

Document No: A581053

Report To: Council



Meeting Date: 26 October 2021

Subject: Declaration of Members' Conflicts of Interest

Purpose of Report

- 1.1 The purpose of this business paper is for elected members to –
- 1 Declare interests that may be deemed a potential conflict with their role as an elected member relating to the business papers for this meeting, and
 - 2 Declare any interests in items in which they have a direct or indirect pecuniary interest as provided for in the Local Authorities (Members' Interests) Act 29168.

Commentary

2.1 **Conflicts of Interest**

2.2 Every elected member has a number of professional and personal links to their community. They may own a business or be a member on a board or organisation. They may have a pecuniary (financial) interest or a non-pecuniary (non-financial) interest. These interests are a part of living in the community which they need to make decisions about in their role with Council.

2.3 Elected members are governed by the Local Authorities (Members' Interests) Act 1968 and are guided by the Auditor-General in how this Act is administered. In relation to pecuniary interests, the two underlying purposes of the Act are to:

- Ensure members are not affected by personal motives when they participate in local authority matters; and
- In contracting situations, prevent members from using their position to obtain preferential treatment from the authority (the Council).

2.4 Non-pecuniary interests relate to whether an elected member could be in danger of having a real or perceived bias for an issue under consideration.

2.5 Elected members will also have interests that are considered no greater than the public at large. For example, most elected members will own a property and therefore be a ratepayer in the Waitomo District.

2.6 Conflicts of interest at times cannot be avoided, and can arise without anyone being at fault. They need not cause problems when they are promptly disclosed and well managed.

2.7 **Declarations of Interests and Conflicts**

2.8 At the beginning of each triennial council term, elected members are requested to disclose known interests on behalf of themselves (including spouses and partners). It is up to the elected member to judge whether they have any interests to declare. Some elected members may not have any, other elected members may have many.

2.9 As well as this, elected members may decide that they have an interest in a particular issue or item to be discussed at a meeting. There is a standing item on every meeting agenda for elected members to declare conflicts of interest.

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- 2.10 These declarations should be clear as to whether there is just an "interest" with no pecuniary benefit and no greater benefit than to any member of the public, or they may be a Council appointed representative to an organization, or whether there is a "conflict of interest" in that there could potentially be a pecuniary or other direct benefit to the elected member.
- 2.11 Members who have declared a "conflict of interest" at the commencement of a meeting should make a further declaration when that item of business is considered and leave the meeting table (or the meeting room) and not take part in any discussion, debate or voting on the matter of conflict.
- 2.12 Attached to and forming part of this business paper is information to assist elected members in determining conflicts of interest.

Declarations

Mayor Robertson will invite elected members to give notice of any conflicts of interest relating to the business for this meeting.

In the event of a Declaration being made, the elected member must provide the following information relating to the Declaration:

Elected Member Name:		
Item(s) of Business on the Order Paper	Reason for Declaration	Type of Conflict Financial Non-Financial Conflict of Roles Pre-Determination
Item No -	•	•



MICHELLE HIGGIE
MANAGER – GOVERNANCE SUPPORT

Local Authority (Members' Interests) Act 1968

- 3.1 The Local Authority (Members' Interests) Act 1968 helps to protect the integrity of local authority decision-making by ensuring that Councillors are not affected by personal motives when they participate in Council decision-making and cannot use their position to obtain preferential access to contracts. This Act deals with two forms of "interest":
1. Pecuniary
 2. Non-pecuniary
- 3.2 **Pecuniary Interest**
- 3.3 The **two** specific rules in the Act are that members cannot:
1. Enter into contracts with their local authority worth more than \$25,000 (including GST) in a financial year unless the Auditor-General approves the contracts (referred to as the contracting rule). Breach of this rule results in automatic disqualification from office; and
 2. Participate in matters before the Council in which they have a pecuniary interest, other than an interest in common with the public (referred to as the participation rule). Breach of this rule is a criminal offence and conviction results in automatic disqualification from office
- 3.4 A pecuniary interest is one that involves money. This could be direct or indirect. It is sometimes difficult to decide whether an interest in a particular matter is pecuniary or some other kind. It is always the responsibility of elected members to make this decision, to declare any interest when appropriate and to ensure that as an elected member you comply with the Act's requirements at all times. The Act generally provides that no person shall be capable of being a member of Council if that person is concerned or interested in any contracts with the Council where the total payments made by the Council in respect of such contracts exceeds \$25,000 in any one financial year.
- 3.5 The Act also provides that an "interest" exists where a member's spouse is involved and/or where a member or their spouse is a major shareholder or have control or management of a company which contracts with Council or where the company has a pecuniary interest in the decision. It may also apply where your family trust has a contract with the Council.
- 3.6 The Act does provide that on application to it the Office of the Auditor General may give specific approval to a member being concerned or interested in a particular contract, in which case the provisions of the Act will not disqualify the Councillor from remaining in office. The approval needs be gained before the contract concerned is entered into.
- 3.7 The Act also requires that a member shall not vote or take part in the discussion of any matter in which he/she has any pecuniary interest, other than an interest in common with the public. This interest is required to be declared by the member and is noted in the minutes.
- 3.8 The Office of the Auditor General is the agency, which oversees this legislation and it also has the responsibility and power to institute proceedings against any member. The Act does not define pecuniary interest, however the Office of the Auditor-General uses the following test: "Whether, if the matter were dealt with in a particular way, discussing or voting on that matter could reasonably give rise to an expectation of a gain or loss of money for the member concerned."
- 3.9 In deciding whether you have a pecuniary interest you should consider the following factors: What is the nature of the decision being made? Do I have a financial interest in that decision – do I have a reasonable expectation of gain or loss of money as a result of making that decision? Is my financial interest one that is in common with the public? Do any of the exceptions in the Act apply to me? Could I apply to the Auditor-General for approval to participate?
- 3.10 Further guidance is provided in the booklet "Guidance for members of local authorities about the Local Authorities (Members' Interests) Act 1968" which has been provided to 5 elected members. It is important that you pay particular attention to the contents of this booklet as this is one of the few areas of the Council's business where staff do not set out to provide

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pro-active advice and members are personally liable for compliance with the provisions of this Act.

3.11 Non-Pecuniary Interest

3.12 Non-pecuniary interest is any interest the member may have in an issue that does not involve money. A common term for this is "bias" or pre-determination. Rules about bias operate not only to ensure that there is no actual bias, but also so there is no appearance or possibility of bias. The principle is that justice should not only be done, but it should be seen to be done. Bias may be exhibited where:-

- By their statements or conduct a member may indicate that they have predetermined the matter before hearing or considering all of the relevant information on it (including the Council's debate); or
- The member has a close relationship with an individual or organisation affected by the matter.

3.13 Non-pecuniary interest is a difficult issue as it often involves matters of perception and degree. The question you need to consider, drawn from case law, is: "Is there, to a reasonable, fair-minded and informed observer, a real indication of bias on the part of a member of the decision making body, in the sense that they might unfairly regard with favour (or disfavour) the case of a party to the issue under consideration?" If there is, the member should declare their interest and withdraw from the debate and take no further part in the discussion of this item. The law about bias does not put you at risk of personal liability. Instead, the validity of the Council's decision could be at risk. The need for public confidence in the decision-making process is paramount and perception can be an important factor. Again the booklet provided by Office of the Auditor General provides some excellent advice and information on this issue.

Waitomo District Council Procurement Policy 2018

4.1 The following are extracts from WDC's Procurement Policy:

WDC's procurement activities will be conducted in line with the core Procurement Principles and a decision framework that ensures:

- **Adherence** – all procurement is required and is undertaken in accordance with the Procurement Policy and all other associated WDC Policies and Strategies;
- **Openness** - all procurement is made in an open and transparent manner with full and fair opportunity for all eligible suppliers;
- **Fairness** - all procurement is carried out in a fair manner and decisions are made with impartiality and without bias;
- **Integrity** - all WDC employees and/or authorises third parties undertaking procurement do so ethically, equitably and with behavioural standards of the highest levels;
- **Value for Money** – all procurement considers the costs and benefits over the life of the goods, services and/or works, and in doing so takes into consideration local procurement;
- **Risk** – all procurement considers the risks (commercial and otherwise) and ensures these are managed appropriately;
- **Lawfulness** - all procurement is within the law and meets WDC's legal and organisational obligations;
- **Accountability** - employees and/or authorised third parties and suppliers are accountable for their performance; and
- **Sustainability** - all procurement is environmental and socially sustainable wherever possible, having regard to economic, environmental, and social impacts over their lifecycle.

Conflict of Interest and Declarations Policy 2018

WDC is required to identify, disclose, document and manage employees' conflicts of interest, and to ensure that decisions made on behalf of WDC and the community are fair and free of bias or perceived bias.

Note: the words "decision" and "decisions" should be taken to include recommendations and advice:

- (a) that might significantly influence decisions that will be made by other people; or
- (b) on development of strategies and policies that will guide future WDC decision making on service provision, purchasing, contracting or staff employment.

WDC recognises that the professional and personal interests of employees mean that conflicts of interest sometimes cannot be avoided, and can arise without necessarily establishing a fault. Conflict need not cause difficulties, and can be managed so that the best interests of WDC and its ratepayers, residents or customers are served.

DEFINITION OF CONFLICT OF INTEREST

A **conflict of interest** exists when an employee could be influenced or could be perceived as being influenced by a personal or private interest in **any transaction** while performing their WDC duties and/or responsibilities. A personal or private interest is an interest that may bring benefit to an employee as an individual, or to others associated with the employee i.e. spouse or family member, to whom the employee may later benefit.

A **transaction** includes, but is not limited to:

- (a) the exercise or performance of a function, duty, or power of WDC; or
- (b) an arrangement, agreement, or contract to which WDC is a party; or
- (c) a proposal that WDC enter into an arrangement, agreement, or contract; or
- (d) development of a strategy or policy that will guide future decision making on service provision, purchasing, contracting or staff employment; or
- (e) the consideration of or decision made by or at a meeting of Council or its committees and subcommittees.

A Conflict of Interest may exist where the employee:

- will or may derive a benefit from the transaction – a financial, professional or personal benefit;
- has a financial interest in another party to a transaction;
- is a director, shareholder, officer or trustee of another party to the transaction, or is a person who will or may derive a financial benefit from the transaction;
- has an interest in another party tendering for work which WDC is considering; or
- is the partner, parent, child, spouse, sibling, or close friend of another party to the transaction, or a person who will or may derive a benefit from the transaction; or
- is an affected member or interested party in a proposal considered by Council.

Managing conflicts of interest

A conflict of interest is a situation where the responsibilities you have in your work for a public organisation are affected by an interest or relationship you have in your private life.

Having a conflict of interest does not necessarily mean you have done anything wrong. It all depends on how you manage it.

You need to ask yourself not just whether the interest or relationship means you are biased, but also whether someone looking in from the outside could have reasonable grounds to think you might be.

The “rules” for managing conflicts of interest in the public sector are generally stricter than in the private sector. If you work for a public organisation, the public needs to have confidence that any decisions you make:

- are made impartially and for the right reasons; and
- are not influenced by personal interests or ulterior motives.

Any decisions about conflicts of interest should take into account the core public service values:

- integrity;
- impartiality
- trustworthiness;
- respect; and
- responsiveness.



Tips for managing conflicts

- Make sure you know what rules apply to you, whether in your employment contract, contract for services, terms of appointment, or any internal policies of the entity you work for.
 - Declare any interests you have that might pose a conflict. This shows you are being open. It will also help the entity you work for avoid putting you in a situation where a conflict might arise, or to manage a conflict if one arises.
 - Follow any rules or guidance provided by the entity you work for when deciding how to manage a conflict.
- As a minimum, declare any conflicts you have as soon as you become aware of them, preferably in writing.
 - Think about what else you might need to do to manage the conflict. Get advice if you need to. Talk to your manager, or if you are on a board, the chairperson.
 - You need to consider ethics as well as legal rules. Just because it's not unlawful to participate, that does not necessarily mean it would be appropriate to participate.

If in doubt, stay out.



When you have to make a decision, ask yourself:

FINANCIAL

- Do you stand to gain or lose financially from the decision?
- Does someone close to you – like an immediate family member – or a business you are involved with stand to gain or lose financially from the decision?

A situation does not need to involve cash changing hands to be considered a financial interest. A financial interest could, for example, relate to an effect on the value of property.

A financial interest might be direct or indirect. In situations that someone close to you or a business you are involved with has a financial interest, you might be considered to share their interest.

Financial interests are generally treated more strictly than other types of interest. If you have a financial conflict of interest, the law presumes you are biased. This is why you should automatically treat a financial conflict of interest seriously, even if it seems trivial to you.

For some entities in the public sector, there are specific statutory requirements that apply to managing the financial conflicts of interest, which you need to be aware of.

NON-FINANCIAL

- Is someone close to you or an organisation you are involved with likely to be affected by the decision you make?
- If so, is there a risk that you will be seen to be biased in your decision because of this relationship or association?

If you have a conflict of interest, but not one from which you stand to gain or lose financially, the law does not automatically assume you are biased.

This does not necessarily mean a non-financial conflict is less serious than a financial conflict – but there is generally more room for judgement about whether it is acceptable for you to participate.

Questions you need to think about include:

- How close is your relationship with this other person or organisation?
- Will they be directly affected by the decision?
- How seriously will they be affected?

CONFLICT OF ROLES

Will a second organisation you have a role in (entity B) be affected by the decision you are making for the public organisation you work for (entity A)?

If so:

- Is there a risk that you will be seen to be acting in the interests of entity B rather than entity A?
- If you participate in this decision, is there a risk that you might breach obligations you owe to either entity – for example, a duty of loyalty or confidentiality?

The issue with a conflict of roles is not so much whether you personally have a conflict, but whether the interests of the two organisations conflict.

If you have a conflict of roles, you will need to consider whether it is appropriate for you to participate in the decision-making process “on both sides of the table”. You will also need to think about whether you are going to be in a position to fulfil your obligations to both entities at the same time.



If there is a risk that there might be conflicts at some point during the decision-making process, you should discuss your situation with both entities. This gives each an opportunity to consider the risks from their perspective and decide whether they are comfortable with you participating on both sides.

PRE-DETERMINATION

Is there anything you have previously done or said that might make people think you are not going to listen fairly to all the relevant information before you make your decision?

It is accepted that people working for public entities will have their own views on many matters, and, in many cases, might already have views on what the “right answer” to an issue is.

