



**The Ordinary Meeting of the
Kawerau District Council will be held
on Wednesday 31 May 2023
in the Council Chambers
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 Wednesday 31 May 2023
in the Council Chambers commencing at 9.00am**

A G E N D A

Apologies

Leave of Absence

Opening Prayer

Public Forum

Declarations of Conflict of Interest

1 CONFIRMATION OF COUNCIL MINUTES

1.1 Ordinary Council – 26 April 2023

Pgs. 1 - 5

Recommendation

That the minutes of the Ordinary Council Meeting held on 26 April 2023 be confirmed as a true and accurate record.

2 RECEIPT OF COMMITTEE MINUTES

2.1 Regulatory and Services Committee – 17 May 2023

Pgs. 7 - 8

Recommendation

That the Minutes of the Regulatory and Services Committee meeting held on 17 May 2023 be confirmed as a true and accurate record.

3 Action Schedule (101120)

Pgs. 9 - 13

Recommendation

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

4 Her Worship the Mayor's Report (101400)

Pgs. 15 - 16

Recommendation

That Her Worship the Mayor's report for the period Thursday 20 April to Wednesday 24 May 2023 is received.

5 Code of Conduct (Chief Executive Officer) (101300)

Pgs. 17 - 33

Attached for your consideration and adoption is Council's Code of Conduct

Recommendations

1. That the report "Code of Conduct" be received.

2. *That Council adopts the Code of Conduct.*

6 **Appointment of Representative for the Joint Hearings and Deliberations Meeting on the Draft Eastern Bay of Plenty Local Alcohol Policy (Chief Executive Officer) (110876)**

Pgs. 35 - 36

Attached is a report for Council to amend its appointment of two representatives for the joint hearings and deliberations meeting following consultation on the Draft Eastern Bay of Plenty Local Alcohol Policy.

Recommendations

1. *That the report "Appointment of Representative for the Joint Hearings and Deliberations Meeting on the Draft Eastern Bay of Plenty Local Alcohol Policy" be received.*
2. *That Council nominates Councillor Sela Kingi to replace Her Worship the Mayor as representative for the joint hearings and deliberations meeting.*

7 **Annual Plan Performance for the Nine Months Ended 31 March 2023 (Group Manager, Finance and Corporate Services) (110400)**

Pgs. 37 - 68

Attached is a report on the Annual Plan Performance for the nine months ended 31 March 2023

Recommendations

That the report "Annual Plan Performance for the Nine Months Ended 31 March 2023" be received.

8 **Adoption of Porritt Glade Lifestyle Village Annual Report for Year Ended 30 June 2022 (Financial Accountant) (201000)**

Pgs. 69 - 85

Attached is a report requesting Council adopt the Annual Report to 30 June 2022 for the Porritt Glade Lifestyle Village.

Recommendations

1. *That the report "Adoption of Porritt Glade Lifestyle Village Annual Report for Year Ended 30 June 2022" be received.*
2. *That Council adopts the Porritt Glade Lifestyle Village Annual Report for the year ended 30 June 2022.*
3. *That the Mayor and Chief Executive Officer are delegated to sign the Porritt Glade Lifestyle Village Annual Report for the year ended 30 June 2022 following the adoption By Council.*

9 **Application to the Department of Conservation for the Intention to Exchange Reserve Status of Stoneham Park for the Land off Fenton Mill Road and the Considerations of Objections to This (Communications and Engagement Manager) (110553)**

Pgs. 87 - 207

Attached is a report and supporting documents for approval by Council for the Intention to Exchange Reserve Status of Stoneham Park.

Recommendations

1. That the report "Application of the Department of Conservation for the Intention to Exchange Reserve Status of Stoneham Park for the Land off Fenton Mill Road and the Considerations of Objections to This" be received.
2. That Council Receive and resolve to approve (with any minor alterations) and submit the Councils Intention to Exchange the Reserve Status Application to the Department of Conservation namely:
 - Statutory Land Management Application Form
 - Statutory Land Management Form 1.b.
 - Appendices as outlined in form 1.b.
3. That Council makes a further resolution to approve the Statutory Land Management Application after considering the objections to request the Intention to Exchange Reserve Status of Stoneham Park for the land off Fenton Mill Road currently operated as the Stock Pound to the Department of Conservation.

10 **Exclusion of the Public**

Recommendation

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

1. Refuse, Green Waste and Recycling Collection Tender

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. Refuse, Green Waste and Recycling Collection Tender.</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

**Minutes of the Ordinary Meeting of the Kawerau District Council
held on Wednesday 26 April 2023
in the Council Chamber commencing at 9.00am**

Present: Her Worship the Mayor F K N Tunui
Deputy Mayor A Rangihika
Councillor B J Julian
Councillor Savage
Councillor C J Ion
Councillor S Kingi (9.03am)
Councillor Godfery
Councillor J Ross
Councillor R Andrews

In Attendance: Chief Executive Officer (R George)
Group Manager, Operations and Services (H van der Merwe)
Group Manager, Regulatory and Planning (M Glaspey)
Group Manager, Finance & Corporate Services (L Butler)
Communications Manager (T Humberstone)
Economic and Community Development Manager (L Barton)
Administration Officer (T Barnett)

Opening Prayer

Pastor Mark Kingi opened the meeting with a prayer.

Apologies

Resolved Her Worship the Mayor / Deputy Mayor Rangihika

Apologies from Councillor Kingi were received for lateness.

Leave of Absence

No leave of absence were received.

Public Forum

Brett Pacey

Has concerns that the footpaths and gutter edges still prohibit people with accessibility issues, and would like to see this addressed.

Would like to see people that pay their dog registrations in advance get a discount with the introduction of dog registrations fees increasing.

Would like to capture veterans serviceman's stories at Anzac Day celebrations.

Declarations of Conflict of Interest

No declarations of conflict of interest were received.

1 CONFIRMATION OF COUNCIL MINUTES

1.1 Ordinary Council – 29 March 2023

Action Item:

Residents of the Porritt Glade Retirement Village to receive an update on the delay from Audit NZ regarding the adoption of the Annual Plan for Porritt Glade.

Resolved

Councillors Julian / Savage

That the minutes of the Ordinary Council Meeting held on 29 March 2023 be confirmed as a true and accurate record.

2 RECEIPT OF COMMITTEE MINUTES

2.1 Regulatory and Services Committee – 12 April 2023

Resolved

Councillors Ion / Ross

That the Minutes of the Regulatory and Services Committee meeting held on 12 April 2023 be confirmed as a true and accurate record.

3 Action Schedule (101120)

Resolved

Councillors Kingi / Godfery

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

4 Her Worship the Mayor's Report (101400)

Resolved

Her Worship the Mayor / Councillor Ion

That Her Worship the Mayor's report for the period Thursday 16 March to Wednesday 19 April 2023 is received.

5 2022 Triennial Elections (Financial Accountant) (101200)

Council discussed the report "2022 Triennial Elections".

Action Item:

Timetable for the next election to be distributed to Elected Members for the next election.

Resolved

Councillor Julian / Deputy Mayor Rangihika

That the report "2022 Triennial Elections" is received.

6 Adoption of Annual Report and Summary for Year Ended 30 June 2022 (Group Manager, Finance and Corporate Services) (201000)

Council discussed the report "Adoption of Annual Report and Summary for Year Ended 30 June 2022".

Action Items:

Message from the Mayor and CEO – last sentence to be amended to 'Finally, our sincere thanks to Councillors, staff....'

Cross-reference the roading key performance indicator achievement rate on page 91 and page 150 to make ensure the figures are the same.

Resolved

Councillors Kingi / Savage

1. *That the report "Adoption of Annual Report and Summary for Year Ended 30 June 2022" is received.*
2. *That Council adopts the Annual Report and Annual Report Summary for the year ended 30 June 2022.*
3. *That the Mayor and Chief Executive Officer are delegated to sign the Annual Report for the year ended 30 June 2022.*

7 Adoption of Consultation Document for the Proposed Kawerau District Council 2023 /24 Annual Plan (Group Manager, Finance and Corporate Services) (11000)

Resolved

Councillor Ion / Deputy Mayor Rangihika

1. *That the report "Adoption of Consultation Document for the Proposed Kawerau District Council 2023 / 24 Annual Plan" is received.*
2. *That Council adopts the draft 2023 / 24 estimates and the proposed rates for the Consultation Document; and*

3. *That Council adopts the Consultation Document for the 2023 / 24 Annual Plan, as amended, for commencement of the special consultative procedure, with submissions closing at 5.00pm on Friday 26 May 2023.*

8 Adoption of Councils Fraud Policy (Group Manager, Finance and Corporate Services) (201300)

Council discussed the report "Adoption of Councils Fraud Policy".

Resolved **Councillors Kingi / Savage**

1. *That the report "Adoption of Council Fraud Policy" is received.*
2. *That council adopts the revised Fraud Policy.*

9 Budget Approval – Firmin Lodge Showers (Economic and Community Development Manager) (340000)

Council discussed the report "Budget Approval – Firmin Lodge Showers"

Resolved **Councillors Julian / Ion**

1. *That the report "Budget Approval – Firmin Lodge Showers" is received.*
2. *That 28,066 is allocated are from depreciation reserves.*

10 Dog Registration Fees 2023 / 24 (Group Manager, Finance and Corporate Services) (213100)

Council discussed the report "Dog Registration fees 2023 / 24"

Resolved **Councillors Julian / Savage**

1. *That the report "Dog Registration Fees 2023 / 24" is received.*
2. *That Council sets the Dog Registration fees for 2023 / 24 as follows:*

<i>Neutered Dog</i>	<i>\$40.00</i>
<i>Entire Dog</i>	<i>\$80.00</i>
<i>Late payment penalty 50% addition to the fee charged</i>	
<i>Seizure Fee</i>	
<i>(When dog is removed from the owner's property)</i>	<i>\$90.00</i>
<i>Fee for first impounding</i>	<i>\$90.00</i>
<i>Fee for second impounding</i>	<i>\$125.00</i>
<i>Third and subsequent impounding</i>	<i>\$160.00</i>
<i>Sustenance Fee (Daily)</i>	<i>\$12.00</i>
<i>Microchipping Fee</i>	<i>\$17.00</i>

Replacement Tag Fee
Rehoming Fee

\$6.00
\$12.00

11 Receipt of Submissions to the Stoneham Park Residential Development and Hearing of Submitters Wishing to Speak (Communications and Engagement Manager) (110553)

Council discussed the report "Receipt of Submissions to the Stoneham Park Residential Development and Hearing of Submitters Wishing to Speak"

Kristine Windle and Tracy Wilson spoke to their submissions.

Resolved

Deputy Mayor Rangihika / Councillor Savage

1. *That the report "Receipt of Submissions to the Stoneham Park Residential Development and Hearing of Submitters Wishing to Speak" is received.*
2. *That Council received the Receipt of Submitters for the Stoneham Park Residential Development.*
3. *That Council heard submitters who wish to speak to their submissions at today's Council meeting.*
4. *That council resolved to continue consultation with Iwi Kaumātua and Tangata Whenua.*
5. *That Council retrospectively resolved that following public notification published in the Beacon Newspaper on Wednesday 12 April 2023, the further 10-day resubmission period commenced for the proposed Plan Change 4 to the Kawerau District Plan will continue until 5.00pm on Friday 28 April 2023 when submissions close.*

Meeting closed 11.47am

F K N Tunui
Mayor

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**Minutes of the Regulatory & Services Committee
held on Wednesday 17 May 2023
commencing at 9.00am**

Present: Councillor C J Ion (Chairperson)
Her Worship the Mayor F K N Tunui
Deputy Mayor A Rangihika
Councillor B Julian
Councillor S Kingi (via Zoom)
Councillor R G K Savage
Councillor J Ross
Councillor R Andrews

In Attendance: Chief Executive Officer (R George)
Group Manager, Finance and Corporate Services (L Butler)
Group Manager, Operations and Services (H van der Merwe)
Communications Manager (T Humberstone)
Economic and Community Development Manager (L Barton)
Administration Officer (T Barnett)

Apologies

Apologies for absence from Councillor Godfery were received

Resolved **Her Worship the Mayor / Councillor Savage**

Declarations of Conflict of Interest

No conflict of interest was declared.

PART A – REGULATORY

1 Monthly Report - Regulatory and Planning Services (340000)

The Committee discussed a report covering Planning, Compliance and Capability activities for the month of April 2023.

Resolved **Councillor Julian / Deputy Mayor Rangihika**

That the report on Regulatory and Planning Services activities for the month of April 2023 is received.

PART B – NON REGULATORY

2 Monthly Report - Finance and Corporate Services (211000)

The Committee discussed a report from the Group Manager, Finance and Corporate Services covering activities for the month of April 2023.

Resolved **Her Worship the Mayor / Councillor Kingi**

That the report from the Group Manager, Finance and Corporate Services for the month of April 2023 is received.

3 Monthly Report - Operations and Services (440000)

The Committee discussed a report from the Group Manager, Operations and Services covering activities for the month of April 2023.

Resolved

Councillor Savage / Deputy Mayor Rangihika

That the report from the Group Manager, Operations and Services for the month of April 2023 is received.

4 Monthly Report - Economic and Community Development (Economic and Community Development Manager) (309005)

The Committee discussed a report from the Economic and Community Development Manager covering economic and community activities for the month of April 2023.

Resolved

Deputy Mayor Rangihika / Councillor Savage

That the report from the Economic and Community Development Manager for the month of April 2023 is received.

5 Monthly Report – Communications and Engagement (Communications and Engagement Manager) (340100)

The Committee discussed a report from the Communications and Engagement Manager covering communications and engagement activities for the month of April 2023.

Resolved

Her Worship the Mayor / Councillor Julian

That the report from the Communications and Engagement Manager for the month of April 2023 is received.

