



**The Ordinary Meeting of the
Kawerau District Council will be held
on Wednesday 29 November 2023
in the Council Chambers
commencing at 9.00am**

A G E N D A

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 29 November 2023
in the Council Chambers commencing at 9.00am**

A G E N D A

Opening Prayer

Apologies

Leave of Absence

Public Forum

Declarations of Conflict of Interest

1 CONFIRMATION OF COUNCIL MINUTES

1.1 Ordinary Council – 25 October 2023

Pgs. 1 - 4

Recommendation

That the minutes of the Ordinary Council Meeting held on 25 October 2023 be confirmed as a true and accurate record.

2 RECEIPT OF COMMITTEE MINUTES

2.1 Regulatory and Services Committee – 15 November 2023

Pgs. 5 - 7

Recommendation

That the Minutes of the Regulatory and Services Committee meeting held on 15 November 2023 be confirmed as a true and accurate record.

3 Action Schedule (101120)

Pgs. 8 - 14

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 19 October to Wednesday 22 November 2023 is received.

5 Adoption of Porritt Glade Annual Report for Year Ended 30 June 2023 (Financial Accountant) (201000)

Pgs. 17 - 33

Attached is a report on the Financial Accountant regarding the adoption of Porritt Glade Annual Report for Year Ended 30 June 2023

Recommendations

1. *That the report "Adoption of Porritt Glade Annual Report for the year ended 30 June 2023" be received.*
2. *That Council adopts the Porritt Glade Annual Report for the year ended 30 June 2023.*
3. *That the Mayor and Interim Chief Executive Officer are delegated to sign the Porritt Glade Annual Report for the year ended 30 June 2023, following the adoption by Council.*

6 Annual Plan Performance for the Three Months Ended 30 September 2023 (Group Manager, Finance and Corporate Services) (110400)

Pgs. 34 - 65

Attached is a report on the Annual Plan Performance for the Three Months Ended 30 September 2023

Recommendations

That the report "Annual Plan Performance for the Three Months Ended 30 September 2023" be received.

7 Exclusion of the Public

Recommendation

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

1. **Minutes for Confidential Meeting Held on 25 October 2023.**
2. **Water Supply Reticulation Tender – Zones 2 and 3.**
3. **Wood Waste Management and Fees.**

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
<p>1. Minutes from Confidential Meeting held on 25 October 2023.</p> <p>2. Water Supply Reticulation Tender – Zones 2 and 3</p> <p>3. Wood Waste Management and Fees</p>	<p>Maintain the effective conduct of public affairs through the free and frank expression of opinions.</p>	<p>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.</p> <p>Section 48 (1) (a) (i)</p>

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.

C Marjoribanks
Interim Chief Executive Officer

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**Minutes of the Ordinary Meeting of the Kawerau District Council
held on Wednesday 25 October 2023
in the Council Chamber commencing at 9.00am**

Present: Her Worship the Mayor F K N Tunui
Deputy Mayor A Rangihika
Councillor C J Ion
Councillor S Kingi
Councillor B Julian
Councillor R G K Savage
Councillor W 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, Finance and Corporate Services (L Butler)
Group Manager, Regulatory and Planning (M Glaspey)
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

No Apologies were received.

Leave of Absence

No Leave of Absence was received.

Public Forum

Morris Mitchell

Brought in a water sample taken from his home on 4 December 2017 and voiced his concerns around the town water supply and compliments Council on removing Umuraka Springs as a water supply source. The Chief Executive and Group Manager, Operations and Services to respond to Mr Mitchells concerns outside of the meeting.

Declarations of Conflict of Interest

No declarations of conflict of interest were received.

1 CONFIRMATION OF COUNCIL MINUTES

1.1 Ordinary Council – 27 September 2023

Resolved **Deputy Mayor Rangihika / Councillor Savage**

That the minutes of the Ordinary Council Meeting held on 27 September 2023 be confirmed as a true and accurate record.

2 RECEIPT OF COMMITTEE MINUTES

2.1 Community Grants Committee – 16 August 2023

Resolved **Councillors Julian / Ross**

That the minutes of the Community Grants Committee Meeting held on 16 August 2023 be confirmed as a true and accurate record.

2.2 Audit and Risk Committee – 2 October 2023

Resolved **Deputy Mayor Rangihika / Councillor Julian**

That the Minutes of the Audit and Risk Committee meeting held on 2 October 2023 be confirmed as a true and accurate record.

2.3 Regulatory and Services Committee – 11 October 2023

Correction:

Councillor Kingi was present at meeting – attendance on front page to reflect this.

Resolved **Councillors Ion / Kingi**

That the Minutes of the Regulatory and Services Committee meeting held on 11 October 2023 be confirmed as a true and accurate record.

3 Action Schedule (101120)

Resolved **Councillors Ion / Andrews**

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 Julian**

That Her Worship the Mayor's report for the period Thursday 21 September to Wednesday 18 October 2023 is received.

5 Approval to Raise a Loan (2023) from Local Government Funding Agency (Financial Accountant) (206700)

Council discussed the report from the Financial Accountant regarding raising a loan from Local Government Funding Agency.

Resolved

Councillors Kingi / Savage

1. *That the report "Approval to raise a loan (2023) from Local Government Funding Authority" be received.*
2. *That Council approves the raising of 2.0 million fixed term for a period to April 2025.*
3. *That Council delegates the Chief Executive authority to execute all the necessary Documents for the raising of this loan.*

6 Resolution to Approve Plan Change 4 – Stoneham Park (Residential Growth Precinct) and Make Operative (Group Manager, Regulatory and Planning) (301013)

Council discussed report on a resolution to approve Plan Change 4 – Stoneham Park.

Resolved

Deputy Mayor Rangihika / Councillor Savage

1. *That the report "Resolution to approve Plan Change 4 – Stoneham Park (Residential Growth Precinct) and make operative" be received.*
2. *That Council acknowledge no appeals were received on Plan Change 4 – Stoneham Park (Residential Growth Precinct).*
3. *That in accordance with clause 17 of Schedule 1 of the Resource Management Act 1991, the Council resolves to approve Plan Change 4 – Stoneham Park (Residential Growth Precinct) and resolves that the Kawerau District Plan shall become operative from 6 November 2023.*
4. *That Council approves the public notification of Plan Change 4 for 27 October 2023 Stoneham Park (Residential Growth Precinct) to the Kawerau District Plan pursuant to the requirements of Schedule 1 of the Resource Management Act 1991.*
5. *That Council Delegates to the Group Manager Regulatory and Planning, the power to make amendments to Plan Change 4 where such an alteration is of minor effect or is to correct minor errors.*

7 Adoption of Annual Report and Summary for Year Ended 30 June 2023 (Group Manager, Finance and Corporate Services) (201000)

Council discussed the report on the adoption of Annual Report and Summary for year ended 30 June 2023.

Resolved**Councillors Ion / Kingi**

1. That the report "Adoption of Annual Report and Summary for year ended 30 June 2023" be received.
2. That Council adopts the Annual Report and Annual Report Summary for the year ended 30 June 2023, including recommended amendments.
3. That the Mayor and Chief Executive Officer are delegated to sign the Annual Report for the year ended 30 June 2023 following the adoption by Council.

8 Exclusion of the Public**Resolved****Councillors Ross / Savage**

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

1. **Minutes for Confidential Meeting Held on 27 September 2023.**
2. **Rent Review – Kawerau Bowling Club**

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

General Subject of the matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
1. Minutes from Confidential Meeting held on 27 September 2023. 2. Rent Review – Kawerau Bowling Club	<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.

Meeting closed 1.10pm

F K N Tunui

Mayor

**Minutes of the Regulatory & Services Committee
held on Wednesday 15 November 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 W Godfery
Councillor S Kingi
Councillor R G K Savage
Councillor J Ross

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

Apologies

Resolved

Councillors Kingi / Ross

Apologies from Councillor Andrews were received.

Declarations of Conflict of Interest

No conflict of interest was declared.

Leave of Absence

No Leave of Absence was received.

Public Forum

Elaine McGlincy

Has concerns regarding the bench on Valley road being behind wire roping, and that it is inaccessible to some elderly and people with disabilities to get to and has asked if it can be moved to alleviate this problem.

PART A – REGULATORY

1 Monthly Report - Regulatory and Planning Services (340000)

The Committee discussed a report covering Regulatory and Planning activities for the month of October 2023.

Correction:

Top of page 3 – From Ngati Tuwharetoa Geothermal Holdings to its correct name of Ngati Tuwharetoa Geothermal Assets LTD (NTGA).

Resolved**Councillors Ion / Kingi**

That the report on Regulatory and Planning Services activities for the month of October 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 October 2023.

Action Item:

Check weather stations to make sure they are providing accurate temperatures. Mill Site – Clarification of how recording of temperature are done.