You are not required to approach every decision as though you have given it no prior thought, or have no existing knowledge or opinion. However, you are required to keep an open mind, and you must be prepared to change or adjust your views if the evidence or arguments warrant it.

That means you need to take care that what you do or say does not make it look like you have already made your decision before you have considered all the relevant information and evidence.

Where to read more

FINANCIAL	NON-FINANCIAL	CONFLICT OF ROLES	PRE-DETERMINATION
Paragraphs 3.7-3.11	Paragraphs 3.12-3.24	Paragraphs 3.25-3.31	Paragraphs 3.32-3.40
Scenarios 3, 5	Scenarios 1, 2, 3, 9, 11	Scenarios 8, 10	Scenarios 4, 7
If you are an elected member of a local council, or a member of the governing body of any other entity to which the Local Authorities (Members' Interests) Act 1968 applies, please also read our Guide on that Act.			

WAITOMO DISTRICT COUNCIL

MINUTES OF A MEETING OF THE WAITOMO DISTRICT COUNCIL HELD IN THE COUNCIL CHAMBERS, QUEEN STREET, TE KUITI ON TUESDAY 28 SEPTEMBER 2021 AT 9.00AM

PRESENT: Mayor John Robertson, Deputy Mayor Guy Whitaker, Council Members Phil Brodie, Allan Goddard, Lisa Marshall, Janene New and Sue Smith

IN ATTENDANCE: Paul Charman (King Country News)

Chris Ryan, Chief Executive; Michelle Higgie, Manager – Governance Support; Helen Beever, General Manager – Community Services (for part only); Alister Duncan, General Manager – Business Support (for part only); Alex Bell, General Manager – Strategy and Environment (for part only); Fiona Hill, Senior Planner (for part only); Jenelle Burnell, Leader – Communications and Engagement, (for part only); Charmaine Ellery, Manager – Strategy and Policy (for part only); Greg Boyle, Acting General Manager – Infrastructure Services (via Zoom – for part only); Nick Murphy, Manager – Programme Delivery (via Zoom – for part only); Sharon Schou, Legal Advisor (for part only)

1. Council Prayer

2. Consideration of Order Paper

Council noted the “Amended” Order Paper and tabled items and agreed to move the “Resident Survey 2021” item of business from the public excluded portion of the meeting to the open meeting.

3. Declarations of Member Conflicts of Interest

Members declared interests/conflicts of interest in respect to the Agenda as set out below:

Item(s) of Business on the Order Paper	Member and Reason for Declaration	Type of Conflict <i>Financial / Non-Financial / Conflict of Roles / Pre-Determination</i>
Item 10: 2021 Single-Year Community Partnership Grant – Consideration of Funding Applications	Councillor Smith <ul style="list-style-type: none">Te Waitere Boat Club Incorporated – Member	Conflict of Roles
Item 11: 2021 Multi-Year Community Partnership Grant – Consideration of Funding Applications	Councillor New <ul style="list-style-type: none">Te Kuiti Pipe Band – Family members involved in BandTe Kuiti & Districts Historical Society – Member	Conflict of Roles Conflict of Roles

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Item(s) of Business on the Order Paper	Member and Reason for Declaration	Type of Conflict <i>Financial / Non-Financial / Conflict of Roles / Pre-Determination</i>
	Councillor New <i>(continued)</i> <ul style="list-style-type: none"> • Legendary Te Kuiti – Chairperson • The Hillview Trust Incorporated – Past Trustee • Waitomo Sister City Incorporated – Member • Game On Charitable Trust – Trustee 	<p style="text-align: center;">Conflict of Roles</p> <p style="text-align: center;">Perceived Conflict</p> <p style="text-align: center;">Conflict of Roles</p> <p style="text-align: center;">Conflict of Roles</p>
	Councillor Brodie <ul style="list-style-type: none"> • Tainui Historical Society (Mokau Museum) – Member 	Conflict of Roles
	Councillor Marshall <ul style="list-style-type: none"> • Te Kuiti Community House Trust – Member 	Conflict of Roles
	Councillor Smith <ul style="list-style-type: none"> • Waitomo Caves Museum – Member 	Conflict of Roles
	Deputy Mayor Whitaker <ul style="list-style-type: none"> • The Hillview Trust Incorporated – Trustee • Legendary Te Kuiti – Member • Te Kuiti Community House – Wife is ex Trustee • Waitomo Sister City Incorporated – Member 	<p style="text-align: center;">Conflict of Roles</p> <p style="text-align: center;">Conflict of Roles</p> <p style="text-align: center;">Perceived Conflict</p> <p style="text-align: center;">Conflict of Roles</p>
	Councillor Goddard <ul style="list-style-type: none"> • Citizens Advice Bureau Te Kuiti Inc – Wife is Treasurer 	Conflict of Roles
	Public Excluded Items relating to the King Country Indoor Sports and Recreation Centre	Councillor Goddard <ul style="list-style-type: none"> • Member of the North King Country Sport and Recreation Centre Steering Group
Mayor Robertson <ul style="list-style-type: none"> • Member of the North King Country Sport and Recreation Centre Steering Group 		
Councillor New <ul style="list-style-type: none"> • Trustee of Game On Charitable Trust 		Conflict of Roles

4. Confirmation of Minutes – 31 August 2021

Resolution

The Minutes of the Waitomo District Council meeting of 31 August 2021, including the public excluded portion of the Minutes, be confirmed as a true and correct record.

Robertson/Whitaker Carried

5. Receipt of Unconfirmed Audit, Risk and Finance Committee Minutes – 17 August 2021

Resolution

The Unconfirmed Minutes of the Waitomo District Council Audit, Risk and Finance Committee meeting of 17 August 2021 be received.

Robertson/Marshall Carried

6. Verbal Reports: Elected Member Roles and Responsibilities

The Councillors gave verbal reports on their individual portfolio roles and responsibilities as follows:

Council noted that due to the Covid restrictions in place, many scheduled meetings/events have been cancelled with some meetings being convened via Zoom.

Deputy Mayor Whitaker

1. Legendary Te Kuiti
2. Brook Park
3. Waitomo Sister City Incorporated

Cr Smith

1. Search and Rescue Base at Marokopa

Cr Marshall

1. Regional Connections Committee (Regional Focus) Meeting

Cr Goddard

1. Benneydale Hall
2. Federated Farmers Executive Meeting
3. North King Country Sport and Recreation Centre Steering Group

Cr New

1. Legendary Te Kuiti
2. Waitomo Sister City Incorporated

Cr Brodie

1. Regional Transport Committee
2. Regional Connections Committee (Regional Focus) Meeting
3. Tainui Domain
4. Federated Farmers Executive Meeting

Mayor

1. Search and Rescue at Marokopa
2. Covid-19 – Foodbank Issues
3. North King Country Sport and Recreation Centre Steering Group
4. Federated Farmers Executive Meeting

Resolution

The verbal reports be received.

Robertson/Brodie Carried

Councillor Brodie on behalf of the Council expressed thanks to the staff and especially the Leader – Communications and Engagement for providing daily updates during the Covid-19 Levels 3 and 4.

7. Mayor's Report: September 2021

Council considered the Mayor's Report prepared for the 28 September 2021 Council Meeting.

Resolution

The Mayor's Report for the 28 September 2021 Council Meeting be received.

Robertson/Goddard Carried

8. Chief Executive – Recruitment Process

Council considered a business paper seeking a resolution to confirm the appointment of a Recruitment Agency for the recruitment process to appoint a new Chief Executive.

The Manager – Governance Support and Mayor expanded verbally on the business paper.

Resolution

- 1 The business paper on Chief Executive – Recruitment Process be received.
- 2 Council confirm the appointment of Greg Tims and Associates as the preferred provider for the Chief Executive Recruitment Process.

Robertson/Smith Carried

9. 2021 Single-Year Community Assistance Grant – Consideration of Funding Applications

Council considered a business paper seeking Council consideration the 2021 Single-Year Community Assistance Grant Applications and to allocate funding.

The General Manager – Community Services expanded verbally on the business paper.

Resolution

- 1 The business paper on 2021 Single-Year Community Assistance Grant – Consideration of Funding Applications be received.
- 2 Council approve the allocation of the 2021 Single-Year Community Assistance Grants, as follows:

Name of Applicant	Allocation
<u>Te Kuiti and District Memorial RSA</u>	\$2,000.00
<u>Hamilton Tomo Group</u>	\$10,000.00
<u>Te Kuiti Amateur Swimming Club Inc</u>	\$5,000.00
<u>Te Waitere Boating Club Inc</u>	\$10,000.00
TOTAL	\$27,000.00

Councillor Smith declared a conflict of interest with the Te Waitere Boating Club Incorporated application and abstained from voting on this item of business.

New/Whitaker Carried

10. 2021 Multi-Year Community Partnership Grant – Consideration of Funding Applications

Council considered a business paper seeking Council consideration the 2021 Multi-Year Community Partnership Grant Applications and to allocate funding.

The General Manager – Community Services expanded verbally on the business paper.

The Leader – Communications and Engagement entered the meeting at 9.34am.

Resolution

- 1 The business paper on 2021 Multi-Year Community Partnership Grant – Consideration of Funding Applications be received.
- 2 Council approve the allocation of the 2021 Multi-Year Community Partnership Grants totalling \$212,450.00 as follows:

Name of Applicant	Allocation (per annum)
<u>Tainui Historical Society (Mokau Museum)</u>	\$10,000.00
<i>Councillor Brodie declared a conflict of interest and abstained from voting on this application.</i>	
	Robertson/Marshall Carried
<u>Te Kuiti and District Highland Pipe Band Incorporated</u>	\$2,000.00
<i>Councillor New declared a conflict of interest and abstained from voting on this application.</i>	
	Whitaker/Smith Carried
<u>Citizens Advice Bureau Te Kuiti Inc</u>	\$4,500.00
<i>Councillor Goddard declared a conflict of interest and abstained from voting on this application.</i>	
	New/Marshall Carried

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Name of Applicant	Allocation (per annum)		
<u>Te Kuiti Community House Trust</u>	\$12,000.00		
<i>Councillor Marshall declared a conflict of interest and abstained from voting on this application.</i>			
		New/Goddard	Carried
<u>Te Kuiti and District Historical Charitable Trust</u>	\$15,000.00		
<i>Councillor New and Deputy Mayor Whitaker declared conflicts of interest and abstained from voting on this application.</i>			
		Smith/Goddard	Carried
<u>New Zealand Shearing Championships Inc</u>	\$6,000.00		
		Robertson/Marshall	Carried
<u>Sport Waikato</u>	\$35,000.00		
		Goddard/Marshall	Carried
<u>Youthline Auckland Charitable Trust</u>	\$2,000.00		
Condition: The Applicant to be informed that funding is conditional on an annual visit to a Waitomo District School			
		Brodie/Marshall	Carried
<u>Te Kuiti Development Inc (Legendary Te Kuiti)</u>	\$10,000.00		
<i>Councillor New and Deputy Mayor Whitaker declared conflicts of interest and abstained from voting on this application.</i>			
		Goddard/Marshall	Carried
<u>Pinetree No.5 Trust</u>	\$3,000.00		
		Robertson/New	Carried
<u>Piopio Amateur Swimming Club</u>	\$400.00		
		Robertson/New	Carried
<u>Maniapoto Netball Association Incorporated</u>	\$10,000.00		
		Goddard/Marshall	Carried
<u>Piopio Community Swimming Pool Charitable Trust</u>	\$10,000.00		
		Goddard/Marshall	Carried
<u>The Hillview Trust Incorporated</u>	\$20,000.00		
<i>Councillor New and Deputy Mayor Whitaker declared conflicts of interest and abstained from voting on this application.</i>			
		Robertson/Marshall	Carried
<u>Waitete Rugby Football Club</u>	\$5,000.00		
		Robertson/New	Carried
<u>Maniapoto Ruby Football Sub-Union Incorporated</u>	\$20,000.00		
		Robertson/New	Carried

Name of Applicant	Allocation (per annum)
<u>Piopio Lions Club</u>	\$550.00
	Robertson/New Carried
<u>Waitomo Sister City Incorporated</u>	\$3,000.00
<i>Councillor New and Deputy Mayor Whitaker declared conflicts of interest and abstained from voting on this application.</i>	
	Marshall/Smith Carried
Mayor Robertson recorded his vote against the granting of this application.	
<u>Waitomo Caves Museum</u>	\$44,000.00
<i>Councillor Smith declared a conflict of interest and abstained from voting.</i>	
	Robertson/Brodie Carried

11. Hamilton Waikato Tourism – Presentation of Annual Report 2020/2021

Council considered a business paper presenting the Hamilton and Waikato Tourism Annual Report and noted that Jason Dawson, Chief Executive of Hamilton and Waikato Tourism did not attend the meeting to present and speak to the Annual Report.

Resolution

The Hamilton and Waikato Tourism Annual Report be received.

Goddard/Smith Carried

The General Manager – Community Services left the meeting at 9.55am.

12. Resident Survey 2021

Note: Council agreed at the beginning of this meeting for this item of business to be moved from the public excluded part of the meeting into the open meeting.

Council considered a business paper presenting the results of the Resident Survey for 2021.

The Leader – Communications and Engagement expanded verbally on the business paper and answered members' questions.

Resolution

- 1 The Business Paper on the Resident Survey 2021 be received.
- 2 Council notes the results of the survey and Management's response to activities that might require further attention.
- 3 Council authorises the release of the Resident Survey Report 2021 for public information.

Robertson/New Carried

13. Motion to Exclude the Public

Council considered a business paper pursuant to Section 48 of the Local Government Official Information and Meetings Act 1987 giving Council the right by resolution to exclude the public and/or staff from the whole or any part of a meeting on one or more of the grounds contained within that Section.

Council noted the Amended Order Paper and tabled items of business and agreed to re-order the public excluded business after moving the 2021 Resident Survey into the public part of this meeting.