Meeting closed at 9.49am

C J Ion

Chairperson

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Action Schedule

Meeting Date	Resolution / Action Requested	Action	Status	Comments	Estimated Completion Date
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.	GM F&CS	In Progress	Council has completed all areas recommended for improvement and will be engaging a consultant to further assess Council's risk maturity. Staff are currently investigating different providers of this service.	June/July 2023
Council 26.05.20	Results of 2020 NRB Survey (Community Satisfaction Survey) Elected Members advised regarding new supplier for Council to engage in community satisfaction survey.	C&EM	In progress	After assessing providers, and discussion with Whakatāne and Opōtiki, SIL Research a New Zealand based (Hawkes Bay) registered market research company with 25-plus years' experience in local government will undertake this project. SIL Research has been the provider of resident surveys for both Whakatāne and Opōtiki for a number of years. Timing of the survey moved from January (the traditional timing for the survey) to April/May with the results available by the end of May/June 2023. Multiple methods for data collection including phone, postal, social media, and targeted approaches. Project Outline available. Addition, hard copy surveys available at the Council Office, District Library, isite and links sent to stakeholders for distribution and sharing. Opportunity to assess and develop the monthly and/or Annual community satisfaction surveys with SIL Research.	Draft Questions March/April 2023 Survey completion May/June 2023 Final report June 2023

Meeting Date	Resolution / Action Requested	Action	Status	Comments	Estimated Completion Date
Council 28.06.22	<p>His Worship the Mayor's Report</p> <p>Elected Members agreed to move the cemetery records from the toilet block area to another area of the cemetery.</p> <p><u>22.02.23 Council</u></p> <p>Staff to communicate to public regarding the relocation of the cemetery records.</p>	GM O&S	In Progress	<p>A solution was developed, costed and presented to Elected Members at the May Workshop. A further workshop will be held following the June Regulatory & Services Committee Meeting.</p> <p>Part of the Mayor's Message in the December 2022 newsletter</p> <p>As a new solution is re-worked and approve C&EM will advise the Community.</p>	June 2023
R&S 12.07.22	<p>Monthly Report - Regulatory and Planning Services</p> <p>Iwi consultation for the Spatial Plan.</p> <p><u>Update - 22 May 2023</u></p> <p>Hui was scheduled for 22 May with our Iwi Kaumatua (who unfortunately was ill) but attended by Mayor Faylene Tunui, Deputy Mayor Aaron Rangihika, Cr Warwick Godfrey, CEO Russell George and C&EM Tania Humberstone who had invited Eastern BOP Spatial Plan Iwi Facilitators Tipene Wilson and Te Riria Potiki to give an understanding of their role within the project to assist Council and Iwi engagement; and to establish next steps in the engagement process with Council and Ngāti Tuwharetoa (Bay of Plenty) Settlement Trust.</p>	GM R&P	In Progress	<p>The Eastern Bay of Plenty Spatial Plan (Our Spaces) is being developed in partnership with central government and Iwi from Whakatane, Opotiki and Kawerau. Tuwharetoa Settlement Trust has been invited to join, but initially declined as they do not believe they speak for all the Iwi. Tuwharetoa Kaumatua, Te Haukawa (Boycie) Te Rire has agreed to sit at the Governance level (once established), and will liaise with Tuwharetoa Kaumatua on who may be the appropriate person to sit at the leadership level.</p> <p><u>Update - 27 April 2023</u></p> <p>Meeting with Ngāti Tuwharetoa (Bay of Plenty) Settlement Trust re Stoneham Park Residential Development covered the Spatial Plan and raised involvement of NTST engagement, particularly, with regard to the vision and aspirations for their whenua.</p>	Ongoing

Meeting Date	Resolution / Action Requested	Action	Status	Comments	Estimated Completion Date
R&S 12.07.22	Monthly Report - Regulatory and Planning Services Iwi consultation for the Spatial Plan.			Update – 24 May 2023 Raised at the hui with Tuwharetoa ki Kawerau Hauora, comprising various Maori Land Trust members. Request to return and present specifically on the Spatial Plan, Stoneham Park update and potential partnering opportunities.	
R&S 13.09.22	Monthly Report - Economic and Community Development Staff to: 1. provide Council with a date when the Bert Hamilton Hall repairs will commence. 2. communicate to regular hirers of the Bert Hamilton Hall about the maintenance on the Hall. 3. organise a letter of gratitude to be sent to the guest speakers of the Kawerau Young Achievers Awards.	ECDM	In Progress	1. A Contractor was engaged to assess the work but was unable to do it. Another Contractor will be engaged. 2. A letter was sent to regular users and initial comms placed in latest newsletter explaining next course of action. 3. Letter completed and circulated.	June 2023 Completed Completed
R&S 08.02.23	Monthly Report - Operations and Services Item 10: Vandalism – Staff to include in monthly reports, the location of the walls that have been vandalised. Staff to relay to residents the reason behind the discolouration of the water. In addition, include what zone we are up to with the pipe reticulation replacement project.	GM O&S C&EM	In Progress Ongoing	Locations are now included in monthly report. Social media completed. Newsletter 22 March completed Will continue to promote	Completed Ongoing

Meeting Date	Resolution / Action Requested	Action	Status	Comments	Estimated Completion Date
Council 22.02.23	Council Minutes – 13.12.22 Council agreed to increase the general refuse charge for commercial trucks only at \$260 per tonne up to 2 cubic meters and \$290 per tonne exceeding 2 cubic meters. Council further agreed to review the charge at the February Regulatory and Services meeting.	GM O&S	Pending	Staff will do a full review for the 2023/2024 Financial Year.	June 2023
R&S 12.04.23	Monthly Report - Regulatory and Services Clarification to be provided to Elected Members as to the testing points of Kawerau's waterways undertaken by the Bay of Plenty Regional Council.	GM R&P	Pending	To be advised.	2 June 2023
Council 26.04.23	2022 Triennial Elections Timetable to be distributed to Elected Members for the next election.	FIN ACCT/ C&EM	In Progress	Electoral Officer, Dale Ofoske, will present to Elected Members following today's Council meeting, on upcoming electoral decisions required. Specifically regarding Maori Representation, Electoral System and Representation.	31 May 2023

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OC: Ordinary Council EC: Extraordinary Council
GMF&CS: Group Manager, Finance & Corporate Services
GMR&P: Group Manager, Regulatory & Planning
ECDM: Economic & Community Development Manager

A&R: Audit & Risk Committee
GMO&S: Group Manager, Operations & Services
C&EM: Communication & Engagement Manager
FIN ACCT: Financial Accountant

R&S: Regulatory & Services Committee

Completed Items

Meeting Date	Action	Comments
R&S 16.08.22	Monthly Report - Operations and Services Opus report to be made available to the Disability Group.	Outcome of report was discussed at the May Disability Group Meeting.
R&S 15.11.22	Monthly Report - Regulatory and Planning Services Staff to invite Commissioner Russell Orr and Inspector Jan Pryor to speak at the next R&S Committee Meeting about unannounced inspections and the timing of visits. Staff to contact MSD directly regarding alternative housing for homelessness with the introduction of the new Self-Contained Motor Vehicles Legislation Bill.	Commissioner Russell Orr and Inspector Jan Pryor met with Council on 15 th March 2023. Engagement completed – Housing NZ has 36 homes in Kawerau – these are full and have a massive waiting list, so not available. Emergency housing is the only option, availability depends on the hotel capacity on the day.
R&S 13.12.22	Monthly Report – Economic & Community Development Staff to provide Elected Members with a breakdown of the funding from the Youth Fund Officials meeting with the Youth Council.	MYD have released the details of the successful recipients, which are now available on the MYD website
Council 26.04.23	Confirmation of Ordinary Council Minutes – 29 March 2023 Residents of the Porritt Glade Retirement Village to receive an update on the delay from Audit NZ regarding the adoption of the Annual Plan for Porritt Glade.	Residents are kept updated at their bi-monthly meetings.
R&S 12.04.23	Monthly Report – Finance and Corporate Services Statistics to be provided to Elected Members of the total amount of people supported by the MTFJ funding.	Details were included in the May monthly report. Payment supports 20 Rangatahi.

Meeting Council
Meeting Date: 31 May 2023
Subject: Her 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 Thursday, 20 April to Wednesday, 24 May 2023.

April

- 20
 - Meeting with David Turner regarding prospective business opportunities
 - Meet and Greet with Lionel Rowe and Clifton Madgwick of Chemical Destruction Services
 - Zoom Meeting with Chair of Mayors Taskforce for Jobs, Mayor Max Baxter, regarding TUIA wānanga
 - Meeting with CEO of Three Waters Reform Entity B, Vaughan Payne
- 21
 - BOP Mayoral Forum, BOPRC Tauranga
- 24
 - Fortnightly meeting with MTFJ Coordinator, Amy Hayes
 - ANZAC Day Walk-through for Headquarters Party
- 25
 - ANZAC Day Dawn Service and unveiling of RSA Cemetery sign
- 26
 - Monthly Council Meeting
- 27
 - Presentation to Ngāti Tuwharetoa Settlement Trust on the Stoneham Park Development
 - Council's Organisation Health & Safety Awards
 - Meeting with TUIA Rangatahi Damien Enright
- 28
 - Meeting with Kaumatua Te Haukakawa (Boycie) Te Rire to guide the Tree Planting Ceremony
- 29
 - Invitation to Kawerau Arts Society 60th Jubilee

May

- 1
 - Karakia Service at Rangi Delamere Pavilion Site
- 4
 - Invitation to Whiritoa Orchards Field Day, Kokohinau Marae, Te Teko
- 5
 - Regional Land Transport Programme 2024 Workshop, via Zoom
 - BOP Civil Defence Emergency Management Agenda Planning meeting with Emergency Management BOP's Director Clinton Naude, via Zoom
 - TUIA Wānanga 2 – Powhiri at Tāheke Marae, Rotorua
- 6
 - Tree Planting Ceremony to commemorate the Coronation of King Charles III
- 8
 - Meeting with Mere Tamatea, Iwi Rep for Kawerau Creative Communities
 - Mahere a Tau | Proposed Annual Plan 2023-2023 Meeting with Public

- 9
 - Independent Review by Emergency Management BOP's Project Lead Jane Rollin and Principal Consultant Malinda Meads regarding Cyclone Gabrielle
 - Fortnightly meeting with MTFJ Coordinator, Amy Hayes
- 10
 - Regulatory & Services Agenda Planning meeting with Chair Carolyn Ion
- 11
 - Meeting with Ngāti Tuwharetoa Settlement Trust; Chair Shaneen Simpson, Deputy Chair Karil Te Riini and CE Robbie Watt,
- 12
 - LGNZ Zone Two Meeting, Don Rowlands Centre, Karapiro
- 15
 - Visit to LINZ Treaty Properties in Kawerau
 - Meet and Greet with Beacon CEO Aaron Buist and Editor Neryda McNabb
- 16
 - Meeting with Council's Youth Projects Officer JJ Rika regarding TUIA
 - Meeting with Maori Investments Ltd CEO Tiaki Hunia
- 17
 - Regulatory & Services Committee Meeting including Council Workshops
 - Mahere a Tau | Proposed Annual Plan 2023-2024 Meeting with Rotary
- 18
 - Eastern BOP Mayors' meeting with Toi Ohomai / Te Pukenga
 - Meeting with TUIA Rangatahi – Teina, Tuakana, as well as Kaumatua Te Haukakawa (Boycie) Te Rire and Youth Projects Officer
 - Mahere a Tau | Proposed Annual Plan 2023-2024 Meeting with Schools
- 22
 - Meeting with Weifang Kuiwen Foreign Trade Enterprises Association; President Grace Du regarding prospective business opportunities
 - Meet and Greet with Eastern BOP Spatial Plan Iwi Engagement Team, Tipene Wilson and Te Riria Potiki
 - Zoom Meeting with MTFJ Programme Manager Emma Anderson and MSD Account Manager Nicola Anderson, regarding 2023-2025 MTFJ Programme
 - Fortnightly meeting with MTFJ Coordinator Amy Hayes
 - Mahere a Tau Proposed | Annual Plan 2023-2024 Presentation and Hardie Avenue Surface Water Meeting with Public
- 23
 - Tarawera Awa Restoration Strategy Group Meeting, BOPRC Whakatane
 - Zoom Meeting with LGNZ Deputy CE Scott Necklen and EQUIP General Manager Steven Finlay regarding Council Employee / Employment Obligations
- 24
 - Council Workshop Day
 - Travel to Wellington for LGNZ Combined Sector meetings

2 **RECOMMENDATION**

That Her Worship the Mayor's report for the period Thursday 20 April to Wednesday 24 May 2023 be received.



Faylene Tunui
Kahika | Mayor

Meeting: Council
Meeting Date: 31 May 2023
Subject: Code of Conduct
File No.: 101300

1 Purpose

The purpose of this report is to review Council's Code of Conduct, which governs the behaviour of elected members. It also seeks the adoption of a Policy for Dealing with Alleged Breaches.

2 Background

In December 2003, Council adopted its first code of conduct for members of Council as required by the Local Government Act 2002. At the beginning of the last triennium, the Council reaffirmed the code of conduct.

The adopted code of conduct may be amended, but cannot be revoked unless Council adopts a replacement code. Amendment of a code of conduct requires a 75 percent (or more) majority vote of the elected members present at the meeting.

A copy of the proposed code of conduct is attached and is a significant change from the previous code as the new code of conduct has been drafted by Local Government New Zealand (LGNZ) and will be adopted by most councils.

Circulated separately with this agenda is Local Government New Zealand guidance, which includes:

- Part One: The Code of Conduct template
- Part Two: Draft policy for dealing with alleged breaches

Council does not currently have a policy for dealing with alleged breaches.

3 Code of Conduct

The code of conduct sets out the standards of behaviour expected from individual elected members in the exercise of their duties.

It sets out understandings and expectations adopted by Council about the manner in which members may conduct themselves while acting in their capacity as members. This includes behaviour towards other members, staff and the general public.

The code of conduct reflects an agreement between elected members as to what they expect from one another. It therefore relies heavily on individual goodwill and the ability of Council to act as a collective to exert moral persuasion to deter individual members from behaviour that might breach the code.

The code of conduct is not a means of preventing elected members from expressing their views. It promotes effective working relationships within Council and between

Council and the community. Also, a code of conduct should promote free and frank debate, which should in turn promote good decision-making. Codes of conduct should not be used in a way that stifles debate.

It is proposed that the LGNZ template be adopted as Council's Code of Conduct.

4 Policy for Dealing with Alleged Breaches

Part Two of the attached LGNZ guidance provides a template for a policy on dealing with alleged breaches of the Code of Conduct.

There are two areas, which Council needs to consider before adopting a policy.

1. **Assessment Process (Page 16 of the guidance)**

The proposed policy includes the two-step process.

2. **Binding or non-binding recommendations (Pages 16-17 of the guidance)**

The proposed policy makes the recommendations from an investigator binding.