Resolved**Councillors Julian / Godfery**

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

Action Items:

An update for Hardie Avenue residents to be done on progress and work moving forward.

Graph to be included in Operation and Services report for the usage of the unchlorinated water taps

Resolved**Her Worship the Mayor / Deputy Mayor Rangihika**

That the report from the Group Manager, Operations and Services for the month of October 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 October 2023.

Resolved**Councillors Savage / Godfery**

That the report from the Economic and Community Development Manager for the month of October 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 October 2023.

Resolved

Councillors Savage / Godfery

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

6 Funding Application Towards Final Stage of Rangi Delamere Construction (Economic and Community Development Manager) (340000)

Council discussed the report from the Economic and Community Development Manager covering a proposal to source external funds towards final stage and fit out of the Rangi Delamere Pavilion.

Resolved

Her Worship the Mayor / Councillor Kingi

1. *That the report “Funding Application Towards Final Stage of Rangi Delamere Construction” be received.*
2. *That Council approves a funding application to New Zealand Community Trust (NZCT) towards the final stage of Rangi Delamere Pavilion construction be prepared and submitted to:*
 - *New Zealand Community Trust for 300k*

Meeting closed at 10.25am

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	Completed In Progress	Council has completed all areas recommended for improvement and will be engaging a consultant to further assess Council's risk maturity. A potential provider was identified during July; however, the cost would be significant and more than budgeted. Staff are investigating to see if there is a cost-effective option and approach.	March 2024
Council 26.05.20	Results of 2020 NRB Survey (Community Satisfaction Survey) Elected Members agreed to review the way in which Council engages community satisfaction.	C&EM	Completed	After assessing providers, and discussion with Whakatāne and Ōpōtiki, 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 Ōpōtiki 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. Plan to use multiple methods for data collection including phone, mail, social media, and targeted approaches. Project Outline available. Opportunity to assess Triennial Residents' Survey with SIL Research; and to assess electronic methods for ongoing monthly customer satisfaction survey online.	Draft Questions March 2023 Survey completion April/May 2023 Draft report June 2023 Final Report July 2023 Report tabled at workshop 30 August '23 27 Sept Council mtg receive report and made public

Meeting Date	Resolution / Action Requested	Action	Status	Comments	Estimated Completion Date
Council 26.05.20	Results of 2020 NRB Survey continued (Community Satisfaction Survey)			<u>19 October – 2023</u> Council requested staff to investigate the frequency of the survey, which will be wrapped up with an operational review of the monthly internal customer survey. Expected to have more details in 2024.	Nov 2023 In progress
Council 28.0.22	His Worship the Mayor's Report Elected Members agreed to move the cemetery records from the toilet block area to another area of the cemetery.	GM O&S	In Progress	A solution was developed, costed and presented to Elected Members at the May Workshop. A further Workshop was held following the June Regulatory & Services Committee Meeting. A revised plan will be presented to Council.	Completed September 2023
	<u>22.02.23 Council</u> Staff to communicate to public regarding the relocation of the cemetery records.	C&EM	Pending a new and approved design and placement	Part of the Mayor's Message in the December 2022 newsletter As a new solution is being re-worked, and approved, we will advise the Community.	Ongoing
	<u>04.10.23 Hui</u> Hui in Council Chambers with Mayor, Councillors, Kaumātua, Chief Executive, Dawn Hill, other community members and Council Staff. All agreed that names of loved ones needed to be moved away from the toilet block, onto a stand-alone display area, with a shelter. Kaumātua Tomai Fox and Te Haukākawa Te Rire recommended a simple design to provide a practical and functional area. Design to allow for current and additional names. Seating was also considered.	GM O&S/ C&EM	In Progress	Meeting actions included: Group Manager Operations and Services, Hanno van der Merwe and team Steve Houia (both present at the meeting) were tasked with completing further work on possible designs. There was a discussion about a similar names' board at a Napier Cemetery. The next step once plans are drafted, is for the group to meet up at the Kawerau Cemetery to decide and agree on the most suitable placement.	Meeting scheduled for 6 December 2023 at Kawerau Cemetery at 3pm

Meeting Date	Resolution / Action Requested	Action	Status	Comments	Estimated Completion Date
R&S 12.07.22	<p>Monthly Report - Regulatory and Planning Services</p> <p>lwi consultation for the Spatial Plan.</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 lwi from Whakatane, Opotiki and Kawerau. Tūwharetoa Settlement Trust has been invited to join, but declined as they do not believe they speak for all the lwi. Tūwharetoa Kaumatua, Te Haukākawa (Boycie) Te Rire has agreed to sit at the Governance level (once established), and will liaise with Tūwharetoa Kaumātua on who may be the appropriate person to sit at the leadership level.</p> <p><u>Update – 27 April 2023</u> <u>Meeting with Ngāti Tūwharetoa (Bay of Plenty) Settlement Trust re: Stoneham Park Residential Development covered the Spatial and raised involvement of NTST engagement, particularly, with regard to the vision and aspirations for their whanau.</u></p> <p><u>Update – 22 May 2023</u> Hui was scheduled for 22 May with our lwi Kaumātua (who unfortunately was ill) but attended by Mayor Faylene Tunui, Deputy Mayor Aaron Rangihika, Cr Warwick Godfery, CEO Russell George and C&EM Tania Humberstone who had invited Eastern BOP Spatial Plan lwi Facilitators Tipene Wilson and Te Riria Potiki to give an understanding of their role within the project to assist Council and lwi engagement; and to establish next steps in the engagement process with Council and Ngāti Tūwharetoa (Bay of Plenty Settlement Trust.</p>	Ongoing

Meeting Date	Resolution / Action Requested	Action	Status	Comments	Estimated Completion Date
R&S 12.07.22	Monthly Report – Regulatory and Planning Iwi consultation for the Spatial Plan continued			<p><u>Update – 24 May 2023</u> Raised at the hui with Tūwharetoa ki Kawerau Hauora, comprising various Māori Land Trust members. Request to return and present specifically on the Spatial Plan, Stoneham Park update and potential partnering opportunities.</p> <p><u>Update – 24 July 2023</u> Met with Tūwharetoa ki Kawerau Kaumatua (Hahuru), Ngāti Tūwharetoa (BOP) Settlement Trust and Tūwharetoa ki Kawerau Hauora to seek guidance on Iwi representation on Spatial Plan Committees.</p> <p>Our Places – eastern bay spatial plan Iwi liaison team (Tipene Wilson and Te Riria Potiki) have offered hui dates to discuss directly with Iwi and Tangata Whenua. Iwi liaison can carry this out independently of Council as part of their role to support Iwi involvement.</p> <p><u>Update 17 October 2023</u> Letter sent to Tūwharetoa requesting feedback and introducing the availability of Spatial Plan Iwi Facilitators Tipene Wilson and Te Riria Potiki, to help them understand the process and be able to answer any questions they may have.</p>	

Meeting Date	Resolution / Action Requested	Action	Status	Comments	Estimated Completion Date
Council 26.04.23	<p>2025 Triennial Elections</p> <p>Timetable to be distributed to Elected Members regarding upcoming events.</p> <ul style="list-style-type: none"> - Overview comms' plan - Dates of engagement hui - Communications material <p>Note; Third reading of the Local Electoral Acts 2022 has gone through parliament on 24 August 2023.</p> <p>Some changes of date to the process.</p>	C&E	In Progress	<p><u>31.05.23 Council Workshop</u> Electoral Officer, Dale Ofoske, presented to Elected Members following the May Council meeting, specifically regarding Electoral System, Māori Representation and Representation.</p> <p><u>30.08.23 Council Workshop</u> Further work will be completed to finalise the communications material that will be presented and made public.</p>	
	<p><u>06.09.23 Extraordinary Council</u></p> <p>Council resolved to retain First Past the Post (FPP)</p> <p>Electoral System decision first of the three-step decision-making process for Council. Election Services outlined further detail of FPP and STV electoral systems.</p> <p>23 November 2023 decision deadline for Māori Representation to establish for the 2025 and 2028 triennial elections.</p>			<p>Hui were organised with Tangata Whenua and the Community. Election Services' Electoral Officer Dale Ofoske presented facts on Māori Wards (and the wider question of Māori Representation) and the upcoming representation arrangements review in 2024.</p> <p>22.09.23 Council met with Tūwharetoa ki Kawerau Hauora Trust at their offices.</p> <p>25.09.23 Rautahi Marae hosted Council for a public hui.</p> <p>25.09.23 Council convened a public meeting at the Concert Chambers.</p> <p>09.10.23 Council presented to 50-plus students and teachers at Tarawera High School.</p> <p>09.10.23 An evening meeting was held at Tarawera Hight School; attendance was low.</p>	September to November 23