Resolution

- 1 The public be excluded from the following part of the proceedings of this meeting.
- 2 The general subject of each matter to be considered while the public is excluded and the reason for passing this resolution in relation to each matter, as specified by Section 48(1) of the Local Government Official Information and Meetings Act 1987 are as follows:

General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Section 48(1) grounds for the passing of this resolution
1. Progress Report: Proposed Waitomo District Plan	Section 7(f) – To maintain the effective conduct of public affairs through - (i) the free and frank expression of opinions by or between or to members or officers or employees of any local authority, or any persons to whom section 2(5) applies, in the course of their duty; or (ii) the protection of such members, officers, employees, and persons from improper pressure or harassment;	Section 48(1)(a)(i)
2. Three Waters Reform – 8 Week Consideration	Section 7(2)(c) – To protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information— (i) would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied; or (ii) would be likely otherwise to damage the public interest.	Section 48(1)(a)(i)
3. Progress Report: King Country Indoor Sports and Recreation Centre – Steering Group	Section 7(2)(i) – To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations);	Section 48(1)(a)(i)

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General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Section 48(1) grounds for the passing of this resolution
4. North King Country Indoor Sport and Recreation Centre	Section 7(2)(i) – To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations);	Section 48(1)(a)(i)
5. Significance and Engagement Policy	Section 7(2)(i) – To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations);	Section 48(1)(a)(i)
6. Verbal Progress Report: Investment Oversight Working Party	Section 7(2)(i) – To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations);	Section 48(1)(a)(i)

3 Council agree the following staff, having relevant knowledge to assist in the consideration of the items of business to be public excluded, remain in attendance to assist the Committee with its decision making:

Staff Member	Reason for Remaining in Attendance
Chief Executive	Council CEO
Manager – Governance Support	Committee Secretary
Leader – Communications and Engagement	Communications
General Manager – Community Services	Portfolio Holder
General Manager – Strategy and Environment	Portfolio Holder
Senior Planner	Author
Manager – Strategy and Policy	Author
Acting General Manager – Infrastructure Services	Portfolio Holder
General Manager – Business Support	Portfolio Holder
Manager – Programme Delivery	Portfolio Holder

4 This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in the public.

Robertson/Whitaker Carried

Paul Charman (King Country News) left the meeting at 10.08am.

14. Consideration of Public Excluded Items to be made public following Council's decision taking

Resolution

Following Council's consideration and decision taking of the public excluded items of business, Council agreed:

1 Progress Report: Proposed Waitomo District Plan

Resolution 1 only be made public as follows:

1 *The Progress Report - Proposed District Plan be received.*

2 Three Waters Reform – 8 Week Consideration

The Resolutions only be made public as follows:

1 *The business paper on Three Waters Reform 8 Week Consideration be received.*

2 *Council notes:*

a) *The Government Three Waters Reform proposals.*

b) *The advice from Central Government that water standards will increase over time.*

c) *That Council has concerns at the validity of some of the assumptions contained in the proposals.*

3 *Council agrees to continue to engage with Central Government and other Local Authorities in 'Entity B' to further consider the Government's reform proposal.*

3 Progress Report: King Country Indoor Sports and Recreation Centre – Steering Group Report

The Resolution only be made public as follows:

The Progress Report: King Country Indoor Sport and Recreation Centre Steering Group Report be received.

Robertson/Brodie

Carried

15. Resolution to Adjourn Meeting

Council was referred to its Standing Orders for Meetings and agreed to adjourn the meeting in accordance with Standing Orders as follows:

- Section 4.1 "Legal requirement to hold meetings" a meeting can be adjourned to a specified time and day if required by resolution of the meeting.
- Section 21.1 "Adjournment motions" a motion to adjourn the meeting supersedes all other business still remaining to be disposed of.
- Section 25.5 "Remaining business at adjourned meetings" that the remaining business will be considered at the next meeting.

Resolution

In accordance with Standing Orders the meeting adjourn until 9.00am on Tuesday 12 October 2021 at which time the Council will give further consideration to the unfinished business, being the public excluded items as follows:

- 1 King Country Indoor Sports and Recreation Centre
- 2 Significance and Engagement Policy
- 3 Verbal Progress Report – Investment Oversight Working Party

Robertson/Whitaker Carried

The meeting stood adjourned at 4:11pm to reconvene on Tuesday 12 October 2021 at 9.00am.

Dated this day of 2021

JOHN ROBERTSON
MAYOR

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Confidential Confidential

Confidential

WAITOMO DISTRICT COUNCIL

MINUTES OF A RECONVENED MEETING OF THE WAITOMO DISTRICT COUNCIL HELD IN THE COUNCIL CHAMBERS, QUEEN STREET, TE KUITI ON TUESDAY 12 OCTOBER 2021 AT 9.00AM

- PRESENT:** Mayor John Robertson and Council Member Allan Goddard
- PRESENT VIA ZOOM:** Deputy Mayor Guy Whitaker, Council Members Phil Brodie, Allan Goddard, Lisa Marshall, Janene New and Sue Smith
- IN ATTENDANCE:** Chris Ryan, Chief Executive and Helen Beever, General Manager – Community Services
- IN ATTENDANCE VIA ZOOM:** Michelle Higgie, Manager – Governance Support; Alister Duncan, General Manager – Business Support; Alex Bell, General Manager – Strategy and Environment; Charmaine Ellery, Manager – Strategy and Policy; Greg Boyle, Acting General Manager – Infrastructure Services; Sharon Schou, Legal Advisor; Bruce Robertson, Audit Risk and Finance Committee Independent Chairperson

Mayor Robertson welcomed everyone and reconvened the meeting previously adjourned on Tuesday 28 September 2021.

Council noted that Member declarations of conflicts of interest are as made at the 28 September 2021 adjourned meeting and are as follows for the public excluded business:

Item(s) of Business on the Order Paper	Member and Reason for Declaration	Type of Conflict <i>Financial / Non-Financial / Conflict of Roles / Pre-Determination</i>
King Country Indoor Sports and Recreation Centre	Councillor Goddard <ul style="list-style-type: none"> Member of the North King Country Sport and Recreation Centre Steering Group 	No Conflict – Representatives appointed by Council resolution to represent Council and the Steering Group has no decision making powers.
	Mayor Robertson <ul style="list-style-type: none"> Member of the North King Country Sport and Recreation Centre Steering Group 	
	Councillor New <ul style="list-style-type: none"> Trustee of Game On Charitable Trust 	Conflict of Roles

1. Motion to Exclude the Public

Council considered a business paper pursuant to Section 48 of the Local Government Official Information and Meetings Act 1987 giving Council the right by resolution to exclude the public and/or staff from the whole or any part of a meeting on one or more of the grounds contained within that Section.

Council noted the Amended Order Paper and tabled items of business and agreed to re-order the public excluded business after moving the 2021 Resident Survey into the public part of this meeting.

Resolution

- 1 The public be excluded from the following part of the proceedings of this meeting.
- 2 The general subject of each matter to be considered while the public is excluded and the reason for passing this resolution in relation to each matter, as specified by Section 48(1) of the Local Government Official Information and Meetings Act 1987 are as follows:

General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Section 48(1) grounds for the passing of this resolution
1. North King Country Indoor Sport and Recreation Centre	Section 7(2)(i) – To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations);	Section 48(1)(a)(i)
2. Significance and Engagement Policy	Section 7(2)(i) – To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations);	Section 48(1)(a)(i)
3. Verbal Progress Report: Investment Oversight Working Party	Section 7(2)(i) – To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations);	Section 48(1)(a)(i)

- 3 Council agree the following staff, having relevant knowledge to assist in the consideration of the items of business to be public excluded, remain in attendance to assist the Committee with its decision making:

Staff Member	Reason for Remaining in Attendance
Chief Executive	Council CEO
Manager – Governance Support	Committee Secretary
General Manager – Community Services	Portfolio Holder
General Manager – Strategy and Environment	Portfolio Holder
General Manager – Business Support	Portfolio Holder
Acting General Manager – Infrastructure Services	Portfolio Holder
Manager – Strategy and Policy	Author
Legal Advisor	Legal Oversight
Audit, Risk and Finance Committee Independent Chair	Risk Oversight

- 4 This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in the public.

Robertson/Goddard Carried

2. Consideration of Public Excluded Items to be made public following Council's decision taking

Resolution

Following Council's consideration and decision taking of the public excluded items of business, Council agreed:

1 Assessment of Proposal – Significant and Engagement Policy

The Resolutions only be made public as follows:

- 1 *The business paper on Significance Engagement Policy (Doc Ref A578024) prepared and tabled at the 28 September 2021 Council meeting be received.*
- 2 *The Supplementary Report: Assessment of Proposal - Significance and Engagement Policy (Doc Ref A579469) be received.*
- 3 *Council notes that:*
 - *The proposal on the table is a partnership model between the Council, Ministry of Education and the Te Kuiti High School Board of Trustees for ownership of the proposed King Country Indoor Sports and Recreation Centre.*
 - *A project risk assessment model was developed which sought to capture all of the identifiable risks of the proposed project. This project risk assessment model was informed in part by the independent reviews of the proposal by Deloitte, Rawlinsons, Ministry of Education and the Project Steering Group.*
 - *That each of those identified risks have considered an appropriate mitigation and control measures.*
 - *That the previous project proposal of Game on Charitable Trust carried an element of high financial risk in that if there was a financial shortfall this would have potentially been sought from the Council.*
 - *That any identified residual financial risk can be mitigated or controlled by the Council through ensuring effective measures and controls are in place to prevent additional financial risk over and above that which would have existed under the previous Game on Charitable Trust ownership and operational model.*
- 4 *Council, after making an assessment of the financial risks and of its community consultation for the King Country Indoor Sports and Recreation Centre, is satisfied that:*
 - *The amended proposal does not carry additional financial cost or risk which would exceed the matters fairly raised in the consultation undertaken as part of the 2018-2028 Long Term Plan; and*
 - *There is a low potential for opponents of the proposed Sport and Recreation Centre to decide to litigate*
- 5 *On the basis of the above considerations, Council agrees that public consultation in accordance with the special consultative procedure in the Local Government Act 2002 is not required.*

Robertson/Whitaker Carried

2 King Country Indoor Sports and Recreation Centre

The Resolutions only be made public as follows:

- 1 *The business paper on King Country Indoor Sports and Recreation Centre (Doc Ref A577539) prepared and tabled at the 28 September 2021 Council meeting be received.*
- 2 *The business paper Supplementary Report: King Country Indoor Sports and Recreation Centre (Doc Ref A579446) be received.*
- 3 *Council note:*
 - a) *The work undertaken to identify project risks and methods to mitigate those risks.*
 - b) *The agreements with the Ministry of Education and the Te Kuiti High School Board of Trustees.*
 - c) *The proposed fixed price Construction Agreement with Apollo Projects Ltd.*
 - d) *Council's decision that public consultation in accordance with the special consultative procedure in the Local Government Act 2002 is not required.*
 - e) *The progress made to address the conditions set at the 31 August 2021 Council meeting, which have been met as follows:*
 - i. *The Game on Charitable Trust has asked all Grantors to the project to novate those grants to the Council.*
 - ii. *The Game on Charitable Trust has delivered to Council all documentation relating to the project, including plans and design specifications, resource and other consents secured, costings and quotations.*
 - iii. *The Game on Charitable Trust has agreed to amend its Deed of Trust to allow for a Trustee Appointments Committee to be established with membership to be determined by the Council.*
 - iv. *The Ministry of Education has agreed to provide Council with a licence to occupy for the site at which the Centre is to be located, to include access and usage rights, for a period of 34 years and 364 days.*
 - v. *Acceptable agreement has been reached between the Council, the Ministry of Education and the Te Kuiti High School Board of Trustees that enables Council to manage the development and operation of the Centre.*
 - vi. *Agreements have been reached for certain funding support from the Ministry of Education and Te Kuiti High School to assist to cover operational costs.*
 - vii. *The Ministry of Education has agreed to contribute a minimum of \$2,350,000 to the Centre development.*
 - viii. *Te Kuiti High School has agreed to contribute a minimum of \$163,014 to the Centre development.*

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- ix. *Lotteries have novated their \$3 Million grant to the Council.*
- x. *Crown Infrastructure Fund has agreed to novate \$500,000 to the Council.*
- xi. *Trust Waikato has agreed to the transfer of the balance of the \$700,000 grant to the Council from the Game on Charitable Trust.*
- xii. *Grassroots Trust has undertaken to grant \$200,000 to the Council.*

4 *Council delegate the responsibility for execution of the documents as follows to the Mayor and Chief Executive:*

- a) *A Property Sharing Agreement with the Crown and Te Kuiti High School Board of Trustees.*
- b) *A Development Agreement with the Crown and Te Kuiti High School Board of Trustees.*
- c) *A Construction Contract with Apollo Projects Ltd.*

Robertson/Goddard *Carried*

Robertson/Smith Carried

There being no further business the meeting closed at 11.28am.

Dated this day of 2021

JOHN ROBERTSON
MAYOR

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Confidential

WAITOMO DISTRICT COUNCIL AUDIT, RISK AND FINANCE COMMITTEE

MINUTES OF A MEETING OF THE WAITOMO DISTRICT COUNCIL AUDIT, RISK AND FINANCE COMMITTEE HELD VIA ZOOM ON TUESDAY 12 OCTOBER 2021 AT 1.00PM

PRESENT: Independent Chairperson Bruce Robertson (for part only), Mayor John Robertson, Deputy Mayor Guy Whitaker, Councillors Phil Brodie, Allan Goddard, Lisa Marshall, Janene New and Sue Smith

IN ATTENDANCE: General Manager – Business Support; Manager – Governance Support; Chief Executive (for part only); Manager – Strategy and Policy (for part only) and Manager – Strategy and Policy (for part only)

1. Apology

Resolution

The apology from Independent Chairperson Bruce Robertson to leave the meeting early be received.

B Robertson/P Brodie Carried

2. Confirmation of Minutes – 17 August 2021

Resolution

The Minutes of the Waitomo District Council Audit, Risk and Finance Committee meeting of 17 August 2021, including the Public Excluded minutes, be confirmed as a true and correct record.

B Robertson/Marshall Carried

3. Draft Annual Report 2020/2021 – Recommendation to Council

The Committee considered a business paper presenting the Draft Annual Report 2020/21 for consideration and, subject to amendment, recommendation to Council for adoption.

The General Manager – Business Support and General Manager – Strategy and Policy expanded verbally on the business paper and answered Members' questions.

Resolution

- 1 The business paper on Draft Annual Report 2020/21 be received.
- 2 The Audit, Risk and Finance Committee recommend to Council the adoption of the Annual Report 2020/2021, subject to any amendments agreed at this meeting and any further changes required as a result of completing the audit.
- 3 Any matters of significance which may arise relating to the Draft Annual Report 2020/2021 between this meeting and the Council meeting on 26 October 2021 be referred to the Independent Chairperson.

B Robertson/Whitaker Carried

The Independent Chairperson left the meeting at 1.22pm and Mayor John Robertson took the Chair as Deputy Chairperson.

