received.

**Chair Jones / Her Worship the Mayor
CARRIED**

5 Audit and Risk Review Timetable from August 2024 to June 2025 (Group Manager, Finance and Corporate Services) (101300)

Committee discussed the report from the Group Manager, Finance and Corporate Services covering the Audit and Risk Review Timetable from August 2024 to June 2025.

Resolved

That the report "Audit and Risk Review Timetable from August 2024 to June 2025" be received.

**Chair Jones / Councillor Ion
CARRIED**

6 Long Term Plan 2025-2034 (Group Manager, Finance and Corporate Services) (110555)

Committee discussed the report from the Group Manager, Finance and Corporate Services covering the Long Term Plan 2024-2034.

Resolved

That the report "Long Term Plan 2025-2034" be received.

**Her Worship the Mayor / Councillor Julian
CARRIED**

7 Interim Audit Management Report for Year Ended 30 June 2024 (Group Manager, Finance and Corporate Services) (201000)

Committee discussed the report from the Group Manager, Finance and Corporate Services covering the Interim Audit Management Report for Year Ended 30 June 2024.

Resolved

That the report “Interim Audit Management Report for Year Ended 30 June 2024” be received.

**Councillor Ion / Chair Jones
CARRIED**

8 Review of Council’s Procurement Policy (Group Manager, Finance and Corporate Services) (110551)

Committee discussed the report from the Group Manager, Finance and Corporate Services covering the Review of Council’s Procurement Policy.

Resolved

1. *That the report “Review of Council’s Procurement Policy” be received.*
2. *That the Audit and Risk Committee recommend to Council that they consider adding into the policy a section on benefit to local suppliers.*
3. *That the Audit and Risk Committee recommend that the Chief Executive brings back to the Committee the process for managing non-compliance with the policy.*

**Chair Jones / Her Worship the Mayor
CARRIED**

Karakia Whakamutunga | Closing Prayer

Chief Executive Officer Godfery closed the meeting with a prayer.

P Jones

Chairperson

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Meeting: Audit and Risk Committee

Meeting Date: 7 October 2024

Subject: **Health, Safety and Wellbeing Report for period – 1 July 2024 to 31 August 2024**

File No: 509500

1 Purpose

This report provides a summary of the activities Kawerau District Council undertakes to meet the requirements of the Health and Safety at Work Act 2015 and our efforts to ensure everyone goes home healthy and safe.

2 Executive Summary

The core systems and controls in place to manage Council's health, safety and wellbeing risks include:

- Ensuring Elected Members and all Council Staff are aware of their specific and general duties under current Health and safety legislation, through inductions and training.
- Development of a health and safety culture that encourages the identification, reporting and mitigation of new and existing health, safety and wellbeing risks, with ongoing risk monitoring and reviews.
- Dedicated Health and Safety Officer engaged to monitor compliance with health and safety legislation, driving continuous improvement and continual learning.
- Maintaining an effective Health and Safety Committee by engaging with staff, which enables participation and provides leadership, guidance and support across the organisation to better inform health and safety decisions and policies for Council staff, contractors and visitors.
- Implementation of health, safety, and wellbeing software (BWARE) to enable reporting, investigation and ongoing monitoring of identified risks.
- Provision of an employee assistance programme, a wellbeing service, policies and training for staff.
- Health and safety monitoring of contractors engaged by Council, through random site audits.

The key items which elected members should note from this report are:

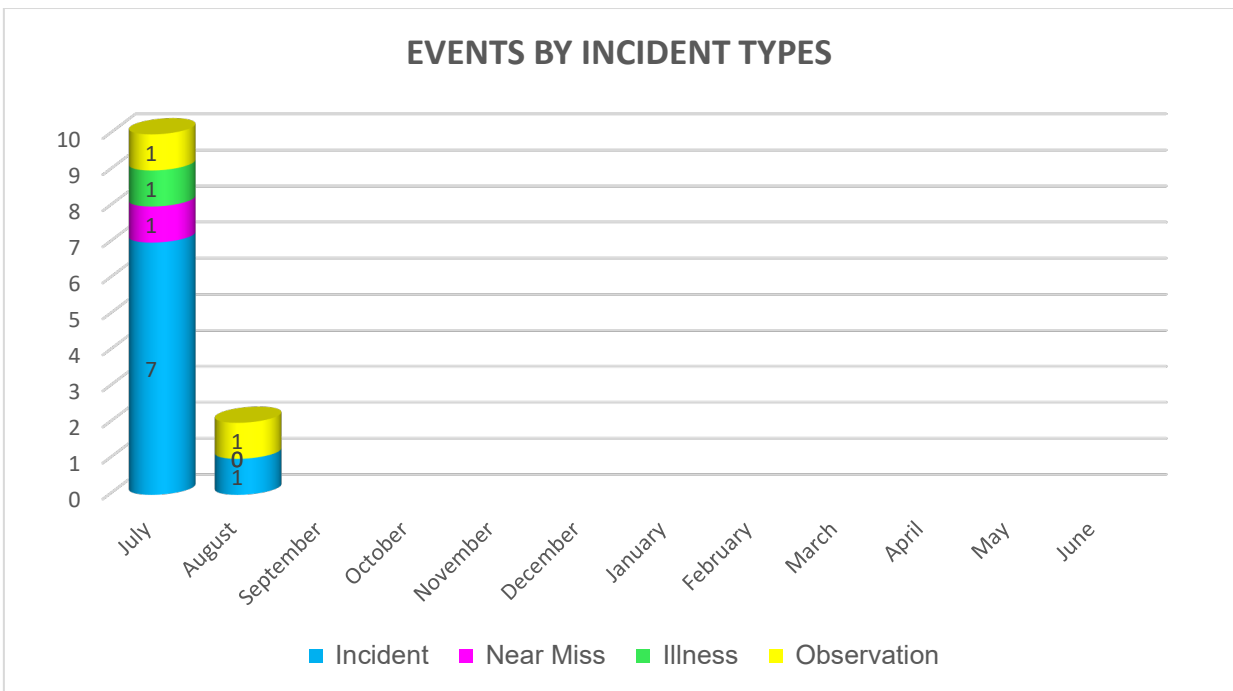
- No notifiable events occurred during this period.

- A total of 12 health and safety reports were received for the period 1 July 2024 to 31 August 2024. This includes two observations reported by staff. One positive observation regarding traffic management and one report of damage in Council carpark leaving metal spike protruding.
- Two contractor audits were completed for the period of 1 July 2024 to 31 August 2024. Both contractors operated safe sites, with minor recommendations in regards to occupational health monitoring.

3 Incident and Injury Reporting

**Incidents for period – 1 July 2024 – 31 August 2024
(Brackets – Year to Date)**

Incidents 8 (8)	Near Miss 1 (1)	Illness 1 (1)	Observations 2 (2)
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Note: Illness is defined as a health condition or disease directly caused or significantly aggravated by factors in the workplace. These include breathing issues, heat exhaustion, dehydration, but do not include covid-19 cases.
Safety Violations (staff actions in breach of policy) are recorded as observations.

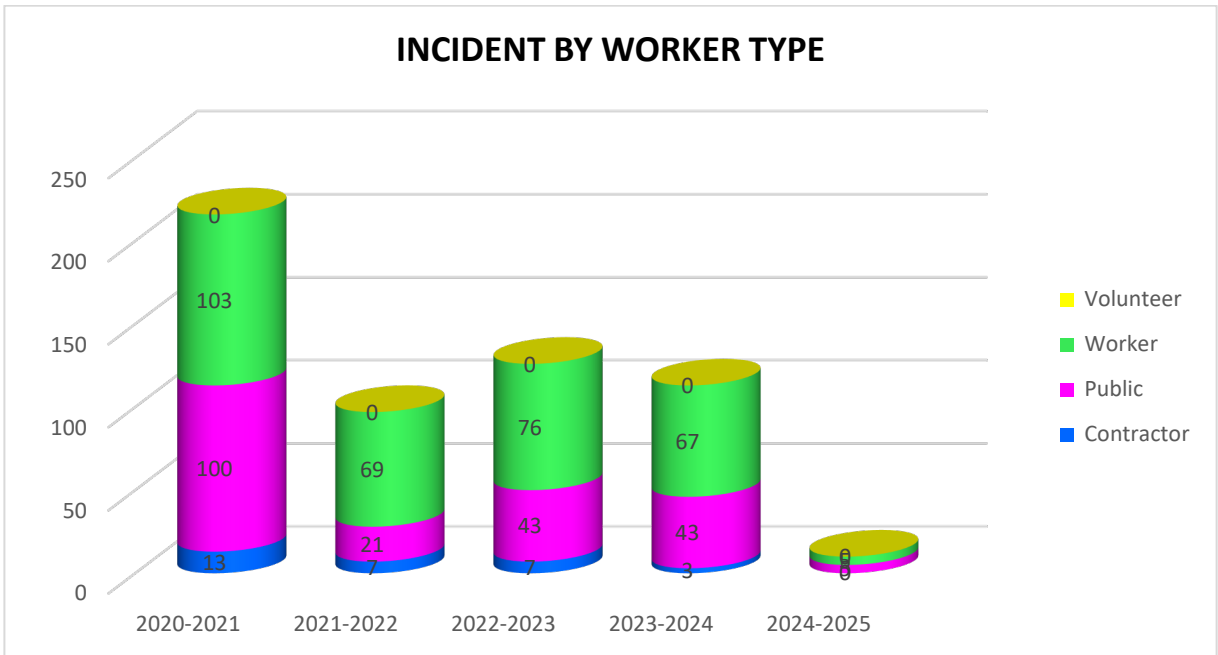
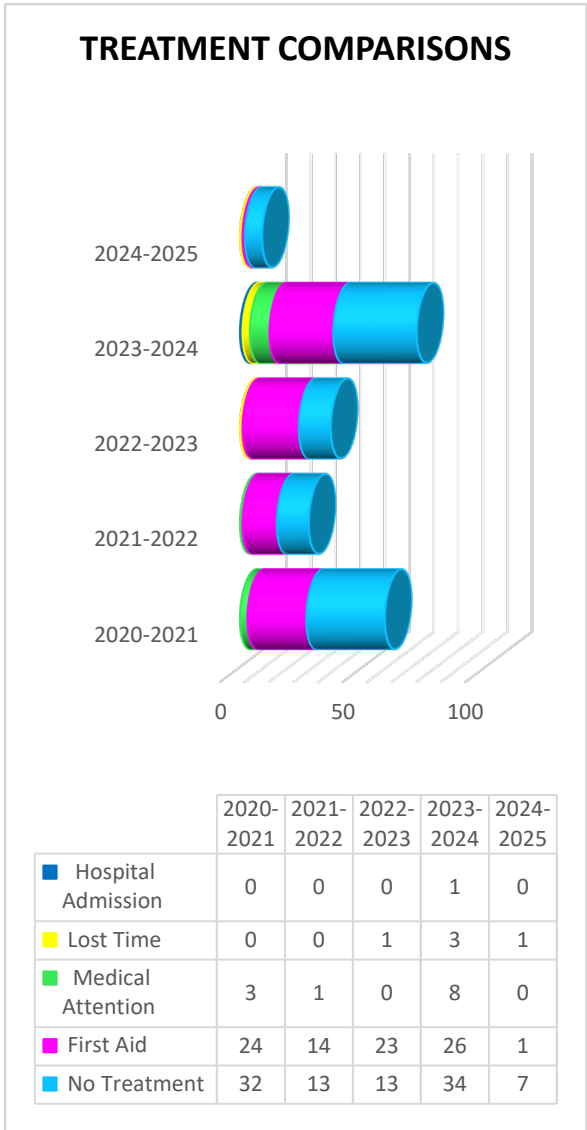
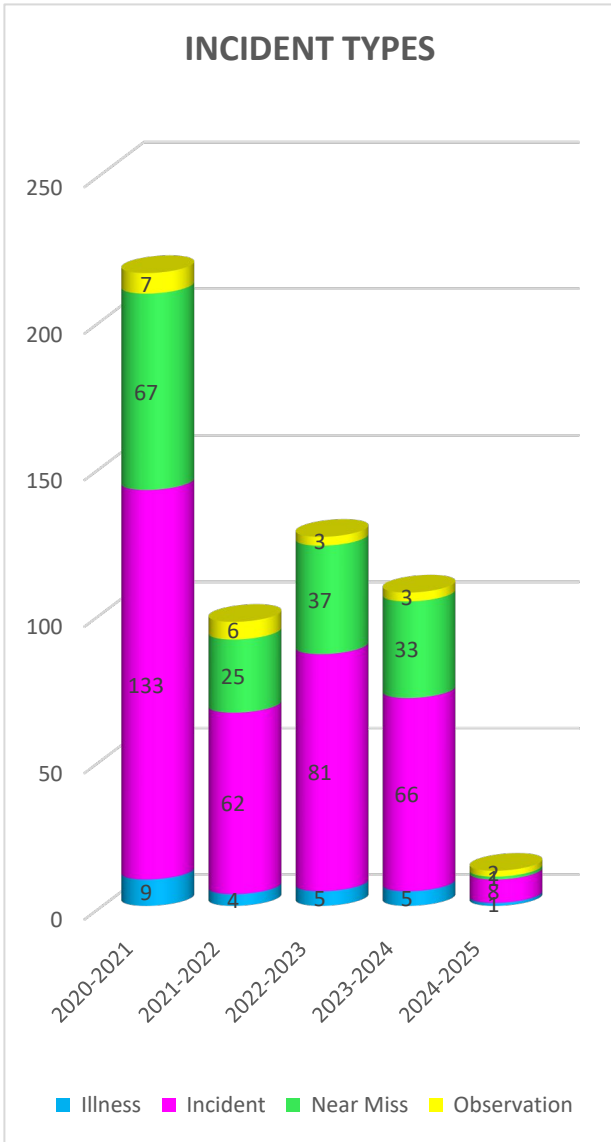
**Incidents Risk Type and Treatment for Period
1 July 2024 – 31 August 2024**