Meeting Date	Resolution / Action Requested	Action	Status	Comments	Estimated Completion Date
Council 26.04.23	2025 Triennial Elections continued.			<p><u>08.11.23 Council Workshop</u> Elected Members discussed responses of engagement with Tangata Whenua and Community.</p> <p>14.11.23 Ngāti Tūwharetoa (BOP) Settlement Trust invited Election Services to present at their Board meeting.</p> <p>Hardcopy surveys were sent to residents via Council Pānui 22 September, 3 and 19 October. Closing date was extended to Friday, 10 November 2023.</p>	
R&S 15.11.23	<p><u>22.11.23 Extraordinary Council</u> Council resolved to establish one or more Māori wards for the Kawerau District in the 2025 and 2028 triennial elections.</p> <p>Monthly Report – Finance and Corporate Services Staff to check weather stations to ensure they are providing accurate temperatures. Also, staff to seek clarification on how the Mill site recording of temperature is done.</p>			<p>Council will work through the review of representation arrangements. Consultation with Tangata Whenua and Iwi (meeting) and the community (via a survey) will take place.</p> <p>An update will be included in the Manager's December report.</p>	February 2024
R&S 15.11.23	<p>Monthly Report – Operations and Services Staff to provide an update to Hardie Avenue residents on progress and work moving forward. Staff to include a graph showing the usage of the unchlorinated water taps.</p>	GM O&S / GM O&S	In Progress	<p>A workshop is scheduled for Wednesday 6 December. Following the workshop, a public meeting will be held.</p>	December 2023

OC: Ordinary Council EC: Extraordinary Council A&R: Audit & Risk Committee R&S: Regulatory & Services Committee
 GMF&CS: Group Manager, Finance & Corporate Services GMO&S: Group Manager, Operations & Services
 GMR&P: Group Manager, Regulatory & Planning C&EM: Communication & Engagement Manager
 ECDM: Economic & Community Development Manager

Completed Items

Meeting Date	Action	Comments
R&S 11.10.23	Monthly Report – Operations and Services Page 14 – Refuse Disposal, Item 8 Staff to give clarity around cement ‘kiln’ fuel.	An explanation was included in the Manager’s November Monthly R&S Report

Meeting Council

Meeting Date: 29 November 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 have been hosted, attended and/or participated in for the period Thursday, 19 October to Wednesday, 22 November.

October

- Thurs 19 • Interview with Martin Jenkins Partner, Sarah Baddeley re: case for a BOP Water Services Entity
- Fri 20 • Meeting with Creative New Zealand's Senior Manager of Arts Development, Gretchen La Roche via Zoom – Mayor Faylene Tunui
- Wed 25 • Council Meeting, held in Council Chamber.
 - Approval to raise a Loan from Local Government Funding Agency
 - Resolution to approve Plan Change 4 – Stoneham Park
 - Adoption of Annual Report and Summary for Year Ended 30 June 2023
 - Exclusion of the Public – Lease Rent Review
- Thurs 26 • Catchup with Anne Tolley, Commissioner for Tauranga City Council, held in Mayor's Office, re: BOP Mayoral Forum November 2023
- Fri 27 • Disaster Preparedness Wananga with Captain Ojeda, held at Te Whare Wananga o Awanuiarangi, Whakatane.
- Mon 30 • Catchup with Jacob Kajavala, Chair of ISK re: ISK office relocation to Paora Street, Kawerau
 - Catchup with Kevin Power, CE of Kawerau Enterprise Agency re: Recovery and Disposal of Synthetic Refrigerants
- Tues 31 • Afternoon Tea End of CE Contract Acknowledgement for Russell George

November

- Wed 1 • Workshop with Scott Necklen of Local Government New Zealand re: CE recruitment, held in Council Chamber
 - Meeting with Māori Investment Ltd Chair John O'Brien and CE Tiaki Hunia re: proposal to access Umukaraka Spring during the upcoming high use Summer period
- Thurs 2 • Future by Local Government Event Part 2, held at Te Papa Museum, Wellington
- Fri 3 • Local Government New Zealand Rural & Provincial Sector Meeting, held at Te Papa Museum, Wellington
- Mon 6 • Meeting with Dana Kirkpatrick, East Coast National MP, held at Whakatane District Council Office
- Tues 7 • Tarawera Awa Restoration Strategy Group Hui, held at Bay of Plenty Regional Council Office, Whakatane

- Wed 8
- Council Workshop, held in Council Chamber.
 - Feedback from Māori Ward Engagement Survey and Engagement
 - Activity Review for Parks & Reserves
 - Activity Review for Public Halls & Facilities
 - Activity Review for Economic Development
 - Briefing with Scott Necklen of Local Government New Zealand re: CE recruitment, held via Zoom
- Thurs 9
- Future for Local Government Group meeting, held via Microsoft Teams
 - Meeting with Philip Millichamp and David Daines of Oji Fibre Solutions (OjiFS) re: the purchase of some of the assets of Norske Skog after the newsprint mill closed in 2021
- Fri 10
- Eastern Bay of Plenty Joint Committee Meeting, held at Bay of Plenty Regional Council, Whakatane
- Sat 11
- Scott Necklen of Local Government New Zealand re: CE recruitment
- Wed 15
- Regulatory & Services Committee Meeting
 - Monthly Managers Reports
 - Funding Application towards final stage of Rangi Delamere construction
 - Meeting with Te Kori Ngahehu Trust re: proposed boundary change from Whakatane district to Kawerau district.
- Thurs 16
– Fri 17
- Local Government New Zealand Zone Two Meeting, hosted by Whakatane District Council
- Sat 18
- Fire & Emergency NZ Honours Night, held at the Kawerau Cosmopolitan Club
- Tues 21
- Monthly Tangata Whenua Iwi Liaison Hui, held in Mayor's Office.
 - Kawerau Cemetery Board Update
 - Signage / Plaque for Tiwhatiwha, Piripiri and Te Marukaa
 - Te Reo Māori lessons
 - Residential Development Update
 - Māori Wards
 - Eastern BOP Spatial Plan Governance Group
 - Boundary Change – from Whakatane district to Kawerau district.
- Wed 22
- Extraordinary Council Meeting, held in the Council Chamber
 - Electoral Decisions – Establishing one of more Māori Wards for the Kawerau district.
 - Follow-up meeting with Te Kori Ngahehu Trust re: proposed boundary change from Whakatane district to Kawerau district.

2 **RECOMMENDATION**

That Her Worship the Mayor's report for the period Thursday, 19 October to Wednesday, 22 November be received.



Faylene Tunui
Kahika | Mayor

Meeting: Council

Meeting Date: 29 November 2023

Subject: **Adoption of Porritt Glade Annual Report for year ended 30 June 2023**

File No: 201000

1 Purpose

The purpose of this report is to adopt the Porritt Glade annual report for the year ended 30 June 2023 and provide an overview of the village's financial performance for the year.

2 Background

Council, following consultation with the community, resolved in 2020 to develop a 29 unit retirement village as there appeared to be a demand for this type of housing in the community.

Council set prices for the units that recovered costs (not make a profit) principally to make them affordable. Also, there would be additional rating income from these units and larger homes would become available in the community for families.

As Porritt Glade Lifestyle Village is a retirement village, Council is required to comply with the Retirement Villages Act 2003, which includes preparing a separate audited annual report, which records the financial performance for the village.

The retirement village is not a Council Controlled Organisation (CCO), which means Council does not have to undertake all the requirements of a CCO listed in the Local Government Act.

As at 30 June 2023, all 29 units had been constructed and 24 are occupied with interested parties for the other 5 units. Council constructed the village in 4 stages (6 units for the first 3 stages and 11 units for the final stage).

3 Performance for the year ended 30 June 2023

The Statement of Financial Performance, there was a deficit of \$43,449 compared to a budgeted surplus of \$112,000.

The reasons for the deficit for the year are:

- Less revenue due to the delay in construction and occupation (\$63k)

- Additional finance costs due to higher interest rates and units remaining unoccupied (\$39k)
- Increased depreciation (\$10k)
- Increased administration costs (\$17k) reflecting the staff time required
- Repairs and Maintenance (\$13k) for additional staining and repairs to the gate
- Additional Legal and Auditing costs (\$24k)

The Statement of Financial Position shows:

- Net Assets deficit of \$184.3k (this is expected to be close to \$0 when all the units are sold)
- Council has an advance to the village of \$2,147.8k which will also be close to \$0 when all the units are sold.
- There is a “residents’ liability” of \$7,609.8k which is the amount Council would need to refund residents if the village ceased operation at 30 June 2023.

The Statement of Cash Flow shows that the village’s cash position went from \$135,920 at the beginning of the year, to \$205,264 at the end of the year. There was a transfer of \$1.0 million from Council to the village for the year (Advance – KDC) which was the shortfall from construction costs less proceeds received from unit sales.