4. 2021 General Revaluation Update

The Committee considered a business paper reporting on recent changes made by the Office of the Valuer General relating to the timeline for the Waitomo District 2021 General Revaluation.

The General Manager – Business Support expanded verbally on the business paper and answered Members’ questions.

Resolution

The Progress Report: 2021 General Revaluation be received.

J Robertson/New Carried

The Chief Executive entered the meeting at 1.30pm.

5. Motion to Exclude the Public
--

The Committee considered a business paper pursuant to Section 48 of the Local Government Official Information and Meetings Act 1987 giving Council the right by resolution to exclude the public and/or staff from the whole or any part of a meeting on one or more of the grounds contained within that Section.

Resolution

- 1 The public be excluded from the following part of the proceedings of this meeting.

- 2 The general subject of each matter to be considered while the public is excluded and the reason for passing this resolution in relation to each matter, as specified by Section 48(1) of the Local Government Official Information and Meetings Act 1987 are as follows:

General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
1. Inframax Construction Limited: Financial Statements - 2020/2021 Financial Year	Section 7(2)(c)(1) (c) To protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information – (i) would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied;	Section 48(1)(d) – That the exclusion of the public from the whole or the relevant part of the proceedings of the meeting is necessary to enable the local authority to deliberate in private on its decision or recommendation in any proceedings to which this paragraph applies.

- 3 Council agree the following staff, having relevant knowledge to assist in the consideration of the items of business to be public excluded, remain in attendance to assist the Committee with its decision making:

Staff Member	Reason for Remaining in Attendance
Chief Executive	Council CEO
Manager – Governance Support	Committee Secretary
General Manager – Business Support	Portfolio Holder

- 4 This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in the public.

J Robertson/Goddard Carried

6. Consideration of Public Excluded Items for the purpose of making information Public following Council’s decision taking

Following consideration and decision taking of items of business with the public excluded, the Committee agreed that the following information be made public:

1 Inframax Construction Limited: Financial Statements - 2020/2021 Financial Year

The Resolutions be made public as follows:

Resolution

- 1 *The business paper on Inframax Construction Limited: Financial Statements - 2020/2021 Financial Year be received.*

- 2 *The Audited Financial Statements – Inframax Construction Limited for the year ended 30 June 2021 be received.*

- 3 *The Audited Financial Statements – Inframax Construction Ltd for the year ended 30 June 2021 be published on Council’s website following the Inframax Construction Ltd 2021 Annual General Meeting.*

Robertson/Goddard Carried

Robertson/Smith Carried

There being no further business the meeting closed at 1.42pm

Dated this day of 2021.

BRUCE ROBERTSON
INDEPENDENT CHAIRPERSON

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Confidential Confidential

Confidential

Document No: A581111

Report To: Council



Meeting Date: 26 October 2021

Subject: Annual Report 2020/21 – Adoption

Type: Decision Required

Purpose of Report

- 1.1 The purpose of this business paper is to present the Draft Annual Report 2020/2021 for consideration and adoption as recommended by the Audit Risk and Finance Committee.

Background

- 2.1 The Audit, Risk and Finance Committee (ARFC) considered the Draft Annual Report 2020/2021 (Draft AR) on 12 October 2021. A copy of the business paper to the ARFC on this matter is enclosed with this paper as Attachment 1.
- 2.2 With the Covid-19 Alert Level 4 Lockdown in August 2021, the restrictions on operations in Alert Level 2, and further restrictions in the recent Alert Level 3, progress in developing the Annual Report has been delayed. These delays also impacted the subsequent audit, which due to the Covid-19 restrictions, has been completed off-site.
- 2.3 An audit report is typically provided at the ARFC meeting; however due to a number of outstanding items to be completed by Council's Auditor, the Audit Report will now be provided at the Council meeting.

Commentary

3.1 **Audit Progress**

- 3.2 At the time of writing this business paper, the Draft AR is progressing through its final review stages with Deloitte. No significant changes are expected from the final audit review, however minor editorial/formatting changes may be identified.
- 3.3 Representatives from Deloitte will be present at the Council meeting via Zoom to present their final report and there will be an opportunity for the Council to discuss any matters relating to the Annual Report and audit process.
- 3.4 The "Confidential" Audit Report to Council from Deloitte will be circulated separate to this business paper.

3.5 **Significant Changes since the ARFC meeting**

- 3.6 The Draft AR was presented to the ARFC at its 12 October 2021 meeting for consideration and recommendation to Council for adoption.
- 3.7 Feedback from the ARFC has been incorporated into the attached Draft AR, along with minor corrections received from the audit review to date.
- 3.8 A breakdown of the surplus and explanatory commentary has been inserted into the 'Our Financial Performance' section of the Draft AR on pages 9-10. This additional information is subject to audit review.

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- 3.9 No changes have been made to the primary financial statements, with the exception of a minor correction to the Cashflow Statement as detailed below. Minor edits have also been made throughout the Note Disclosures and Service Performance information including:
- Ongoing impact of Covid-19 (pg 7) – Editorial updates
 - Our Focus Areas (pg 18) – Editorial updates
 - Community Development: Delivery on our 10 Year Plan (pg 29) – Editorial updates
 - Community Development KPI performance information updated for the measures relating to advertising for funding rounds and Youth Council meeting initiatives (pg 30)
 - Result data has been corrected for the percentage of real water loss for Mokau (pg 49) and the percentage of unsealed roads metaled each year, commentary also added. (pg 53)
 - Cashflow Statement (pg 59) – Amended to include cash received for the Three Waters Reform Programme subsidy, with the offset against cash paid to suppliers and employees. Cash received from property rentals was also amended to agree to Note 4 Fees, Charges and Income from Construction. These two changes do not alter the Net Cash Inflow from Operating Activities totals.
 - Note 15 Receivables (pg 82) – Additional commentary inserted regarding Whenua Land write offs
 - Note 21 Property, Plant and Equipment – The Group Note was amended to reflect the valuation increase of land for ICL and offset by the same amount for asset additions for roading assets. The correction exactly offset each other and there was no change to the closing balance of property, plant and equipment for the Group. Other minor corrections made to ensure that all columns and rows cast correctly, and depreciation expense agrees to the Depreciation Note (pg 88, 90).
 - Note 18 Borrowings (pg 84) – Correction to current amounts for the Group to align to the financial statements.
 - Note 27 Capital Commitments and Operating Leases (pg 96) – Correction to classification and amount of capital commitment for WDC and an additional capital commitment of \$0.5 million from ICL’s accounts has been included in the Group total increasing the total commitment to \$11.033 million.
 - Note 31 Financial instruments –
 - Financial Instrument Categories: Values for Receivables Under Exchange and Non Exchange Transactions were corrected to agree to Receivables Note; Values for the Payables and Deferred Revenue under Exchange and Non exchange Transactions – Current values were corrected to agree to the Payables and Deferred Revenue Note; (pg 100)
 - Credit Quality Financial Assets: The values for Council and Group for Other Financial Assets – Loans and Advances were corrected from \$480k to \$525k for 2021 for both Council and Group (pg 101).
 - ICL Statement of Comprehensive Revenue and Expenses (pg 122) – corrected to agree to ICL accounts.

- 3.10 Minor grammar and editorial changes have been made throughout the document.
- 3.11 There were no matters of significance that needed to be referred to the Independent Chairperson of the ARFC as a result of changes to the Draft AR since the ARFC meeting on 12 October 2021.

Analysis of Options

- 4.1 Council has the option of adopting the Draft AR or requesting further information/changes to the Draft AR.
- 4.2 The usual date that Council must adopt the Annual Report is 31 October 2021 however due to the COVID-19 Pandemic, this date has been extended to 31 December 2021.
- 4.3 Due to other significant work programmes underway including the Three Waters Reform Programme, District Revaluation and the Exceptions Annual Plan 2022/23, it is recommended that the Annual Report be adopted prior to 31 October as not to interrupt the continuation of these other workstreams.

Considerations

5.1 Risk

- 5.2 At the time of writing, the audit of the Draft AR is nearing completion with no issues advised from this audit. The Draft AR has also been assessed by the ARFC of Council at a prior meeting and matters raised at the ARFC have been taken into account. Therefore, the residual risk of misstatement is negligible.

5.3 Consistency with Existing Plans and Policies

- 5.4 This Draft AR measures our performance against year three of the 2018-2028 Ten Year Plan, and nothing in this Draft AR is inconsistent with existing plans and policies.

5.5 Significance and Community Views

- 5.6 The financial performance of Council in the past year is a significant matter to be shared with the District Community. The Annual Report and Summary Annual Report will be available on Council's website and in Council offices and library.

Recommendation

- 6.1 It is recommended that Council adopt the audited Annual Report 2020/21. A copy of the Annual Report 2020/21 is enclosed separately and forms part of this business paper.

Suggested Resolutions

- 1 The business paper on the Annual Report 2020/21 – Adoption be received.
- 2 The Chief Executive be delegated authority to ensure any formatting/grammatical changes and feedback from Council is accurately reflected in the Final Annual Report 2020/21 prior to publication.
- 3 The Mayor and Chief Executive be delegated authority to sign the Letter of Representation for the year ended 30 June 2021 to Deloitte on behalf of Waitomo District Council.
- 4 The audited Annual Report 2020/21 be adopted.



ALISTER DUNCAN
GENERAL MANAGER - BUSINESS SUPPORT



ALEX BELL
GENERAL MANAGER - STRATEGY AND ENVIRONMENT

20 October 2021

Attachment: Audit, Risk and Finance Committee Business Paper – 12 October 2021
(A578367)

Separate Enclosure: Draft Annual Report 2020/21 (A581595)

Document No: A578367**Report To: Audit, Risk and Finance Committee**

Meeting Date: 12 October 2021
Subject: Draft Annual Report 2020/21
Type: Decision Required

Purpose of Report

- 1.1 The purpose of this business paper is to present the Draft Annual Report 2020/21 for consideration and, subject to amendment, recommendation to Council for adoption.
- 1.2 Council's Auditors (Deloitte) will be in attendance at the meeting via Zoom to discuss and provide an update on the audit process.

Background

- 2.1 The Draft Annual Report 2020/21 (Draft AR) shows the financial and non-financial performance of Waitomo District Council for the year ended 30 June 2021.
- 2.2 The Audit, Risk and Finance Committee (ARFC) received an Unaudited Progress Report (PR) for the year ended 30 June 2021 at the 17 August 2021 meeting.

Commentary

- 3.1 **Audit Progress**
- 3.2 With the Alert Level 4 lockdown in August 2021 and the restrictions on operations since returning to Alert Level 2, the progress of the annual report development has been delayed. These delays have impacted the progress of the subsequent audit of the annual report which, due to Alert Level 2 restrictions, has been completed off-site.
- 3.3 The Draft AR document is still progressing through the final review stages with Deloitte. At the time of writing this business paper, there are a number of matters still to be audited including valuation testing for Investment in ICL, land and building revaluation testing, journal entry testing and the completion of the review of the annual report document. It is expected that a number of these items will be completed or significantly advanced prior to the committee meeting.
- 3.4 No significant changes are expected from the finalisation of the remaining items and final audit review. It is anticipated that any changes will be minor in nature and likely to be in relation to note disclosure and commentaries rather than changes to the actual financial results. There will also be editorial or formatting changes that will be incorporated in the final document to be adopted.
- 3.5 An audit report is typically provided at the ARFC meeting; however, as there are still outstanding items to be completed by the auditors, the audit report will now be provided at the Council meeting on 26 October 2021.
- 3.6 Auditors will be present at the meeting via Zoom to provide an update on the audit progress and there will be an opportunity for the Committee to discuss any matters relating to the annual report and audit process.

3.7 Significant Changes since the Unaudited PR

3.8 The unaudited PR was presented at the 17 August 2021 ARFC meeting, while the financial results and position were still in the process of being finalised. There have been subsequent changes to the results from finalising the ledgers and the significant changes are discussed in section 3.9 to 3.17.

3.9 Changes to Statement of Comprehensive Revenue and Expense

3.10 Total revenue has increased from \$36.8 million in the PR to \$37.8 million in the Draft AR mainly arising from the gains recognised for forestry assets (\$0.5m) and investment properties (\$0.8m). These increases were partly offset by the elimination of rates revenue for council owned property \$0.4m.

3.11 Total expenditure remained at \$29.7 million. Since the PR was completed, there were losses on asset disposals for water, stormwater, sewerage and community services assets recognised as part of finalising the asset ledger. These were offset by elimination of rates paid on council owned property, resulting in no change to total expenditure.

3.12 As a result of these changes to revenue and expenditure, the total surplus for the year has increased from \$7.1 million in the PR to \$8.1 million in the Draft AR.

3.13 The water, wastewater, stormwater and land and buildings assets revaluations at 30 June 2021 were also completed with an increase on revaluation of \$14.5 million recognised. A gain on cash flow hedges of \$1.4 million was also recognised.

3.14 These items along with the changes to total surplus discussed above, increased the total comprehensive revenue and expense from \$8.5 million as reported in the PR to \$24.0 million.

3.15 Changes to Statement of Financial Position

3.16 Total assets increased from \$386.4 million in the PR to \$402.4 million mainly as a result of:

- Increase in water supply, sewerage, stormwater, land and buildings assets of \$14.5 million due to the revaluation of these asset classes
- Receivables increased by \$0.5 million due to an increase in Waka Kotahi subsidy receivable and GST receivable at 30 June 2021
- Forestry asset value increase of \$0.5 million
- Increase in investment property valuation of \$0.8 million.

3.17 Total equity increased from \$344.0m in the PR to \$359.5 million mainly as a result of the increase in revaluation reserve of \$14.5 million from the revaluation of water supply, sewerage, stormwater, land and buildings assets.

3.18 Draft 2020-21 Annual Report Highlights**3.19 Statement of Service Performance (Key Performance Indicators)**

3.20 The Statements of Service Performance provide detailed information on the performance measures and targets for each of the significant activities. The performance summary is given on pages 19-20 of the Draft AR with more detailed information disclosed within each activity on pages 21-54 of the Draft AR.

3.21 Of the 76 key performance indicators measured, 68 (89%) (2020: 83%) were achieved and 8 (11%) (2020: 17%) were not achieved.

3.22 Statement of Financial Performance (page 56)

3.23 For the financial year, we report a net surplus of \$8.1 million against a budgeted surplus of \$3.0 million. The main variances are detailed below.

3.24 Revenue was \$2.8 million more than budget. The main drivers for this variance are provided in the following paragraphs.