5 Independent Investigator

The Draft Code of Conduct requires an initial assessor to determine the relative merit and seriousness of a complaint, and the nature of the subsequent process that will be followed. It is proposed that Council utilise the Chair of Council's Audit & Risk Committee to undertake the initial assessment.

The Chief Executive is responsible for compiling a panel or list of independent investigators. It is proposed that the following independent investigators form the panel.

- Three60 Consult
- Holland Becket Law

Three60 Consult specialise in independent workplace and code of conduct investigations, conflict resolution and bargaining. They have six licenced and experienced investigators and mediators. Three60 Consult is an all of government provider and have extensive expertise in all areas of local government including professional expertise in Code of Conduct investigations.

<i>Service</i>	<i>Hourly Rate</i>	<i>Fixed Rate</i>
Investigations	\$350 + GST	
Full day mediation		\$3,000 + GST
Half Day Mediation		\$2,000 + GST
Conflict Coaching	\$330 + GST	
Pre and Post Mediation Work	\$330 + GST	
Disbursements		At reimbursement cost.

Holland Becket are Council's legal advisers and their areas of expertise include litigation and dispute resolution. Hourly rates are \$425 + GST per hour for a Partner, and \$400+ GST per hour for a Consultant/Special Counsel, or Associate.

6 Policy and Plan Considerations

The code of conduct is not inconsistent with any other Council policy or plan.

7 Significance and Engagement

Council is not required to consult the public on the content of a code of conduct.

8 Financial Considerations

The costs of assessment and investigatory services will be met by Council.

9 Legal Considerations

A code of conduct must set out:

1. understandings and expectations adopted by the local authority about the manner in which members may conduct themselves while acting in their capacity as members, including
 - a. behaviour toward one another, staff, and the public; and
 - b. disclosure of information, including (but not limited to) the provision of any document, to elected members that
 - i. is received by, or is in the possession of, an elected member in his or her capacity as an elected member; and
 - ii. relates to the ability of the local authority to give effect to any provision of this Act; and
2. general explanation of
 - a. the Local Government Official Information and Meetings Act 1987; and
 - b. any other enactment or rule of law applicable to members.

10 Conclusion

After considering all issues, options and the known views of those affected, as well as giving consideration to the level of significance and the legal and financial implications, the recommendation of this report is that Council adopts the code of conduct as drafted.

11 RECOMMENDATIONS

1. That the report "Code of Conduct" be received.
2. That Council adopts the Code of Conduct.



R B George, CA, MBA
Chief Executive Officer

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The Kawerau District Council Policy for Investigating and Ruling on Alleged Breaches of the Code of Conduct

Principles

The following principles will guide the investigation into, and assessment of, complaints made against a member for breaching the Code of Conduct:

- The complaints process will be independent, impartial, and respect members' privacy.
- Members will be given due notice that an investigation is underway and will be provided with an opportunity to be heard.
- Members will have a right to seek independent advice, be represented, and, if they choose, be accompanied by a support person throughout the process.
- Complaints will be resolved at the lowest level of resolution as possible, with priority given to finding a mediated settlement.
- Complainants, and members subject to a complaint, will have access to advice and support for the time it takes to find a resolution¹.

Who can make a Complaint?

The Code of Conduct is designed to be a self-regulatory instrument and complaints regarding a breach of the Code can only be made by members themselves, or the chief executive, who can make a complaint on behalf of their staff. On receipt of a complaint, the chief executive must forward the complaint to an independent person, either an independent investigator or an initial assessor, for an assessment.

Role of the Initial Assessor

On receipt of a complaint an initial assessor will undertake an assessment to determine the relative merit and seriousness of the complaint, and the nature of the subsequent process that will be followed. The complaint may be dismissed if the initial assessor finds them to be trivial, vexatious, frivolous, or politically motivated.

If a complaint is not dismissed, the initial assessor may initiate one of the following:

1 Refer to a Chair or Mayor

In the case of a breach that is not serious or amendable to mediation, the initial assessor may refer the person responsible for the alleged breach to the chair or mayor for their advice and guidance. These will not be reported to the local authority. A meeting or meetings with the chair will be regarded as sufficient to resolve the complaint. Where a member is referred to the chair, the initial assessor may also recommend, for the chair's consideration:

- That the member attends a relevant training course.
- That the member work with a mentor for a period.
- That the member tenders an apology.

¹ For example, by enabling both parties to access a council's Employee Assistance Programme (EAP) or elected members' equivalent.

2 Mediation

If the complaint concerns a dispute between two members, or between a member and another party, the initial assessor may recommend mediation. If mediation is agreed by both parties, then its completion will represent the end of the complaints process. The outcomes of any mediation will be confidential and, other than reporting that a complaint has been resolved through mediation, there will be no additional report to the local authority unless the complaint is referred to an independent investigator, usually due to a failure of the mediation.

3 Refer to an Independent Investigator

Where the initial assessor finds that the complaint is serious or no resolution can be reached and/or mediation is refused, the initial assessor will refer the complaint to an independent investigator. The independent investigator will be selected from the local authority's independent investigators' panel assembled by the chief executive, or an independent investigator service that is contracted to the kaunihera. Complaints that involve a chairperson or chief executive will be referred directly to the independent investigator.

Complaints that are dismissed, referred to a chairperson, or resolved by mediation, will not be reported to the local authority.

Role of the Independent Investigator

The independent investigator will:

- determine whether a breach has occurred,
- if so, determine the seriousness of the breach, and
- determine actions that a local authority should take in response to the breach.

Any recommended actions made in response to a complaint that has been upheld are binding on the local authority. This is to ensure the process for investigation is free of any suggestion of bias and reduces the cost of the complaints process, by reducing the time spent on it, by members and officials.

Determining the significance of an alleged breach

The independent investigator may take whatever actions they need to determine the significance of a complaint, within the budgetary constraints set down, including re-assessing the complaint.

The independent investigator will undertake an investigation appropriate to the scale of the breach, which may include interviews with other affected parties, and prepare a report for the chief executive which will set out the rationale for their findings and may include recommendations for resolving the breach and appropriate penalties.

When considering the issue of significance, the independent investigator will need to consider a range of factors before deciding, such as:

- Was the breach intentional or unintentional?
- Did it occur once or is there a pattern of recurring behaviour?
- Does the breach have legal or financial ramifications for the kaunihera?
- What is the impact of the breach on other elected members, on kaimahi (officials) and on the community in general?

Independent investigator can make a binding rule

On completing their investigation, an independent investigator may dismiss a complaint or make a binding ruling which the governing body will implement. The independent investigator's ruling will be contained in a report to the kaunihera chief executive which will form the basis of a consequent report to the governing body to inform them of the decision and the actions that they may be required to take.

Please note: All actions taken in the implementation of a policy must be consistent with the Bill of Rights Act 1990. No appeal right is included in the Code of Conduct. Members who are unhappy with an independent investigator's decision have access to judicial review and/or the Ombudsman's Office.

Costs and Support

Kaunihera must ensure that members who make a complaint are not left to meet any costs created by doing so. Members, those who make complaints, and those who are subject to a complaint, should be given appropriate and reasonable support.

The costs of assessment and investigatory services will be met by the relevant kaunihera.

Attachments

1: Process for determining and investigating complaints

Step 1: Chief Executive receives complaint

All complaints made under this Code of Conduct must be made in writing and forwarded to the chief executive who will refer the complaint to the initial assessor. The chief executive will also:

- inform the complainant that the complaint has been referred to the independent person (Independent Chair of the Audit & Risk Committee) and refer them to the process for dealing with complaints as set out in the Code of Conduct; and
- inform the respondent that a complaint has been made against them and the name of the independent investigator overseeing the process and refer them to the policy for dealing with complaints as set out in the Code of Conduct.

Step 2: Initial assessor makes an assessment and arranges mediation

1. The initial assessor will undertake an assessment of the merits of the complaint. If they consider it is not valid, the complaint will be dismissed. The complainant will have no recourse or appeal. Grounds for concluding that a complaint has no merit include that it is trivial, vexatious, frivolous, or politically motivated.
2. If deemed to have merit, the initial assessor will contact the parties to seek their agreement to independently facilitated mediation. If the parties agree and the issue is resolved by mediation the matter will be closed and no further action is required.
3. If the parties do not agree to mediation, or mediation is unsuccessful in resolving the matter, the initial assessor will refer the complaint to an independent investigator selected from a panel established by the chief executive at the start of the triennium, or service contracted to the local authority. The initial assessor will also inform the complainant and the respondent that the complaint has been referred to the independent investigator and the name of the independent investigator.

Step 3: Independent Investigator to inquire and conclude on the matter

If the complaint is found to be a breach of the Code of Conduct the independent investigator will inform the initial assessor, who will inform the complainant and respondent. The independent investigator will then assess the nature and effect of the breach and prepare a report for the kaunihera on the seriousness of the breach and recommend actions commensurate with that breach. In preparing that report the independent investigator may:

- consult with the complainant, respondent, and any affected parties,
- undertake a hearing with relevant parties, and/or
- refer to any relevant documents or information.

At any stage in their inquiry the independent investigator may find that a breach has not occurred, or the matter should be referred to a relevant agency. If this is the case the independent investigator will inform the initial assessor who will inform the complainant and respondent that the complaint is dismissed or has been referred to a relevant named agency.

On receipt of the independent investigator's report the chief executive, or initial assessor, will prepare a report for the kaunihera, which will meet to consider the findings and implement any recommended actions. The report will include the full report prepared by the investigator.

Step 4: Process for considering the Investigator's report

The process for responding to the independent investigator's report will vary according to the adopted Policy for determining and investigating complaints.

Process if the independent investigator's recommendations are binding

Where the council's policy for determining and investigating complaints provides for an independent investigator's recommendations to be binding on the local authority, then:

- the chief executive's report, containing the independent investigator's recommendations and their full report, will be presented to the governing body for its information only.
- The chief executive's report may also outline the plan for the report's public release, for the governing body's information and comment.
- The report will be received in public meeting unless grounds, such as s.48 LGOIMA, exist for the exclusion of the public.

Process if the independent investigator's recommendations are non-binding

Where the council's Policy for determining and investigating complaints give an independent investigator the power to make recommendations to the local authority, then:

- the chief executive's report, containing the independent investigator's recommendations and report, will be presented to the governing body, or committee/sub-committee with delegated authority to consider code of conduct complaints,
- The governing body, or local/community board, will ensure that members with an interest in the complaint are not present during the discussion on the independent investigator's recommendations.
- The report will be received in public meeting unless grounds, such as s.48 LGOIMA, exist for the exclusion of the public.
- The chief executive's report may also outline the plan for the report's public release, for the governing body's information and comment.
- The governing body, local/community board, or committee/sub-committee with delegated authority, may accept the investigator's recommendations or, if they believe it is justified, amend the independent investigator's recommendations. As part of these considerations the complainant may be asked to appear before the governing body, board or committee and answer questions from members.
- The penalty or sanction that might be applied will depend on the seriousness of the breach and may include actions set out in Attachment Three.

2: Selecting the Initial Assessor and Independent Investigator

Selecting an Initial Assessor

The chief executive is responsible for this. In selected the initial assessor, the chief executive will consult with the local authority.

The initial assessor should be a person, or a position, that is independent of a local authority's political governance, while also being easily accessible, as their role is crucial if complaints are to be expedited quickly and without controversy. For example:

- The external appointee on a kaunihera's Audit and Risk Committee.
- A member of staff, such as an internal ombudsman or ethics adviser, as long as they have operational independence from the chief executive (similar to the independence afforded an Electoral Officer).
- A retired local authority chief executive.
- A retired local authority politician.
- A member of the public with relevant experience and competency.

Selecting an Independent Investigator

The chief executive is responsible for compiling a panel or list of independent investigators.

At the beginning of each triennium the chief executive, in consultation with the kaunihera, will compile a list of independent investigators. In selecting them, a chief executive may consider:

- the council's legal advisers,
- a national service specialising in public sector integrity,
- a national service providing assessment and investigation services, or
- an individual with relevant skills and competencies.

Please note: Given the litigious nature of some code of conduct disputes independent investigators should have relevant liability insurance, provide on their own behalf or by the local authority. The chief executive also needs to ensure that investigations are undertaken within budgetary limits negotiated in advance.

3: Actions that may be applied when a breach has been confirmed

Where a complaint that the Code of Conduct was breached has been upheld, any actions taken against the member found to be in breach should be consistent with the following principles.

- Actions should be commensurate with the seriousness of the breach.
- Actions should be applied in a manner that is culturally appropriate and safe for the members involved.
- Actions should, to the degree practical, contribute to an inclusive culture in the local authority by focusing on constructive mediation, learning, and member improvement.

In determining a response to a breach of the Code of Conduct, one or more of the following could be selected:

1. That no action is required.
2. That the member meets with the mayor/chair for advice.
3. That the member attends a relevant training course.
4. That the member agrees to cease the behaviour.
5. That the member work with a mentor for a period.
6. That the member tenders an apology.
7. That the member participates in voluntary mediation (if the complaint involves a conflict between two members).
8. That the local authority sends a letter of censure to the member.
9. That the local authority passes a vote of no confidence in the member.
10. That the member loses certain kaunihera-funded privileges (such as attendance at conferences).
11. That the member loses specific responsibilities, such as committee chair, deputy committee chair or portfolio holder.
12. That the member be subject to restricted entry to kaunihera offices, such as no access to staff areas (where restrictions may not previously have existed).
13. That the member be subject to limitations on their dealings with kaunihera staff, other than the chief executive or identified senior manager.
14. That the member be suspended from committees or other bodies to which the member has been appointed.
15. That the member be invited to consider resigning from the council.

Please note: Actions 1-6 will typically not be reported to the local authority. Actions 7-15, which have a high degree of public interest, namely democratic representation, should be considered in an open meeting, unless there are grounds, such as those set out in LGOIMA, for not doing so.

Responses to statutory breaches

In cases where a breach of the Code of Conduct is found to involve regulatory or legislative requirements, the chief executive will refer the complaint to the relevant agency. For example:

- Breaches relating to members' interests (where members may be liable for prosecution by the Auditor-General under LAMIA).
- Breaches which result in the council suffering financial loss or damage (where the Auditor-General may make a report on the loss or damage under section 44 LGA 2002 which may result in the member having to make good the loss or damage).
- Breaches relating to the commission of a criminal offence which will be referred to the Police (which may leave the elected member liable for criminal prosecution).