Overall, the Village’s financial performance and position at 30 June 2023 is reasonably healthy as construction now just been completed but 5 units still to be sold.

It is anticipated that by the end of the 2023-24 financial year, the advance from Council will be fully repaid and there will no longer need to be a contribution from rates to the retirement village.

4 RECOMMENDATIONS

1. That the report “Adoption of Porritt Glade Annual Report for the year ended 30 June 2023” be received.
2. That Council adopts the Porritt Glade Annual Report for the year ended 30 June 2023.
3. That the Mayor and Interim Chief Executive Officer are delegated to sign the Porritt Glade Annual Report for the year ended 30 June 2023, following the adoption by Council.



Peter Christophers, BBS, ACA
Financial Accountant

Performance Report

Porritt Glade Lifestyle Village
For the year ended 30 June 2023

Contents

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Entity Information

Porritt Glade Lifestyle Village For the year ended 30 June 2023

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 2023. The financial statements are authorised for issue by Council on 29 November 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 2023

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

2023 (actual)

2023 (budget)

2022 (actual)

Dwelling Units Completed

To complete the construction of new units and infrastructure

29 units

29 units

18 units

License to occupy Agreements

To sell License to Occupy Rights for completed units.

24 Licenses

29 Licenses

18 Licenses

Statement of Financial Performance

Porritt Glade Lifestyle Village
For the year ended 30 June 2023

\$ 2022		NOTES	\$ BUDGET	\$ 2023
Revenue				
<u>Revenue from providing goods or services</u>				
89,113	Fees, charges from residents		150,000	123,733
33,746	Rates Revenue		26,769	26,769
135,434	Amenity Fees		230,000	187,607
258,293	Total Revenue from providing goods or services	1	406,769	338,109
1,730	Interest, dividends and other investment revenue		0	5,359
260,023	Total Revenue		406,769	343,468
Expenses				
170,014	Costs related to providing goods or service		173,320	215,555
11,882	Financing Costs		1,449	40,747
96,685	Depreciation		120,000	130,615
278,581	Total Expenses	2	294,769	386,917
(18,558)	Surplus/(Deficit) for the Year		112,000	(43,449)

Statement of Financial Position

Porritt Glade Lifestyle Village
For the year ended 30 June 2023

\$		NOTES	\$
2022			2023
Assets			
Current Assets			
135,920	Bank accounts and cash	3	205,264
4,956	Prepayments		10,115
0	License to Occupy Deposits held at Covenant Trustees		5,000
357,534	Deposits for building construction		0
498,410	Total Current Assets		220,379
Non-Current Assets			
Property, Plant and Equipment			
1,486,461	Land and Improvements	4	1,475,382
4,553,074	Buildings	4	7,970,914
6,039,535	Total Property, Plant and Equipment		9,446,296
6,039,535	Total Non-Current Assets		9,446,296
6,537,945	Total Assets		9,666,675
Liabilities			
Current Liabilities			
59,354	Creditors and accrued expenses		34,183
1,151,728	Advance – Kawerau District Council	7	2,202,085
5,467,759	Residents Liability	8	7,609,752
0	License to Occupy Deposits Received		5,000
6,678,841	Total Current Liabilities		9,851,020
6,678,841	Total Liabilities		9,851,020
(140,896)	Net Assets		(184,345)
Accumulated Funds			
(140,896)	Accumulated surpluses/(deficits)	11	(184,345)
(140,896)	Total Accumulated Funds		(184,345)

Statement of Cash Flows

Porritt Glade Lifestyle Village
For the year ended 30 June 2023

Cash Basis

\$ 2022	NOTES	\$ 2023
Statement of Cash Flows		
Cash Flows from Operating Activities		
<u>Cash was received from</u>		
122,859	Receipts from providing goods or services	150,502
1,730	Interest, dividends and other investment receipts	5,359
3,165,000	Receipts from Occupation Right Agreements	2,329,600
3,289,589	Total Cash was received from	2,485,461
<u>Cash was applied to</u>		
(149,560)	Payments to suppliers and employees	(240,495)
(11,882)	Interest Payments	(40,747)
(161,442)	Total Cash was applied to	(281,242)
3,128,147	Total Cash Flows from Operating Activities	2,204,219
Cash Flows from Investing and Financing Activities		
<u>Cash was received from</u>		
0	Movement from Council Advance	3,315,957
0	Other receipts	0
0	Total Cash received	3,315,957
<u>Cash was applied to</u>		
(2,100,877)	Payments to acquire property, plant and equipment	(3,185,232)
(1,520,505)	Movement to Council Advance	(2,265,600)
(3,621,382)	Total Cash applied	(5,450,832)
(3,621,382)	Total Cash Flows from investing & Financing Activities	(2,134,875)
(493,235)	Net increase/(Decrease) in Cash	69,344
Opening Cash Balance		
629,155	Bank accounts and cash	135,920
629,155	Total Opening Cash Balance	135,920
135,920	Closing Cash Balance	205,264
Bank Accounts and Cash		
135,920	BNZ Bank – 001 Account	205,264
135,920	Total Bank Accounts and Cash	205,264

The 2022 statement of cash flows did not separately present payments to council advance and proceeds from council advance as required by PBE SFR-A(PS) as these were presented net. Should these have been separately presented, payments to Council advance would have been \$3,660,000 and proceeds from Council advance would have been \$2,139,495. In accordance with PBE SFR-A(PS), the 2022 comparative year information has not been restated for these matters.

Statement of Accounting Policies

Porritt Glade Lifestyle Village For the year ended 30 June 2023

Statement of Compliance and Basis of Preparation

The Porritt Glade Lifestyle Village is a registered retirement village 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 entity began its activities in July 2019.

During the year the Entity incurred a net loss of \$43,449 (2022: \$18,558), and as at 30 June 2023 had net liabilities of \$184,345 (2022: \$140,896). 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 current Disclosure Statement and 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 Comprehensive Revenue and Expense 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 Consolidated Statement of Comprehensive Revenue and Expense as amenities fee revenue is recognised as deferred amenities fee on the Consolidated Balance Sheet.

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 of Comprehensive Revenue and Expenditure over the average expected length of stay of residents. The current assessments are as follows:

Expected average length of stay	30 June 2022	30 June 2023
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 2023, an increase in the average expected length of stay of residents by one year is estimated to reduce amenities fee revenue by \$17,055 (2022: \$12,325) and a decrease of one year would increase amenities fee revenue by \$20,845 (2022: \$15,033).

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 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 de-recognition 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.

Notes to the Performance Report

Porritt Glade Lifestyle Village
For the year ended 30 June 2023

\$ 2022		\$ 2023
1. Revenue		
<u>Revenue from providing goods or services</u>		
89,113	Fees, Charges from Residents	123,733
33,746	Rates Revenue	26,769
135,434	Amenities Fee	187,607
258,293	Total Revenue from providing goods or services	338,109
<u>Interest, dividends and other investment revenue</u>		
1,730	Interest Received	5,359
1,730	Total interest, dividends and other investment revenue	5,359
260,023	Total Revenue	343,468
2. Expenses		
<u>Costs related to providing goods or services</u>		
37,020	Administration Expenses	54,330
16,213	Audit Fees	25,917
12,802	Insurance	20,770
12,804	Legal Expenses	11,823
78,839	Total Costs related to providing goods or services	112,840
<u>Costs related to providing goods or services (residents)</u>		
32,131	Rates	52,902
46,439	Repairs and Maintenance	35,506
11,745	Statutory Supervision Expenses	11,834
860	Sundry Expenses	2,473
91,175	Total Costs related to providing goods or services (residents)	102,715
<u>Other Expenses</u>		
96,685	Depreciation	130,615
11,882	Interest Expense	40,747
108,567	Total Other Expenses	171,362
278,581	Total Expenses	386,917
3. Bank Accounts and Cash		
135,920	BNZ Bank – 001 Account	205,264
135,920	Total Bank Accounts and Cash	205,264
4. Property, Plant and Equipment		
<u>Cost or Valuation</u>		
<u>Land</u>		
829,531	As at 1 July	829,531
0	Additions	4,796
0	Disposals or Sales	0
829,531	Total Land	834,327

\$ 2022		\$ 2023
	<u>Land Improvements</u>	
702,100	As at 1 July	702,100
0	Additions	3,887
0	Disposals or Sales	0
702,100	Total Land Improvements	705,987
	<u>Buildings</u>	
3,087,098	As at 1 July	4,660,456
1,573,358	Additions	3,528,693
0	Disposals or Sales	0
4,660,456	Total Buildings	8,189,149
6,192,087	Total Cost or Valuation	9,729,463
	<u>Accumulated Depreciation</u>	
	<u>Land Improvements</u>	
25,897	As at 1 July	45,170
19,273	Depreciation	19,762
0	Disposals or Sales	0
45,170	Total Land Improvements	64,932
	<u>Buildings</u>	
29,970	As at 1 July	107,382
77,412	Depreciation	110,853
107,382	Total Buildings	218,235
152,552	Total Accumulated Depreciation	283,167
	<u>Book Value at 30 June</u>	
829,531	Land	834,327
656,930	Land Improvements	641,055
4,553,074	Buildings	7,970,914
6,039,535	Total Book Value at 30 June	9,446,296

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

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

5. Commitments

<u>Commitment to purchase property, plant and equipment</u>		
3,021,466	Current (less than twelve months)	0
0	Non Current (later than twelve months)	0
3,021,466	Total Commitment to purchase property, plant and equipment	0

Commitments of \$3,021,466 at 30 June 2022 related to a signed construction agreement for 11 residential units (5 Duplex's & 1 single unit) with Generation Homes. The 11 units were completed during the year to 30 June 2023 with no further financial commitments.