- 3.25 Subsidies and grants were \$1.4 million more than budget as additional roading subsidy was received for the construction of Te Ara Tika. This project was included in a prior year budget. Three Waters Reform Stimulus Programme funding was also received to fund additional capital expenditure projects that were not included in the budget.
- 3.26 Fees and charges revenue was \$0.3 million more due to greater landfill disposal revenue from increased fees and charges, increased trade waste revenue due to increased volumes discharged and quarry royalty revenue due to the increased volume of mined quarry metal. Additional revenue was also received for complex resource consent applications where costs associated with planning consultants were recovered from applicants and fees for building control services.
- 3.27 Other revenue including gains/ (losses) was \$1.5 million more than budget due to a gain on the valuation of investment property, a gain on forestry assets, a gain on the sale of surplus land and depreciation recovered on the sale of motor vehicles.
- 3.28 This additional revenue is partly offset by rates revenue which was \$0.4 million less than budget. This was the result of eliminating rates revenue on council owned properties, the budget included rates revenue on council owned properties.
- 3.29 Operating expenditure was \$2.3 million less than budget. The main drivers for the reduced expenditure are provided in the following paragraphs.
- 3.30 Employee benefit expenditure was \$0.3 million less than budget for organisational capacity and resourcing requirements.
- 3.31 Finance costs were \$0.2 million less than budget as public debt was less than forecast and interest rates were less than anticipated at the time the budget was prepared.
- 3.32 Other expenditure was \$2.2 million less than budget. The main drivers for the reduction in expenditure were:
- Elimination of rates paid on council owned property. The budget figure included rates on council owned property.
 - Grant expenditure for the proposed North King Country stadium was not spent.
 - Due to the size and complexity of the district plan review, this project was budgeted to be completed over the number of years. The budget was not fully spent and will continue in the next financial year.
 - Planned risk management expenditure was delayed due to the organisational resource being re-directed to support the Three Waters Reform Programme.
 - These reductions in expenditure were partly offset by additional depreciation expense was incurred on road assets as a result of the increase in the value of road assets at 30 June 2020.
- 3.33 **Statement of Financial Position (page 57)**
- 3.34 Total equity was \$21.2 million more than expected. The main drivers for this increase are provided in the following paragraphs.
- 3.35 The surplus was \$5.2 million more than budget.
- 3.36 Other reserves were \$3.9 million more than budget. Council created reserves were \$13 million more than budget as depreciation reserves and activity surpluses were more than forecast. The cashflow hedging reserve was \$1 million more than budget due to a gain on cashflow hedges.
- 3.37 The revaluation reserve was \$20 million more than budget arising from the revaluation of land and buildings, water supply, sewerage and stormwater assets that were revalued during the year, along with the increase in the value of roads and solid waste assets in the prior year. These increases were more than anticipated at the time the budgets were prepared.
- 3.38 Current assets was \$5.6 million more due to a higher level of cash and cash equivalents at balance date than the budget. Cash and cash equivalents were more than forecast arising mainly from operating expenditure which was less than budget and additional revenue received. This was offset partly by reduced receivables.

3.39 Current liabilities were \$6.4 million less than budget due to a lower portion of current borrowings than anticipated in the budgets. Overall borrowings was also less than budget. This was partly offset by a higher level of payables at balance date than was forecast.

3.40 Non current assets were \$8.4 million more than expected due to the increase in value of investment property, forestry assets and property, plant and equipment. These increases were partially offset by the decrease in the value of other financial assets from the valuation of Inframax Construction Ltd to \$8.825 million that was recognised in the previous year (which was not included in the budget), and intangible assets which were less than anticipated.

3.41 Non current liabilities were \$0.7 million less than budget as derivative financial instruments were less than forecast.

3.42 **Capital Expenditure (pg 11-12)**

3.43 Total capital expenditure for the year ended 30 June 2021 was \$10.2 million against a budget of \$11.2 million or 91% of our forecast programme.

3.44 Included in the actual spend was additional expenditure for the Three Waters Reform Programme and also projects that were deferred to 2020/21 year from the previous financial year.

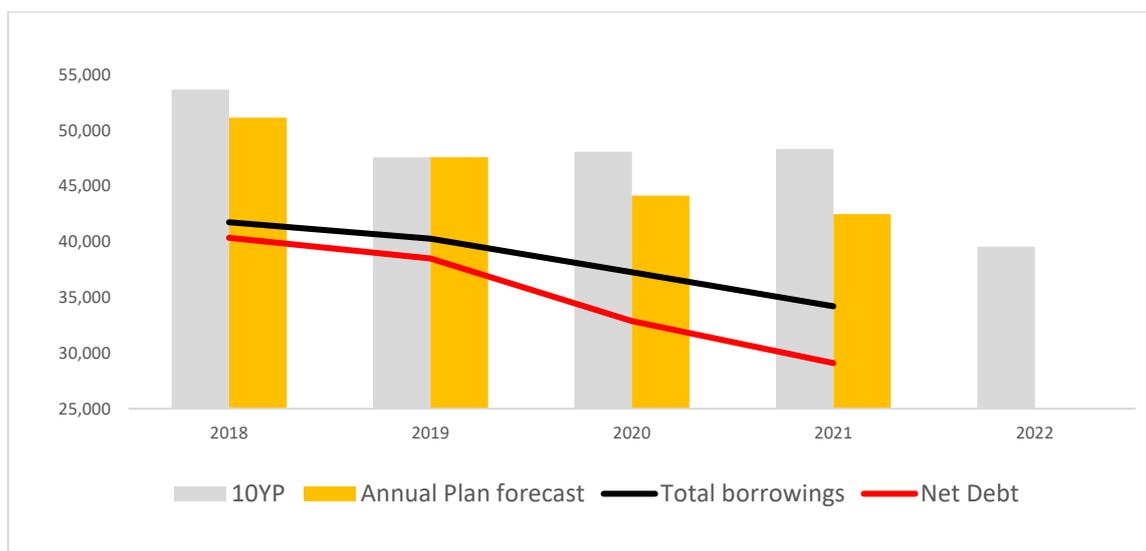
3.45 Some projects that were not completed during the year will be deferred to the 2021/22 year. Delays in these projects occurred due to internal resourcing, the impact on issues with global supply chains on availability of supplies and contractor availability.

3.46 Some of the major projects completed were:

- Renewal of Te Maika and Mokau jetties
- Continuation of the Te Ara Tika pedestrian overbridge project
- Aerodrome taxiway renewal
- Renewal of mixer and aerator components located at Te Kuiti wastewater plant
- Continuation of the installation of backflow preventers in Te Kuiti, Mokau and Piopio
- Resurfaced 25km of sealed roads
- Re-metalling of 54 km of unsealed roads
- A total of 657m of new footpaths were constructed during the year
- Continuation of the improvements to Mokau water treatment plant

3.47 **Borrowings**

3.48 Council's 2018-28 10YP provides a forecast for borrowings. This forecast is updated each year through the annual plan process. The following graph illustrates the trends in the level of borrowings over the last three financial years compared to both planning documents.



- 3.49 These trends show that actual borrowings have reduced to **\$34.2 million** at 30 June 2021 and are significantly less than forecast in 10YP and annual plan. Net debt was **\$29.1 million** at 30 June 2021.
- 3.50 **Benchmarks (pg 113-115)**
- 3.51 Financial reporting and prudence benchmarks are measured annually to enable an assessment of whether Council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings.
- 3.52 These measures are made up of mandatory measures set by regulation and also council specific measures set in the Finance Strategy.
- 3.53 All measures were successfully achieved and well within the limits set.
- 3.54 **Group Performance (pg 14)**
- 3.55 At 30 June 2021, total equity for the Group was \$362.0 million, an increase of \$24.3 million from the prior year.
- 3.56 The Group's after tax surplus of \$7.9 million.
- 3.57 Despite challenging operating conditions with the ongoing effect of the COVID-19 pandemic on revenue and business operations, Council's subsidiary, Inframax Construction Ltd, reported a net profit after tax of \$0.5 million. Revenue was above forecast and the equity position of the Company improved, with an increase in the equity ratio to 60% and an increase in equity of the subsidiary to \$11.9 million.

Analysis of Options

- 4.1 ARFC has the option of recommending the adoption of the Annual Report to Council or requesting further information/changes from its staff and auditors. The usual date that Council must adopt the Annual Report is 31 October 2021 however due to the COVID-19 Pandemic, this date has been extended to 31 December 2021.
- 4.2 Due to other significant work programmes underway including the Three Waters Reform Programme, District Revaluation and the Exceptions Annual Plan 2022/23, it is recommended that the Annual Report be adopted prior to 31 October as not to interrupt the continuation of these other workstreams.

Considerations

5.1 Risk

- 5.2 There is a risk that some revenue included in the financial statements is subsequently not converted to cash. The raising of invoices and recognition of income is carried out with management review and approval to minimise this risk. Debtors and other receivables are actively monitored and reviewed. The risk is also mitigated by the recognition of a provision for doubtful debt at 30 June 2021.
- 5.3 There is a risk that the accounting estimates and judgments used when performing valuations over assets may not reflect the assets actual condition or, the useful lives do not reflect the actual consumption of benefits of the asset. To minimise this risk, infrastructural asset valuations have been determined in reference to industry guidelines and adjusted for local conditions. Asset inspections, deterioration and condition modeling are also carried out as part of asset management planning.
- 5.4 There is a risk that the financial results and position stated within this report is materially different for those assets were not revalued at 30 June 2021. These assets include roads and solid waste assets. To minimise this risk, an assessment of the fair value of significant assets in between revaluation years has been completed by external valuers.

- 5.5 In the financial statements, we have assumed there is no change in the valuation of the investment in ICL at 30 June 2021 and have retained the value of \$8.825 million. There is a risk that the accounting estimates and judgements used in the valuation of the investment in ICL may result in the actual value of the investment being different than the fair value reflected in the Annual Report. In deriving the valuation of the investment at 30 June 2020, the valuers at that time noted that it was not possible to assess with any certainty the implications of COVID-19 on the Company's financial performance or the economy as a whole and that the Valuer's advice was subject to significant caveats and caution due to the uncertainty that exists for businesses including access to capital, supply chain disruption, demand for products and services and the extent and duration of measures implemented by the Government and various authorities to contain and/or prevent the spread of COVID-19.
- 5.6 There is a risk that some financial assets may become impaired, but that the impairment amount is unknown. This will cause an over statement of carrying value of the asset in this report, that would subsequently need to be corrected in a later report.
- 5.7 Consistency with Existing Plans and Policies**
- 5.8 This Draft AR measures our performance against year three of the 2018-2028 Ten Year Plan, and nothing in this Draft AR is inconsistent with existing plans and policies.
- 5.9 Significance and Community Views**
- 5.10 The financial performance of Council in the past year is a significant matter to be shared with the District Community. The Annual Report and Summary Annual Report will be available on Council's website and in Council offices and library.

Recommendation

- 6.1 The Audit, Risk and Finance Committee recommend to Council the adoption of the Annual Report 2020/2021.
- 6.2 A copy of the Draft Annual Report 2020/21 is enclosed separately and forms part of this business paper.

Suggested Resolutions

- 1 The business paper on Draft Annual Report 2020/21 be received.
- 2 The Audit, Risk and Finance Committee recommend to Council the adoption of the Annual Report 2020/2021, subject to any amendments agreed at this meeting and any further changes required as a result of completing the audit.



ALISTER DUNCAN
GENERAL MANAGER - BUSINESS SUPPORT



ALEX BELL
GENERAL MANAGER - STRATEGY AND ENVIRONMENT

5 October 2021

Separate Enclosure: Draft Annual Report 2020/21 (A579570)

Document No: A580706

Report To: Council



Meeting Date: 26 October 2021

Subject: **Progress Report: Delivery against Communications Strategy**

Type: Information Only

Purpose of Report

- 1.1 The purpose of this Business Paper is to inform Council on progress made in respect of the Communications Strategy.

Background

- 2.1 The Communications Strategy 2018 was adopted by Council in October 2018.
- 2.2 The focus of the strategy is to guide Council's day-to-day communications activities, set Council's expectations for media and allow better and more genuine engagement between Council and the community.
- 2.3 A review of the Communications Strategy is scheduled to take place before the end of the year.
- 2.4 The Communications Strategy is attached as Appendix 1.

Commentary

3.1 **COMMUNICATION ACTIVITY**

3.2 The following provides a summary of the communication activity that has taken place in support of achieving the seven key objectives of the Strategy.

3.3 WDC uses a range of communications channels to inform and engage with residents and ratepayers, including; our website, social media, radio, print media, forms and guides, and community newsletters. With society becoming increasingly reliant on digital activity and technology, WDC considers its website and social media to be the best method of delivering communications.

3.4 **OBJECTIVE 1: PROMOTE THE VALUE OF COUNCIL'S ROLE IN THE COMMUNITY**

3.5 The following mechanisms promote the value of Council's role in the community.

(a) Waitomo District Library:

- The library provides range of services including reading and learning programmes, electronic resources, recommended books and computer classes.
- A more proactive approach has been taken to promote the library and its services. A regular "Fun Fact Friday with Waitomo District Library" is posted on social media as well as promotion of the library's Stepping Up computer classes, and reading and learning activities such as the new programme Creation Station and the online reading app Libby. School newsletters and Council's newsletter Waitomo Way is also used to promote these programmes and other library services.

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- Updates are also made to the Library webpage and Council's calendar of events, with an increase in promotions during the school holiday period. Activities included: The pot of gold reading challenge, mural making, stop motion movies, gaming, rubber band gadgets, and Creation Station.
- Increased promotion of the library's online services was also undertaken during COVID-19 Alert Level 4 and 3.

(b) Civil Defence Emergency preparedness:

- The promotion of civil defence emergency management is undertaken in conjunction with the Waikato Region Civil Defence Emergency Management (CDEM) Group.
- During the recent COVID-19 Alert Levels 4 and 3, an Incident Control Point (ICP) group was activated with the Western Waikato, comprising Waitomo District Council, Ōtorohanga District Council and Waipa District Council. The group met online daily to support the Health-led response. The ICP was supported by ensuring there was regular communication with the Waitomo community. Reports were also regularly provided to Council's elected members and senior management team.
- There is a dedicated section on our website with information about COVID-19 and Emergency Management. This was updated regularly to inform the community of Council's changes to services at different alert levels. A dedicated Alert Levels Update page was also created and updated daily. Information included daily COVID-19 tallies and other information relevant to our district and the level restrictions. This continues to be updated regularly, and also acts as a snapshot of our district during the COVID-19 response.
- Council continues to promote the COVID-19 Pandemic Alert Levels and other relevant information.