4: Legislation which sets standards for ethical behaviour

Clause 15 of Schedule 7 of the Local Government Act (the Act) 2002, requires that the Code of Conduct provides members with a general explanation of the Local Government Official Information and Meetings Act 1987, and any other enactment or rule of law that affects members.

The key statutes that promote ethical behaviour are the Local Government Act 2002 (LGA), Local Government Official Information Act 1987 (LGOIMA), the Local Authorities (Members' Interests) Act 1968 (LAMIA), the Protected Disclosures (Protection of Whistleblowers) Act 2022, the Serious Fraud Office Act 1990, the Local Government (Pecuniary Interests Register) Act 2022, the Health and Safety at Work Act 2015, and the Harmful Digital Communications Act 2015.

The Local Government Act 2002

The LGA 2002 is local government's empowering statute. It establishes our system of local government and sets out the rules by which it operates. Those rules include the principles underpinning kaunihera decision-making, governance principles, Te Tiriti obligations as set by the Crown, and the role of the chief executive which is:

1. implementing the decisions of the local authority,
2. providing advice to members of the local authority and to its community boards, if any and
3. ensuring that all responsibilities, duties, and powers delegated to him or her or to any person employed by the local authority, or imposed or conferred by an Act, regulation, or bylaw, are properly performed, or exercised,
4. ensuring the effective and efficient management of the activities of the local authority,
5. facilitating and fostering representative and substantial elector participation in elections and polls held under the Local Electoral Act 2001,
6. maintaining systems to enable effective planning and accurate reporting of the financial and service performance of the local authority,
7. providing leadership for the staff of the local authority,
8. employing, on behalf of the local authority, the staff of the local authority (in accordance with any remuneration and employment policy), and
9. negotiating the terms of employment of the staff of the local authority (in accordance with any remuneration and employment policy).

The Local Government Official Information and Meetings Act 1987

The LGOIMA sets rules for ensuring the public are able to access official information unless there is a valid reason for withholding it. All information should be considered public and released accordingly unless there is a compelling case for confidentiality. Even where information has been classified as confidential, best practice is for it to be proactively released as soon as the grounds for confidentiality have passed.

There are both conclusive and other reasons for withholding information set out in sections 6 and 7 of LGOIMA, which include:

Conclusive reasons for withholding – if making the information available would likely:

- prejudice the maintenance of the law, including the prevention, investigation and detection of offences, and the right to a fair trial; or
- endanger the safety of any person.

Other reasons for withholding – withholding the information is necessary to:

- protect the privacy of natural persons, including that of deceased natural persons;
- protect information where it would disclose a trade secret or would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information;
- in the case of an application for resource consents or certain orders under the Resource Management Act 1991, to avoid serious offence to tikanga Māori, or to avoid the disclosure of the location of waahi tapu;
- protect information the subject of an obligation of confidence, where making that information available would prejudice the supply of similar information (and it is in the public interest for this to continue), or would be likely otherwise to damage the public interest;
- avoid prejudice to measures protecting the health or safety of members of the public;
- avoid prejudice to measures that prevent or mitigate material loss to members of the public;
- maintain the effective conduct of public affairs through free and frank expression of opinions between or to members and local authority employees in the course of their duty or the protection of such people from improper pressure or harassment;
- maintain legal professional privilege;
- enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); or
- prevent the disclosure or use of official information for improper gain or improper advantage.

Regarding these 'other' reasons, a public interest balancing test applies. In these cases the kaunihera must consider whether the withholding of that information is outweighed by other considerations that render it desirable, in the public interest, to make that information available. Decisions about the release of information under LGOIMA need to be made by the appropriately authorised people within each kaunihera, and elected members must work within the rules adopted by each kaunihera.

The LGOIMA also sets the rules that govern public access to meetings and the grounds on which that access can be restricted, which occurs when meetings consider matters that are confidential.

The role of the Ombudsman

An Ombudsman is an Officer of Parliament appointed by the Governor-General on the recommendation of Parliament. An Ombudsman's primary role under the Ombudsmen Act 1975 is to independently investigate administrative acts and decisions of central and local government departments and organisations that affect someone in a personal capacity. Ombudsmen investigate complaints made under LGOIMA.

Anyone who has a complaint of that nature about a local authority may ask an Ombudsman to investigate that complaint. Investigations are conducted in private. The Ombudsman may obtain whatever information is considered necessary, whether from the complainant, the chief executive of the local body involved, or any other party. The Ombudsman's decision is provided in writing to both parties.

If a complaint is sustained, the Ombudsman may recommend the local authority takes whatever action the Ombudsman considers would be an appropriate remedy. Any such recommendation is, however, not binding. Recommendations made to the local authority under this Act will, in general, become binding unless the local authority resolves otherwise. However, any such resolution must be recorded in writing and be made within 20 working days of the date of the recommendation.

The Local Authorities (Members' Interests) Act 1968

Pecuniary interests

The LAMIA provides rules about members discussing or voting on matters in which they have a pecuniary interest and about contracts between members and the council. LAMIA has two main rules, referred to here as the contracting rule (in section 3 of the LAIMA) and the participation rule (in section 6 of the LAIMA).

- The **contracting rule** prevents a member from having interests in contracts with the local authority that are worth more than \$25,000 in any financial year, unless the Auditor-General approves the contracts. Breach of the rule results in automatic disqualification from office.
- The **participation rule** prevents a member from voting or taking part in the discussion of any matter in which they have a financial interest, other than an interest in common with the public. The Auditor-General can approve participation in limited circumstances. Breach of the rule is a criminal offence, and conviction results in automatic disqualification from office.

Both rules have a complex series of subsidiary rules about their scope and exceptions.

The LAMIA does not define when a person is “concerned or interested” in a contract (for the purposes of section 3) or when they are interested “directly or indirectly” in a decision (for the purposes of section 6). However, it does set out two situations where this occurs. These are broadly where:

- a person’s spouse or partner is “concerned or interested” in the contract or where they have a pecuniary interest in the decision; or
- a person or their spouse or partner is involved in a company that is “concerned or interested” in the contract or where the company has a pecuniary interest in the decision.

However, in some situations outside the two listed in the Act a person can be “concerned or interested” in a contract or have a pecuniary interest in a decision, for example, where a contract is between the members family trust and the kaunihera.

Non-pecuniary conflicts of interest

In addition to the issue of pecuniary interests, which are addressed through the LAMIA, there are also legal rules about conflicts of interest more generally. These are rules that apply to non-pecuniary conflicts of interest and include the common law rule about bias. To determine if bias exists, consider this question: Is there a real danger of bias on the part of the member of the decision-making body, in the sense that he or she might unfairly regard with favour (or disfavour) the case of a party to the issue under consideration?

The question is not limited to actual bias but relates to the appearance or possibility of bias. This is in line with the principle that justice should not only be done but should be seen to be done. Whether or not you believe that you are not biased is irrelevant. The focus should be on the nature of any conflicting interest or relationship, and the risk it could pose for the decision-making process. The most common risks of non-pecuniary bias are where:

- statements or conduct indicate that a member has predetermined the decision before hearing all relevant information (that is, they have a “closed mind”), or
- a member has close relationship or involvement with an individual or organisation affected by the decision.

Seeking exemption from the Auditor-General

Members who have a financial conflict of interest that is covered by section 6 of the LAMIA, may apply to the Auditor-General for approval to participate. The Auditor-General can approve participation in two ways.

1. Section 6(3)(f) allows the Auditor-General to grant an exemption if, in their opinion, a member's interest is so remote or insignificant that it cannot reasonably be regarded as likely to influence the councillor when voting or taking part in the discussion.
2. Section 6(4) allows the Auditor-General to grant a declaration enabling a member to participate if they are satisfied that:
 - a. the application of the rule would impede the transaction of business by the council; or
 - b. it would be in the interests of the electors or residents of the district/region that the rule should not apply.

More information on non-pecuniary conflicts of interest and how to manage them can be found in the Auditor-General's Guidance for members of local authorities about the law on conflicts of interest.

Protected Disclosures (Protection of Whistleblowers) Act 2022

The Protected Disclosures (Protection of Whistleblowers) Act 2022 is designed to facilitate the disclosure and investigation of serious wrongdoing in the workplace, and to provide protection for employees and other workers who report concerns. A protected disclosure occurs when the discloser believes, on reasonable grounds, that there is, or has been, **serious wrongdoing** in or by their organisation, they disclose in accordance with the Act, and they do not disclose in bad faith.

A discloser is a person who has an employment type relationship with the organisation they are disclosing about and includes current and former employees, homeworkers, secondees, contractors, volunteers, and board members. Serious wrongdoing includes:

- an offence
- a serious risk to public health, or public safety, or the health or safety of any individual, or to the environment
- a serious risk to the maintenance of the law including the prevention, investigation and detection of offences or the right to a fair trial
- an unlawful, corrupt, or irregular use of public funds or public resources
- oppressive, unlawfully discriminatory, or grossly negligent or that is gross mismanagement by a public sector employee or a person performing a function or duty or exercising a power on behalf of a public sector organisation or the Government

Kaunihera need to have appropriate internal procedures that identify who in the organisation a protected disclosure may be made to, describe the protections available under the Act, and explain how the organisation will provide practical assistance and advice to disclosers. A discloser does not have to go through their organisation first. An appropriate authority can include the head of any public sector organisation and any officer of Parliament, such as the Ombudsman and Controller and Auditor-General. Ombudsmen are also an "appropriate authority" under the Protected Disclosures (Protection of Whistleblowers) Act 2022.

The Serious Fraud Office Act 1990

The Serious Fraud Office (SFO) is the lead law enforcement agency for investigating and prosecuting serious financial crime, including bribery and corruption. The SFO has an increasing focus on prevention by building awareness and understanding of the risks of corruption – noting that the extent of corruption is influenced by organisational frameworks and support given to staff. The

SFO encourages organisations to adopt appropriate checks and balances and build a culture based on ethics and integrity.

The four basic elements of best practice organisational control promoted by the SFO involve:

- Operations people with the right skills and experience in the relevant areas, with clear accountability lines.
- Risk mitigation to manage risks that can't be eliminated through segregation, discretion reduction, delegations, management oversight, and audit.
- Basic standards of behaviour moderated by a Code of Conduct, ongoing interests and gift processes (not simply annual declaration), plenty of opportunities and ways to speak up, disciplinary options, training and support.
- Design and oversight based on a clear understanding of operational realities (design, governance, management, audit, investigation, business improvement, and legal).

The Local Government (Pecuniary Interests Register) Act 2022

Following passage of the Local Government (Pecuniary Interests Register) Amendment Bill in 2022, a local authority must now keep a register of the pecuniary interests of their members, including community and local board members. The purpose of the register is to record members' interests to ensure transparency and strengthen public trust and confidence in local government processes and decision-making. Registers must comprise the following:

- the name of each company of which the member is a director or holds or controls more than 10% of the voting rights and a description of the 30 main business activities of each of those companies,
- the name of every other company or business entity in which the member has a pecuniary interest, other than as an investor in a managed investment scheme, and a description of the main business activities of each of those companies or business entities,
- if the member is employed, the name of each employer of their employer and a description of the main business activities of those employers,
- the name of each trust in which the member has a beneficial interest,
- the name of any organisation or trust and a description of the main activities of that organisation or trust if the member is a member of the organisation, a member of the governing body of the organisation, or a trustee of the trust, and the organisation or trust receives funding from the local authority, local board, or community board to which the member has been elected,
- the title and description of any organisation in which the member holds an appointment by virtue of being an elected member,
- the location of real property in which the member has a legal interest, other than an interest as a trustee, and a description of the nature of the real property,
- the location of real property, and a description of the nature of the real property, held by a trust if the member is a beneficiary of the trust and it is not a unit trust (disclosed under subclause 20) or a retirement scheme whose membership is open to the public.

Each council must make a summary of the information contained in the register publicly available; and ensure that information contained in the register is only used or disclosed in accordance with the purpose of the register; and is retained for seven years.

The Health and Safety Act at Work Act 2015

The Health and Safety at Work Act 2015 aims to create a new culture towards health and safety in workplaces. A council is termed a Person Conducting a Business or Undertaking (PCBU) - all involved in work, including elected members, are required to have a duty of care. Elected members

are “officers” under the Act and officers are required to exercise due diligence to ensure that the PCBU complies with its duties. However, certain officers, such as elected members, cannot be prosecuted if they fail in their due diligence duty. Despite this, as officers, the key matters to be mindful of are:

- stepping up and being accountable,
- identifying and managing your risks,
- making health and safety part of your organisation’s culture, and
- getting your workers involved.

Councils have wide discretion about how these matters might be applied, for example:

- adopting a charter setting out the elected members’ role in leading health and safety – with your chief executive,
- publishing a safety vision and beliefs statement,
- establishing health and safety targets for the organisation with your chief executive,
- ensuring there is an effective linkage between health and safety goals and the actions and priorities of your chief executive and their senior management, or
- having effective implementation of a fit-for-purpose health and safety management system.

Elected members, through their chief executive need to ensure their organisations have sufficient personnel with the right skill mix and support, to meet the health and safety requirements. This includes making sure that funding is sufficient to effectively implement and maintain the system and its improvement programmes.

The Harmful Digital Communications Act 2015

The Harmful Digital Communications Act (HDCA) was passed to help people dealing with serious or repeated harmful digital communications. The Act covers any harmful digital communications (like text, emails, or social media content) which can include racist, sexist and religiously intolerant comments – plus those about disabilities or sexual orientation and sets out 10 communication principles for guiding communication online. Under the Act a digital communication should not:

- disclose sensitive personal facts about an individual
- be threatening, intimidating, or menacing
- be grossly offensive to a reasonable person in the position of the affected individual
- be indecent or obscene
- be used to harass an individual
- make a false allegation
- contain a matter that is published in breach of confidence
- incite or encourage anyone to send a message to an individual for the purpose of causing harm to the individual
- incite or encourage an individual to commit suicide
- denigrate an individual by reason of colour, race, ethnic or national origins, religion, gender, sexual orientation or disability

Meeting: Council

Meeting Date: 31 May 2023

Subject: Appointment of Representative for the Joint Hearings and Deliberations Meeting on the Draft Eastern Bay of Plenty Local Alcohol Policy

File No.: 110876

1 **Purpose**

The purpose of this paper is for the Council to amend its appointment of two representatives for the joint hearings and deliberations meeting following consultation on the Draft Eastern Bay of Plenty Local Alcohol Policy.