\$ 2022		\$ 2023
6. Related Parties		
	Advances	
1,151,728	Advance from Kawerau District Council (The Porritt Glade Lifestyle Village is a department of the Kawerau District Council)	2,202,085
1,151,728	Total Advances	2,202,085

The administration fee, interest, rates, staffing cost and other overhead cost transactions between Council and Village is \$173,336 (2022: \$104,748). The opening balance of the advance has been restated, refer to note 7 and note 15 for information. In addition, certain cost allocation transactions as mentioned above between the Council and Village were not disclosed in the prior year financial statements as required by PBE SFR-A (PS). In accordance with PBE SFR-A(PS), the 2022 comparative year information has not been restated for these matters.

7. Advances & Loans

The advance from Kawerau District Council of \$2,202,085 (2022: \$1,151,728) is unsecured. It is an interdepartmental advance within the Kawerau District Council. The advance is to finance capital and operational funding requirements for the village as one of the business units of Council. Interest is charged at an effective rate of 1.65% per annum to the Department. Interest is only charged on capital activities and include capital additions less any capital receipts for new Occupational Right Agreements. No interest is charged on the Advance's running balance pertaining to operational receipts and payments.

The opening balance of the advance has been restated, refer to note 15 for information. In accordance with PBE SFR-A(PA), the 2022 comparative year information has not been restated. The narrative description in this note has also been updated to better reflect the substance of the advance and how interest is calculated.

8. Liability to Residents

3,955,000	Residents liability – refundable ORAs (Note 9)	5,579,000
1,512,759	Residents liability – refundable amenities fee (Note 10)	2,030,752
5,467,759	Total refundable occupational rights agreements	7,609,752

Refundable ORAs (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 ORAs (Occupation Right Agreements)

1,739,500	Balance at Beginning of Period	3,955,000
0	Less Amount Repaid on Termination	(224,000)
2,215,500	Plus Amount Received on New ORAs Issued	1,848,000
3,955,000	Total Occupation Right Agreements	5,579,000

\$ 2022		\$ 2023
10. Residents Liability – Refundable Amenities Fee		
698,793	Balance at Beginning of Period	1,512,759
0	Less Amount Repaid on Termination	(86,400)
949,500	Plus Amount Received on New ORAs issued	792,000
(135,534)	Less Amenities Fees for the Year	(187,607)
1,512,759	Total Refundable Amenities Fee	2,030,752

11. Accumulated Funds		
(122,337)	Opening Balance	(140,896)
(18,558)	Accumulated surpluses or (deficits)	(43,449)
(140,896)	Total Accumulated Funds	(184,345)

12. Contingencies

There are no contingencies as at 30 June 2023 (2022: nil).

13. Events after balance date

There were no events after 30 June 2023 that could have a material impact on these financial statements.

14. Variation from Budget

There was reduced revenue when compared to budget due to a delay in the construction of the remaining 11 units and consequential purchase of ORAs, which resulted in slightly less annual and amenity fees for the village. Also there were higher interest, insurance, depreciation and administration costs for the year.

15. Prior period reclassification

The statement of financial position for the year ended 30 June 2023 has been corrected for a presentation error identified for the comparative period ended 30 June 2022.

In the 30 June 2022 statement of financial position, an amount of \$37,020 was included in the Creditors and accrued expenses, which should have been included in the Advance – Kawerau District Council as it represented internal cost allocation between the Village and the Council. Both these line items are classified as current liabilities.

This has been amended by correcting the opening balance for the 30 June 2023 statement of financial position in accordance with PBE SFR-A(PS). In accordance with PBE SFR-A(PS), the 2022 comparative year information has not been restated for this matter.

These errors did not affect the statement of financial performance for 2022 or 2023.

Independent Auditor's Report

Meeting: Council

Meeting Date: 29 November 2023

Subject: Annual Plan Performance for the three months ended 30 September 2023

File No.: 110400

1 **Purpose**

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

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**

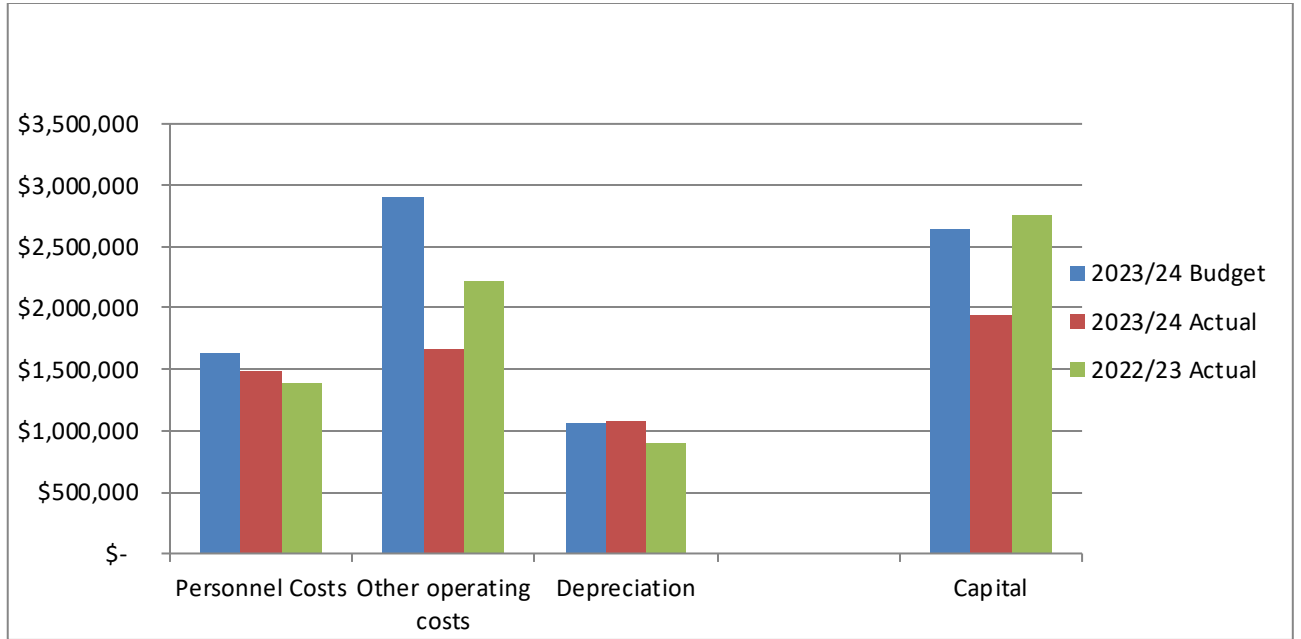
2.1 **Statement of Comprehensive Revenue and Expense**

The following table shows Council's financial performance for the 3 months compared to the adopted annual budget. The capital budget for 2023/24 has been amended to include the carried forward figures as well as any budget amendments approved by Council. NB: There will be timing differences for some revenue and expenditure.