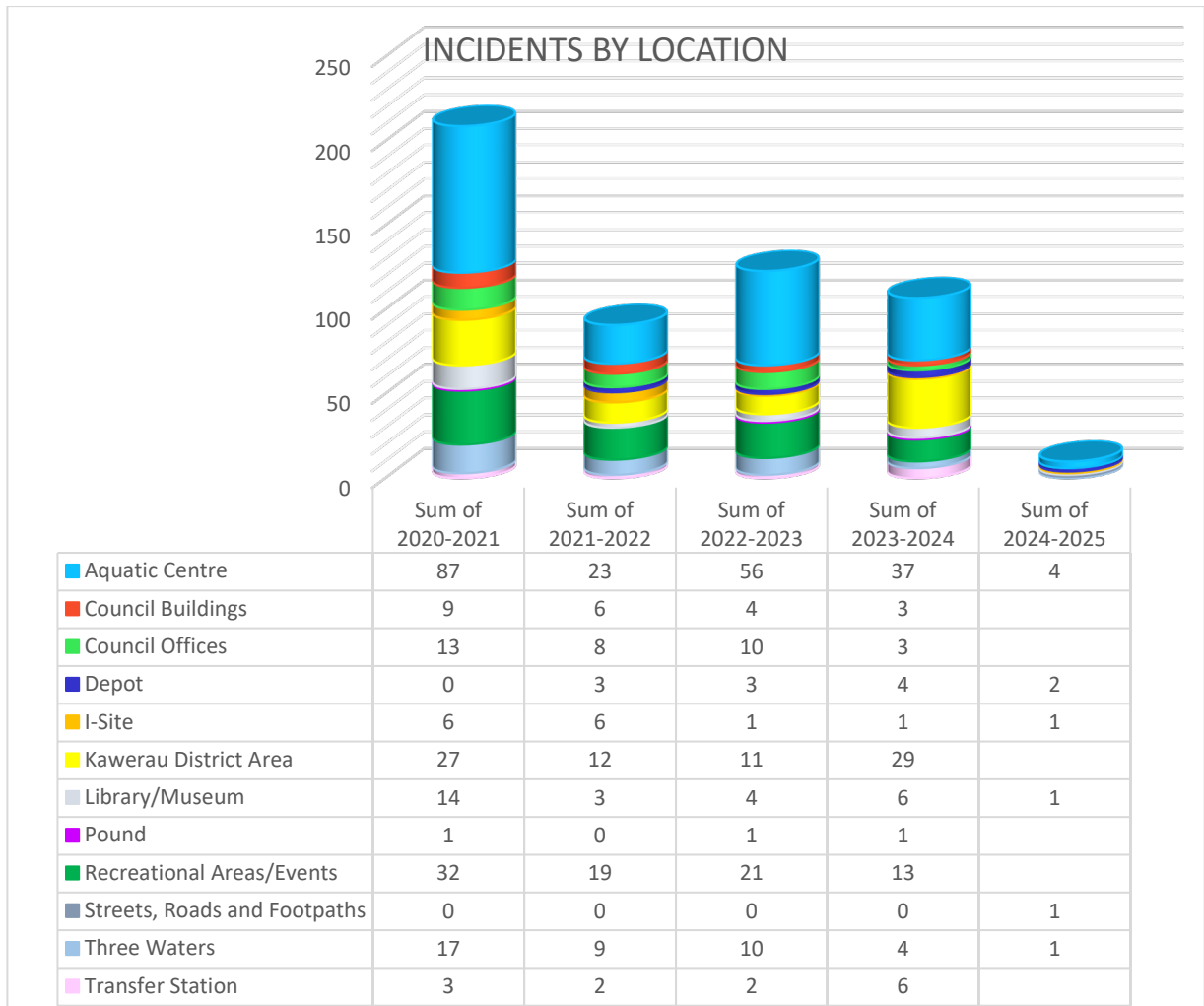
Events by Critical Risk	
Public/People/ Customers	4
Stress	0
Slips, Trips and Falls	0
Lone Working	0
Manual Handling	2
Other *	4

Outcome of Incidents	
No Treatment	7
First Aid	1
Medical Treatment	0
Lost Time	1
Hospital	0
Does not include Near Misses or Observations	
Investigations Required	
Formal Investigation	0
Work Safe Investigation	0

* Other – Vehicle related matters x 1, Latch broke of shower cubicle x 1, Dehydration x 1 and Oil leakage from Loader x1

Incidents and Treatment Comparisons





Note: Prior to 2024-2025, Street, Roads and Footpaths were reported under Kawerau District Area.

Potentially Critical Events/Critical Events 1 July 2024 – 31 August 2024

Event	Critical Risk	Potential Consequence	Actual Consequence	Controls and Status
Raking leaves – Strained back resulting in lost time injury	Manual Handling	High	Low	<ul style="list-style-type: none"> Manual Handling Policy Operator training/care Worker stopped work immediately. Medical treatment sought resulted in staff being off work for 2.5 months. Physio undertaken and return to work programme in place. Manual handling course arranged, and provided to outdoor staff. Training to be provided to staff member involved now they are back at work.
ATV crash with vehicle – no injuries, driver of vehicle initially aggressive.	Violence - People/ Customers /Visitors	High	Medium	<ul style="list-style-type: none"> Customer Conflict Training Dealing with Abusive Customers Process Worker took all appropriate steps, pulled over, exchanged details, calmed driver. No witnesses. Support in place for KDC driver.

				Full investigation undertaken, staff training up to date, however no record of induction on training for the ATV. Action being undertaken – induction checklist being developed, review of safety process, introduction of the requirement for helmets. Formal training being investigated.
Member of the public with current trespass notice became aggressive when asked to leave pools, situation calmed and they left – no injuries	Violence - People/ Customers /Visitors	High	Low	<ul style="list-style-type: none"> • Customer Conflict Training • Dealing with Abusive Customers Process Worker took all appropriate steps, and calmed the situation. Checks completed to ensure staff member was okay. Looking into options to help staff stop those trespassed prior to them getting into the pool ground.
Member of the public sought safety at the Library, stating they had been kidnapped. People loitering outside.	Violence - People/ Customers /Visitors	High	Low	<ul style="list-style-type: none"> • Customer Conflict Training • Dealing with Abusive Customers Process Staff locked down Library, called Police. All appropriate steps taken to ensure safety of all involved. Manager checked in with staff, library closed for the afternoon. Vitae made available to staff involved. Unable to remove this risk.
Roller door came down partly when Ute loaded with polesaw was exiting, causing minor damage.	Manual Handling	Medium	Low	<ul style="list-style-type: none"> • Manual Handling Policy • Operator training/care Roller door manually opens, came down as staff were trying to raise. Damage repaired. Staff reminded to take care to ensure roller door is completely raised before driving through. Manual handling course arranged and attended as a refresher.

KEY:	
High	Potential or actual consequence which is serious in nature and could cause medium to long term loss of time (over a week), hospitalisation or significant damage to property
Medium	Potential or actual consequences which is moderate in nature and could cause short-term loss of time (under a week), medical treatment, or damage to property.
Low	Potential or actual consequence which is minor in nature resulting in no loss of time, no medical treatment (first aid only) and minimal damage to property.

4 Health, Safety and Wellbeing Risk Related Activities

Health, Safety and Wellbeing Related Activities		
Risk	Key Activity	Planned Activity
General Health and Safety Risk Management Programme	<ul style="list-style-type: none"> • BWARE forms now available via APP <ul style="list-style-type: none"> - Contractor Site Monitoring - Checklists (accessible in the field) - Health and Safety Staff Inductions - Risk Assessments - Vehicle Inspections • Antenno App training has been developed and incorporated into the induction training for new staff. This helps staff report health and safety matters in our community. • General Health and Safety Induction for staff (4) • Water Treatment Plant Site Safety Induction (1) • Transfer Station Site Safety Induction (1) • Maurie Kjar Aquatic Centre Site Safety Induction (1) • isite Visitor Information Site Safety Induction (4) • District Office Site Safety Induction (2) • Depot Site Safety Induction (1) • Workstation Assessment (2) • Monthly meeting ongoing – fully represented by all work groups. • Two contractor audits completed 	<ul style="list-style-type: none"> • Arrange for an internal audit based on the SafePlus audit (a performance improvement initiative) to be completed late 2024. This audit will help identify areas of weakness and provide ideas for ongoing improvement. • Finalise the top critical risks. Critical risks identified and grouped. Health and Safety committee have been unable to reduce the top 13 to 10 critical risks. A report has been prepared for the Leadership Team for consideration at their next Leadership Meeting. • Re-establish Wellbeing Committee. • Pre start Equipment checks. Forms continue to be developed and are available to staff.
Contractor Management	<ul style="list-style-type: none"> • <u>Graffiti Removalists</u>- Work being undertaken safely on site and cordoned off. First Aid Training to be updated, weekly vehicle checks being completed and vehicle in good order, would be good to have 	<ul style="list-style-type: none"> • Contractor audits to be completed monthly (except December and January).

	<p>this documented. Recommended occupational health monitoring for noise. <u>Water Treatment Engineers</u> – Work was being undertaken in a safe manner and site well managed. Very thorough and details Job Safety Assessment, recommended to include their Emergency Plan in this document (had one, just not included). Recommended getting advice on occupational health monitoring for airborne contaminants and noise.</p>	
<p>Training</p>	<ul style="list-style-type: none"> • Basic Chainsaw Safe Operations (10) • Customer Conflict Awareness Training (19) • First Aid Training (3) • TTM– Worker Workshop (2) • TMO– Traffic Management Operator – Non Practising (5) • Manual Handling (13) • Face Fit Test and RPE Training (19) • Advanced Height Training (1) • Accident Investigation Training (10) • Work Station Assessment (2) 	<ul style="list-style-type: none"> • Mental Health Awareness Training booked for September • Drug and Alcohol Awareness Training for Managers/Supervisors arranged for November 2024 • Drug and Alcohol Awareness Training for Staff and Customer Conflict Training arranged for November 2024. • Organise Dangerous Dog Training for Outdoor Staff. Deferred to next financial year.
<p>Policy Reviews</p>	<ul style="list-style-type: none"> • Finalised and distributed three reviewed policies: <ul style="list-style-type: none"> ○ Volunteer Worker Policy ○ Stress & Fatigue Policy ○ Drug & Alcohol Policy 	<ul style="list-style-type: none"> • Review KDC Property Spray Plan • Review Health and Safety Policy • Review Safe Driving Policy • Review Visual Display Unit (VDU) Policy • Sun Protection Policy – Draft has been developed, for consideration of the Leadership Team before consultation with staff.
<p>Risk Reviews</p>	<p>No new risks identified during July and August.</p>	

5 Health and Wellbeing

Health and Wellbeing

Emergency Readiness

Automatic External Defibrillators (AED's) available at Aquatic Centre and District Office
Emergency Response Team being developed and trained

General Health

Influenza Vaccination is completed for the 2024 season
Preparation is being undertaken for Skin Checks to be offered in Spring 2024

Wellbeing initiatives

Employment assistance programme provided by Vitae.
My Everyday Wellbeing web platform available to staff and their families.
Reviewing another staff wellbeing platform provided through Te Whatu Ora

Health Monitoring

Ongoing random drug testing and pre-employment drug testing.
Annual Respirator Face Fit Testing was completed in July 2024, with a booking to be made for those unable to attend.
Occupational Health Monitoring (Audio, Spiro & Asbestos) is still underway and should conclude in September.
Seeking confirmation whether there are any health monitoring requirements for handling fluoride chemicals.