2 **Background**

Council is currently consulting on the Draft Eastern Bay of Plenty Local Alcohol Policy in conjunction with Ōpōtiki District Council and Whakatane District Council. The submissions period has closed and a hearings and deliberations panel comprised of three councillors from Whakatāne District Council, and two councillors each from Kawerau and Ōpōtiki District Councils has been established.

At the February Council meeting that adopted the Draft Policy for consultation, Council appointed Her Worship the Mayor and Regulatory & Services Committee Chair Carolyn Ion as representatives for the joint hearings and deliberations meeting.

The date for the hearings and deliberations has now been set and clashes with previously set engagements for Her Worship the Mayor.

It is proposed that Councillor Sela Kingi be appointed as a representative to replace Her Worship the Mayor for the joint hearings and deliberations meeting.

3 **Significant and Engagement**

This decision is assessed as being of low significance under Council's Significance and Engagement Policy and therefore not requiring community engagement or consultation

4 **Considerations**

Financial/budget considerations

There are no budget considerations associated with the recommendations in this report.

Strategic alignment

No inconsistencies with any of the Council's policies or plans have been identified in relation to this report.

Climate change assessment

There are no climate change implications arising from this decision.

Risks

There are no identified risks of this decision.

5 RECOMMENDATIONS

1. That the "Appointment of Representative for the Joint Hearings and Deliberations Meeting on the Draft Eastern Bay of Plenty Local Alcohol Policy" report be received.
2. That Council nominates Councillor Sela Kingi to replace Her Worship the Mayor as representative for the joint hearings and deliberations meeting.



Russell George, CA, MBA

Tumu Whakarae | Chief Executive Officer

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Meeting: Council

Meeting Date: 31 May 2023

Subject: Annual Plan Performance for the nine months ended 31 March 2023

File No.: 110400

1 Purpose

The purpose of this report is to review Council's financial and non-financial performance for the first nine months of the year compared to the Annual Plan budget for 2022/23.

Comments are provided where expenditure/revenue is likely to vary from budget, or the performance target is unlikely to be achieved for the year.

2 Financial Performance

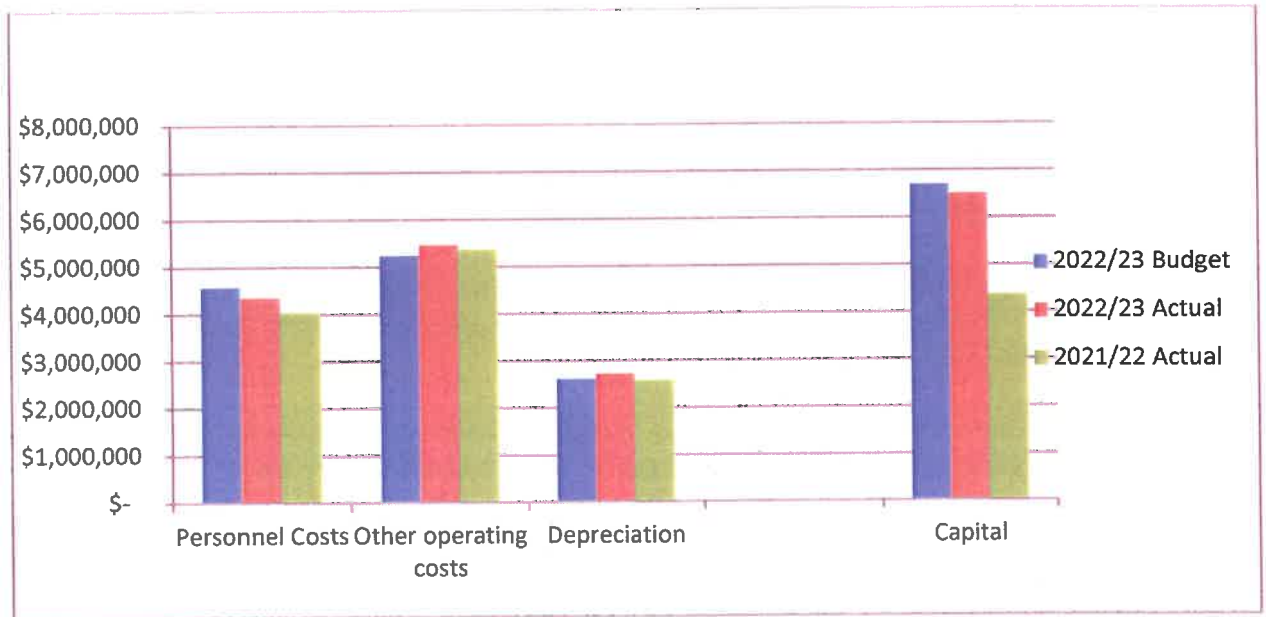
2.1 Statement of Comprehensive Revenue and Expense

The following table shows Council's financial performance for the nine months compared to the adopted annual budget. The capital budget for 2022/23 has been amended to include the carried forward figures as well as any budget amendments approved by Council. NB: There will be timing differences for some revenue and expenditure such as grants as well as subscriptions which generally occur at the beginning of the year.

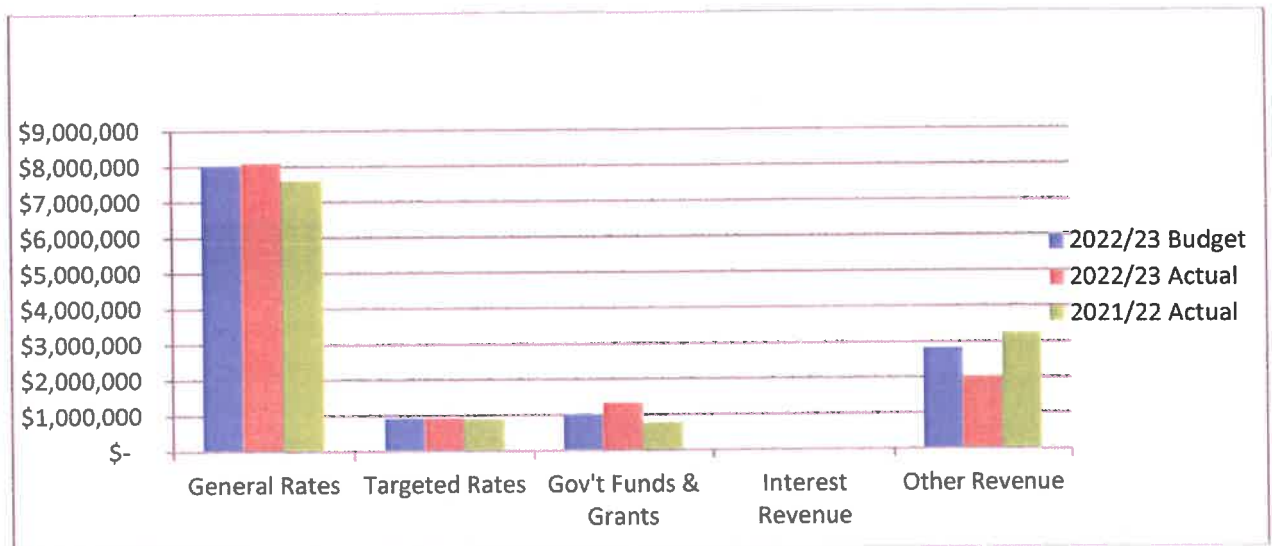
	Adopted Budget	Actual 31-03-2023	Comments
Revenue:	\$	\$	
Rates	11,953,620	9,005,585	
Subsidies and Grants	1,075,800	1,335,016	
Interest Revenue	34,390	50,543	
Fees and Charges	3,610,500	1,930,179	Includes additional refuse fees
Other Revenue	70,000	33,326	Petrol Tax
Total Revenue	16,744,310	12,354,649	
Expenditure:			
Personnel Costs	6,111,890	4,363,986	Some staff vacancies
Depreciation	3,316,270	2,717,080	
Finance Costs	110,000	29,856	
Other Expenses	6,967,200	5,432,977	Additional expenditure for refuse disposal and Mayors Taskforce for Jobs
Total Expenditure	16,505,360	12,543,899	
Surplus (Deficit)	238,950	(\$189,250)	
	Revised Budget	Actual 31-03-23	
Capital	11,126,253	6,509,104	

Council's expenditure and revenue for the year to date are shown in the graphs below, compared to the budget and expenditure/revenue for last year 2021/22.

Expenditure to 31 March 2023



Revenue to 31 March 2023



2.2 Statement of Financial Position

The following table shows Council's financial position at 31 March 2023 compared to the budget.

The financial position does not include all accruals for receivables and payables.

	Budget @ 30/6/2023	Actual at 31 March 2023	Comments
Assets:			
Current assets:			
Cash & cash equivalents	\$5,074,310	\$3,570,168	
Receivables	\$1,720,340	\$1,700,326	
Inventories	\$417,910	\$1,305,973	Includes sections
Non-current assets:			
Property, plant and equipment	\$96,502,730	\$110,424,311	
Intangible assets	\$60,240	\$123,108	
Other financial assets	\$36,250	\$36,252	
Total Assets	\$103,811,780	\$117,160,138	
Liabilities:			
Current liabilities:			
Payables, provisions & employee benefits	\$3,565,870	\$2,358,276	
Borrowing	\$16,500	\$0	
Non-current liabilities:			
Provisions & employee benefits	\$242,460	\$67,813	
Borrowing	\$2,034,000	\$2,000,000	
Resident's Liability/Amenity Fees	\$10,634,600	\$7,120,930	
Total Liabilities	\$16,493,430	\$11,547,019	
Ratepayers Equity	\$87,318,350	\$105,613,119	
Total liabilities & ratepayers equity	\$103,811,780	\$117,160,138	

2.3 Statement of Cashflow

The cashflow statement shows a decrease of \$1,504k in Council's cash position.

	Budget @ 30/6/2023	Actual to 31 March 2023	Comments
Cashflow from operating activities:			
Rates	\$11,970,010	\$8,642,985	
Subsidies	\$1,075,800	\$1,583,131	
Fees & Charges & Other Revenue	\$3,680,500	\$1,539,539	
Interest Received	\$34,390	\$50,543	
Payments to suppliers and employees	\$(12,497,310)	\$(8,633,470)	
Interest paid on debt	\$(110,000)	\$(29,856)	
Net cashflow from Operations	\$4,153,390	\$3,152,872	
Net cashflow from investing:			
Disposal of Assets/Contributions	\$0	\$0	
Property, Plant & Equipment	\$(8,850,360)	\$(6,897,556)	
Net cashflow from investing:	\$(8,850,360)	\$(6,897,556)	
Net cashflow from financing:			
Loans raised	2,034,000	\$2,000,000	Loan raised in December
Residents ORA Contributions	\$3,986,000	\$1,653,171	
Debt repayment	\$(11,500)	\$(5,044)	
Net cashflow from financing	\$6,008,500	\$3,648,127	
Total Net cash inflow/(outflow)	\$1,311,530	\$(96,557)	
Opening balance (1/7)	\$3,762,780	\$3,666,724	
Closing cash balance	\$5,074,310	\$3,570,167	

3 Non-Financial Performance

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

Activity	2022/23 No. of Targets	On target to achieve	2021/22 Achievement Rate
Democracy	5	3	33%
Economic & Community Development	6	6	80%
Environmental Services (excludes N/As)	14	11	64%
Roading (including Footpaths)	9	5	57%
Stormwater	3	3	100%
Water Supply	13	12	83%
Wastewater	8	7	43%
Solid Waste Management	5	5	50%
Leisure and Recreation	22	19	58%
TOTAL	85	71	65%

4 Capital Expenditure

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

Activity	2022/23 Budget	Actual	Comments
Economic & Community Development	\$3,311,600	\$3,884,331	Residential developments – Porritt Glade
Roading	\$1,129,000	\$318,919	
Stormwater	\$390,000	\$67,348	Pipe renewal
Water Supply	\$2,781,000	\$1,321,365	Pipe renewal
Wastewater	\$1,473,639	\$227,261	WW pipe renewals
Solid Waste	\$50,000	\$18,207	Recycle Bins
Leisure & Recreation	\$1,558,894	\$445,771	Pool & Library renewals
Plant, Depot and Office	\$432,120	\$225,901	New plant/vehicles, PCs & office building renewals
Total	\$11,126,253	\$6,509,103	

5 RECOMMENDATION

That the report "Annual Plan Performance for the year ended 31 March 2023" be received.

Lee-Anne Butler, CA, BMS

Group Manager Finance & Corporate Services

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ACTIVITY GROUP 1: DEMOCRACY

Funding Impact Statement

	Budget	Actual	
Operating funding – Rates & Charges (A)	816,604	1,081,385	
Applications of operating funding – Staff & Suppliers (B)	798,490	872,723	
Surplus (deficit) of operating funding (A - B)	18,114	208,661	
Sources of capital funding (C)	0	0	
Less (D):			
Renewals/capital	0	0	
Increase/(decrease) in reserves	18,114	208,661	
Surplus (deficit) of capital funding (C - D)	(18,114)	(208,661)	
Funding balance ((A – B) + (C – D))	0	0	Includes MTFJs expenditure and funding

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%	Unlikely to achieve	There are 33 significant projects in the annual work programme, of which 27 (82%) are anticipated to be completed by 30 June 2023. The remaining 6 projects are to be completed later in 2023.
Council informs the Community about key issues and activities.	Number of newsletters.	At least 20	On target	15 newsletters were published to 31 March 2023
Council encourages the Community to contribute to Council decision-making.	Provision of a public forum at public Council and Committee meetings.	Every meeting	Not achieved	Public forums were not provided at council and committee meetings (for the first 3 months) due to COVID restrictions.
The community has confidence in the quality of democracy and representation provided by elected members	Community satisfaction with the Mayor and councillors	>85%	Achievement anticipated	The community satisfaction survey is done every 3 years and will be carried out in May, with survey results provided by June 2023.
Financial management is prudent, effective and efficient	Community satisfaction with way rates are spent	90%	Achievement anticipated	

ACTIVITY GROUP 2: ECONOMIC AND COMMUNITY DEVELOPMENT

Funding Impact Statement

	Budget	Actual	Comment
Operating funding – Rates & Charges (A)	3,116,842	1,216,149	No section sales to date
Applications of operating funding – Staff & Suppliers (B)	2,582,650	1,328,383	
Surplus (deficit) of operating funding (A - B)	534,192	(112,234)	
Sources of capital funding (C)	4,020,000	1,504,600	Proceeds from unit sales (x6)
Less (D):			
Renewals/capital	3,311,600	3,884,331	Development of retirement village (11 units)
Increase/(decrease) in reserves	1,242,592	(2,491,965)	
Surplus (deficit) of capital funding (C - D)	(534,192)	112,234	
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.	On target	CEO or Economic & Community Development Manager have attended all trustee meetings to date.
Council provides a local information centre.	Number of days open each year.	At least 360 days.	On target	The i-SITE was open 273/274 days.
	Community satisfaction with i-Site	>83%	Achievement anticipated	The community satisfaction survey is done every 3 years and will be carried out in May 2023, with survey results expected in June 2023.
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.	On target	Events have been held in each month to date.
Council supports young people to develop skills and attitudes needed to take a positive part in society.	Youth Council in place.	Annual appointments made.	On target	Current Youth Council appointed March 2023.
	Satisfaction with youth council collaboration from collaborating groups	>78% satisfaction	Achievement anticipated	Survey of collaborating groups undertaken in May/June 2023.