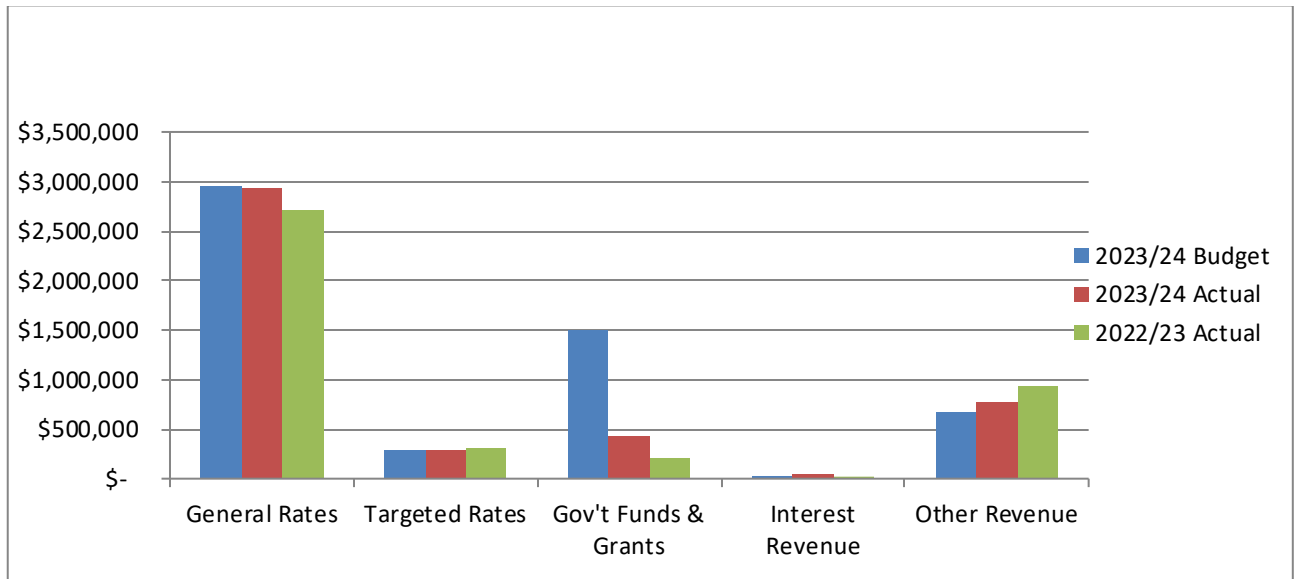
	Adopted Budget	Actual 30-06-2024	Comments
Revenue:	\$	\$	
Rates	12,938,210	3,266,785	
Subsidies and Grants	5,596,530	423,070	Includes Stoneham Park Grant \$4.5m
Interest Revenue	97,530	46,376	
Fees and Charges	2,802,160	704,066	
Other Revenue	65,000	15,897	Petrol Tax
Total Revenue	21,499,430	4,456,194	
Expenditure:			
Personnel Costs	6,579,380	1,489,130	
Depreciation	3,973,210	1,074,872	
Finance Costs	177,500	8,943	
Other Expenses	11,553,390	1,660,177	
Total Expenditure	22,283,480	4,233,122	
Surplus (Deficit)	(784,050)	223,072	
	Revised Budget	Actual 30-06-24	
Capital Expenditure	10,734,953	1,946,493	

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 30 September 2023



Revenue to 30 September 2023



2.2 Statement of Financial Position

The following table shows Council’s financial position at 30 September 2023 compared to the budget.

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

	Budget @ 30/6/2024	Actual at 30 September 2023	Comments
Assets:			
Current assets:			
Cash & cash equivalents	\$4,225,340	\$2,546,528	
Receivables	\$2,413,360	\$1,356,022	
Inventories	\$417,910	\$1,946,397	Includes sections
Non-current assets:			
Property, plant and equipment	\$114,957,740	\$110,354,368	
Intangible assets	\$85,500	\$99,379	
Other financial assets	\$36,250	\$86,252	
Total Assets	\$122,136,100	\$116,388,946	
Liabilities:			
Current liabilities:			
Payables, provisions & employee benefits	\$4,272,580	\$2,879,149	
Resident's Liability	0	\$7,609,752	Porritt Glade
Borrowing	\$2,000,000	\$0	
Non-current liabilities:			
Provisions & employee benefits	\$241,410	\$61,678	
Borrowing	\$2,000,000	\$2,000,000	
Residents Liability & Deferred Revenue	\$8,380,490	\$142,857	Budget is Porritt Glade Liability
Total Liabilities	\$16,894,480	\$12,693,436	
Ratepayers Equity	\$105,241,620	\$103,695,510	
Total liabilities & ratepayers equity	\$122,136,100	\$116,388,946	

2.3 Statement of Cashflow

The cashflow statement shows a decrease of \$1,232,973 in Council's cash position.

	Budget @ 30/6/2024	Actual to 30 Sept 2023	Comments
Cashflow from operating activities:			
Rates	\$12,261,580	\$3,376,331	
Subsidies & Grants	\$5,596,530	\$702,988	
Fees & Charges & Other Revenue	\$2,867,160	\$262,961	
Interest Received	\$97,530	\$46,376	
Payments to suppliers and employees	\$(16,654,010)	\$(3,066,362)	
Interest paid on debt	\$(177,500)	\$(8,943)	
Net cashflow from Operations	\$3,991,290	\$1,313,351	
Net cashflow from investing:			
Disposal of Assets/Contributions ORA	\$0	\$0	
Property, Plant & Equipment/Inventory	\$(6,727,700)	\$(2,546,324)	
Net cashflow from investing:	\$(6,727,700)	\$(2,546,324)	
Net cashflow from financing:			
Loans raised	2,000,000	\$0	
Debt repayment	\$(16,500)	\$0	
Net cashflow from financing	\$1,983,500	\$0	
Total Net cash inflow/(outflow)	\$(752,910)	\$1,232,973	
Opening balance (1/7)	\$4,978,250	\$3,779,501	
Closing cash balance	\$4,225,340	\$2,546,528	

3 Capital Expenditure

The following is Council's capital budget (including carry forwards and amendments) and expenditure for the first 3 months.

Activity	2023/24 Budget	Actual	Comments
Economic & Community Development	\$61,800	\$4,550	
Environmental Services	\$600,000	\$0	New Dog Pound
Roading	\$1,384,500	\$6,468	
Stormwater	\$380,000	\$19,457	
Water Supply	\$3,772,600	\$340,063	Pipe renewals
Wastewater	\$2,278,600	\$623,963	WW pipe renewals
Solid Waste	\$30,000	\$6,291	
Leisure & Recreation	\$1,733,650	\$630,716	Rangi Delamere Pavilion
Plant, Depot and Office	\$493,800	\$314,985	New plant/vehicles, PCs & office building renewals
Total	\$10,734,950	\$1,946,493	


4 Non-Financial Performance

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

Activity	2023/24 No. of Targets	On Target to Achieve 2023/24	2022/23 Achievement Rate
Democracy	3	3	33%
Economic & Community Development	5	5	80%
Environmental Services (excludes N/As)	11	8	64%
Roading (including Footpaths)	7	3	57%
Stormwater	3	3	100%
Water Supply	12	12	83%
Wastewater	7	5	43%
Solid Waste Management	2	2	50%
Leisure and Recreation	13	8	58%
TOTAL	63	49	65%

5 RECOMMENDATION

That the report "Annual Plan Performance for the year ended 30 September 2023" be received.



Lee-Anne Butler, CA, BMS

Group Manager Finance & Corporate Services

ACTIVITY GROUP 1: DEMOCRACY

Funding Impact Statement

	Budget	Actual	
Operating funding – Rates & Charges (A)	837,510	357,256	
Applications of operating funding – Staff & Suppliers (B)	819,760	319,156	Includes MTFJs expenditure and funding
Surplus (deficit) of operating funding (A - B)	17,750	38,100	
Sources of capital funding (C)	0	0	
Less (D):			
Renewals/capital	0	0	
Increase/(decrease) in reserves	17,750	38,100	
Surplus (deficit) of capital funding (C - D)	(17,750)	(38,100)	
Funding balance ((A - B) + (C - D))	0	0	

Statement of Service Provision

Levels of Service	Measures	Target	Results 2023/24	Comment
Financial management is prudent, effective and efficient.	Percentage completion of the annual work programme.	>90%	On track to achieve	There were 34 significant projects in the annual work programme, most of which will be completed later in the financial year.
Council informs the Community about key issues and activities.	Number of newsletters.	At least 20	On track to achieve	6 newsletters were published to 30 September 2023, also separate consultation on the Long Term Plan Survey and the two consultation hui on the Māori Wards for Kawerau.
Council encourages the Community to contribute to Council decision-making.	Provision of a public forum at public Council and Committee meetings.	Every meeting	On track to achieve	Public forums have been available every meeting to 30 September 2023.
The community has confidence in the quality of democracy and representation provided by elected members	Community satisfaction with the Mayor and councillors	N/A	N/A	
Financial management is prudent, effective and efficient	Community satisfaction with way rates are spent	N/A	N/A	Community Survey conducted every three years, the recent survey was completed for the 2022/23 year.