6 RECOMMENDATION

That the report "Health, Safety and Wellbeing Report for period - 1 July 2024 to 31 August 2024" be received.

Michaela Glaspey

Group Manager Regulatory and Planning

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Meeting: Audit and Risk Committee

Meeting Date: 7 October 2024

Subject: **Treasury Report to 31 July 2024 and 31 August 2024**

File No: 110551

1 **Purpose**

The purpose of this report is to inform members of the funds held by Council as at 31 July 2024 and 31 August 2024 and provide explanations for any significant variances from the previous year.

2 **Background**

This report was presented to the Regulatory and Services Committee on 14 August 2024 for the Treasury Report to 31 July 2024, and 11 September 2024 for the Treasury Report to 31 August 2024. The report shows the funds currently held and the banks where those funds are invested. All investments were made in accordance with Council's Investment Policy.

Council's investment policy allows up to 50% of total funds to be invested with any one bank but up to a limit of \$1.5 million. The exception is Council's principal bank where funds can exceed 50% and/or \$1.5 million.

Council currently has reduced surplus funds than in previous years making it more difficult to spread investments, but it is still required to act prudently.

Council raised a loan of \$2.0 million in December 2022, which was used to fund the water reticulation renewal project. The interest rate for this loan is 5.75% (fixed) and the maturity date is April 2025. On the 26th of October 2023, the next \$2.0 million loan for the water reticulation project was uplifted, with a fixed interest rate of 6.5% with the same maturity date of April 2025.

Staff recommended a relatively short-term loan due to the increasing interest rates and the uncertainty around the 3 waters and other reforms that are currently being undertaken.

3 **Funds Held**

The following table shows Council's reserve and general funds balances as at 31 July 2024:

	July 2024	July 2023
Reserve Funds		
Depreciation Funds*	\$3,282,456	\$4,544,766
Total Special Funds	\$3,282,456	\$4,544,766
General Funds	(\$663,910)	(\$172,000)
Total – comprising cash & internal loans	\$2,618,546	\$4,372,766

* This includes loan funds uplifted.

The following funds were held at 31 July 2024:

Invested in	\$	Interest Rate	% External
ANZ – on call	743	3.35%	0.07%
BNZ – current & on-call	1,062,420	2.75%	97.74%
Rabobank (on-call)	23,770	4.25%	2.19%
Total Funds (Cash)	1,086,933		100.0%
Internal Loans	1,531,613		
Total Investments	2,618,546		

The following table shows Council's reserve and general funds balances as at 31 August 2024:

	August 2024	August 2023
Reserve Balances		
Depreciation Reserve Funds*	\$3,572,359	\$4,593,844
Total Reserve Balances	\$3,572,359	\$4,593,844
General Funds	\$1,158,584	\$759,642
Total (comprising funds & internal loans)	\$4,730,943	\$5,353,486

* This includes loan funds uplifted.

The following funds were held at 31 August 2024:

Invested in	\$	Interest Rate	% External
ANZ – on call	743	3.35%	0.02%
BNZ – current & on-call	3,180,575	2.75%	99.24%
Rabobank (on-call)	23,770	4.25%	0.74%
Total Funds (Cash)	3,205,088		100.0%
Internal Loans	1,525,855		
Total Investments	4,730,943		

The figures show that overall Council has \$622,543 fewer funds at the end of August than this time last year. Council's depreciation reserve funds are also \$1.02 million lower than the previous year, as these funds are being spent on capital projects and renewals.

Council has invested in residential developments, including: duplex houses at Bell Street, Porritt Glade Retirement Village and Central Cove sections. It is anticipated that recent sale commitments will further improve Council's cash position. It is planned that a loan of \$2.0 million will be raised in late October to fund water pipe renewal costs.

4 **RECOMMENDATION**

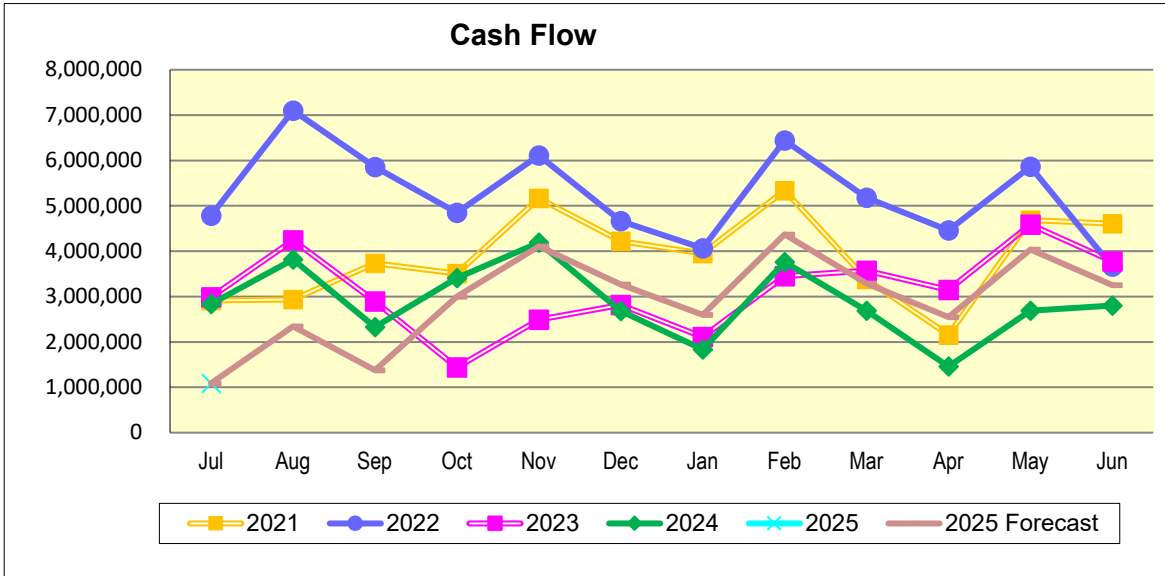
That the report "Treasury Report to 31 July 2024 and 31 August 2024" be received.



Lee-Anne Butler, CA, BMS

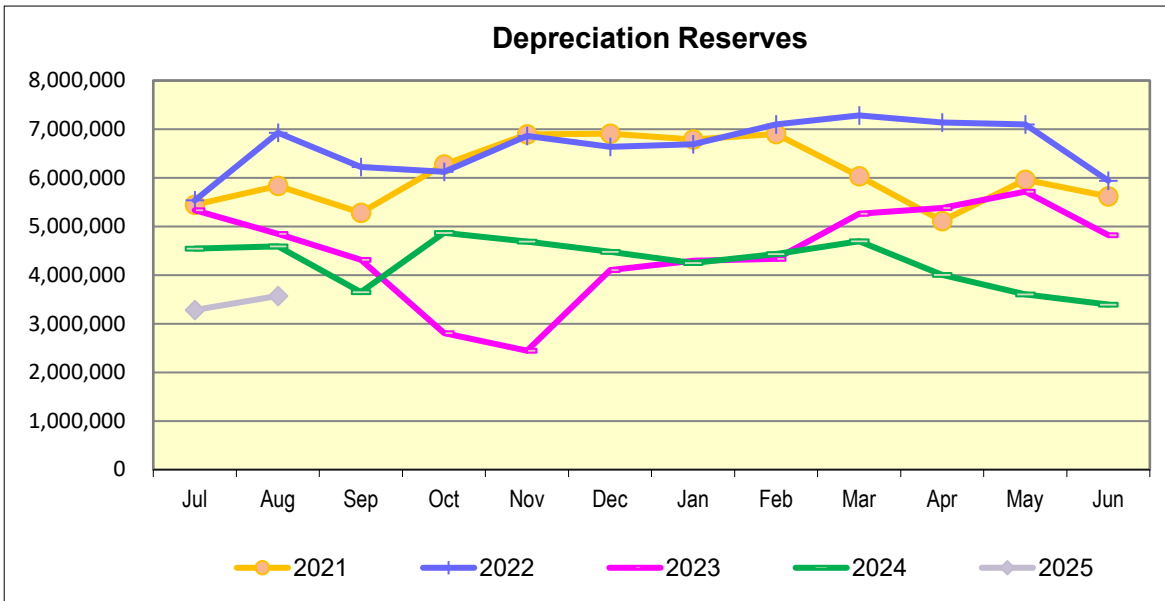
Group Manager, Finance & Corporate Services

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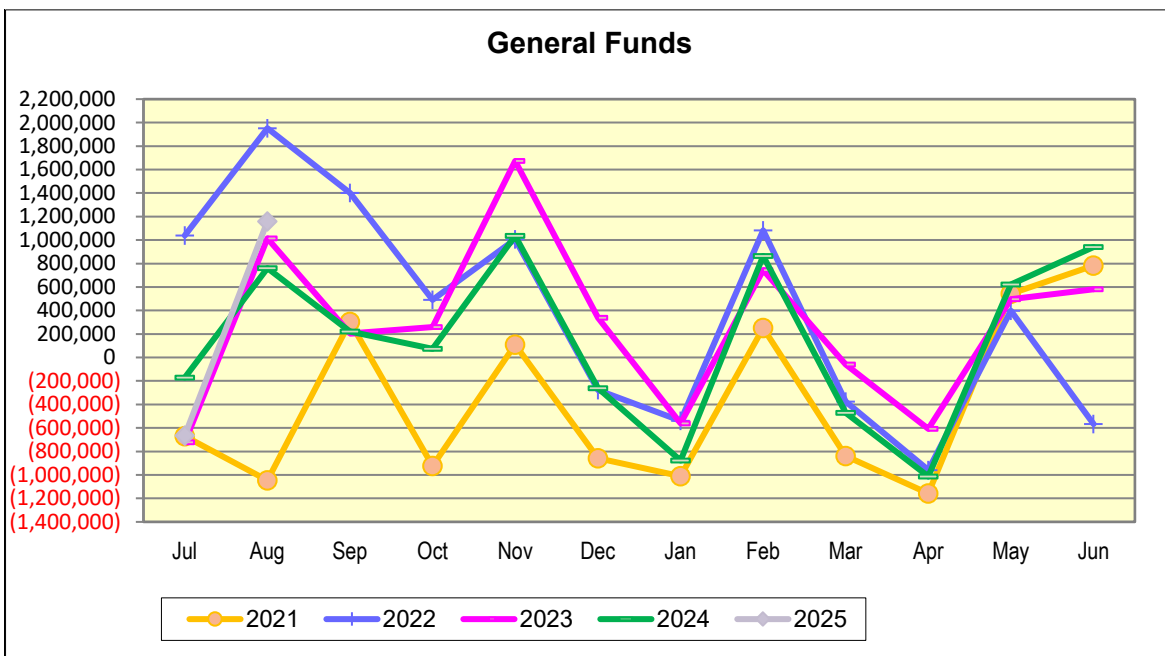