(c) Community Services activities and projects:

- This is the area that receives the highest engagement on social media, indicating the importance of these activities within our community.
- Examples of proactive communications updates during this period include regular Te Ara Tika updates, Three Waters Reform updates, water services information, Landfill and transfer station information, recycling, dog registrations, Rates reminders, rates rebates, road works and road closures, project updates, Mayors Taskforce for Jobs, Community and Partnerships funding and other available funds, Residents' survey, club champs, job vacancies, Council meetings, Council news and events, weather watch, i-SITE information and appreciation posts.

(d) Community Events:

- Promotion of local events included workshops and Waitomo District Citizen of the Year

(e) Solid Waste Management and Minimisation:

- Kerbside collection reminders.
- Promotion of 'Plastic Free July', including a Facebook competition encouraging followers to share tips for reducing plastic consumption.

(f) Animal Control Service:

- Publication of impounded dogs.
- Publication of Dog Registration and annual fees for 2021/22.

(g) Rates Newsletter

- Provided useful rates related information including how to apply for a rates rebate, changes to the rating of Māori land, property revaluations, and highlights of the 10 Year Plan

(h) Waitomo Way

- Promotion of the new Community and Partnerships funding policy, Resident's Survey, and the library's Stepping Up Computer classes.

3.6 **OBJECTIVE 2: ENCOURAGE INVOLVEMENT IN LOCAL DECISION-MAKING**

3.7 Communication messages were implemented for the following work programmes to ensure that the community were informed and engaged in the process.

- The adoption of Council's 10 Year Plan and Fees and Charges 2021/22
- Provided residents with an opportunity to complete a Residents' Survey on Council's services and facilities
- Provided people the opportunity to make a submission on Council's review on the Dangerous and Insanitary Buildings Policy.
- Council Meetings – providing the community with information on upcoming meetings, and the key decisions that were made.

3.8 **OBJECTIVE 3: ENSURE COMMUNITIES ARE WELL INFORMED ON COUNCIL'S ACTIVITIES/OPERATIONS**

- The COVID-19 pandemic impacted Council operations as Level 4 restrictions were implemented rapidly on 17 August 2021. Resulting changes to Council's services (essential services only) were communicated via social media and Council's website. The website had an alert on the homepage and dedicated COVID-19 pages which are regularly updated.
- Council meetings were publicised each month.
- Temporary roads closures, footpath renewals and issues with the roading network as a result of weather events were communicated across Council's website and Facebook page.
- Updates were provided on Council's Three Waters Reform projects as well as other information relevant to the reform.
- Urgent issues i.e. temporary road closures / blocked roads and weather warnings were communicated in a timely manner to the community.

3.9 **OBJECTIVE 4: SUPPORT COUNCIL'S REPUTATION IN THE DISTRICT**

3.10 The following initiatives have been undertaken in relation to this objective:

- Ensuring Council's website is updated with information, publications and news as required;
- Distribution of service request queries received via social media to appropriate WDC departments;
- Coordination of media requests and responses are facilitated;
- Development and publication of media releases on the website and shared on social media;
- Sharing positive stories, photos and events on social media to support a positive reputation in the District.

3.11 **OBJECTIVE 5: SUPPORT COUNCIL'S REPUTATION WITHIN THE LOCAL GOVERNMENT (LG) SECTOR**

3.12 The following initiatives have been undertaken in relation to this objective:

- Continued promotion of the services provided by WDC in relation to its role as a Local Government
- Publication of Local Government New Zealand media releases
- NZTA priority traffic updates relevant to our area.

3.13 **OBJECTIVE 6: ATTRACT PEOPLE TO LIVE OR WORK IN AND VISIT THE WAITOMO DISTRICT**

3.14 The following initiatives have been undertaken in relation to this objective:

- Proactively posting on our Te Kuiti Visitor information Facebook page
- Promotion of local events and activities
- Sharing of social media posts from Hamilton and Waikato Tourism
- Promoting attractions in our district

3.15 **OBJECTIVE 7: PROMOTE A SENSE OF COMMUNITY AND PRIDE OF PLACE**

3.16 The following initiatives have been undertaken in relation to this objective:

- Promotion of the Youth Council activities
- Promoting the parks and reserves in our district such as Brook Park Motakiora and Mangaokewa Reserve.
- Promotion of local services like the Library, Aquatic Centre, Visitor Information Centre, and Landfill.
- Appreciation posts celebrating the work our staff undertakes to keep our district looking tidy and well-kept.
- Promotion of other Council projects that contribute to and create a sense of pride, including Te Ara Tika.
- Promotion of Council-organised events, including Youth Council events such as the Colour Run and the Citizens Awards.
- Promotion of grant and funding opportunities as well as the benefit the community is seeing from our contributions.

3.17 **KEY STATISTICS**

3.18 **SOCIAL MEDIA**

3.19 WDC Facebook Page:

- As at 30 September 2021, our page has 3,579 **likes**, a 10.3% increase since 31 May 2021.
- Post frequency has increased with a focus on engaging information and photos. Posts with photos attract the most views and engagement.
- From 1 June 2021 to 30 September 2021, 172 posts have been uploaded on Council's Facebook page.

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Post Reach 1 June 2021 – 30 September 2021



3.20 Animal Control Facebook page:

- Page likes have increased to 1,574 (increase of 10.6%).

3.21 Te Kuiti Visitor Information Centre page:

- The total of Page likes is 1053 as at 30 September 2021.

3.22 **Website**

3.23 The website is an important tool for WDC. It is updated regularly with news, public notices, community newsletters, regulatory information, calendar of events and other important updates and information.

3.24 **Media Releases**

3.25 There has been an increased focus on proactively publishing media releases in relation to WDC business.

3.26 Media Releases are an important communication tool as they keep the community updated, and improve engagement and WDC presence in the community. Media releases can be utilised across multiple mediums: local papers, stakeholder newsletters, on social media.

3.30 From 1 June 2021 to 30 September 2021, 30 media releases have been published.

4.0 **Upcoming and Current Communications Projects**

1. Vibrant Safe Waitomo
2. Youth Council
3. District property re-valuations by Quotable Value (QV)
4. Promotion of Waitomo District Library's programmes
5. Waste Minimisation
6. Mayors Taskforce for Jobs
7. Proposed Waitomo District Plan
8. King Country Indoor Sports and Recreation Centre
9. Three Waters Reform
10. Annual Plan
11. Community and Partnerships Funding
12. Te Ara Tika Overbridge Project
13. Te Kuiti i-SITE promotion
14. Smart Water summer education programme
15. Waitomo Way Newsletter

Suggested Resolution

The Business Paper Progress Report: Delivery against Communications Strategy be received.



JENELLE BURNELL

LEADER COMMUNICATIONS AND ENGAGEMENT

26 October 2021

Attachment: Communications Strategy – 2018 (A412599)

Document No: A579190

Report To: Council



Meeting Date: 12 October 2021

Subject: Adoption of the Strategic Risk Register and Risk Management Framework

Type: Decision Required

Purpose of Report

- 1.1 The purpose of this business paper is to present the Strategic Risk Register and the Risk Management Framework and Guideline for adoption and to present the work plan for the review of the Strategic Risks.

Background

- 2.1 Council adopted its first Risk Management Framework (RMF) and Risk Management Implementation Plan (RMIP) in May 2019.
- 2.2 A review of the Risk Management Framework and Strategic Risks Register commenced at a workshop on the 9 December 2020, with further workshops being held on 11 May 2021 and 17 August 2021.

Commentary

3.1 Workshop - 9 December 2020

- 3.2 The workshop commenced with a scene setting discussion on defining a risk versus an issue.

"A Risk can be defined as something that hasn't happened yet but has some probability of occurring while an issue is essentially a risk that has happened.

Therefore it can simply be put as, "Risks are potential future problems and issues are current problems."

- 3.3 Risk management is the practice of identifying potential problems (risks) and treating them before they happen, such as putting in mitigating actions risk avoidance, reduction, transfer and acceptance.
- 3.4 Issue management is the practice of clearing current problems. The approaches involved are similar and include problem solving, mitigation, transfer and acceptance.
- 3.5 Strategic risk can be defined as risks that may have an impact on Waitomo District Council achieving its vision, outcomes, priorities and key objectives. Strategic Risks are identified by elected members and managed by the Senior Management Team (SMT). These risks are regularly reported to the Audit Risk and Finance Committee to ensure risks are being appropriately managed. The focus of strategic risks are more likely, but not exclusively, to be on:
 - External influences affecting Waitomo District Council's effective operations
 - Waitomo District Council's most critical and essential assets, activities and associated risks
 - Risks that are common to more than one of the organisation's Group or activity
 - Risks to Waitomo District Council meeting expected service Levels

3.6 Elected Members were presented with 8 Strategic Risks based on themes as opposed to activities that they relate to. The presentation included the Risk and Impact description and the risk drivers and / or potential causes. The themes presented were:

1. Health Safety and Wellbeing
2. Cyber Security
3. Climate Change and Adaptation
4. Significant Internal and External Disruption
5. Program and Project Delivery
6. Theft Fraud and Corruption
7. Fit for purpose Assets
8. Three Water Infrastructure

3.7 Following discussion and consideration, the risk theme of Finance was added. Refer to the proposed Waitomo District Council Strategic Risk Register (**Attachment 2**).

3.8 During the discussion on the risk assessment and risk appetite of the strategic risk, elected members requested further information to gain a better understanding of the Risk Management Framework and its application to the Strategic Risk.

3.9 Workshop – 11 May 2021

3.10 The Risk Management Framework was presented and discussed. Risk is the combination of the consequence and the likelihood of the risk occurring.

3.11 The consequences have been grouped into the following risk types:

- Financial
- Health and Safety
- Environmental
- Reputational and Relationships
- Legislative Compliance
- Service Delivery
- Infrastructure

3.12 The consequence risk types are then described on a five-level rating, ranging from insignificant to severe. Refer to the Risk Consequence table (pages 13 to 15) in the proposed Waitomo District Council Risk Management Framework and Guideline (**Attachment 1**).

3.13 Risk likelihood is the chance of risk eventuating. This maybe expressed as the possibility of an event giving rise to the consequences.

3.14 The following table outlines the proposed likelihood rating

Likelihood Rating		Description	% of occurring
Rare	1	May occur in exceptional circumstances. Could be incurred in a 5-30 year timeframe.	<5% chance
Unlikely	2	Could be incurred in a two - five year time frame.	6 -25% chance
Possible	3	Could be incurred within a one – two year period	26-50 % chance
Likely	4	Will probably occur in most circumstances – several times a year.	51 - 90% chance
Almost Certain	5	It is expected to occur again, immediately or within a short period – likely to occur most weeks or months.	>90% chance

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3.15 Risk rating = Consequence Rating X Likelihood Rating

Risk Likelihood Rating		Risk Consequence Rating				
		Insignificant	Minor	Moderate	Major	Severe
		1	2	3	4	5
Almost Certain	5	Medium (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Medium (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)

3.16 Workshop - 17 August 2021

3.17 The proposed Waitomo District Council Strategic Risk Register was reviewed further, including the risk rating applied to each of the risks. The assessment was based on the proposed Waitomo District Council Risk Management Framework and Guideline finalised at the 17 May workshop. Refer Attachments 1 and 2.

3.18 At the conclusion of the workshop, the next steps were presented, these steps are:

- Investigation of the Strategic Risks (Deep dive)
- Development of a Corporate Risk Register
- Development of a Project Register

3.19 A deep dive involves an in-depth understanding of each of the Strategic Risk, including:

- Identification and mapping of internal and external factors
- Risk drivers
- Identification and mapping of existing mitigation actions, new mitigating actions and status of each of these actions.
- Concerns (if any) related to meeting Council's risk appetite for the strategic risk and what additional actions or resourcing is required to match the risk appetite.

3.20 Strategic Risk Review – Work Plan

3.21 The proposed work plan presented to review the Strategic Risks is as follows:

Strategic Risk In-Depth Analysis	October 2021	February 2022	April 2022	June 2022	August 2022
SR01 - Health, Safety and Wellbeing			✓		
SR02 – Cyber Security	✓				
SR03 – Climate Change and Adaptation	✓				
SR04 – Significant Internal and External Disruptions				✓	
SR05 – Programme and Project Delivery		✓			
SR06 – Theft, Fraud and Corruption		✓			
SR07 – Fit for Purpose Assets				✓	
SR8 – Three Waters Infrastructure					✓
SR9 – Financial			✓		

- 3.22 The Strategic Risk Work Plan has been reviewed and updated. It is proposed to complete an in-depth identification of all internal external factors, drivers for each of the risk, identification of mitigating actions already in place and new mitigating actions, status of these mitigating actions, concerns (if any) related to meeting Council's risk appetite and or what additional actions or resourcing is required to meet the risk:

Workshop 15 February 2022	Strategic Risks to be discussed – <ul style="list-style-type: none">• Cyber Security• Climate Change and Adaptation
Workshop 12 April 2022	Strategic Risks to be discussed – <ul style="list-style-type: none">• Program and Project Delivery• Theft, Fraud and Corruption• Financial• Health, Safety and Wellbeing
Workshop 17 May 2022	Strategic Risks to be discussed – <ul style="list-style-type: none">• Significant Internal and External Disruptions• Fit for Purpose Assets
Workshop 16 August 2022	Strategic Risks to be discussed – <ul style="list-style-type: none">• Three Water Infrastructure

- 3.23 The proposed workshop for 12 April 2022 is outside the Audit, Risk and Finance Committee meeting schedule i.e. it does not fall on the same day as a scheduled meeting. This Work Plan has been developed to spread the review over a twelve month period enabling preparation time for each workshop.

Suggested Resolutions

- 1 The business paper on Adoption of the Strategic Risk Register and Risk Management Framework be received.
- 2 Council adopt the Proposed Waitomo District Council Risk Management Framework and Guideline.
- 3 Council adopt the Proposed Waitomo District Council Strategic Risk Register.
- 4 Council note and endorse the Strategic Risk Review Work Plan.