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)	1,326,121	1,157,267	Includes dog fees 2022/23
Applications of operating funding – Staff & Suppliers (B)	1,221,860	817,063	
Surplus (deficit) of operating funding (A - B)	104,261	340,204	
Sources of capital funding (C)	0	0	
Less (D):			
Renewals/capital	0	0	
Increase/(decrease) in reserves	104,261	340,204	
Surplus (deficit) of capital funding (C - D)	(104,261)	(340,204)	
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%	Achievement anticipated	3/3 satisfied to date.
	Satisfaction survey of service users - building inspection processes	>90%	Achievement Anticipated	7/7 satisfied to date.
Council provides in-house building consent, inspection and approval services	Bi-annual Building Consent Authority accreditation re-assessment	Accreditation and registration retained.	Achievement Anticipated	BCA accreditation retained.
Relevant Kawerau buildings comply with Building Warrant of Fitness requirements.	Buildings audited for BWOF requirements	35%	Achievement Anticipated	Inspections have commenced.
Environmental Health				
Registered premises comply with statutory requirements.	Audit of food premises operating Food Control Plans	100% annually.	Achievement anticipated	12/34 inspections to date
	Inspection of registered premises for compliance with relevant standards.	100% annually.	Achievement Anticipated	4/6 inspections to date
Premises licenced under the Sale and Supply of Liquor Act 2012 comply with the license conditions.	Inspection of licenced premises for compliance	100% annually.	Achievement Anticipated	5/14 inspections. Inspections commenced October 2022

Levels of Service	Measures	Target	Status	Comment
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.	Unlikely to be achieved	65.7% within 20 minutes 77.7% within 30 minutes
	Response to other environmental health service requests/complaints.	100% within 1 working day.	Not achieved	1/2 complaints (July) exceeded 1 working day.
Dog Registration and Control				
Service requests about public nuisance and intimidation by uncontrolled dogs are actioned.	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.	Unlikely to be achieved	74% within 20 minutes 79% within 30 minutes (impacted by staff shortage)
Council maintains community satisfaction levels for the dog control service	Community satisfaction with Dog Control Service	>77%	Achievement anticipated	The community satisfaction survey is done every 3 years and will be carried out in May 2023, with results expected in June 2023.
Civil Defence				
Council provides community education initiatives to increase public awareness and readiness for local and regional hazards	% of residents that have an understanding of what the consequences would be if a disaster struck their area	>80%	Achievement Anticipated	Survey undertaken every 2 years
	% of residents that have taken any action to prepare for an emergency	>80%	Achievement anticipated	Survey undertaken every 2 years
Council will maintain capability to effectively respond to an emergency	Council is prepared for and can respond to an emergency	>60%	Achievement anticipated	Ongoing identification of staff and training.

ACTIVITY GROUP 4: ROADING

Funding Impact Statement

	Budget	Actual	Comment
Operating funding – Rates & Charges (A)	1,476,589	999,865	
Applications of operating funding – Staff & Suppliers (B)	1,110,520	699,782	
Surplus (deficit) of operating funding (A - B)	366,069	300,083	
Sources of capital funding (C)	790,500	162,187	
Less (D):			
Renewals/capital	1,129,000	318,919	Renewals mostly done in 2 nd half of year
Increase/(decrease) in reserves	27,569	143,350	
Surplus (deficit) of capital funding (C - D)	(366,069)	(300,083)	
Funding balance ((A - B) + (C - D))	\$0	\$0	

Capital Renewals

Item	Budget	Actual	Comment
Kerb replacement	\$80,000	\$31,775	
Street light renewals and upgrades	\$32,000	\$67,025	
Reseals	\$130,000	0	
Pavement treatment	\$90,000	0	
Minor safety improvements (speed humps)	\$46,000	\$400	
Footpath repairs/Paving	\$155,000	\$117,049	
Lane realignment	\$160,000	0	
Bins/seating/music system/lights	\$24,400	\$10,249	
Town centre video cameras	\$6,800	\$6,726	
Town Centre Upgrade	\$330,000	0	
Carparks and turnarounds	\$74,800	\$85,695	
Total	\$1,129,000	\$318,919	

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.	On target	Data received at the end of the financial year.
Road Quality.	The average quality of ride on a sealed local road network, measured by smooth travel exposure. ²	Not less than 95%.	On target	STE - Road Roughness Survey undertaken in June 2023
Road maintenance.	The percentage of the sealed local road network that is resurfaced.	Between 5 and 6.5 % per annum.	Unlikely to achieve	Resealing funding insufficient to resurface >5%
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.	Not achieved.	12 potholes reported and 3 exceeded 28 days to repair due to staff shortages.
		Streetlights: 90% within 14 days and 100% within 28 days.	Not achieved.	49 streetlight outages reported, 43 responded within 14 days (88%), 46 responded within 28 days (93.8%) - 2 exceeded 28 days and 1 in progress

² 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

Levels of Service	Measures	Target	Status	Comment
Council maintains community satisfaction levels for roading activity	Community satisfaction with roading assets	>90%	Achievement anticipated	The community satisfaction survey is done every 3 years and will be carried out in 2023.
Footpaths				
Footpath condition	Percentage of footpaths that fall within the level of service or service standard for the condition of footpaths set out in the Long Term Plan.	95%. ³	On target	District-wide independent survey undertaken in last quarter of year.
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.	Not achieved	13 footpaths reported – 7 responded within 14 days 3 exceeded 14 days due to staff shortages. 1 exceeded 28 days (Hardie Ave ongoing). 2 scheduled.
Council provides an appropriate network of footpaths for pedestrian use	Community satisfaction with footpaths	>75%	Achievement anticipated	The community satisfaction survey is done every 3 years and will be carried out in 2023

³ 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).

ACTIVITY GROUP 5: STORMWATER

Funding Impact Statement

	Budget	Actual	Comment
Operating funding – Rates & Charges (A)	232,115	102,242	
Applications of operating funding – Staff & Suppliers (B)	85,430	8,955	
Surplus (deficit) of operating funding (A - B)	146,685	93,287	
Sources of capital funding (C)	166,050		
Less (D):			
Renewals/capital	390,000	67,348	
Increase/(decrease) in reserves	(77,265)	25,939	
Surplus (deficit) of capital funding (C - D)	(146,685)	(93,287)	
Funding balance ((A - B) + (C - D))	\$0	\$0	

Capital Renewals

Item	Budget	Actual	Comment
Stormwater pipe renewals	\$390,000	\$67,348	Pipe renewal

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	On target	There were no flooding events to date
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. ⁴	
Response times	The median response time to attend a flooding event.	Less than one hour.	On target.	There were no flooding events to date.
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 those resource consents.	No notices, orders or convictions	On target.	Council has complied with all the conditions of its resource consent to date.

⁴ 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.

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.

ACTIVITY GROUP 6: WATER SUPPLY

Funding Impact Statement

Both revenue and expenditure are on target.

	Budget	Actual	Comment
Operating funding – Rates & Charges (A)	1,630,777	1,259,631	
Applications of operating funding – Staff & Suppliers (B)	875,370	643,047	
Surplus (deficit) of operating funding (A - B)	755,407	616,585	
Sources of capital funding (C)	2,000,000	\$2,000,000	Loan
Less (D):			
Renewals/capital	2,781,000	1,321,365	
Increase/(decrease) in reserves	(25,593)	1,295,220	
Surplus (deficit) of capital funding (C - D)	(755,407)	(616,585)	
Funding balance ((A - B) + (C - D))	\$0	\$0	

Capital Renewals

Item	Budget	Actual	Comment
Pipework replacement	\$2,130,000	\$1,111,132	
Toby replacement	\$150,000	\$39,924	
Valve refurbishment	\$42,000	\$1,711	
UV Tube Replacement	\$17,000	\$13,355	
Pump Refurbishment	\$222,000	\$155,243	
Reservoir, Headworks & Hydrants	\$220,000	0	
Total	\$2,781,000	\$1,321,365	

Statement of Service Provision

Levels of Service	Measures	Target	Status	Comment
Customer satisfaction.	The total number of complaints received about any of the following: 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.	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	Unlikely to achieve	Council has 2,880 connections. To date Council received (per 1,000): a) 50.6 water clarity complaints b) 0 water taste complaints c) 0 water odour complaints d) 0.7 water pressure complaints e) 0 continuity of supply complaints f) 0 complaints regarding Council's responses
Safety of drinking water.	The extent to which Council's drinking water supply complies with: 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).	a) No more than 1 instance of bacteria criteria non-compliance, and b) No instances of protozoal criteria non-compliance.	a) On target b) On target	There were no instances of bacteria or protozoal non-compliance to date.
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 ⁶	On target	Average water loss for half year is 170 litres per connection per day
Demand management.	The average consumption of drinking water per day per resident within the district.	< 0.6 m ³	On target	The average consumption to 31 March is 0.42 m ³ per person per day.
Fault response times.	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:			

⁶ Measured using the minimum night flow (MNF) analysis method contained in the DIA Guidelines.

Levels of Service	Measures	Target	Status	Comment
	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.	On target	There were no urgent call outs received to date
	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.	On target	N/A
	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.	On target	245 non-urgent call outs and median response time 25 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.	On target	Median resolution was 2 hours 7 minutes.
The water supply is reliable and has minimal disruptions.	Number of unplanned shutdowns – reticulation.	No more than 12.	On target	2 unplanned shutdown occurred to date.
	Number of unplanned shutdowns - pump stations.	None.	On target	No unplanned shutdowns of the pump stations to date.
Water is sourced with minimal environmental effects.	Number of water main breaks.	No more than 8.	On target	2 water main breaks occurred to date.
	Compliance with BOP Regional Council water supply resource consents as	Compliance. ⁷	Achieved to date	Complying with old consent.

⁷ BOPRC inspection reports state either compliance or non-compliance.

Levels of Service	Measures	Target	Status	Comment
Council provides a quality water supply	<p>reported in Annual Consents and Compliance Field Sheet.</p> <p>Community satisfaction with water supply</p>	>89%	Achievement anticipated	The community satisfaction survey is done every 3 years and will be carried out in May 2023.

ACTIVITY GROUP 7: WASTEWATER

Funding Impact Statement

	Budget	Actual	Comment
Operating funding – Rates & Charges (A)	1,863,283	1,475,191	
Applications of operating funding – Staff & Suppliers (B)	1,290,700	994,617	
Surplus (deficit) of operating funding (A - B)	572,583	480,574	
Sources of capital funding (C)	0	0	
Less (D):			
Renewals/capital	1,473,639	227,261	
Increase/(decrease) in reserves	(901,056)	253,312	
Surplus (deficit) of capital funding (C - D)	(572,583)	(480,574)	
Funding balance ((A - B) + (C - D))	\$0	\$0	

Capital Renewals

Item	Budget	Actual	Comment
Pipework Renewal	\$790,000	\$39,174	
Pump refurbishment	\$36,000	\$29,115	
Milliscreen bearings/replacement	\$75,000	\$90,280	
Wastewater treatment plant upgrade	\$510,000	\$64,552	
Retiulation Replacement/Pump Station	\$62,639	\$4,140	
Total	\$1,473,639	\$227,261	

Statement of Service Provision

Levels of Service	Measures	Target	Status	Comment
Customer satisfaction.	The total number of complaints received about any of the following: 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).	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	On target	Council has 2,880 connections a) 2 odour complaints – not thought to be Council b) 0 connection faults reported c) 4 blockages reported d) No complaints about response to service.
System adequacy.	The number of dry weather sewage overflows from Council's sewerage system, expressed per 1,000 connections to that sewerage system.	0 per 1,000 connections to the sewerage system.	On target	No dry weather overflows occurred to date
	Where Council attends to sewage overflows resulting from a blockage or other fault in its sewerage system, the median response times are:			
Fault response times.	a) attendance time: from the time that Council receives notification to the time that service personnel reach the site, and 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 1 hour.	Achieved to date	0 sewage overflows occurred to date
Council provides a reliable domestic wastewater collection and disposal service.	Number of disruptions to wastewater collection service.	Less than 8 hours.	Achievement anticipated	0 sewage overflows
		No more than 50.	Achieved to date	There have been no disruptions to the wastewater collection service.
Discharge compliance.	Compliance with resource consents for discharge from Council's sewerage system measured by the number of: a) abatement notices b) infringement notices	No notices, orders or convictions.	Not achieved	Council has not received any infringement notices to date.

Levels of Service	Measures	Target	Status	Comment
	c) enforcement orders, and d) convictions, received in relation those resource consents.			
The wastewater treatment plant operates effectively.	Compliance with BOPRC wastewater treatment plant resource consents as reported in annual Consents and Compliance Field Sheet.	Compliance. ⁸	Achieved to date	Council did not comply with all conditions of the resource consent due to a component failure in the treatment plant. An infringement notice was issued.
Council provides a domestic wastewater collection and primary treatment system	Community satisfaction wastewater disposal with	>96%	Achievement anticipated	The community satisfaction survey is done every 3 years and will be carried out in May 2023.