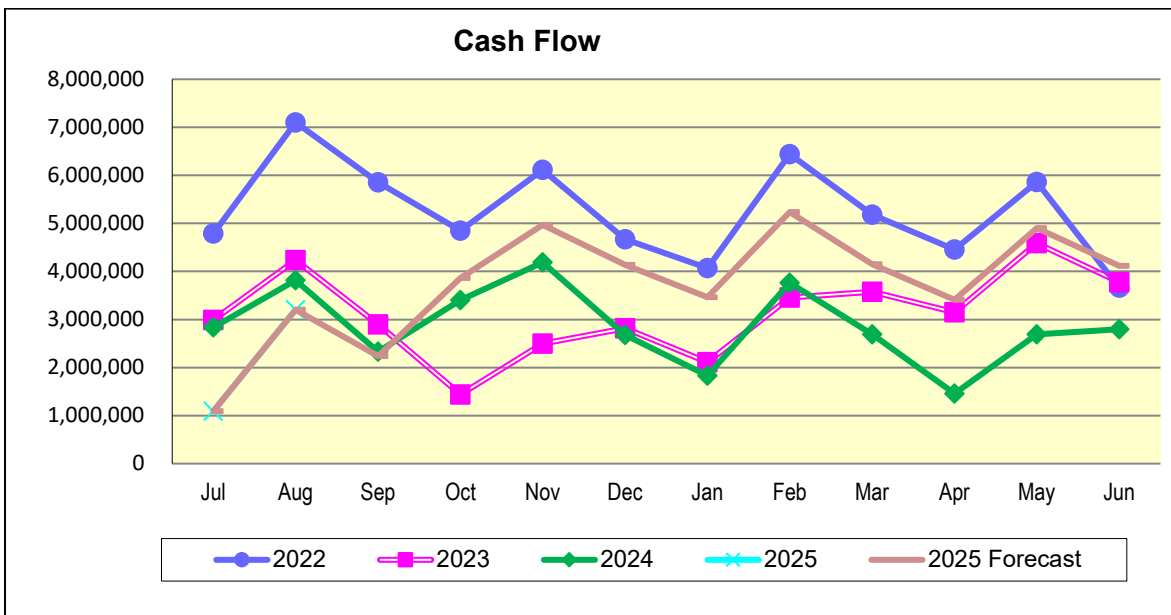
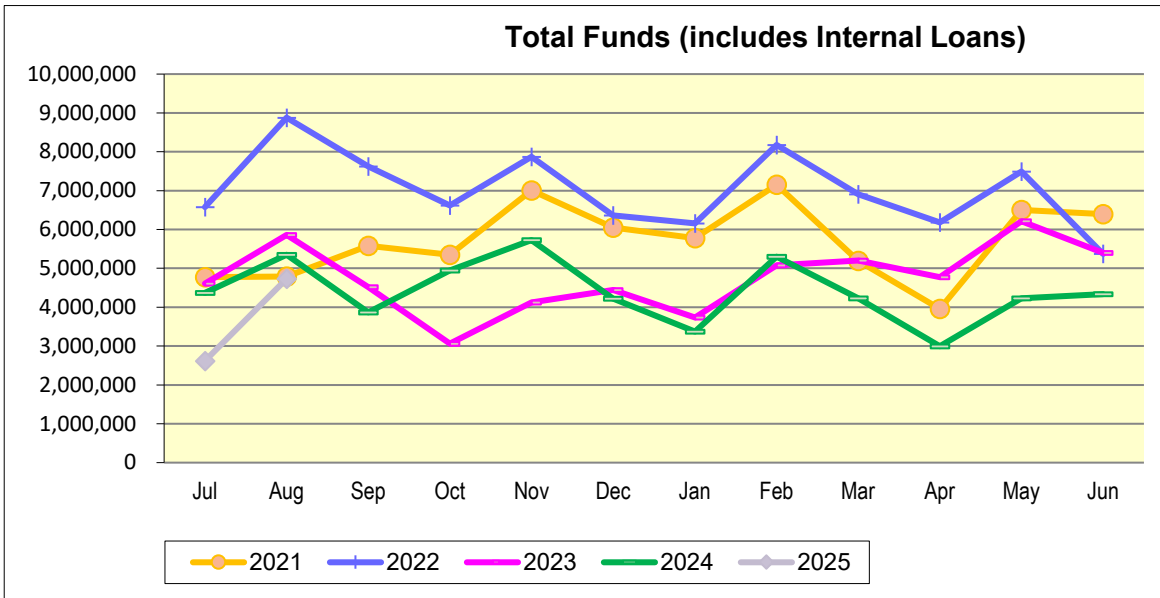
Please note that the 2024/25 actual cashflow is the same as the forecast cashflow for months year to date.

August 2024 – Financial Data



The depreciation reserves funds above includes the loan funding Council has uplifted.





Please note that the 2024/25 actual cashflow is the same as the forecast cashflow for months year to date.

Meeting: Audit and Risk Committee

Meeting Date: 7 October 2024

Subject: Annual Plan Performance for year ended 30 June 2024

File No.: 110400

1 **Purpose**

The purpose of this report is to review and compare Council's actual financial and non-financial performance for the year to 30 June 2024 with the Annual Plan for 2023/24.

Comments are provided where expenditure/revenue varies from budget, or the performance target is not achieved for the year.

The final results, following review by Council's auditors could differ from these results.

2 **Financial Performance**

2.1 **Statement of Comprehensive Revenue and Expense**

The following table shows Council's financial performance for the year compared to the adopted annual budget. The capital budget for 2023/24 has been amended to include the carried forward figures as well as any budget amendments approved by Council. This report was presented to Council on 25 September 2024.

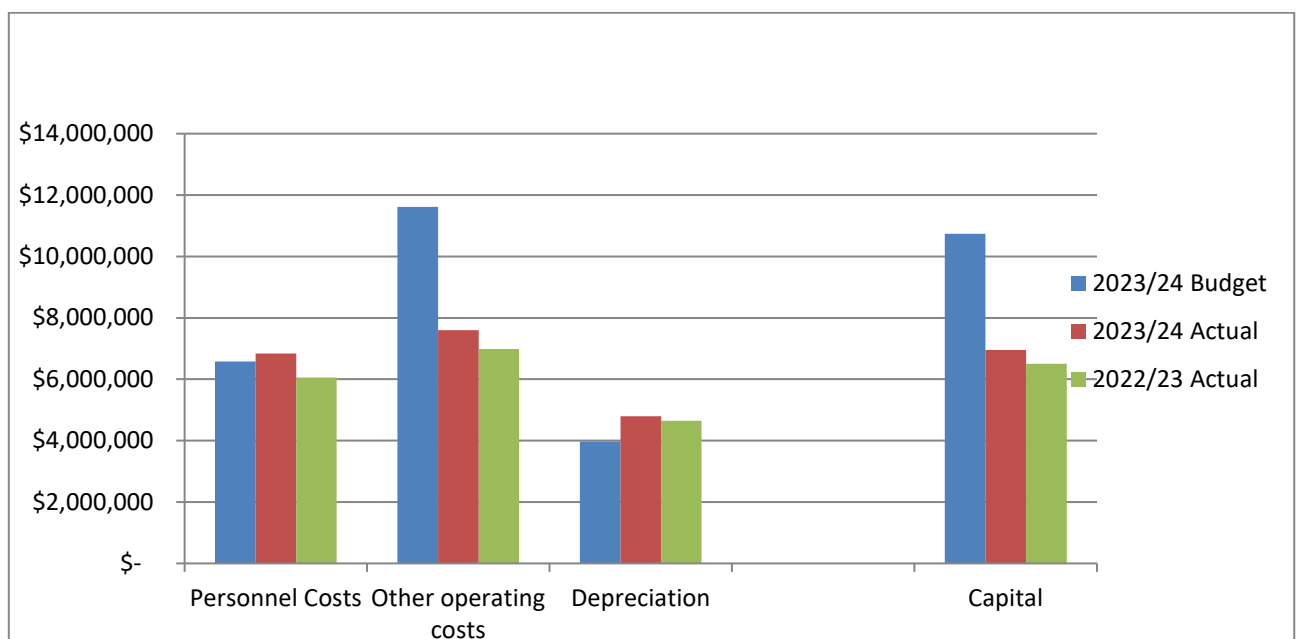
	Adopted Budget	Actual 30-06-2024	Comments
Revenue:	\$	\$	
Rates	12,938,210	13,057,847	
Subsidies and Grants	5,596,530	2,933,953	Includes Stoneham Park Grant \$4m
Interest Revenue	97,530	81,650	
Fees and Charges	2,802,160	1,720,585	
Other Revenue	65,000	312,994	Petrol Tax & Resident Liability revenue recognition
Total Revenue	21,499,430	18,107,029	
Expenditure:			
Personnel Costs	6,579,380	6,838,457	
Depreciation	3,973,210	4,790,042	Includes loss on asset disposals
Finance Costs	177,500	213,916	
Other Expenses	11,553,390	7,388,391	Budget includes Stoneham Park costs \$4m
Total Expenditure	22,283,480	19,230,806	
Surplus (Deficit)	(784,050)	(1,123,777)	
	Revised Budget	Actual 30-06-24	
Capital Expenditure	10,734,950	6,950,323	

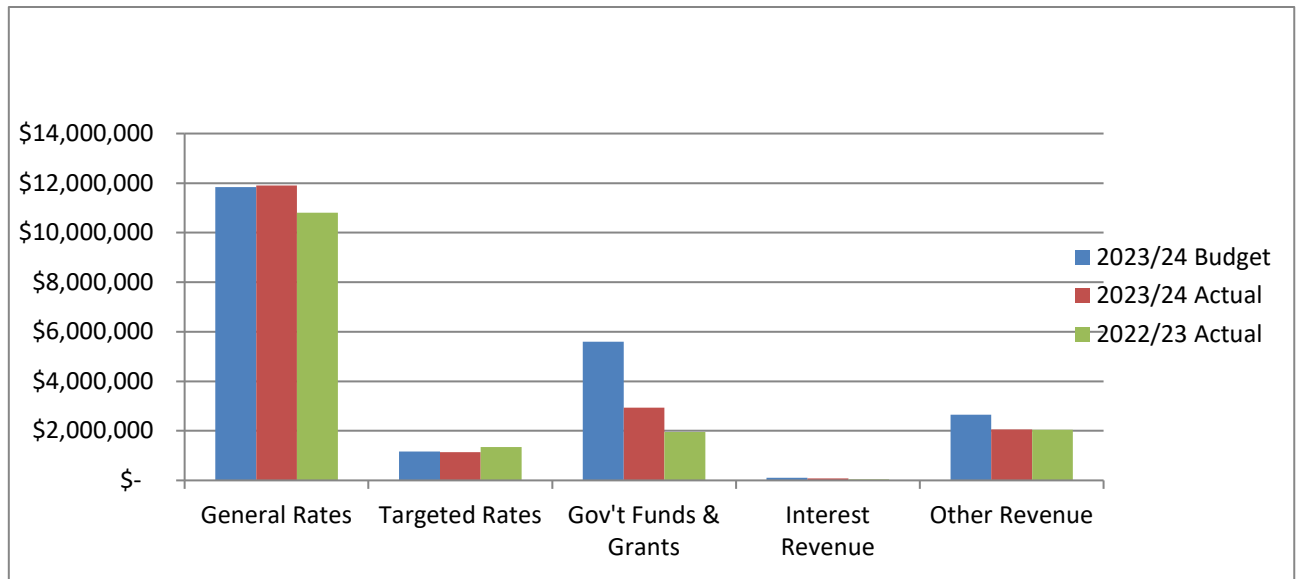
The significant variances between the budget and actual Statement of Comprehensive Revenue and Expense is due to the following:

- Subsidies and Grants income includes the full grants funding for Stoneham Park, however this grants funding is only received to match the expenditure incurred. The majority of the Stoneham Park development expenditure is to be incurred in 2024/25. Slightly offsetting this is the additional grants funding for Mayors Taskforce for Jobs, which was \$375k funding not budgeted for.
- Fees and Charges are lower than budget due no income from the sale of properties, \$300k budgeted. Also, there is a decrease in solid waste income, which is due a reduction in industrial use, \$335k lower than budget. The budget income for Porritt Glade was included in this budget, however the actual has been included in other income, to fairly reflect this revenue type.
- Personnel expenditure is higher than budgeted due the impact of inflationary payroll adjustments being higher than anticipated. Also, there have been additional staffing costs for solid waste and the aquatic centre.
- Other expenditure is lower than budget due to the budget including the Stoneham Park development, for which the majority of expenditure will be incurred in 2024/25. The expenditure incurred for Stoneham Park is recognised as Inventory at 30 June 2024. There are other expenditure items that are higher than budgeted which includes expenditure for water testing, reservoirs cleaning and electricity. Other expenditure also includes payments for the Mayors Taskforce for Jobs, which is offset by the grants income.
- Depreciation is \$4,606,264 compared to the budget of \$3,973,210, an increase of \$633,054 which is attributed to additional infrastructure assets being depreciated, and when setting the budget the final depreciation for 2022/23 was yet to be finalised. There is also a loss on disposal of assets of \$183,778, which is for write-off of replacement assets.

The loss on operating deficit while higher than budget it is lower than the deficit in 2022/23. Council's expenditure and revenue for the year is shown in the graphs below, compared to the budget and expenditure/revenue for last year 2022/23 (\$360k). Last year Council had an operating deficit of \$1.48 million.

Expenditure to 30 June 2024



Revenue to 30 June 2024**2.2 Statement of Financial Position**

The following table shows Council's financial position at 30 June 2024 compared to the budget.

The financial position does include all the accruals for receivables and payables, however does not include any audit adjustments.

	Budget @ 30/6/2024	Actual at 30 June 2024	Comments
Current assets:			
Cash & cash equivalents	\$4,225,340	\$2,801,969	
Receivables	\$2,413,360	\$2,099,829	
Inventories	\$417,910	\$2,728,614	Sections & Bell Street duplexes
Non-current assets:			
Property, plant and equipment	\$114,957,740	\$111,651,666	
Intangible assets	\$85,500	\$90,741	
Other financial assets	\$36,250	\$136,252	
Total Assets	\$122,136,100	\$119,509,071	
Current liabilities:			
Payables, provisions & employee benefits	\$4,272,580	\$4,453,915	
Resident's Liability	0	\$8,484,615	*Porritt Glade
Borrowing	\$2,000,000	\$4,008,554	
Non-current liabilities:			
Provisions & employee benefits	\$241,410	\$55,866	
Borrowing	\$2,000,000	33,982	
Residents Liability & Deferred Revenue	\$8,380,490	\$131,429	*Budget is Porritt Glade Liability
Total Liabilities	\$16,894,480	\$17,168,361	
Ratepayers Equity	\$105,241,620	\$102,340,710	
Total liabilities & ratepayers equity	\$122,136,100	\$119,509,071	

2.3 Statement of Cashflow

The cashflow statement shows a decrease of \$977,532 in Council's cash position since the beginning of the financial year. As reported in Council's Treasury reports, cash balances are lower due to investment of funds in sections and the Bell Street duplex houses.