ALISTER DUNCAN
GENERAL MANAGER BUSINESS SUPPORT

30 September 2021

Attachments:

- 1 Proposed Waitomo District Council Risk Management Framework and Guideline (A503777)
- 2 Proposed Waitomo District Council Strategic Risk Register (A579209)

WAITOMO DISTRICT COUNCIL RISK MANAGEMENT FRAMEWORK AND GUIDELINE

DRAFT AS AT JULY 2021

Version #	Date	Revision by	Description of Change
1.0	21/12/2020	Ihsana Ageel	Review and update the existing Framework
1.1	12/07/2021	Ihsana Ageel	Update post ARFC Workshop

Reviewed and updated: July 2021



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INTRODUCTION

Effective risk management occurs every day and relies on the proactive participation of all WDC staff.

The Risk Management Framework adopts an explicit and systematic approach that links risks to WDC's objectives and priorities. A robust risk management process increases organisational resilience by improving predictability in achieving outcomes, protecting corporate assets, and maintaining stakeholder trust.

WDC is committed to managing its risks in a proactive, enduring and decisive manner. We are committed to managing and, where possible, reducing risks at all levels to ensure we achieve our objectives and priorities. To support this, the Risk Management Framework ensures that risks are identified, assessed and mitigated at a strategic, organisational and operational level. Consistency in applying the framework is important to ensure efficient and effective risk management within WDC. It is also necessary in our involvement in cross-agency collaboration.

A robust risk management approach will help the WDC achieve better results by having an agreed method of taking advantage of opportunities and identifying and reducing risks that may impact the organisation's ability to achieve its objectives.

There are many benefits to taking a structured approach to managing risk. These include:

- improved identification of risks and opportunities
- improved effectiveness of controls
- prompt escalation of risks
- improved reporting
- a reliable and consistent basis for decision making
- clearer accountability
- better overall communication
- Continuous improvement of assurance methodology.

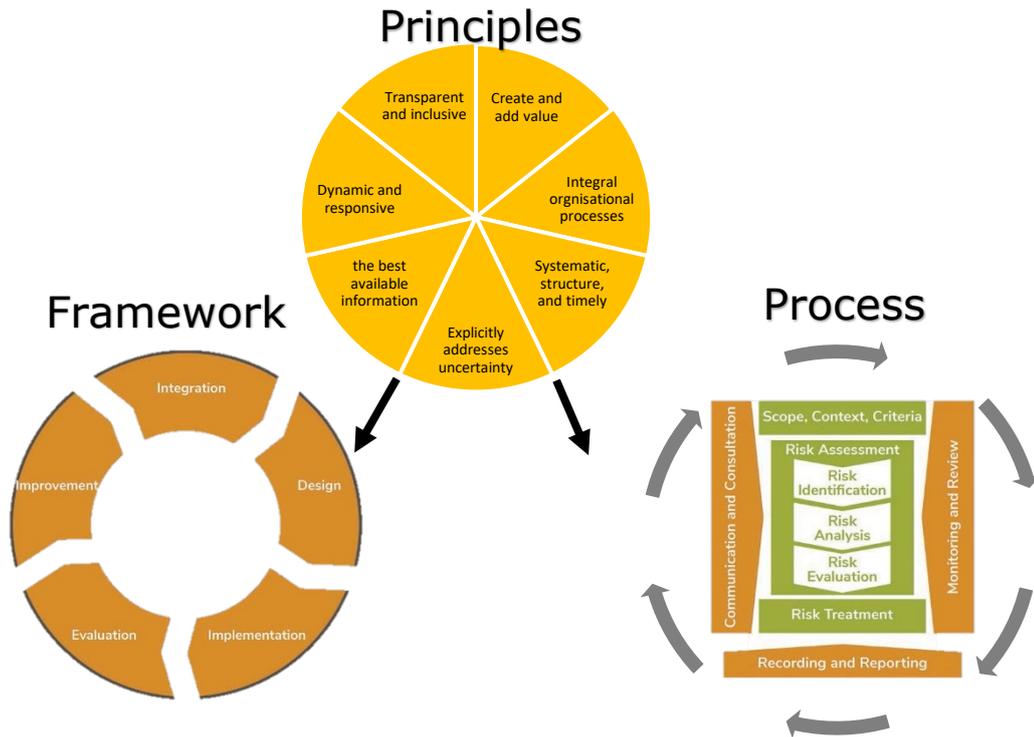
WDC's Risk Management Framework is derived from internationally recognised standards. It provides an overview of the risk management process and sets out the fundamental steps required to complete and record our risk management process in accordance with the Joint Australian New Zealand International Standard Risk Management – Principles and guidelines AS / NZS ISO 31000:2009. It is a living document and will be regularly reviewed and updated to reflect best practice, and changes to related policy and procedures.

PRINCIPLES, FRAMEWORKS AND PROCESS

Council recognises the need to apply the Principles, Framework and Process detailed Australian/New Zealand Standard ISO 31000:2009.

Waitomo District Council (WDC) is committed to applying risk management techniques and assurance measures to ensure all opportunities and risks that may impact the achievement of objectives are identified, understood, and appropriately managed.

WDC takes a structured approach to risk management, at all levels and for all activities within the organisation. Our approach to risk management is consistent with the Australian/New Zealand Standard ISO 31000:2009.



OBJECTIVES

Through the implementation of an integrated and consistent approach to risk management, Council aims to achieve the following risk management objectives:

1. An organisational culture of reliable, informed, evidence based planning and decision making.
2. A consistent approach to the identification, assessment and treatment of risks.
3. Improved communication on matters of risk to enhance decision making.
4. Proactive and adaptive management practices.
5. Support achievement of Council's strategic objectives.
6. Effective allocation and use of resources for risk treatment.
7. Enhanced identification of opportunities and threats.
8. Enhanced organisational resilience and continuity of service.
9. Improved operational effectiveness and efficiency.
10. Staff accountability for risk identification and treatment.
11. Improved corporate governance, controls and performance
12. Improved community and stakeholder confidence and trust by providing assurance that risks are appropriately managed.
13. Reduced liability exposure and financial loss.
14. Safeguarding of Council's resources - its people, finance, property and reputation.

IMPLEMENTATION

In order to achieve its risk management objectives, this Framework will be implemented by undertaking the following activities:

1. Integration of the risk management process into all Council strategic and business planning processes and associated plans and activities
2. Defining a structured and consistent approach to the risk management process in accordance with AS ISO 31000:2018 Risk Management – Guidelines.
3. Providing easily accessible procedures, tools (risk assessment criteria) and guidance for staff to adequately identify, document, understand and manage risks
4. Undertaking risk management education and training of staff at all levels of the organisation
5. Establishing risk management resources, including the Risk Management Working Group, to facilitate implementation of the Framework
6. Defining risk management roles and responsibilities to ensure all staff manage risks relevant to their area of operation and accept accountability for their decisions
7. Building a positive and proactive risk aware culture throughout the organisation
8. Monitoring, reporting and reviewing risks on an ongoing basis
9. Reviewing the Risk Management Framework in accordance with defined success measures
10. Ensure that Council's Risk Management Framework informs its internal audit function.

INTEGRATION

Council will integrate risk management into its strategic and operational functions. Organisational strategies, plans and programs will be aligned with this Framework, including in the following business areas:



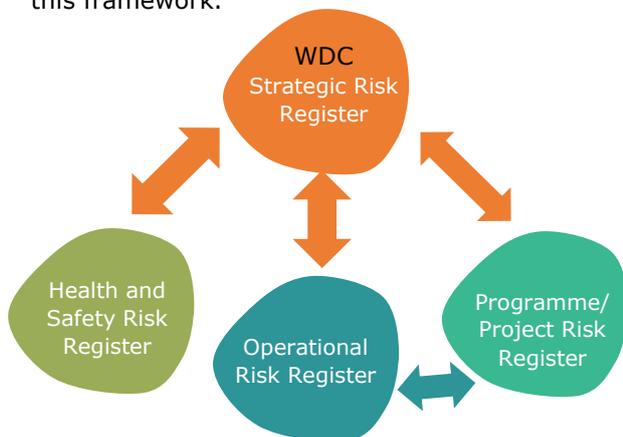
RISK CATEGORIES AND RISK REGISTERS

There are a number of categories in which risks may be grouped:

- Strategic
- Operational
- Health & Safety
- Project

While it is ideal in principle to identify risks within a certain category, this is not always possible. One risk may span more than one category, for example, an operational risk may become strategic.

The risk category will usually become apparent during the risk management process where the sources and causes of risks are considered. The process to identify and assess risk is set out on pages 11 and 14 of this framework.



Strategic Risk

These risks may have an impact on Waitomo District Council achieving its vision, outcomes, priorities and key objectives. Strategic Risks are identified by elected members and managed by the Senior Management Team (SMT). These risks are regularly reported to the Audit Risk and Finance Committee to ensure risks are being appropriately managed. The focus of strategic risks are more likely, but not exclusively, to be on:

- External influences affecting Waitomo District Council's effective operations.
- Waitomo District Council's most critical and essential assets, activities and associated risks.
- Risks that are common to more than one of the organisation's Group or activity.

- Risks to Waitomo District Council meeting expected service levels

Operational Risk

These risks may have an impact on Waitomo District Council's individual groups from achieving their group's objectives. Group risks are identified and managed by GMs and their teams and regularly reported to the GM's to ensure risks are being appropriately managed. The Group risks are more likely, but not exclusively, to be on:

- External influences impacting the Group's effective operations
- Group's most critical and essential assets, activities and associated risks
- Risks to the Group meeting expected service levels

Health and Safety

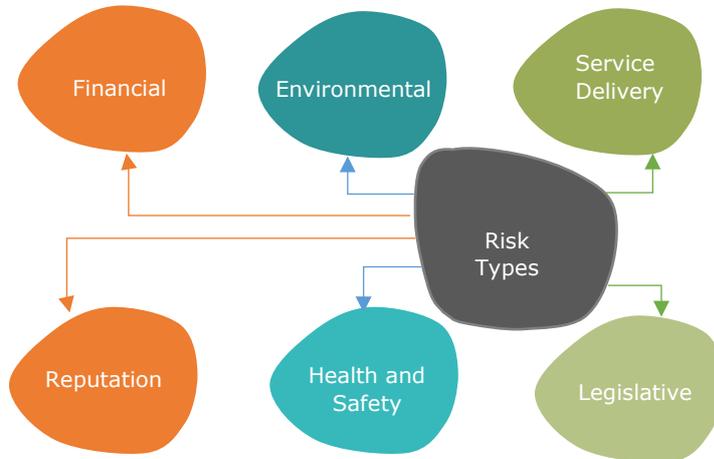
These risks may have an impact on the health and safety of Waitomo District Council staff, contractors, visitors or the public at large. Health and safety risks are identified by all WDC staff members and may also impact more than one Group or activity. These risks are regularly reported to SMT to ensure risks are being appropriately managed. WDC's Health and Safety Charter, commits to the identification of existing and new risks to health and safety, taking all reasonably practicable steps to eliminate, or where elimination is not reasonably practicable, minimise exposure to health and safety risks. Health and Safety risks are a critical subset Operational Risk.

Programme / Project Risk

Programme / Project risks may have an impact on Waitomo District Council's individual projects from achieving their project's objectives. Project risks are identified and managed by project managers and their teams. Project risks are identified as part of project planning, are regularly assessed throughout the life of the project and regularly reported to the project governance group to ensure risks are being appropriately managed.

RISK TYPES

The following outlines the six risk types at Waitomo District Council that may impact its activities.



Types of risk	Definition
Financial	Risks related to the financial management of WDC and the ability to fund Council activities and operations, now and into the future, including risks resulting from an externally imposed economic environment.
Health and Safety / wellness	Potential risk event that adversely impacts on the health and safety of staff, contractors, visitors or the community. These also include risk that impact the health and safety of staff, as well as contractors & volunteers, including work health and safety issues, resourcing, human resources, industrial relations, organisational culture, staff values, public accountability.
Environmental	Potential or actual negative environmental or ecological impacts, regardless of whether these are reversible or irreversible in nature.
Reputation	Risks that affect the way Council and Council personnel are perceived: <ul style="list-style-type: none"> • by the community • by staff • nationwide and internationally • by stakeholders • by the media
Legislative	A risk event that results in WDC unknowingly or knowingly breaching statutes and stipulations, or exposed to liability.
Service Delivery	Risk events that impacts WDC's ability to function and deliver services as expected

RISK APETITE

Council will have a responsible approach to risk management, seeking to recognise and manage its exposure to risks in accordance with its vision, outcomes and priorities. In pursuing the achievement of its objectives and governance responsibilities, Council will accept a degree of risk commensurate with the potential reward and with consideration of Council's role and responsibilities within the community.

As a responsible and ethical Local Government Entity we have a very low appetite for risk relating to:

- staff health, safety and welfare
- financial operations and financial management
- integrity and professional ethics. legislative compliance
- accuracy and quality of information and confidentiality of information

From time to time well-managed and appropriate risks will be taken or recommended in order to achieve organisational objectives and outcomes. Without some degree of risk there is no return

or reward, and we are committed to achieving our purpose.

Given that we want to operate in a risk aware culture, it is important that we are able to make informed and deliberate decisions about whether residual risks are acceptable or not. And if not, look at what else can or needs to be done to bring it to an acceptable level. As a guide, a residual risk is likely to be considered acceptable when:

- it is adequately managed by existing controls or treatments, or
- the level of risk exposure is relatively low that treatment is not appropriate within available resources, or
- the cost of (additional) treatment is so excessive compared to the benefit that acceptance is the only option, or
- the opportunities presented outweigh risks to such a degree that a risk is justified, and
- key stakeholders have been properly informed of the nature risk and accept level of residual risks.

ROLES AND RESPONSIBILITIES

For risk management to be effective, clear lines of accountability, responsibility, and reporting are necessary.

Everyone within WDC has a role to play in managing risk and is required to actively participate in risk management processes including risk identification assessment, mitigation, and reporting.

To ensure a successful outcome and confidently provide the Chief Executive an assurance that risks are being efficiently and effectively managed across WDC at all levels WDC staff are expected to show their commitment to the Risk Management Framework and ensure it is established and functional within their work groups.

All Group / General Managers

All managers will have input into risk registers. Risk registers contain a summary of

risks, controls in place, risk levels, further risk treatment required, risk and response owners, and timeframes.

While risk registers are a common and convenient way of recording and reporting risks, from time to time more detailed risk reporting may be required depending on the type and complexity of the risk.

Risk reporting is determined by risk level which is discussed more fully in the following sections. Extreme risks should be reported immediately to your line manager who will escalate to the most appropriate manager(s). Following the initial notification of an extreme risk, frequency of reporting will be determined on a case-by-case basis depending on the risk type, area, and mitigation strategy.