⁸ 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)	2,132,966	1,823,504	
Applications of operating funding – Staff & Suppliers (B)	1,903,420	2,037,244	
Surplus (deficit) of operating funding (A - B)	229,546	(213,740)	
Sources of capital funding (C)	0	0	
Less (D):			
Renewals/capital	50,000	18,207	Electric Gate & Recycling bins
Increase/(decrease) in reserves	179,546	(231,947)	
Surplus (deficit) of capital funding (C - D)	(229,546)	213,740	
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.	Level of compliance with BOP Regional Council refuse disposal resource consents as reported in annual Consents and Compliance Field Sheet.	Compliance. ⁹	On target	No notices, abatement notices, enforcement orders or convictions.
Provision of a cost effective refuse collection and disposal service that will encourage a healthy, clean and tidy district	Community satisfaction with refuse collection	>94%	Achievement anticipated	The community satisfaction survey is done every 3 years and will be carried out in May 2023.
	Community satisfaction with refuse disposal	>74%	Achievement anticipated	
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 target	2,880 households. Average is 92 kg per household to date.
	Council's recycling services meets the needs of the Kawerau community	Community satisfaction with recycling service	>92%	Achievement anticipated

⁹ BOPRC inspection reports state either compliance or non-compliance

ACTIVITY GROUP 9: LEISURE AND RECREATION

Funding Impact Statement

	Budget	Actual	Comment
Operating funding – Rates & Charges (A)	4,240,434	3,308,734	
Applications of operating funding – Staff & Suppliers (B)	3,569,540	2,534,454	
Surplus (deficit) of operating funding (A - B)	670,894	774,280	
Sources of capital funding (C)	0	0	
Less (D):			
Renewals/capital	1,583,894	445,771	
Increase/(decrease) in reserves	(913,000)	328,508	
Surplus (deficit) of capital funding (C - D)	(670,894)	(774,280)	
Funding balance ((A - B) + (C - D))	\$0	\$0	

Capital Renewals

Item	Budget	Actual	Comment
Library:			
Collection renewals	\$74,400	\$43,464	Replacement books
Equipment, Fixtures and Fittings	\$1,990	\$0	
Swimming Pool:	\$322,254	\$262,417	Entrance, clubrooms & office
Recreation Centre	\$66,700	\$4,778	
Town Hall	\$22,700	0	
Concert Chambers	\$10,400	\$9,874	
Sports fields and amenity buildings	\$995,000	\$42,253	Rangi Delamere Pavilion
Passive Reserves	\$54,950	\$82,985	Boundary fences, carparks and outlet
Playgrounds	\$35,500	0	Playground renewal
Total	\$1,583,894	\$445,771	

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. ¹⁰	>25%	Unlikely to achieve	Only 1,395 (18.6%) of the population are active members of the library. COVID has impacted on membership
	New items per 1,000 population added to the collection each year.	>500	On target	2,238 new items (200 per 1,000 population) were added for the nine months to 31 March 2023.
	Community satisfaction with the library	>86%	Achievement anticipated	The community satisfaction survey is done every 3 years and will be carried out in May 2023.
Museum				
Council provides a museum service which reflects Community needs.	Number of exhibitions held.	6	On target	4 exhibitions held to date.
	Number of objects accessioned to the museum collection per annum.	200	On target	182 objects accessioned into the museum collection.
	Community satisfaction with the museum	>62%	Achievement anticipated	The community satisfaction survey is done every 3 years and will be carried out in May 2023.

¹⁰ Those who have used library services in the past two years.

Levels of Service	Measures	Target	Status	Comment
Swimming Pools				
Swimming pool water meets water quality standards.	Level of compliance with standards.	Full compliance in 95% of tests.	Achieved to date.	96% compliance of tests done.
Council provides a Swimming Pool Complex which is accessible to the Community.	Weeks open per year.	At least 48.	Not achieved	Pool has had multiple closures due to staff shortages and issues with the geothermal well.
	Community satisfaction with the swimming pool	>93%	Achievement anticipated	The community satisfaction survey is done every 3 years carried out in May 2023.
Public Halls and Facilities				
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. ¹¹	On target	All halls were available for 36 weeks to 31 March 2023.
Clean public toilets are provided in the central business district.	Council provides town centre public toilets.	Open at least 360 days.	On target	No closures of town centre public toilets, were open 274/274 days.
Council provides public halls and facilities which reflects community needs	Community satisfaction with public halls	>81%	Achievement anticipated	The community satisfaction survey is done every 3 years carried out in May 2023.
	User satisfaction with the public halls	>93%	Achievement anticipated	
	Community satisfaction with public toilets	>70%	Achievement anticipated	

¹¹ Each hall is closed for scheduled maintenance for up to two weeks per year.

Levels of Service	Measures	Target	Status	Comment
	User satisfaction with the public toilets	>87%	Achievement anticipated	
Parks and Reserves				
Playing surfaces at sports fields are maintained to the requirements of the codes for which they are used.	Implementation of NZ Sports Turf Institute advisory reports.	100%	Achievement anticipated	NZ Sports and Turf inspected the sports fields in July 2022 and recommendations to be implemented.
Bedding displays are attractive and updated to suit the season.	Number of bedding displays.	2 (1 summer and 1 winter).	Achievement anticipated	Summer displays were planted in October 2022 and the winter displays will be planted in May.
Council provides parks and reserves which meets the community's need	Community satisfaction with parks and reserves	>93%	Achievement anticipated	The community satisfaction survey is done every 3 years and will be carried out in 2023
Playground equipment is safe for children to use.	Monthly inspections of all playground equipment.	12 inspections conducted.	Not achieved	7 inspections undertaken to date - no inspections in November due to staff shortage.
	Remediation of all identified ¹² problems.	All repairs completed within 2 weeks.	On target.	Minor defects identified by inspection and from the public via requests for service. All rectified within 2 weeks to date.

¹² Problems can be identified by users, parents, community members or staff at any time.

Levels of Service	Measures	Target	Status	Comment
Cemetery	Number of burial plots available	Enough for at least 5 years	Achieved to date	There are currently enough plots for approximately a further 10 years.
The Kawerau cemetery meets community interment needs in the present and the medium term	Community satisfaction with the cemetery	>78%	Achievement anticipated	The community satisfaction survey is done every 3 years and will be carried out in May 2023.

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)	(901,189)	(639,529)	
Applications of operating funding – Staff & Suppliers (B)	(988,339)	(136,738)	
Surplus (deficit) of operating funding (A - B)	87,150	(502,791)	
Sources of capital funding (C)	0	100,000	
Less (D):			
Renewals/capital	192,620	198,437	Plant & vehicles
Increase/(decrease) in reserves	(105,470)	(601,228)	
Surplus (deficit) of capital funding (C - D)	(87,150)	502,791	
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)	70,319	293,081	Additional COVID & DIA funding
Applications of operating funding – Staff & Suppliers (B)	3,846,070	2,861,689	
<i>Less allocated to activities</i>	<i>(3,846,070)</i>	<i>(2,861,689)</i>	
Surplus (deficit) of operating funding (A - B)	70,319	293,081	
Sources of capital funding (C)	0	0	
Less (D):			
Renewals/capital	239,500	27,464	IT and building renewals
Increase/(decrease) in reserves	(169,181)	265,617	
Surplus (deficit) of capital funding (C - D)	(70,319)	(293,081)	
Funding balance ((A - B) + (C - D))	\$0	\$0	

Meeting: Council

Meeting Date: 31 May 2023

Subject: Adoption of Porritt Glade Lifestyle Village Annual Report for Year Ended 30 June 2022

File No.: 201000

1 Purpose

The purpose of this report is to adopt the Porritt Glade Lifestyle Village's Annual Report for the Year Ended 30 June 2022 and provide a brief overview of the performance for the 2021/22 year.

2 Background

The Retirement Villages Act 2003 requires all operators of a retirement village to prepare an audited annual report of the village's operations within five months of the end of the financial year.

The annual report must comply with generally accepted accounting practices and must be signed by two directors/officers of the village.

Sanctions can be imposed if these requirements are not met.

The Porritt Glade Lifestyle Village is included within the economic development group of activities and is not a Council Controlled Organisation.

3 Performance for the Year Ended 30 June 2022

By the end of June 2022, 18 retirement units had been constructed (12 units by 30/6/21) and all these units were occupied.

In the Statement of Financial Performance, there is a deficit of \$18,600 compared to a budget of \$0.

At the time the budget was prepared (2021-31 Long Term Plan) the correct accounting treatment for Occupation Right Agreements (ORA) was not known, so no revenue budget was provided for "Amenity Fees" (reduction in the liability for ORA refunds upon termination).

Also, the depreciation budget is lower than actual also due to the accounting treatment for ORAs.

There were higher costs (than budgeted) for:

\$10k Legal

\$10k Auditing

\$20k Overheads

\$27k Maintenance (which included some one-off costs).

The financial position of the Village is relatively healthy for this stage of construction. Assets total \$6,537,900 and Liabilities total \$6,678,800; leaving an accumulated deficit of \$140,900.

However, \$1,151,700 of the liabilities is an advance from Council (being the shortfall between construction costs and funds received from ORAs to date), which is anticipated to be repaid once the village is completed and fully occupied.

Council has put a significant amount of work and resources into constructing and establishing the Porritt Glade Lifestyle Village. During the year, the Communications and Engagement Manager successfully managed the day to day operation of the village as well as ensuring the sale of ORAs as units became available.

4 RECOMMENDATIONS

1. That the report "Adoption of Porritt Glade Lifestyle Village Annual Report for the year ended 30 June 2022" be received.
2. That Council adopts the Porritt Glade Lifestyle Village Annual Report for the year ended 30 June 2022.
3. That the Mayor and Chief Executive Officer are delegated to sign the Porritt Glade Lifestyle Village Annual Report for the year ended 30 June 2022 following the adoption by Council.

Peter Christophers, BBS, ACA
Financial Accountant

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Performance Report

Porritt Glade Lifestyle Village For the
Year Ended 30 June 2022

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Entity Information

Porritt Glade Lifestyle Village **For the year ended 30 June 2022**

Entity Structure

Porritt Glade Lifestyle Village is a Department of Kawerau District Council. The Porritt Glade Lifestyle Village is managed by the Kawerau District Council.

The financial statements of the Porritt Glade Lifestyle Village for the year ended to 30 June 2022. The financial statements are authorised for issue by Council on 31 May 2023.

Entity's Purpose or Mission

To aim to provide secure and low cost accommodation for independent aged people.

Entity's Operational Structure

Porritt Glade Lifestyle Village is a registered Retirement Village. It is operated by the Kawerau District Council.

Main Sources of Entity's Cash and Resources

Maintenance and License Fees - The residents pay a fee that covers the cost of a proportion of the outgoings incurred in the operation of the village. The initial License fee gives the resident the right to occupy a site.

Main Methods Used by Entity to Raise Funds

Services and Rating charges.

Physical Address

Porritt Drive, Kawerau

Solicitors

Holland Beckett
Tauranga

Auditor

Audit New Zealand
Wellington

Statement of Service Performance

Porritt Glade Lifestyle Village For the year ended 30 June 2022

Our Outcomes

To develop infrastructure and to build residential rental units as part of Kawerau District Council operations.

To build units that provide safe, secure and affordable accommodation and grounds for residents.

To allocate units to appropriate residents through License to Occupy Agreements.

Our Outputs

Output 1	2022 (actual)	2022 (budget)	2021 (actual)
<u>Dwelling Units Completed</u>			
To complete the construction of new units and infrastructure	18 units	18 units	12 units
<u>License to occupy Agreements</u>			
To sell License to Occupy Rights for completed units.	18 Licenses	18 Licenses	8 Licenses

Statement of Financial Performance

Porritt Glade Lifestyle Village For the year ended 30 June 2022

\$ 2021		NOTES	\$ BUDGET	\$ 2022
	Revenue			
	Revenue from providing goods or services			
29,333	Fees, charges from residents		96,000	89,113
54,890	Rates Revenue		33,623	33,746
46,807	Amenity Fees	14	0	135,434
131,030	Total Revenue		129,623	258,293
131,030	Total Revenue from providing goods or services		129,623	258,293
155	Interest, dividends and other investment revenue	1	0	1,730
131,185	Total Revenue		129,623	260,023
	Expenses			
80,680	Costs related to providing goods or service		99,830	170,014
31,089	Financing Costs		13,993	11,882
47,359	Depreciation		15,800	96,685
159,128	Total Expenses	2	129,623	278,581
(27,943)	Surplus / (Deficit) for the Year		0	(18,558)

Statement of Financial Position

Porritt Glade Lifestyle Village For the year ended 30 June 2022

\$ 2021		NOTES	\$ 2022
ASSETS			
Current Assets			
629,155	Bank accounts and cash	3	135,920
1,920	Prepayments		4,956
372,523	License to Occupy Deposits held at Covenant Trustees		0
0	Deposits for building construction		357,534
1,003,598	Total Current Assets		498,410
Non-Current Assets			
Property, Plant and Equipment			
1,505,734	Land and Improvements	4	1,486,461
3,057,128	Buildings	4	4,553,074
4,562,862	Total Property, Plant and Equipment		6,039,535
4,562,862	Total Non-Current Assets		6,039,535
5,566,460	TOTAL ASSETS		6,537,945
LIABILITIES			
Current Liabilities			
205,846	Creditors and accrued expenses		59,354
2,672,233	Advance – Kawerau District Council	7	1,151,728
2,438,193	Residents Liability	8	5,467,759
372,523	Licence to Occupy Deposits Received		0
5,688,796	Total Current Liabilities		6,678,841
5,688,796	TOTAL LIABILITIES		6,678,841
(122,337)	NET ASSETS		(140,896)
ACCUMULATED FUNDS			
(122,337)	Accumulated surpluses or (deficits)	11	(140,896)
(122,337)	TOTAL ACCUMULATED FUNDS		(140,896)

Statement of Cash Flows

Porritt Glade Lifestyle Village
For the year ended 30 June 2022

Cash Basis

\$ 2021	NOTES	\$ 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash was received from		
84,223	Receipts from providing goods or services	122,859
155	Interest, dividends and other investment receipts	1,730
2,485,000	Receipts from Occupation Right Agreements	3,165,000
2,569,378	Total Cash was received from	3,289,589
Cash was applied to		
(55,593)	Payments to suppliers and employees	(149,560)
(31,089)	Interest Payments	(11,882)
(86,682)	Total Cash was applied to	(161,442)
2,482,696	TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	3,128,147
CASH FLOWS FROM INVESTING AND FINANCING ACTIVITIES		
Cash was received from		
206,247	Proceeds from Council Advance	0
0	Other receipts	0
206,247	Total Cash was received from	0
Cash was applied to		
(2,059,788)	Payments to acquire property, plant and equipment	(2,100,877)
0	Payments to Council Advance	(1,520,505)
(2,059,788)	Total Cash was applied to	(3,621,382)
(1,853,541)	TOTAL CASH FLOWS FROM INVESTING AND FINANCING ACTIVITIES	(3,621,382)
629,155	Net increase/(Decrease) in Cash	(493,235)
Opening Cash Balance		
0	Bank accounts and cash	629,155
0	Total Opening Cash Balance	629,155
629,155	Closing Cash Balance	135,920
Bank Accounts and Cash		
629,155	BNZ Bank – 001 Account	135,920
629,155	Total Bank Accounts and Cash	135,920

Statement of Accounting Policies

Porritt Glade Lifestyle Village For the year ended 30 June 2022

Statement of Compliance and Basis of Preparation

The Porritt Glade Lifestyle Village is a registered retirement under the Retirement Village Act 2002 and therefore is required to comply with the requirements of this legislation including financial reporting.