	Budget @ 30/6/2024	Actual to 30 June 2024	Comments
Cashflow from operating activities:			
Rates	\$12,261,580	\$12,691,131	
Subsidies & Grants	\$5,596,530	\$3,240,894	
Fees & Charges & Other Revenue	\$2,867,160	\$1,705,247	
Interest Received	\$97,530	\$83,072	
Payments to suppliers and employees	\$(16,654,010)	\$(15,030,760)	
Interest paid on debt	\$(177,500)	\$(187,298)	
Net cashflow from Operations	\$3,991,290	\$2,502,286	
Net cashflow from investing:			
Disposal of Assets/Contributions ORA	\$0	\$1,125,000	
Property, Plant & Equipment/Inventory	\$(6,727,700)	\$(6,597,355)	
Purchase of Investments		\$(50,000)	
Net cashflow from investing:	\$(6,727,700)	\$(5,522,355)	
Net cashflow from financing:			
Loans raised	2,000,000	\$2,047,872	Includes Lease
Debt repayment	\$(16,500)	\$(5,335)	
Net cashflow from financing	\$1,983,500	\$2,042,537	
Total Net cash inflow/(outflow)	\$(752,910)	\$(977,532)	
Opening balance (1/7)	\$4,978,250	\$3,779,501	
Closing cash balance	\$4,225,340	\$2,801,969	

3 Capital Expenditure

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

Activity	2023/24 Budget	Actual at 30 June 2024	Comments
Economic & Community Development	\$61,800	\$7,532	
Environmental Services	\$600,000	\$0	Dog Pound
Roading	\$1,384,500	\$625,239	Roading delays due to staff shortages.
Stormwater	\$380,000	\$376,092	
Water Supply	\$3,772,600	\$2,548,628	Pipe renewals
Wastewater	\$2,278,600	\$1,276,724	WW pipe renewals
Solid Waste	\$30,000	\$10,346	
Leisure & Recreation	\$1,733,650	\$1,605,148	Rangi Delamere Pavilion
Plant, Depot and Office	\$493,800	\$500,614	New plant/vehicles, PCs
Total	\$10,734,950	\$6,950,323	

4 **Non-Financial Performance**

The following is a summary of the non-financial targets performance with 47 (75%) of targets achieved, (which excludes N/As):

Activity	2023/24 No. of Targets	Targets Achieved 2023/24	2022/23 Achievement Rate
Democracy	3	2	33%
Economic & Community Development	5	5	80%
Environmental Services	11	5	64%
Roading (including Footpaths)	7	3	57%
Stormwater	3	3	100%
Water Supply	13	12	83%
Wastewater	7	6	43%
Solid Waste Management *	2	2	50%
Leisure and Recreation	12	9	58%
TOTAL	63	47	65%

* This target was to be confirmed when reported to Council on 25 September 2024. This target has been confirmed now as achieved, increasing overall performance to 75% for the year to 30 June 2024.

5 **RECOMMENDATION**

That the report "Annual Plan Performance for the year ended 30 June 2024" be received.



Lee-Anne Butler, CA, BMS

Group Manager Finance & Corporate Services

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Meeting: Audit and Risk Committee

Meeting Date: 7 October 2024

Subject: **Draft Annual Report to 30 June 2024 Update**

File No: 201000

1 **Purpose**

The purpose of this report is to update the committee on progress with the Annual Report to 30 June 2024.

2 **Background**

The Local Government Act 2002 requires that councils produce each year an annual report as well as annual report summary and these documents are audited. The annual report must comply with generally accepted accounting practices which includes the public benefit entity accounting standards.

Council, as a tier 2 entity (total expenses are less than \$30 million), has adopted the reduced disclosures regime for the preparation of the annual report. The annual report and annual report summary must be adopted by Council, within four months of the end of the financial year and within a month of adoption the reports must be available to the public.

3 **Draft Annual Report to 30 June 2024**

The appendix to this report contains the draft key financial reports for the Annual Report to 30 June 2024, as follows:

- Statement of Comprehensive Revenue and Expense
- Statement of Financial Position
- Statement of Changes in Equity
- Statement of Cash Flows
- Funding Impact Statement

These are all draft and are subject to change following audit's review.

The audit of the Annual Report to 30 June 2024, is underway with the Audit New Zealand team on-site from 23 September to 11 October 2024. At this stage the audit is on track for adoption of the Annual Report at the Council meeting on 30 October 2024.

Council has an operating deficit to 30 June 2024 of \$1,102,264 compared to a budgeted deficit of \$784,050, with the main contributor to this increase being higher depreciation than budgeted. The operating deficit is \$318k lower than the 30 June 2023 deficit of \$1.48k.

Council's total assets per the Statement of Financial Position have increased compared to 30 June 2023, particularly Inventory, which is the property developments at Bell Street. The impact of the increased inventory investment is reflected in the Statement of Cashflows with a decrease in Council's cash position compared to last year.

Council's liabilities have also increased which is due to the additional \$2 million loan uplifted to fund water reticulation renewals and an increase in the Resident Liability for Porritt Glade, reflecting three occupation agreements being signed and possession taken during the financial year.

4 Porritt Glade Lifestyle Village Annual Report to 30 June 2024

The Draft Annual Report for Porritt Glade Lifestyle Village has been completed, with the initial part of the audit underway, however the remainder of the audit will be completed in November once Council's Annual Report audit has been completed. The Porritt Glade Lifestyle Village audit replies on audit testing and reviews for the full Council audit.

The statutory date for adoption of the Annual Report is 30 November 2024. At this stage the audit is on target to be completed in time for the Porritt Glade Lifestyle Village Annual Report to be adopted at the Council meeting on 27 November 2024 (at the latest).

5 RECOMMENDATION

That the report "Draft Annual Report to 30 June 2024 Update" be received.



Lee-Anne Butler, CA, BMS

Group Manager, Finance & Corporate Services

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KAWERAU DISTRICT COUNCIL
STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the Year Ended 30 June 2024

\$ 2022/23		Note	\$ Budget	\$ 2023/24
	Revenue			
12,159,251	Rates revenue	3	12,938,210	13,057,847
1,957,319	Subsidies and grants	4	5,596,530	2,933,953
1,789,092	Fees and charges	5	2,802,160	1,720,585
41,171	Interest revenue	8	97,530	81,650
253,974	Other revenue	5	65,000	312,994
0	Vested assets		0	0
16,200,807	Total Revenue		21,499,430	18,107,029
	Expenses			
6,059,952	Personnel costs	6	6,579,380	6,838,457
4,501,201	Depreciation and amortisation expense	13-15	3,973,210	4,606,264
62,950	Finance costs	8	177,500	213,916
6,916,356	Other expenses	7	11,553,390	7,366,878
144,097	Loss on disposal of property, plant and equipment		0	183,778
17,684,556	Total Expenses		22,283,480	19,209,293
(1,483,749)	SURPLUS / (DEFICIT)		(784,050)	(1,102,264)
	Other comprehensive revenue and expense			
0	Property, plant and equipment revaluation		0	0
(1,483,749)	TOTAL COMPREHENSIVE REVENUE AND EXPENSE		(784,050)	(1,102,264)

Explanations of significant variances against budget are detailed in Note 32
The accompanying notes, including Accounting Policies, form part of these financial statements.

KAWERAU DISTRICT COUNCIL STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

\$ 2022/23		Note	\$ Budget	\$ 2023/24
ASSETS				
Current assets				
3,779,501	Cash and cash equivalents	9	4,225,340	2,801,969
1,615,144	Receivables	10	2,413,360	1,806,905
0	Other financial assets	12	0	0
182,722	Prepayments		0	289,697
1,946,397	Inventory	11	417,910	2,728,614
<u>7,523,764</u>	Total current assets		<u>7,056,610</u>	<u>7,627,185</u>
Non-current assets				
86,252	Other Financial Investment including CCOs	12	36,250	136,252
109,482,747	Property, plant and equipment	13	114,957,740	111,651,666
99,379	Intangible assets	14	85,500	90,741
<u>109,668,378</u>	Total non-current assets		<u>115,079,490</u>	<u>111,878,659</u>
<u>117,192,142</u>	TOTAL ASSETS		<u>122,136,100</u>	<u>119,505,844</u>
LIABILITIES				
Current liabilities				
3,149,896	Payables and deferred revenue	16	3,440,160	3,376,772
0	Borrowings and other financial liabilities	19	2,000,000	4,008,554
759,188	Employee entitlements	18	822,420	1,042,403
7,609,752	Retirement Village – Residents Liability	20	0	8,484,615
10,000	Provisions		10,000	10,000
<u>11,528,836</u>	Total current liabilities		<u>6,272,580</u>	<u>16,922,344</u>
Non-current liabilities				
137,141	Payables and deferred revenue	16	175,620	131,429
2,000,000	Borrowings and other financial liabilities	19	10,380,490	33,982
51,969	Employee entitlements	18	65,790	55,866
9,709	Provisions	17	0	0
<u>2,198,819</u>	Total non-current liabilities		<u>10,621,900</u>	<u>221,277</u>
<u>13,727,655</u>	TOTAL LIABILITIES		<u>16,894,480</u>	<u>17,143,621</u>
<u>103,464,487</u>	NET ASSETS		<u>105,241,620</u>	<u>102,362,223</u>
EQUITY				
36,506,158	Accumulated Funds	21	38,171,960	36,867,511
66,958,329	Reserves	21	67,069,660	65,494,712
<u>103,464,487</u>	TOTAL EQUITY		<u>105,241,620</u>	<u>102,362,223</u>

NB: PBE IPSAS 1.88 requires in the statement of financial position that separate line items be presented for recoverables from non-exchange transactions, receivables from exchange transactions, taxes and transfers payable, and payables under exchange transactions. We consider that it will be rare that this is a material disclosure. Therefore, we have chosen to focus on providing a meaningful breakdown of receivables and payables in the notes to the financial statements.

F K N Tunui
MAYOR

Morgan Godfery, LLB
CHIEF EXECUTIVE OFFICER

The accompanying notes, including Accounting Policies, form part of these financial statements. Explanations of significant variances against budget are detailed in Note 30

KAWERAU DISTRICT COUNCIL STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2024

\$ 2022/23	Total Equity	Note	\$ Budget	\$ 2023/24
104,948,236	Balance at 1 July		106,025,670	103,464,487
<u>(1,483,749)</u>	Total comprehensive revenue and expense		<u>(784,050)</u>	<u>(1,102,264)</u>
<u>103,464,487</u>	Balance at 30 June		<u>105,241,620</u>	<u>102,362,223</u>

The accompanying notes, including Accounting Policies, form part of these financial statements.



Aerial view of the proposed Stoneham Park Residential Development.

KAWERAU DISTRICT COUNCIL STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2024

\$ 2022/23	Note	\$ Budget	\$ 2023/24
CASH FLOWS FROM OPERATING ACTIVITIES			
11,955,544	Receipts from rates revenue	12,261,580	12,707,266
25,933	Rates on behalf Regional Council	0	25,933
1,819,148	Subsidies and grants received	5,596,530	3,240,894
1,878,122	Fees and charges received	2,802,160	1,642,321
41,427	Interest received	97,530	83,072
65,400	Receipts from other revenue	65,000	62,926
(6,214,089)	Payments to suppliers	(10,216,090)	(8,585,810)
(6,041,583)	Payment to employees	(6,437,920)	(6,551,345)
(62,950)	Interest paid	(177,500)	(187,298)
(65,410)	Goods and services tax (net)	0	64,327
0	Regional Council rates paid	0	0
3,401,542	Net cash flow from operating activities	3,991,290	2,502,286
CASH FLOWS FROM INVESTING ACTIVITIES			
12,170	Receipts from sale of property, plant and equipment		0
0	Purchase of intangible assets	0	(13,021)
(50,000)	Sale/(Purchase) of investments	0	(50,000)
2,329,600	Receipt from ORA – Retirement Village	0	1,125,000
(7,575,491)	Purchase of property, plant and equipment	(6,727,700)	(6,584,334)
(5,283,721)	Net cash flow from investing activities	(6,727,700)	(5,522,355)
CASH FLOWS FROM FINANCING ACTIVITIES			
2,000,000	Loans/Finance Leases Raised	2,000,000	2,047,872
0	Repayment of borrowings	0	0
(5,044)	Payment of principal for finance leases	(16,500)	(5,335)
1,994,956	Net cash flow from financing activities	1,983,500	2,042,537
112,777	Net increase/(decrease) in cash, cash equivalents and bank overdrafts	(752,910)	(977,532)
3,666,724	Cash, cash equivalents and bank overdrafts at the beginning of the year	4,978,250	3,779,501
3,779,501	Cash, cash equivalents and bank overdrafts at the end of the year	4,225,340	2,801,969

The accompanying notes, including Accounting Policies, form part of these financial statements.