ACTIVITY GROUP 2: ECONOMIC AND COMMUNITY DEVELOPMENT

Funding Impact Statement

	Budget	Actual	Comment
Operating funding – Rates & Charges (A)	6,601,840	563,830	
Applications of operating funding – Staff & Suppliers (B)	6,147,710	433,600	
Surplus (deficit) of operating funding (A - B)	454,130	(130,230)	
Sources of capital funding (C)	0	0	
Less (D):			
Renewals/capital	61,800	4,550	
Increase/(decrease) in reserves	392,330	125,681	
Surplus (deficit) of capital funding (C - D)	(454,130)	(130,230)	
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 track to achieve	CEO or Economic & Community Development Manager have attended all trustee meetings to date. ToiEDA Trustee meetings held on: <ul style="list-style-type: none"> 24 July 2023 – ECMD attended
Council provides a local information centre.	Number of days open each year.	At least 360 days.	On track to achieve	The site was open 92/92 days from 1 July to 30 September.
	Community satisfaction with I-Site	N/A	N/A	The survey is completed every three years and was completed in 2022/23.
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 track to achieve	Events were held in each month to date. <ul style="list-style-type: none"> <u>July</u> Matariki Events x 6 events <u>August</u> 16/17 – Motorhome rally 19/20 - Canoe Slalom Club race 20 – Rugby tournament 30 - Career Expo <u>September</u> 1 - Pūtauaki School athletics 23/24 – Dinosaur Discovery 30 Waiāriki Whanau Mentoring Hauora Day

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.

Levels of Service	Measures	Target	Status	Comment
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 track to achieve	Youth Council sworn in March 2023 Monthly meetings occurred: <ul style="list-style-type: none"> • 13 July • 10 August • 14 September
	Satisfaction with youth council collaboration from collaborating groups	>78% satisfaction	Not yet started. Anticipate being achieved	Survey is distributed at the end of the financial year to the collaborators

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)	1,495,470	540,398	Includes dog fees 2023/24
Applications of operating funding – Staff & Suppliers (B)	1,471,360	295,830	
Surplus (deficit) of operating funding (A - B)	24,110	244,568	
Sources of capital funding (C)	0	0	
Less (D):			
Renewals/capital	600,000	0	
Increase/(decrease) in reserves	(575,890)	244,568	
Surplus (deficit) of capital funding (C - D)	(24,110)	(244,568)	
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	0/0 satisfied to date.
	Satisfaction survey of service users - building inspection processes	>90%	Achievement anticipated	2/2 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. 7/28 (28 is 35% of the total 80 registered BWOF)
Environmental Health				
Registered premises comply with statutory requirements.	Audit of food premises operating Food Control Plans	100% annually.	Achievement anticipated	8/28 inspections completed to date.
	Inspection of registered premises for compliance with relevant standards.	100% annually.	Achievement anticipated	0/7 inspections.
Premises licenced under the Sale and Supply of Liquor Act 2012 comply with the license conditions.	Inspection of licensed premises for compliance	100% annually.	Achievement anticipated	0/14 inspections. Inspections commenced in October 2023.

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	52% within 20 minutes 74.5% 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	70% within 20 minutes 82% within 30 minutes
Council maintains community satisfaction levels for the dog control service	Community satisfaction with Dog Control Service	N/A	N/A	The survey is completed every three years and was completed in 2022/23.
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	N/A	N/A	Survey undertaken every 2 years – completed end of 2022/2023.
	% of residents that have taken any action to prepare for an emergency	N/A	N/A	Survey undertaken every 2 years – completed end of 2022/2023
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)	1,520,870	320,853	
Applications of operating funding – Staff & Suppliers (B)	1,128,260	220,813	
Surplus (deficit) of operating funding (A - B)	392,610	100,040	
Sources of capital funding (C)	992,200	4,425	
Less (D):			
Renewals/capital	1,384,500	6,468	
Increase/(decrease) in reserves	311	97,997	
Surplus (deficit) of capital funding (C - D)	(392,610)	(100,040)	
Funding balance ((A - B) + (C - D))	\$0	\$0	

Capital Renewals

Item	Budget	Actual	Comment
Kerb replacement	\$110,000	\$0	
Street light renewals and upgrades	\$47,000	\$5,900	
Reseals	\$310,000	0	
Pavement treatment	\$160,000	0	
Minor safety improvements (speed humps)	\$80,000	\$0	
Footpath repairs/Paving	\$190,000	\$0	
Lane realignment	\$320,000	\$0	
Hardie/River Dewatering Emergency Works	\$136,000	\$0	
Bins/seating/music system/lights	\$31,500	\$568	
Total	\$1,384,500	\$6,468	

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.	To be measured	Data is 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%.	To be measured	The STE - Road Roughness Survey to be undertaken in June 2024.
Road maintenance.	The percentage of the sealed local road network that is resurfaced.	Between 5 and 6.5 % per annum.	To be measured	Resealing to be undertaken by March 2024.
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	5 potholes reported – 2 responded to within 14 days, 3 within 28 days to repaired.
		Streetlights: 90% within 14 days and 100% within 28 days.	Not achieved	18 streetlight outages reported, 11 responded within 14 days (61.1%), 4 responded within 28 days (83.3%) - 3 exceeded 28 days.

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	N/A	N/A	The survey is completed every three years and was completed in 2022/23.
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	Not achieved	4 footpath service requests reported, with 1 responded to within 14 days and 3 scheduled for completion.
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	1/6 responded within 14 days
Council provides an appropriate network of footpaths for pedestrian use	Community satisfaction with footpaths	N/A	N/A	The survey is completed every three years and was completed in 2022/23.

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)	98,110	19,164	
Applications of operating funding – Staff & Suppliers (B)	34,470	2,084	
Surplus (deficit) of operating funding (A - B)	63,640	17,080	
Sources of capital funding (C)	285,000	0	
Less (D):			
Renewals/capital	380,000	19,457	
Increase/(decrease) in reserves	(31,360)	(2,377)	
Surplus (deficit) of capital funding (C - D)	(63,640)	(17,080)	
Funding balance (A – B) + (C – D))	\$0	\$0	

Capital Renewals

Item	Budget	Actual	Comment
Stormwater pipe renewals	\$380,000	\$19,457	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	Achieved	There were no flooding events where habitable dwellings were flooded.
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.	Achieved to date	No flooding events were reported.
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	Achieved to date	Council did not receive any notices, orders or convictions.

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)	1,509,410	398,523	
Applications of operating funding – Staff & Suppliers (B)	1,087,630	284,717	
Surplus (deficit) of operating funding (A - B)	421,780	113,806	
Sources of capital funding (C)	2,000,000	0	Loan
Less (D):			
Renewals/capital	3,772,600	340,063	
Increase/(decrease) in reserves	(1,350,810)	(226,257)	
Surplus (deficit) of capital funding (C - D)	(421,780)	(113,806)	
Funding balance ((A - B) + (C - D))	\$0	\$0	

Capital Renewals

Item	Budget	Actual	Comment
Pipework replacement	\$2,770,000	\$308,989	
Toby replacement	\$50,000	\$7,464	
Valve refurbishment	\$44,100	\$540	
UV Tube Replacement	\$14,500	\$165	
Pump Refurbishment	\$69,000	\$8,674	
Reservoir, Headworks, Control & Hydrants	\$400,000	13,043	
Lime and Floride System	\$425,000	\$1,188	
Total	\$3,772,600	\$340,063	

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	Achieved to date	Council has 2,800 connections. To date Council received (per 1,000): a) 1.8 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) Achieved to date b) Achieved to date	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	Achievement anticipated	Average water loss for the year to 30 June was 154 litres per connection per day – no variation expected.
Demand management.	The average consumption of drinking water per day per resident within the district.	< 0.6 m ³	Achievement anticipated	The average daily consumption was 0.373 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.	Achieved to date	There was one urgent call out received and response time was 30 minutes.
	b) resolution of urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption.	Less than 8 hours.	Achieved to date	One urgent call out received resolved in 2 hours.
	c) attendance for non-urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site.	24 hours.	Achieved to date	31 non-urgent call outs and median response time 37 minutes.
	d) resolution of non-urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption	48 hours.	Achieved to date	31 non-urgent call outs and median resolution time 2 hours and 22 minutes.
The water supply is reliable and has minimal disruptions.	Number of unplanned shutdowns – reticulation.	No more than 12.	Achieved to date	1 unplanned shutdown occurred.
	Number of unplanned shutdowns - pump stations.	None.	Achieved to date	No unplanned shutdowns of the pump stations occurred.
Water is sourced with minimal environmental effects.	Number of water main breaks.	No more than 8.	Achieved to date	1 water main break occurred.
	Compliance with BOP Regional Council water supply resource consents as	Compliance. ⁷	On track to achieve	

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

Levels of Service	Measures	Target	Status	Comment
Council provides a quality water supply	reported in Annual Consents and Compliance Field Sheet. Community satisfaction with water supply	N/A	N/A	The survey is completed every three years and was completed in 2022/23.