The Porritt Glade Lifestyle Village is eligible to apply Tier3 PBE Accounting Standards: PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting-Accrual on the basis that it does not have public accountability and had total annual expenses of equal or less than \$2,000,000 in the two previous reporting periods.

The entity has elected to report in accordance with PBE SFR-A (NFP). All transactions in the Performance Report are reported using the accrual basis of accounting.

The accounting principles recognised as appropriate for the measurement and reporting of the Statement of Financial Performance and Statement of Financial Position on a going concern basis are followed by the entity, unless otherwise stated in the Specific Accounting Policies.

The information is presented in New Zealand dollars. All values are rounded to the nearest dollar.

The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future. The entities began its activities in July 2019.

During the year the Entity incurred a net loss of \$18,558 (2021: \$27,943), and as at 30 June 2022 had net liabilities of \$140,896 (2021: \$122,337). The Entity has obtained financial support from the Kawerau District Council for a period of at least 12 months from the approval of these financial statements.

On the basis of this pledge of financial support Council has agreed that it is appropriate for these financial statements to be prepared on the going concern basis.

Specific Accounting Policies

a) Income Tax

The reporting entity is a Department of the Kawerau District Council and is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

b) Goods and Services Tax

The entity is not registered for GST. Therefore all amounts are stated inclusive of GST (if any). Any GST transactions are processed within the Kawerau District Council, of which Porritt Lifestyle Village is a department.

GST on infrastructure costs is claimable by the Kawerau District Council and as such these costs are stated in the financial statements net of GST. Any GST that is claimable is claimed by the Kawerau District Council and accounted for by the council, and therefore there is no specific GST balance payable or receivable at year end, instead this balance is reflected in the net balance payable to the Kawerau District Council.

c) Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on a basis consistent with those used last year.

d) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the entity and revenue can be reliably measured. Revenue is measured at fair value of the consideration received.

Fees

Fees and subscriptions from members are recorded evenly over the period the item is provided, or where the value varies recorded proportionally on the basis of value in relation to total estimated value.

Rates

Rates revenue is from the General Rate and is rates revenue to fund the Retirement Village Activity of Council. The rates revenue is recorded as the portion of the general rates revenue that is earned.

Interest

Interest income is recorded as it is earned.

Maintenance Fees

The residents pay a fee, which covers the cost of a proportion of the outgoings, which the Operator incurs in the operation of the village. The Maintenance Fees are recognised as revenue when they are earned.

Amenity Fees

The Occupation Right Agreement (ORA) conferring the right to occupancy are considered leases under PBE IPSAS 13 – Leases. The amenities fee is calculated as a percentage of the ORA amount and accrues monthly, for a set period, based on the terms of the individual contracts and treated as lease income over the period. The ORA accrues amenity fees at the rate of 3% per annum for a maximum of 10 years.

The amenities fee is recognised on a straight-line basis in the Statement of Financial Performance over the average expected length of stay of residents.

The amenities fee is payable by the resident at the time of repayment (to the resident) of the refundable ORA amount due. At year end, the amenities fee receivable that has yet to be recognised in the Statement of Financial Performance as amenities fee revenue is recognised as deferred amenities fee on the Statement of Financial Position.

The timing of the recognition of amenities fee is a critical accounting estimate and judgement. The management fee is recognised on a straight-line bases in the Statement Financial Performance of over the average expected length of stay of residents. The current assessments are as follows:

Expected average length of stay	30 June 2021	30 June 2022
Independent living units	10 years	10 years

There is uncertainty regarding how long resident stays, as they have complete autonomy to terminate their ORA when and for such reasons as they see fit. As the village is new, there is limited data to determine the length of stay. At 30 June 2022, an increase in the average expected length of stay of residents by one year is estimated to reduce amenities fee revenue by \$12,325 (2021: \$4,260) and a decrease of one year would increase amenities fee revenue by \$15,033 (2021: \$5,195).

e) Expenditure

Administrative Expenses includes overhead cost allocations which are indirect costs. Indirect costs are charged using appropriate cost drivers such as actual usage and staff numbers. Financing costs are an indirect cost. All other costs are direct costs which are directly attributable to the Village.

f) Refundable Occupation Right Agreements

Occupation right agreements (ORA) conferring the right to occupancy are considered leases under PBE IPSAS 13 – Leases. A new resident is charged a refundable security deposit on being issued the right to occupy which is refunded to the resident on termination, after the subtraction of the capital deduction. The Operator (Council) has a legal right to set off any amounts owing to the Operator by a resident against that resident's deposit, including amenities fee, loans receivable, service fees and village fees. As the agreement can be cancelled by the resident with one month's notice, the liability is considered to have a demand feature and is therefore shown at face value and classified in full as a current liability.

The right of residents to occupy the properties of the Operator (Council) are protected by the Statutory Supervisor restricting the ability of the Operator to fully control these assets without undergoing a consultation process with all affected parties. Residents do not have a right to participate in capital gains.

g) Property, Plant and Equipment

Recognition and Measurement

Items of Property, Plant and Equipment are initially measured at cost, except those acquired through non exchange transactions which are instead measured at fair value as their deemed cost at initial recognition.

All of the entities items of Property, Plant and Equipment are subsequently measured in accordance with the cost model.

Cost include expenditure that is directly attributable to the acquisition of the asset.

When an item of Property, Plant and Equipment is disposed of, any gain or loss is recognised in the income statement and is calculated as the difference between the sale price and the carrying value of the item.

Depreciation

Depreciation is calculated on a either a straight line or diminishing value basis over the estimated useful life of the asset as indicated below, except for land. Land is not depreciated.

The following estimated depreciation rates have been used:

Land Improvements - 1% to 8.33%

Buildings Structures - 2% SL and Building Fitouts - 3.33% SL

Depreciation methods, useful lives and residual values are reviewed at each reporting date and are adjusted if there is a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset.

An item of property, plant and equipment or investment property is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Financial Performance in the year the asset is derecognised.

h) Accounting Estimates and Judgements

The preparation of Financial Statements requires management to make judgements, estimates and assumptions. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

i) Refundable Occupation Right Agreement Receivables

Occupation right agreement receivables are recognised once an occupation right agreement settles and the funds are held by the Statutory Supervisor. The receivable is recorded at its nominal value and collection terms are based on the specific terms of the individual occupation right agreements.

j) Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

k) Trade and Other Payables

Trade and other payables are recognised when the entity has an obligation which can be reliably measured at balance date as a result of a past event and it is probable that the company will be required to settle the obligation.

Provisions are measured based on a best estimate of the expenditure required to settle the obligation at balance date. Movements in the best estimate are recorded in the Statement of Financial Performance.

l) Loans

Loans are recorded when the amount borrowed has been received and measured at cost. Interest expense is recognised on an accruals basis.

m) Equity

Accumulated revenue and expense is the entities accumulated surplus or deficit since its formation.

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Notes to the Performance Report

Porritt Glade Lifestyle Village For the year ended 30 June 2022

\$ 2021		\$ 2022
	1. Revenue	
	Revenue from providing goods or services	
29,333	Fees, Charges from Residents	89,113
54,890	Rates Revenue	33,746
46,807	Amenities Fee	135,434
131,030	Total Revenue from providing goods or services	258,293
	Interest, dividends and other investment revenue	
155	Interest Received	1,730
155	Total interest, dividends and other investment revenue	1,730
131,185	Total Revenue	260,023
	2. Expenses	
	Costs related to providing goods or services	
6,000	Accounting Fees	0
10,500	Administration Expenses	37,020
8,000	Audit Fees	16,213
6,555	Insurance	12,802
7,311	Legal Expenses	12,804
38,366	Total Costs related to providing goods or services	78,839
	Costs related to providing goods or services (residents)	
14,080	Rates	32,131
16,770	Repairs and Maintenance	46,439
11,282	Statutory Supervision Expenses	11,745
181	Sundry Expenses	860
42,314	Total Costs related to providing goods or services (residents)	91,175
	Other Expenses	
47,359	Depreciation	96,685
31,089	Interest Expense	11,882
78,488	Total Other Expenses	108,567
159,128	Total Expenses	278,581
	3. Bank Accounts and Cash	
629,155	BNZ Bank – 001 Account	135,920
629,155	Total Bank Accounts and Cash	135,920

\$ 2021		\$ 2022
4. Property, Plant and Equipment		
Cost or Valuation		
<u>Land</u>		
829,531	As at 1 July	829,531
0	Additions	0
0	Disposals or Sales	0
829,531	Total Land	829,531
<u>Land Improvements</u>		
632,665	As at 1 July	702,100
69,435	Additions	0
0	Disposals or Sales	0
702,100	Total Land Improvements	702,100
<u>Buildings</u>		
0	As at 1 July	3,087,098
3,087,098	Additions	1,573,358
0	Disposals or Sales	0
3,087,098	Total Buildings	4,660,456
4,618,729	Total Cost or Valuation	6,192,087
Accumulated Depreciation		
<u>Land Improvements</u>		
8,508	As at 1 July	25,897
17,389	Depreciation	19,273
0	Disposals or Sales	0
25,897	Total Land Improvements	45,170
<u>Buildings</u>		
0	As at 1 July	29,970
29,970	Depreciation	77,412
29,970	Total Buildings	107,382
55,867	Total Accumulated Depreciation	152,552
<u>Book Value at 30 June</u>		
829,531	Land	829,531
676,203	Land Improvements	656,930
3,057,128	Buildings	4,553,074
4,562,862	Total Book Value at 30 June	6,039,535

Land and Buildings are presented in the Statement of Financial Position at cost.

The nature of Land Improvements includes Roothing, Stormwater, Water and Wastewater and fencing which are land development costs.

\$ 2021		\$ 2022
5. Commitments		
Commitment to purchase property, plant and equipment		
1,519,500	Current (less than twelve months)	3,021,466
0	Non Current (later than twelve months)	0
1,519,500	Total Commitment to purchase property, plant and equipment	3,021,466

Commitments of \$3,021,466 at 30 June 2022 relate to a signed construction agreement for 11 residential units (5 Duplex's & 1 single unit) with Generation Homes. The signed agreement is for 11 units costing (10 x \$301,000 and 1 x \$369,000) with the commitment value being the construction cost less the deposits paid prior to 30 June 2022. The 11 units are expected to be completed by 30 June 2023.

Commitments at 30 June 2021 of \$1,519,500 relate to a signed construction agreement for 6 residential units. These were completed during the year ended 30 June 2022.

6. Related Parties		
Advances		
2,672,233	Advance from Kawerau District Council (The Porritt Glade Lifestyle Village is a department of the Kawerau District Council)	1,151,728
2,672,233	Total Advances	1,151,728

7. Advances & Loans		
<u>Advance from Kawerau District Council</u>		
The advance from Kawerau District Council of \$1,151,728 (2021: \$2,672,233) is unsecured. . It is an interdepartmental advance within the Kawerau District Council. The advance is to fund the construction of the remaining units, until Occupational Right Agreement licences are issued for the new units. Interest is charged at 0.9% per annum to the Department.		

8. Liability to Residents		
1,739,500	Residents liability – refundable Occupational Right Agreements -	3,955,000
698,693	Residents liability – refundable amenities fee	1,512,759
2,438,193	Total refundable occupational rights agreements	5,467,759

Refundable Occupational Right Agreements and Amenity fees are liabilities for liquidity purposes as the entity does not have an unconditional right to defer these. A terminating resident occupational license deposit is repaid once the license has been assigned to an incoming resident.

It is expected that the new residents deposits will generally exceed the repaid residents deposits and will represent a positive cash flow for Council

9. Residents Liability - Refundable Occupation Right Agreements		
0	Balance at Beginning of Period	1,739,500
0	Less Amounts Repaid on Termination	0
1,739,500	Plus Amount Received on New ORA Issued	2,215,500
1,739,500	Total Occupation Right Agreements	3,955,000

\$ 2021		\$ 2022
10. Residents Liability – Refundable Amenities Fee		
0	Balance at Beginning of Period	698,793
745,500	Amounts Received for new Occupation Right Agreements Licenses	949,500
(46,707)	Amenities Fees for the Year	(135,534)
0	Gain (Loss) from Termination of Occupation Right Agreements RA	0
698,793	Total Refundable Amenities Fee	1,512,759

11. Accumulated Funds		
(94,394)	Opening Balance	(122,337)
(27,943)	Accumulated surpluses or (deficits)	((18,558)
(122,337)	Total Accumulated Funds	(140,896)

12. Contingencies

There are no contingencies as at 30 June 2022 (2021: nil).

13. Events after balance date

After 30 June 2022, Council's contractors commenced the construction of the final 11 units with completion expected by 28 February 2023. All but 3 units have been committed to.

14. Variation from Budget – Amenities Fee

At the time of preparing the budget, the accounting treatment for Occupation Right Agreements was not known, and they were budgeted as a disposal of asset. This meant no amount was budgeted for "Amenities Fee".

15. Non-compliance with Financial Reporting Timeframe

The Retirement Villages Act 2003 requires all operators of retirement villages to prepare an audited annual report for the village's operations within 5 months of the end of the financial year. The audit opinion for Porritt Glade Lifestyle Village was provided on the 31 May 2023.

This was due to an audit shortage in New Zealand and the consequential effects of COVID-19 including lockdowns