Explanations of significant variances against budget are detailed in Note 32

KAWERAU DISTRICT COUNCIL FUNDING IMPACT STATEMENT

(Whole of Council)
For the year ended 30 June 2024

	2023		2024	
	\$ Long-Term Plan	\$ Actual	\$ Annual Plan	\$ Actual
SOURCES OF OPERATING FUNDING				
General rates, UAGC and rate penalties	10,579,430	10,906,725	11,770,850	11,874,186
Targeted rates	1,201,290	1,252,526	1,167,360	1,183,661
Subsidies and grants for operating purposes	259,070	1,587,975	4,680,030	1,431,024
Fees and charges	1,766,220	1,789,090	2,218,260	1,720,584
Interest and dividends from investments	27,980	41,171	97,530	81,651
Local Authorities Fuel tax, fines, infringements and other receipts	637,170	66,367	648,900	62,860
TOTAL OPERATING FUNDING (A)	14,471,160	15,643,854	20,582,930	16,353,966
APPLICATIONS OF OPERATING FUNDING				
Payment to staff and suppliers	11,952,070	12,976,423	18,132,830	14,215,339
Finance costs	80,500	62,950	177,500	213,916
Other operating funding applications	0	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	12,032,570	13,039,373	18,310,330	14,429,255
SURPLUS/(DEFICIT) OF OPERATING FUNDING (A-B)	2,438,590	2,604,481	2,272,600	1,924,711
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	620,250	369,344	916,500	1,502,929
Development and Financial contributions	0	0	0	0
Increase/(decrease) in debt	2,017,500	1,994,956	1,982,000	2,053,206
Gross proceeds from sale of assets	1,920,000	7,332	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	2,329,600	0	1,125,000
TOTAL SOURCES OF CAPITAL FUNDING (C)	4,557,750	4,701,232	2,898,500	4,681,135
APPLICATIONS OF CAPITAL FUNDS				
Capital expenditure:				
- to meet additional demand	1,560,000	3,537,376	0	0
- to improve the level of service	330,000	0	320,000	0
- to replace existing assets	5,117,320	3,934,660	6,407,700	6,950,322
Increase/(decrease) in reserves	(10,980)	(216,323)	(1,556,600)	(394,476)
Increase/(decrease) of investments	0	50,000	0	50,000
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	6,996,340	7,305,713	5,171,100	6,605,846
SURPLUS/(DEFICIT) OF CAPITAL FUNDING (C-D)	(2,438,590)	(2,604,481)	(2,272,600)	(1,924,711)
FUNDING BALANCE ((A-B)+(C-D))	0	0	0	0

The accompanying notes, including Accounting Policies, form part of these financial statements.

Meeting: Audit and Risk Committee

Meeting Date: 7 October 2024

Subject: **Audit and Risk Review Timetable from October 2024 to August 2025**

File No: 101300

1 Purpose

The purpose of this report is to inform the committee of the proposed timetable for the review of key risks and financial policies and performance for the Audit and Risk Committee for the next 12 months.

2 Background

Council has appointed an Audit and Risk Committee to overview Council's finances and risks, to ensure that adequate controls are in place to safeguard the community's assets. Most Councils have an Audit and Risk committee to undertake these functions. This Council first established its Audit and Risk Committee on 8 April 2015.

The initial Proposed Audit and Risk Review Timetable for 2024 was presented to the committee at the 8 April 2024 meeting. A request was made for this report to be to be presented at each meeting as a rolling timetable of work to be completed.

3 Proposed Audit and Risk Review Timetable

The appendix to this report contains the proposed timetable for the review of risk management, financial policies, as well as financial reporting and planning, for the next 12 months of scheduled meetings.

There may be other policies or reviews that the committee would like to be reviewed that can be added to the schedule at any stage.

4 RECOMMENDATION

That the report "Audit and Risk Review Timetable from October 2024 to August 2025" be received.



Lee-Anne Butler, CA, BMS

Group Manager, Finance & Corporate Services

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Appendix

Audit & Risk Committee Meetings and Review Schedule

Topic	Tasks	7 October 2024	9 December 2024	10 February 2025	7 April 2025	9 June 2025	4 August 2025
Risk management	Insurance renewal plan	Insurance Update Report		Report on current Council insurance policies			
	Health and safety policy and reporting requirements	Reports (monthly) monitoring Council's Health and Safety systems throughout the year					
	Review/update Risk Policy, Risk Register and Risk Framework		Review/update risk framework, register and policy	Undertake further reviews as required in line with best practice			
Policy Review	Identification of risks and mitigations for significant projects		Residential Developments – Risks identified and mitigations & controls	Undertake further reviews as required in line with best practice			
	Sensitive Expenditure Policy				Review/update policy for committee consideration		
	Procurement Policy (OAG guidelines)	Update on management processes for implementation of policy					
	Financial policies (Code of Conduct, Gifts Policy, Fraud Policy)		Fraud Risk Assessment	Review/update Council's gift policy.			

Topic	Tasks	7 October 2024	9 December 2024	10 February 2025	7 April 2025	9 June 2025	4 August 2025
	Bylaws and Policies	Update on Council By-Laws		Update on Council Policies and By-Laws		Update on Council Policies and By-Laws	
	Investment and Liability Management Policies						Review/update policy for committee consideration
	Treasury Reports	Reports (monthly) monitoring Council's Cash position throughout the year					
Financial reporting and Annual Report	Quarterly financial and non-financial performance	Performance report to 30 June 2024	Performance report to 30 September 2024		Performance report to 31 December 2025	Performance report to 31 March 2025	
	Audit Management Report		Final Audit Management Report 2023/24				Report on Interim Audit Management Report - 2025
Annual Plan/LTP amendments	Prepare 2023/24 Annual Report	Draft Annual Report				Timetable for Annual Report	
	Timetable for the preparation and adoption of AP/LTP amendments		Update on Financial Strategy and LTP Risks & issues	Long Term Plan Progress Report	Long Term Plan Progress Report		
Internal Audit	Review and consider provision of internal audit functions			Proposed internal audit programme for Council			
Asset Management Plans	On-going programme to improve the AMPs		Report progress on AMP's and Infrastructure Strategy for 2025-34 Long Term Plan	Report progress on AMP's and Infrastructure Strategy for 2025-34 Long Term Plan			

Meeting: Audit & Risk Committee

Meeting Date: 7 October 2024

Subject: Council Bylaw and Policy Review Update

File No: 320000 & 110800

1 Purpose

The purpose of this report is to provide the Audit and Risk Committee with an update on the review programme for Council Bylaws and Policies.

2 Background

2.1 Bylaw Review

Council has bylaws to help manage public nuisances, promote public health and safety, minimise the potential for offensive behaviour, protect public infrastructure and regulating activities in public places.

Bylaws that are made under the Local Government Act 2002 are required to be reviewed five years after they are first created (section 158), and 10 years after every review date (section 159). As such, all of Council's existing bylaws are required to be reviewed every 10 years.

Kawerau District Council has a total of seventeen bylaws. These are split between a consolidated bylaw and individual bylaws.

On 8 April 2024, upon request a report was prepared for Council providing an overview of the Council Bylaws and the required review timeframes.

At the time of the review, twelve bylaws had past their review dates and were either revoked already, all will become revoked. The Freedom Camping Bylaw had been commenced in the background.

2.2 Policy Reviews

The overall purpose of policies is to aid with decision-making. A list of Council Policies (as available on the Council Website) is attached as Appendix 2. There is currently a total of 30 policies. This list does not include internal operational policies or health and safety policies.

On 10 June 2024, upon request of Council a report was prepared providing an overview of the Council Bylaws and the required review timeframes.

At the time the overview was provided to Council, nine policies were overdue for review. A further three required review prior to December 2024.

3 **Situation**

3.1 Bylaw Review

The initial proposed review targets outlined in the table below have not been achieved. While the timeline was ambitious, competing work priorities have meant we have not progressed as quickly as hoped.

Review Programme	
<u>Phase 1</u> : Completed by August	<u>Phase 2</u> : Completed by December
<ul style="list-style-type: none"> • Traffic and Parking Bylaw 2011 • Speed Limits Bylaw 2011 • Water Supply Bylaw 2009 • General Bylaw – Part 8 Wastewater Drainage 2010 • General Bylaw Part 9 On-site Wastewater Disposal 2010 • General Bylaw Part 10 Trade Waste 2010 • General Bylaw Part 11 Solid Waste 2010 	<ul style="list-style-type: none"> • General Bylaw Part 1 – Introductory 2009 • General Bylaw Part 2 – Public Places 2013 • General Bylaw Part 3 – Trading in Public Places 2009 • General Bylaw Part 5 – Advertising Signs 2013 • General Bylaw Part 13 – Leisure and Recreation Facilities 2010 • General Bylaw Part 12 – Cemetery 2012 • General Bylaw – Control of Stock, Poultry and Bees 2019

Initial focus was on reviewing the Freedom Camping Bylaw. This was key to ensure we complied with new legislation and made use of the approved funding. This review took significantly more time than expected due to the requirement for site assessment to be undertaken. The current bylaw will remain in force until the new bylaw is adopted.

Work has commenced in the background to gather information to help support the other bylaw reviews, and drafting of bylaws has started. The new proposed timeline is outlined below.

Bylaw	Comments	Status	Draft to Council
Cemetery	Brought forward to align with policy review which is largely completed	Underway	October/November 2024
Traffic and Parking	Urgent	Yet to commence	October/November 2024
Water Supply		Existing bylaws reviewed by staff	October/November 2024

Wastewater Drainage	Reviewing with the intention to combine into one bylaw		
Wastewater Disposal			
Trade Waste	Maybe able to incorporate into Water Bylaw – yet to be confirmed	Existing bylaw reviewed by staff	February/March 2025
Solid Waste	Should include Waste Minimisation	Existing bylaw reviewed by staff	February/March 2025
Trading in Public Places		Not started	February/March 2025
Advertising Signs	Bylaw overdue but not yet revoked	Not started	February/March 2025
Leisure and Recreation Facilities	Yet to determine whether it is still required	Not started	June/July 2025
Control of Stock, Poultry and Bees	Bylaw is valid so can be done later	Not started	June/July 2025
Public Places	Bylaw is valid so can be done later	Not started	June/July 2025
Introductory	Will be incorporated into other bylaws and not replaced	Not started	
Speed Limits	Delayed as may not be required depending on Government Reform	Staff provided some guidance on process	

This is still an ambitious target given the other work programmes being undertaken at this time and we have no dedicated staffing for these reviews. The timeframes do not allow early engagement with the community, however consultation will be undertaken upon approval of the draft bylaw.

While it is foreseeable that some changes will be required to bring the bylaws up to date, large changes to existing requirements will be limited.

3.1 Policy Review

This section contains a table outlining the work to date on the policies required to be reviewed. In addition to the policies outlined, there are a number of policies that are out of cycle due to opting for the transitional LTP. These policies have not been included, as they will be completed in line with the LTP this financial year.

Unlike the bylaws, policies are not automatically revoked after a set timeframe, if a review is not undertaken.

The Managers responsible for the policies have been advised of the requirement to review and align them with current practices and requirements.

Since the review of the policies was undertaken, a few policies have been reviewed or implemented as requested. These are as follows:

- Procurement Policy (yet to be formally adopted)
- Dangerous, Insanitary and Affected Buildings Policy
- Naming Policy (as requested by Council)

The below table sets out the remaining policies to be reviewed and any updates in the process.

Policy	Responsibility	Completed
Management of Street Trees 2016	GMO&S	Yet to be started
Library Membership Policy 2010	GMF&CS	Reviewed - No Longer Required
Board Venues 2017	GMR&P	Merge into one Policy – Review has commenced
Class 4 Gambling Venue Policy 2017	GMR&P	
Graffiti Vandalism 2016	GMO&S	Yet to be started
Methamphetamine Building Contaminations Policy 2016	GMR&P	Yet to be started – may not be required
Easter Trading Policy 2017	GMR&P	Proposed Legislation to revoke bylaws – awaiting update
Cemetery Memorials, Ornamentation and Multiple Interments 2019	GMO&S	Staff review completed and looking at combining with Bylaw due to overlaps.
Backflow Prevention 2019	GMO&S	Yet to be started - Review required in line with the Water Bylaws
Community Awards 2020	ME&CD	Due November 2024

Work is continuing to review the policies as required.