ACTIVITY GROUP 7: WASTEWATER

Funding Impact Statement

	Budget	Actual	Comment
Operating funding – Rates & Charges (A)	1,794,700	460,432	
Applications of operating funding – Staff & Suppliers (B)	1,434,890	328,245	
Surplus (deficit) of operating funding (A - B)	359,810	132,187	
Sources of capital funding (C)	0	0	
Less (D):			
Renewals/capital	2,278,600	623,963	
Increase/(decrease) in reserves	(1,918,790)	(491,776)	
Surplus (deficit) of capital funding (C - D)	(359,810)	(132,187)	
Funding balance ((A - B) + (C - D))	\$0	\$0	

Capital Renewals

Item	Budget	Actual	Comment
Pipework Renewal	\$1,176,100	\$481,975	
Pump refurbishment	\$37,000	\$1,152	
Milliscreen bearings/replacement	\$161,000	-\$23,106	
Wastewater treatment plant upgrade	\$854,500	\$158,154	
Reticulation Replacement/Pump Station	\$50,000	\$5,788	
Total	\$2,278,600	\$623,963	

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	Achieved	Council has 2,880 connections a) 1 odour complaint b) 0 connection faults reported c) 5 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.	Not Achieved	One dry weather overflow reported.
Fault response times.	Where Council attends to sewage overflows resulting from a blockage or other fault in its sewerage system, the median response times are: 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.			
Council provides a reliable domestic wastewater collection and disposal service.	Number of disruptions to wastewater collection service.	No more than 50.	Achieved	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.	Achieved	Council has not received any infringement notices to date.

Levels of Service	Measures	Target	Status	Comment
The wastewater treatment plant operates effectively.	c) enforcement orders, and d) convictions, received in relation those resource consents.			
	Compliance with BOPRC wastewater treatment plant resource consents as reported in annual Consents and Compliance Field Sheet.	Compliance. ⁸	Not Achieved	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 with wastewater disposal	N/A	N/A	The survey is completed every three years and was completed in 2022/23.

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)	3,177,050	776,515	
Applications of operating funding – Staff & Suppliers (B)	3,139,240	624,460	
Surplus (deficit) of operating funding (A - B)	37,810	(152,055)	
Sources of capital funding (C)	0	0	
Less (D):			
Renewals/capital	30,000	6,291	
Increase/(decrease) in reserves	7,810	145,764	
Surplus (deficit) of capital funding (C - D)	(37,810)	(152,055)	
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	Achieved	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	N/A	N/A	The survey is completed every three years and was completed in 2022/23.
	Community satisfaction with refuse disposal	N/A	N/A	
Levels of Service				
Zero Waste (Recycling)				
Material that would otherwise go to landfill as household refuse is collected by the recycling collection service.	Average amount of recyclable material collected from each household.	No less than 178 kg per annum.	On track to achieve	>178 kg per household per annum is anticipated to be diverted.
Council's recycling services meets the needs of the Kawerau community	Community satisfaction with recycling service	N/A	N/A	The survey is completed every three years and was completed in 2022/23.

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)	4,508,960	1,109,964	
Applications of operating funding – Staff & Suppliers (B)	4,008,020	943,423	
Surplus (deficit) of operating funding (A - B)	500,940	166,542	
Sources of capital funding (C)	0	0	
Less (D):			
Renewals/capital	1,733,650	630,716	
Increase/(decrease) in reserves	(1,232,710)	(464,174)	
Surplus (deficit) of capital funding (C - D)	(500,940)	(166,542)	
Funding balance ((A - B) + (C - D))	\$0	\$0	

Capital Renewals

Item	Budget	Actual	Comment
Library:			
Collection renewals	\$75,800	\$15,304	Replacement books
Equipment, Fixtures and Fittings	\$12,750	\$0	
Building	\$90,500	\$0	
Swimming Pool:	\$291,600	\$8,991	Changing rooms, Fences, Pool floor, clubrooms & filtration
Recreation Centre	\$76,900	\$0	Roof, Air Extractors
Town Hall	\$68,600	\$0	
Concert Chambers	\$29,300	\$0	
Sports fields and amenity buildings	\$1,023,200	\$594,608	Rangi Delamere Pavilion
Public Toilets	\$5,000	\$10,142	
Passive Reserves	\$56,000	\$1,671	Boundary fences, carparks and outlet
Playgrounds	\$4,000	\$0	Playground renewal
Total	\$1,733,650	\$630,716	

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%	Not anticipated to achieved	For 2022/23 target not met as only 18%, with membership at 1354 active members. Membership at 30 September was 1,367 members.
	New items per 1,000 population added to the collection each year.	>500	Achievement anticipated	863 (115 Per 1,000 population) were added for the three months to 30 September 2023.
Council provides public library services and resources which suit the community's need	Community satisfaction with the library	N/A	N/A	The survey is completed every three years and was completed in 2022/23.
Museum				
Council provides a museum service which reflects Community needs.	Number of exhibitions held.	6	Achievement anticipated	2 exhibitions held to date.
	Number of objects accessioned to the museum collection per annum.	200	Achievement anticipated	73 objects accessioned into the museum collection.
	Community satisfaction with the museum	N/A	N/A	The survey is completed every three years and was completed in 2022/23.
Swimming Pools				

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

Levels of Service	Measures	Target	Status	Comment
Swimming pool water meets water quality standards.	Level of compliance with standards.	Full compliance in 95% of tests.	Achievement anticipated	>95% of test complied.
Council provides a Swimming Pool Complex which is accessible to the Community.	Weeks open per year.	At least 48.	Achieved to date	12/52 weeks open – no closures
	Community satisfaction with the swimming pool	N/A	N/A	The survey is completed every three years and was completed in 2022/23.
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	Not Achieved Anticipate achieved for all halls except for Ron Hardie Rec Centre	Ron Hardie Rec Centre – 12 weeks closed due to gas monitor malfunction. All other halls 12/50 weeks were available to date.
Clean public toilets are provided in the central business district.	Council provides town centre public toilets.	Open at least 360 days.	Achieved to date	No closures of town centre public toilets, were available 92 days
Council provides public halls and facilities which reflects community needs	Community satisfaction with public halls	N/A	N/A	
	User satisfaction with the public halls	N/A	N/A	
	Community satisfaction with public toilets	N/A	N/A	
	User satisfaction with the public toilets	N/A	N/A	
Parks and Reserves				
				The survey is completed every three years and was completed in 2022/23.

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

Levels of Service	Measures	Target	Status	Comment
Playing surfaces at sports fields are maintained to the requirements of the codes for which they are used.	Implementation of recommendations of NZ Sports Turf Institute advisory reports.	100%	Achievement anticipated	NZ Turf Institute inspected in August 2023
Bedding displays are attractive and updated to suit the season.	Number of bedding displays.	2 (1 summer and 1 winter).	Achievement anticipated	Summer displays to be planted in October and winter displays will be planted in April 2024.
Council provides parks and reserves which meets the community's need	Community satisfaction with parks and reserves	N/A	N/A	The survey is completed every three years and was completed in 2022/23.
Playground equipment is safe for children to use.	Monthly inspections of all playground equipment.	12 inspections conducted.	Achieved to date	3 Inspections completed to date.
	Remediation of all identified ¹² problems.	All repairs completed within 2 weeks.	Achieved to date	All minor repairs completed within 2 weeks.
Cemetery				
The Kawerau cemetery meets community interment needs in the present and the medium term	Number of burial plots available	Enough for at least 5 years	Achievement anticipated	There are currently enough plots for more than 10 years.
	Community satisfaction with the cemetery	N/A	N/A	The survey is completed every three years and was completed in 2022/23.

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

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.

Vandalism expenditure to date = \$5,614

	Budget	Actual	Comment
Operating funding – Rates & Charges (A)	(988,250)	(327,761)	
Applications of operating funding – Staff & Suppliers (B)	(1,150,470)	(301,029)	
Surplus (deficit) of operating funding (A - B)	162,220	26,791	
Sources of capital funding (C)	0	0	
Less (D):			
Renewals/capital	301,700	301,261	Plant & vehicles
Increase/(decrease) in reserves	(139,480)	(227,992)	
Surplus (deficit) of capital funding (C - D)	(162,220)	26,731	
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)	101,928	127,613	Additional DIA funding
Applications of operating funding – Staff & Suppliers (B)	3,973,486	1,036,545	
<i>Less allocated to activities</i>	<i>(3,973,486)</i>	<i>(1,036,545)</i>	
Surplus (deficit) of operating funding (A - B)	101,928	127,613	
Sources of capital funding (C)	0	0	
Less (D):			
Renewals/capital	192,100	13,724	IT and building renewals
Increase/(decrease) in reserves	(90,172)	113,888	
Surplus (deficit) of capital funding (C - D)	(101,928)	(127,613)	
Funding balance ((A – B) + (C – D))	\$0	\$0	