4 Risks

Council can no longer enforce the Bylaws that are now revoked. In saying this, the most commonly enforced bylaws are the Traffic and Parking, Freedom Camping, Public Places, Control of Stock, Poultry and Bees, Dog Control Bylaw, only one of which is revoked. While all other bylaws are used to guide behaviours, enforcement action has not been taken under these bylaws in the last few years.

The main risk is the Community will not follow accepted practises and we will not be able to take compliance action. For this reason, it is important that we have new bylaws adopted as soon as possible.

Policies, on the other hand, are not automatically revoked where a review has not been undertaken. Review timeframes, in many cases are not legislated.

The purpose of policies is generally to aid with decision-making. Where a policy is in place, even if it has past its review date, for fairness to the community decisions should be made based on the existing policy, until this can be reviewed and public consultation undertaken. This may be a risk where circumstances have significantly changed since the introduction of the policy.

5 Significance and Engagement

Given many bylaws are revoked Council is essentially making a new bylaw, based on the previous revoked bylaw. Based on this, even if implementing the bylaw currently written, with no amendments, engagement must still be undertaken.

The special consultative process will be used for all bylaws as required by s82, or s86 of the Local Government Act 2002.

In most cases, consultation is also required in regards to Council policies under s82 of the Local Government Act 2002. Some policies, such as the Board Venues and Class 4 Gambling Venues Polices will need to follow the special consultative process under s 83 of the Local Government Act 2002.

The majority of the policies past their review dates are optional policies, so not legislatively required. However where any of these policies are no longer deemed necessary, they must be reviewed and recommendations made to revoke the policy.

6 Financial Considerations

While there are no budget considerations associated with the recommendation of this report, where the implementation of the bylaws and/or policies is required sooner than indicated, funding for this work is not budgeted.

7 RECOMMENDATION

That the report "Council Bylaw and Policy Review Update" be received.



Michaela Glaspey
Group Manager, Regulatory and Planning

Appendix 1 - Bylaw Review Dates

Bylaw Name	Last Enacted	Last Reviewed	Next Review Date	Reason
Water Supply Bylaw 2009	1/06/2009	Apr-09	Jun-19 – Now Revoked	10 Year Review
Speed Limits Bylaw 2011	1/07/2011	Jun-11	Jul-21 – Now Revoked	10 Year Review
Traffic and Parking Bylaw 2011	1/11/2011	Oct-11	Nov-21- Now Revoked	10 Year Review
General Bylaw Part 1 - Introductory 2009 (2012 Amendment)	24/11/2009	Apr-12	Apr-22 –Revoked in April	10 Year Review
General Bylaw Part 3 - Trading in Public Places 2009	1/12/2009	Apr-12	Apr-22 – Revoked in April	10 Year Review
General Bylaw Part 8 - Wastewater Drainage 2010	29/06/2010	Apr-12	Apr-22 – Revoked in April	10 Year Review
General Bylaw Part 9 - On-site Wastewater Disposal 2010	29/06/2010	Apr-12	Apr-22 – Revoked in April	10 Year Review
General Bylaw Part 10 - Trade Waste 2010	1/09/2010	Apr-12	Apr-22 – Revoked in April	10 Year Review
General Bylaw Part 11 - Solid Waste 2010	29/06/2010	Apr-12	Apr-22 – Revoked in April	10 Year Review
General Bylaw Part 12 - Cemetery 2010	1/09/2010	Apr-12	Apr-22 – Revoked in April	10 Year Review
General Bylaw Part 13 - Leisure and Recreation Facilities 2010	1/09/2010	Apr-12	Apr-22 – Revoked in April	10 Year Review
General Bylaw Part 5 - Advertising Signs 2013	1/06/2013	May-13	Jun-23 – Revoked in 2025	10 Year Review
Freedom Camping Bylaw 2019	1/10/2019	Oct-24	Currently Under Review	5 Year Review
General Bylaw: Control of Stock, Poultry and Bees 2019	1/01/2019	Dec-18	Jan-29	10 Year Review
Dog Control Bylaw 2019	1/03/2019	Feb-19	Feb-29	10 Year Review
General Bylaw Part 2 - Public Places 2013 (2019 Amendment)	1/06/2013	Sep-19	Sep-29	10 Year Review
Alcohol Control Bylaw 2022	22/09/2022	Sept -22	Sept - 27	5 Year Reivew

Appendix 2 - Policy Review Dates

Policy Name	Last Reviewed	Next Review Date
Management of Street Trees 2016	Jun-16	Jun-19
Library Membership Policy 2010	Sep-10	Sep-20
Board Venues 2017	Dec-17	Dec-20
Class 4 Gambling Venue Policy 2017	Dec-17	Dec-20
Graffiti Vandalism 2016	Sep-16	Aug-21
Methamphetamine Building Contaminations Policy 2016	Dec-16	Nov-21
Easter Trading Policy 2017	Apr-17	Feb-22
Cemetery Memorials, Ornamentation and Multiple Interments 2019	Sep-16	Jul-22
Procurement Policy 2020	May-20	Jun-23
Backflow Prevention 2019	Jun-19	Jun-24
Community Awards 2020	Jan-21	Nov-24
Smoke-Free Public Places Policies 2020	Jun-20	Apr-25
Significance and Engagement Policy 2021	Apr-21	LTP
Revenue and Finance Policy	Feb-21	LTP
Rates Remissions and Postponement for Maori Freehold Land Policy	Apr-21	LTP
Rates Penalty Remission Policy	Apr-21	LTP
Rates Relief for Developments Policy	Apr-21	LTP
Rates Relief for Farm Properties Policy	Apr-21	LTP
Rates Relief for High Valued Properties Policy	Jun-23	LTP
Election Signs Policy 2019	Jun-22	Mar-25
Public Communications by Elected Members in a Pre-Election Period Policy 2019	Jun-22	Mar-25
Sensitive Expenditure Policy	Aug-22	Jun-25
Fraud, Bribery and Corruption Policy 2023	Aug-23	Aug-26

Policy Name	Last Reviewed	Next Review Date
Investment Policy 2024	Feb-24	Jan-27
Financial Contributions Policy 2021	Feb-24	Feb-27
Liability Management Policies 2024	Feb-24	Feb-27
Dog Control Policy 2019	Mar-19	Dec-28
Eastern Bay Local Alcohol Policy 2016	Mar-21	Reviewed - with ARLA
Rates Remission Sporting and Cultural Organisations Leasing Council Land Policy 2024	Adopted June 24	Jun 2027
Dangerous, Insanitary and Affected Buildings Policy 2019	Aug-24	Aug-29
Naming Policy	To be Adopted	

Meeting: Audit and Risk Committee

Meeting Date: 7 October 2024

Subject: Long Term Plan 2025 – 2034 Update

File No: 110555

1 **Purpose**

The purpose of this report is to provide the committee with an update on the Long Term Plan 2025-2034 and timetable.

2 **Background**

The Local Government Act 2002 requires Council to prepare a Long Term Plan at least every three years and an annual plan in the years in between. Council must also consult on its Long Term Plan using the special consultative process, which includes preparing a consultation document and engaging with the community. There is also a requirement that the Long Term Plan and the consultation document must be audited.

The 2024 - 2025 rating year would have been year one of the new 2024 - 2034 Long Term Plan. However, due to the Government reforms on the Three Waters Legislation, on 10 April 2024, Council resolved that *“under clauses 48 and 49 of Schedule 1AA of the Local Government Act 2002 (inserted by the Water Services Acts Repeal Act 2024),* to prepare an enhanced Annual Plan for 2024 - 2025 and a nine year Long Term Plan 2025 - 2034. The Long Term Plan must be adopted prior to the commencement of the year to which it relates (that is before 1 July 2025).

3 **Long Term 2025 – 2034**

With the end of the financial year, the key focus has been completing the Annual Report to 30 June 2024, which has a statutory timeframe for adoption by 31 October 2024, that includes the completion and sign off of the Annual Report by Council’s auditors. The audit is currently in progress, with auditors onsite. Once the key focus on the Annual Report work is completed staff can prioritize and focus solely on the Long Term Plan.

The following is further information regarding key Long Term Plan work:

3.1 **Financial Strategy**

The Long Term Plan must include Council’s Financial Strategy, which outlines how Council proposes to manage its finances over the next nine years.

The preparation of the detailed line item budgets that feed into Council’s key overall financial requirements are underway, which will include capital renewals expenditure.

This initial work sets the foundation for the financial strategy, including determining the overall funding and levels of debt required.

3.2 Rates Review

A key part of the Long Term Plan is determining the overall rates requirement and what rating mechanisms will be used in setting the rates. The triennial revaluation of all properties within the Kawerau District is currently underway by Quotable Value (QV). Once QV has determined the revaluation values of all properties in the District, the new values will then be audited by the Valuer General. The impact of the revaluations won't be known until mid-November and then from this data, a full rates review can begin.

The sign off of the revaluation audit is critical to ensure staff have time to present rating options to Council following analysis of the revaluation changes. Quotable Value are committed to ensuring quality revaluation data is available for the audit process.

3.3 Asset Management Plans and Infrastructure Strategy

There have been a number of staffing changes within key roles within the Operations Team this year and with new staff comes a lead in time for them to become established in their new roles. At this time, additional time and resources are required for the completion of the Asset Management Plans. Also, with the new requirements of the Water Service Delivery Plans, it is important that appropriate time is invested to ensure that all documents are consistent, while trying not to double up the workload.

The completion of the Asset Management Plans is the key document that links in with the Infrastructure Strategy.

3.4 Summary

Background work has begun on the Long Term Plan. With competing priorities for staff resources the Long Term Plan timetable is a living document, adapting to changing timeframes and resource availability. The appendix to this report contains the timetable for the preparation and adoption of the Long Term Plan 2025-2034, to ensure that all necessary tasks are completed prior to adoption.

Council is yet to receive the Long Term Plan Engagement Letter from Audit New Zealand, so audit timeframes and the audit fee are still be confirmed.

4 RECOMMENDATION

That the report "Long Term Plan 2025 – 2034 Update" be received.



Lee-Anne Butler, CA, BMS

Group Manager Finance and Corporate Services

Project Plan for 2025 – 2034 Long-Term Plan

Tasks	Responsible	Completion
Policy & Strategy Reviews		
Investment Policy	GMFCS	30/10/2024
Liability Management Policy	GMFCS	30/10/2024
Financial Contributions Policy	GMRP	12/12/2024
Significance and Engagement Policy	CEM/GMFCS	12/12/2024
Significant Forecasting Assumptions	GMFCS	12/12/2024
Infrastructure Strategy (30 years)	GMOS/GMFCS	20/12/2024
Financial Strategy	GMFCS	20/12/2024
Revenue and Financing Policy	GMFCS	20/12/2024
Rates Remission & Postponement Policies	GMFCS	20/12/2024
Rates Review	GMFCS	14/02/2025
Asset Management Plans		
Roading	GMOS/FA	20/12/2024
Water Supply	GMOS/FA	20/12/2024
Wastewater	GMOS/FA	20/12/2024
Stormwater	GMOS/FA	20/12/2024
Community Facilities & Property	GMOS/FA	20/12/2024
Parks & Reserves	GMOS/FA	20/12/2024
Financials		
Prepare initial Budgets for 2025-2034 LTP	SLT	11/10/2024
Budget Collation and Managers Review	GMFCS/SLT	30/10/2024
Budget Overview	GMFCS	20/12/2024
Rates Impact	GMFCS	14/02/2025
Agree Budget and Rates impact for Community Consultation	GMFCS	28/02/2025
Long Term Plan Preparation & Consultation		
Pre-Consultation with Community	CEM/GMFCS	1/11/2024 to 30/11/2024
Prepare Performance targets (non-financial)	All Managers	30/11/2024
Draft LTP Consultation Document – LTP Statement of Proposal prepared and presented to Council for consideration and changes	CEM/GMFCS	26/02/2025
Audit of LTP Statement of Proposal	GMFCS	6/03/2025 to 21/03/2025

Tasks	Responsible	Completion
Adoption of LTP Statement of Proposal/Draft LTP Document for Consultation	Council	26/03/2025
Special Consultative Consultation Period: Public Meetings/Newsletter/Website/Media	CEM/GMFCS	27/03/2025
Submissions Close		28/04/2025
Advise Submitters wanting to speak	CEM/Admin	1/05/2025
Hear and consider all submissions	Council	7/05/2025 to 8/05/2025
Submission Deliberations	Council	14/05/2025 to 15/05/2025
Implement any changes – amend LTP & prepare rates		22/05/2025
Audit of LTP 2025-2034 (to be confirmed by Audit)	Auditors	26/05/2025 to 6/06/2025
Obtain Legal opinion concerning FIS & rates resolution		6/06/2025
Implement any changes – amend LTP & prepare rates	Any audit adjustments	9/06/2025 to 16/06/2025
Adopt Long Term Plan 2025-2034 & rates resolution	Council	25/06/2025
Long Term Plan on website	CEM/GMFCS	30/06/2025

GMFCS = Group Manager Finance and Corporate Services
CM = Communications & Engagement Manager
GMRP = Group Manager Regulatory and Planning
FA = Financial Accountant
SLT = Senior Leadership Team

Meeting: Audit and Risk Committee

Meeting Date: 7 October 2024

Subject: Insurance Policies Update

File No: 201000

1 **Purpose**

The purpose of this report is to update the committee on Council's current insurance policies and the intended renewal levels proposed for 2024/25.

2 **Background**

Council insures its assets in order to mitigate the risk associated with the loss or destruction of those assets, and also insures for possible liabilities arising from staff undertaking their duties, which could result in significant costs for the community.

Council uses Aon as its insurance broker in conjunction with other Bay of Plenty Councils as part of the BOPLASS initiative.

Council's broker sources the insurance cover that provides the best value for Council.

The period for insurance is from 1 November to 31 October and Aon obtained the 2023/24 reinsurance for the BOPLASS councils and is currently working on the renewals for 2024/25.

Staff have reported to the Audit and Risk committee previously on the insurance policies held by Council and the cost. There have been significant increases in the cost of insurance in past years and last year most policies increased by around 20% on the previous year.

In setting the insurance cover values for 2024/25, staff used the latest replacement valuations at 30 June 2022 (including additions since this date) as well as an inflationary factor for insuring Council's assets (for Infrastructure and Material Damage policies).

3 **Insurance Policies**

The appendix to this report lists all the insurances that Council has in place for 2023/24, which are the same as the previous year with the addition of a cyber liability policy.

The following are additional details regarding the insurances policies Council holds:

- Infrastructure Insurance – This cover responds to physical loss or damage to infrastructural (underground) assets due to a Natural Catastrophe at 40% of the total declared value. The remaining 60% is covered by the Central Government MCDEM 60/40 agreement.

The total infrastructure values for 2024/25 are:

○ Roading & Parks	\$ 78.2m
○ Water	\$ 45.6m
○ Wastewater	\$ 46.3m
○ Stormwater	<u>\$ 30.2m</u>
	\$200.3m

- Public Liability/Professional Indemnity – Public liability protects against third party property damage and personal injury in relation to Council’s operations. Professional Indemnity covers against claims for breach of professional duty or negligence in the performance of services. This is a standard policy that most businesses have to insure against any significant public liability claims.
- Cyber Crime Policy – this is a high risk area as identified by the Risk Reports provided to the committee. There is heavy reliance on Council’s IT system as part of conducting and providing Council services. Insurers require security controls to be in place to obtain this cover. Council has managed to source this cover, which is not always available to all businesses. The insurance premium of \$8,508 is deemed a cost effective way to cover the consequential costs of a cyber-attack which could be significant.
- Employers Liability – This policy protects against settlements or damage claims and provides for \$1m in claims and \$1m in defence costs should an issue arise that is not covered by ACC. The premium cost at \$1,183 is very cost effective, especially with an excess of \$1,000.
- Statutory Liability – Covers Council for unintentional breaches of legislation which may result in prosecution. It includes defence costs, fines, penalties and reparation. The premium at \$2,298 is fair, given that the excess is \$10,000, however the costs to Council could incur at up to \$1m which is significant should there be a significant claim.
- Crime Policy – This policy covers direct financial loss arising from any single or repeated criminal act. While Council has policies and procedures in place to mitigate and/or detect any such instances, the insurance policy is a cost effective way to cover this risk.
- Motor Vehicles – This includes all Council Vehicles, Plant, Trailers, Diggers, Mowers, etc. The total sum to be insured for \$2024/25 is \$2.063m which is the current market value for these assets.
- Minor Material Damage & Loss of Revenue – this is specific insurance cover for the Porritt Glade Lifestyle Village, which is valued at \$11m. There is a legal requirement, as part of the Occupation Right Agreements that Council has adequate insurance cover for all the units.
- Business Interruption – this covers loss resulting from interruption or interference with Council’s business carrying on and this forms part of the above material damage cover.

- **Material Damage** – this covers all Council buildings, halls, facilities and amenities and includes above ground infrastructure assets for Water Supply and Wastewater. The total material damage sum insured is based on the total reinstatement value, demolitions costs, inflationary provisions plus any plant, equipment and contents. Where applicable there is provision for loss of revenue/rent cover as well. The renewals value proposed for 2024/25 totals \$84.5m. There are separate sub-limits detailed in the insurance policies appendix. Council insures for the reinstatement value, which is what it would cost to replace or reinstate say the building with its equivalent in new condition.

Insurance Costs

The cost of insurance is continuing to increase, which is reflective of the risks that are involved. The impacts of significant weather events such as cyclone Gabriel are an example of how significant the damage can be and the corresponding repair costs. To not insure is a significant risk to take onboard, as the likelihood of no potential losses cannot be guaranteed.

Council currently sources insurance through Aon as part of the BOPLASS group. An advantage for Council is the economies of scale by combining with a larger group, who have higher values to be insured.

With the increasing cost of insurance, some Councils may look to reduce the level of cover, the number of assets insured, reduce the replacement values (not the full replacement value) or increase the excess value. Council has its assets insured for replacement value to ensure the assets can be replaced, without any additional burden on the community to fund any shortfalls should there be a significant loss. Council does currently carry the potential costs of the current excess values.

For Council to take on the additional risk of reducing insurance cover, there would still be additional resource costs and funding required to manage this risk and to pay for any uninsured incidents. Currently, Council's size and limited resources to closely monitor all the risks individually, suggest it would not be prudent to take on the significant additional risks associated with not having a comprehensive and effective insurance programme in place. Also, the cost to the community could potentially be greater.

All renewals data has been provided to Aon, who are working through the insurance renewal process, to obtain the best pricing and terms and conditions for Council's insurance, which should be determined by late October 2024.

4 RECOMMENDATION

That the report "Insurance Policies Update" be received.



Lee-Anne Butler, CA, BMS

Group Manager, Finance & Corporate Services

APPENDIX

KAWERAU DISTRICT COUNCIL – INSURANCE POLICIES FOR 2023/24

Policy	Detail	Sum Insured	Excess	Insurance Company (Current)	Premium 2023/24	Premium 2022/23	% Increase
Brokerage	Professional fee for sourcing and arranging insurance as well as claims/advice.			Aon Group Ltd	\$9,615	\$9,615	0%
Infrastructure	Above and below ground infrastructure assets (40% Placement)	\$30,000,000 (40% of Policy extensions and cover sub-limits apply)	\$100,000	Various Insurers & Lloyds of London Underwriters	\$79,654	\$64,037	24.4%
		Business Interruption	Up to 15% of the Council loss limit				
Public Liability	Liability to Third Parties for property damage and/or personal injury arising from or in connection with the Insured's operations	Public Liability	\$10,000 (Each claim)	Berkshire Hathaway 57% QBE Insurance (AUS) 38% Chubb Insurance NZ 5%	\$16,120	\$14,643	10.1%
		Product Liability					
		Employees Property					
		Indemnity to Ratepayers					
Professional Indemnity	Claims first made against the insured alleging civil liability, by an act, error, omission or conduct that occurred in connection with the Insureds Professional Business Practice	Hall Hirers Liability	\$25,000 (Each claim)	Berkshire Hathaway 57% QBE Insurance (AUS) 38% Chubb Insurance NZ 5%	\$58,298	\$54,310	7.3%
		\$1,000,000					
		\$15,000,000 (Any one claim)					

Policy	Detail	Sum Insured	Excess	Insurance Company (Current)	Premium 2023/24	Premium 2022/23	% Increase
Excess Layer Liability	Excess Public/General Liability Excess Professional Indemnity (part of Professional Indemnity above)	Between \$15,000,000 and \$145,000,000 shared	\$15,000 each claim	Various Lloyds of London syndicates Axa XL Chubb Insurance NZ Ltd	\$10,942	\$9,769	12.0%
Cyber Liability Policy	Direct financial loss sustained by the Insured arising from any single act or repeated acts	\$2,000,000	\$50,000	Berkshire Hathaway	\$8,508	N/A	
Employers Liability	Liability arising out of claims made by employees for injuries outside the scope of Accident Compensation legislation	\$1,000,000 (Excl Defence Costs) \$1,000,000 for Defence Cost	\$1,000	Berkshire Hathaway 60% QBE Insurance (AUS) 40%	\$1,183	\$1,077	9.8%
Statutory Liability	Defence costs, Fines & Penalties arising from unintentional breaches of the Insured Acts	\$1,000,000 for Fines and Reparation Orders \$1,000,000 for Defence costs	\$10,000	Berkshire Hathaway 60% QBE Insurance (AUS) 40%	\$2,298	\$2,091	9.9%
Crime Policy	Direct financial loss sustained by the Insured arising from any single act or repeated acts	\$2,000,000	\$50,000	Berkshire Hathaway 60% QBE Insurance (AUS) 40%	\$3,395	\$3,086	10.0%

Policy	Detail	Sum Insured	Excess	Insurance Company (Current)	Premium 2023/24	Premium 2022/23	% Increase
Commercial Motor Vehicles	Vehicles, Mobile Plant and Auxiliary equipment	Market Value or value in schedule Third Party = \$20,000,000 Additional Vehicles = \$400,000 Goods in Transit = \$5,000	1% of the sum insured with a minimum of \$500 (Drivers under 21 add \$1,000) Fire or theft = \$Nil	NZI (a division of IAG NZ Ltd)	\$25,081	\$19,404	29.3%
Material Damage and Business Interruption – Porritt Glade Lifestyle Village	202 River Road – physical loss or damage to insured property Loss of gross rentals	\$11,000,000 \$460,000	Each loss - \$2,000 Theft - \$2,500 \$Nil	Vero Insurance 100%	\$33,975 (29 units)	\$18,751 (18 units)	81.2%
Business Interruption	Loss resulting from interruption or interference with the business carried on by the insured at the premises in consequence of insured damage	Loss of Revenues /Rent \$152,250 Additional expenses \$8,000,000	\$10,000 (as per Material damage)	\$10,000 (as per Material damage)			
Material Damage – Fire	Damage unforeseen and unintended by the insured to insured property at the locations shown in the schedule of declared values Fire, including fire occasioned by natural disaster	\$15,000,000	\$10,000 (\$25,000 landslip & subsidence)	\$10,000 (\$25,000 landslip & subsidence)			

Policy	Detail	Sum Insured	Excess	Insurance Company (Current)	Premium 2023/24	Premium 2022/23	% Increase
Material Damage – Excluding Fire	All Risks including Earthquake, but excluding Fire. Below are sub-limits	\$77,078,780	<p>Non Earthquake Perils – MD & BI combined - \$10,000 each and every claim</p> <p>Earthquake, volcanic eruption, hydrothermal activity – 5% of Material Damage site value (other deductibles apply)</p>	<p>Vero Insurance NZ Ltd 45%</p> <p>Chubb Insurance 20%</p> <p>NZI a division of IAG Ltd 10%</p> <p>Berkshire Hathaway 10%</p> <p>AIG Insurance 15%</p>	\$166,337	\$144,637	15%
	Money during Business Hours	\$100,000					
	Money outside Business Hours	\$10,000					
	Capital Additions	\$2,000,000					
	Collapse or overheating of non-domestic boilers	\$25,000					
	Landslip, combined any one loss for MD & BI	\$2,000,000					
	Property in or on water	\$100,000 Loss – Limit \$25,000 per item					
	Refrigerated Goods (Spoilage)	\$25,000 (Any one loss)					
	Keys & Locks	\$25,000 (Any one loss)					
	Subsidence	\$2,000,000					
	Transit of Property	\$500,000					
	Sustainable Rebuilding costs	\$100,000					
	Portable Business Equipment	\$20,000					
	Contract Works	\$1,000,000					
	Curios or Works of Art	\$150,000					
Maori Artefacts	\$10,000						
Unspecified Locations	\$100,000						
Restoration and Reproduction costs – proof materials	\$100,000						
Contractual Value	\$50,000						
Gradual Damage	\$50,000						
Electrical Damage	\$10,000						