Timely escalation of risks is essential, the 'no surprises' rule should be kept in mind when risk assessments are being carried out. As risks can emerge or escalate at any time, ad-hoc reports may sometimes be required.

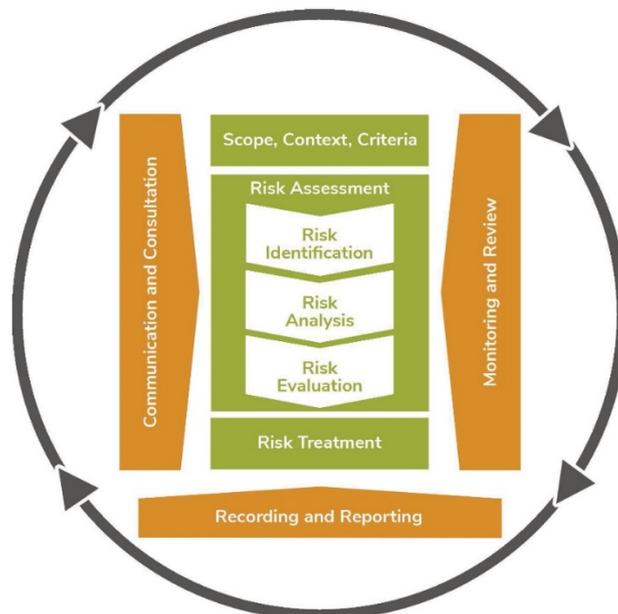
Key roles

Person/Party	Responsibilities
Audit and Risk Committee (A&RC) TBC	<ul style="list-style-type: none"> Ensures that the WDC Risk Management Framework is in place, fit for purpose, and aligned with best practice. Regularly reviews the strategic risk profile, key organisational and operational risks, and associated risk mitigation strategies.
Chief Executive	<ul style="list-style-type: none"> Takes overall responsibility for ensuring that there is a positive risk culture across WDC and that there are adequate risk management processes in place.
Senior Management Team (SMT)	<ul style="list-style-type: none"> Undertakes the substantive discussion on key risks and reviews the adequacy of risk mitigations to provide assurance that key risks are being managed appropriately. Leads and promotes risk management across WDC
All WDC employees and contractors	<ul style="list-style-type: none"> Actively participate in identifying and effectively and efficiently managing risks within in their areas of responsibility.
Health & Safety Facilitator	<ul style="list-style-type: none"> Maintains the Risk Management Framework, Policy, related risk management documents and strategic risk profiles. Provides risk management training and advice, and reports to governance committees. Reviews and maintains WDC Risk Management Framework and associated documents. Champions risk management across the WDC. Works with work groups and management to identify, assess and report risks. Develops and maintains the appropriate processes for recording, assessing and reporting key risks across the WDC.

RISK MANAGEMENT PROCESS

The Risk Management Process is the systematic application of management policies, procedures and practices to the tasks of establishing context, identifying, analysing, evaluating, treating, monitoring and communicating in relation to risk.

Council will apply the following Process as defined by AS ISO 31000:2018 Risk Management - Guidelines:



Risk Management Process Overview

Step 1	Communication and Consultation	Communication and consultation with relevant internal and external stakeholders is to be undertaken at all stages of the risk assessment process to bring different areas of expertise together, ensure different views are appropriately considered, provide sufficient information to facilitate risk oversight and decision making and to build a sense of inclusiveness and ownership among those affected by the risk. It involves promoting awareness and understanding, as well as seeking feedback and information to support decisions made throughout the process.
Step 2	Establishing the scope, context and criteria	This part of the process is undertaken to gain an understanding of the purpose of the risk assessment and factors that may require consideration throughout the process. It includes establishing and defining the scope of the activity being assessed and associated boundaries of the risk assessment; the relevant objectives to be considered and any relevant relationships to other projects, processes and activities; desired outcomes from the steps to be taken; decisions that need to be made; the internal and external environment; resources required and associated responsibilities; risk assessment criteria, tools and techniques to be applied and records to be kept throughout the risk assessment process.
Step 3	Risk Assessment	<i>The risk assessment process comprises the following key steps:</i>
	1. Risk Identification	Identifying risks involves consideration of what, how, why and when events might occur that could have an impact on achieving the objectives of the activity or operation being assessed. During this process consideration is to be given to Council's adopted Risk Categories . A variety of methods can be used to identify risks, such as brainstorming and SWOT analysis. Relevant, appropriate and up to date information is important to identifying risks.
	2. Risk Analysis	Risk analysis is undertaken to determine and understand the level of risk being faced. It involves a detailed consideration of uncertainties, risk sources, consequences, likelihood, events, scenarios, controls and their effectiveness. Risk analysis provides input to risk evaluation, decisions on whether risk needs to be treated and how, and on the most appropriate risk treatment and methods. Risk analysis should be undertaken using Council's adopted Risk Assessment Criteria .
	3. Risk Evaluation	The purpose of risk evaluation is to support decisions. It involves comparing the results of the risk analysis with the Council's established risk criteria to determine if the level of risk is acceptable or additional action is required in order to continue with the activity or operation being assessed. Options may be to do nothing; consider risk treatment options; undertake further analysis; maintain existing controls; reconsider objectives; and it should consider the wider context and the action and perceived consequences to both internal and external stakeholders.

Step 4	Risk Treatment	<p>Risk Treatment involves the development and implementation of additional controls, such as systems and procedures, to address the risk. Risk Treatment involves an iterative process of formulating and selecting risk treatment options; planning and implementing risk treatment; assessing the effectiveness of the treatment; deciding on whether the remaining risk is acceptable and if not acceptable, taking further treatment. Depending on the activity or operation that is being assessed and the priority of the risk, risk treatment strategies can involve the development and implementation of longer short term risk treatment action plans.</p> <p>Risk Evaluation (Step 3) and Risk Treatment (Step 4) should be undertaken with consideration of Council's adopted risk appetite, Preferred Risk Treatment Options and ALARP (as low as reasonably possible).</p>
Step 5	Monitoring and Review	<p>Monitoring and review of the risk management process, its implementation and outcomes ensures its continued quality and effectiveness and identifies opportunities for improvement. It will ensure that identified risks and controls remain relevant, controls remain effective and that any new risks are appropriately identified, recorded and managed appropriately. It should be a planned and documented part of each stage of the process and associated responsibilities should be clearly defined.</p>
Step 6	Recording and Reporting	<p>The risk management process and its outcomes are required to be documented and reported regularly to ensure continued communication in relation to risk management activities and outcomes, to provide information for decision-making, to improve risk management activities and to assist interaction with stakeholders.</p>

RISK ASSESSMENT PROCESS

The risk management process will be undertaken in accordance with Council's following adopted criteria to assess strategic and operational risks (unless exceptions below apply). The criteria are aligned with Council's organisational key objectives and risk appetite.

1. RISK IDENTIFICATION

Identifying risks involves consideration of what, how, why and when events might occur that could have an impact on achieving the objectives of the activity or operation being assessed. During this process consideration is to be given to Council's adopted Risk Categories. A variety of methods can be used to identify risks, such as brainstorming and SWOT analysis. Relevant, appropriate and up to date information is important to identifying risks.

The following factors and the relationship between these factors are example that should be considered when identifying risks.

Factors	Example
Threats and opportunities	Artificial Intelligence
Vulnerabilities and capabilities	Workforce demographics
Changes in internal and external context	Central government policy changes

Once risks have been identified, they should be recoded on the appropriate Risk Register (Strategic, Operational, Health and Safety or Project). The following guide is used to record identified risks:

There is a risk that **[uncertain event occurs]** caused by **[cause of uncertain event]** that may result in **[consequence to Waitomo District Council]**.

2. ANALYSE

(a) Likelihood

Once risks have been recorded in the appropriate risk register, the likelihood and consequence of the risk occurring is analysed. The following guide is used to analyse the likelihood of a risk occurring, i.e. how often the uncertain even is expected to occur pre-controls (before existing and / or additional controls are considered) and post-controls (before existing and / or additional controls are considered).

Risk likelihood rating

Likelihood Rating		Description -operations	Estimated Probability (%)
Rare	1	May occur in exceptional circumstances Could be incurred in a 5-30 year timeframe	5%
Unlikely	2	Could occur In a 2-5 year timeframe	6- 25%
Possible	3	Could occur Within a 1-2 year period	26-50%
Likely	4	Will probably occur In most circumstances – several times are year	51 -90%
Almost Certain	5	Expected to occur Immediately or within a short period – likely to occur most weeks or months.	>90%

(b) Consequence

The following Guide is used to analyse the consequence of a risk occurring, i.e. consequence if the uncertain even was to occur pre-controls (before existing and / or additional controls are considered) and post-controls (before existing and / or additional controls are considered).

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Risk Types What could be the consequences if the risk occurs?	Consequence Rating				
	Insignificant	Minor	Moderate	Major	Severe
	1	2	3	4	5
Financial Risks related to the financial management of WDC and the ability to fund Council activities and operations, now and into the future, including risks resulting from an externally imposed economic environment and risks related to maintaining and operating Council's Infrastructure.	Negligible financial impact < \$10,000	Minor financial impact \$10,000 - \$100,000	Substantial financial impact \$100,000 - \$500,000	Significant financial impact \$500,000 - \$1million	Major financial impact >\$1million
Health and Safety / Wellness Potential risk event that adversely impacts on the health and safety of staff, contractors, visitors or the community. These also include risk that impact the health and safety of staff, as well as contractors & volunteers, including work health and safety issues, resourcing, human resources, industrial relations, organisational culture, staff values, public accountability.	Insignificant injury; no first aid required; no impact on staff morale / performance	Minor injury/ wellness issue; first aid required; minor impact on individual staff morale / performance. Requires staff to take no time off.	Injury or illness requiring medical attention; 1-5 days leave (consecutive or cumulative); short term impact on staff morale / performance An incident that requires reporting to worksafe.	Long term illness or injury; extensive medical attention and leave required (more than 5 days); medium term impact on staff morale/ performance within multiple business areas An injury/illness that requires reporting to worksafe	Fatality; permanent disability, illness or disease; (unable to return to work) long term impact on staff morale/performance across organisation An injury/illness that requires reporting to worksafe
Environmental Potential or actual negative environmental or ecological impacts, regardless of whether these are reversible or irreversible in nature.	Adverse event that can be remedied immediately which can be met by current budget and /or internal resources	Adverse event requiring additional work to remedy in the short term which can be met by current budget and / or internal resources.	Adverse event requiring additional work to remedy in the short to medium term which cannot be met by current budget and external resources may be required to resolve.	Adverse event requiring additional work to remedy in the medium term which cannot be met by current budget and external resources are required to resolve. The event may also put council at the risk of prosecution.	Adverse event requiring significant additional work to remedy in the long term or that cannot be remedied which cannot be met by current budget and external resources are required to resolve. The event may have breached legislation requirements.
Reputation Risks that could improve/compromise the trust, confidence and reputation Council has with our community, and affect the way Council and Council personnel are perceived by the community. (Community means the public, community groups and lobby groups)	Negative feedback from individuals or small groups in the community.	Loss of confidence among sections of the community.	Manageable loss in community confidence.	Large loss in community confidence that will take significant time to remedy.	Insurmountable loss in Community confidence.

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Risk Types What could be the consequences if the risk occurs?	Consequence Rating				
	Insignificant	Minor	Moderate	Major	Severe
	1	2	3	4	5
Risks that could improve/compromise the trust, confidence and reputation Council has and affect the way Council and Council personnel are perceived by the media.	Local negative multimedia coverage for a day requiring not requiring additional work to resume stakeholder confidence.	Local negative multimedia coverage for 1-5 days requiring additional work to resume stakeholder confidence.	Regional negative multimedia coverage for upto one week requiring significant additional work to repair stakeholder confidence.	National negative multimedia coverage for more than one week requiring significant additional work to repair stakeholder confidence.	National negative multimedia coverage for more than two weeks requiring significant additional work which may not result in repairing stakeholder confidence.
Risks that could improve/compromise the trust, confidence and reputation Council has and affect the way Council and Council personnel are perceived by stakeholders/partners. (stakeholder and partners means, industry groups, iwi, councils, government departments, and entities that there is an established relationship with)	Single stakeholder sector expresses a concern directly to WDC. * No further impact	Single stakeholder or stakeholder sector dissatisfied and express their satisfaction through media or directly to WDC. * No impact on work programmes and minimal effort required to mend the relationship	Stakeholders/ partners dissatisfied and express their dissatisfaction directly and or through media. *minor impact on work programmes and moderate effort required to mend the relationship	Major loss of stakeholder/ partner confidence and/or extensive stakeholder dissatisfaction expressed resulting in long period of disengagement (more than 2 months) and significant effort required to mend the relationship. *Impact on work programme	Extreme dissatisfaction and loss of confidence by stakeholders, partners and/or regulatory body investigation and/or statutory management installed and/or significant sanctions against the WDC.
Legislative					
A risk event that results in WDC unknowingly or knowingly breaching statutes and stipulations or exposed to liability.	Isolated non-compliance of minimal significance; internal staff warning (no penalty or fine)	Minor breach of legal obligations; improvement notice; (no penalty or fine, however may have to engage legal expertise)	Substantial breach of legal obligations; adverse finding; substantial fine / penalty (penalties upto \$50k)	Significant breach of legal obligations; adverse finding with long term significance; significant fine / penalty (penalties between \$50k to \$200k)	Major breach of legal obligations; adverse findings against Council and / or individuals; major fines or penalties (>\$200k); possible imprisonment.
Service Delivery					
Risk events that impacts WDC's ability to function and deliver its general services as expected. General services are services outside of core functions.	Insignificant interruption to a service – no impact to customers/ business	Minor interruption to a service with minimal impact to customers/ business	Moderate Interruption to service delivery. Customer impact up to 48 hrs. Partial BCP action may be needed	Major interruption to service delivery, Customer impact > 7 days. Component of BCP action may be needed.	Major interruption to delivery of all or most services for more than 14 days. Full BCP action required.

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Risk Types What could be the consequences if the risk occurs?	Consequence Rating				
	Insignificant	Minor	Moderate	Major	Severe
	1	2	3	4	5
Risk events that impacts WDC’s ability to function and deliver its core services as expected. Core services are lifeline utilities within the WDC context, they are water, wastewater, roading IT infrastructure.	Disruption of service levels for upto 30 minutes (individual activity or site)	Disruption of service levels for upto 4 hours (individual activity or sites)	Disruption of service levels for upto 4 hours (multiple activities or sites)	Disruption of service levels for upto 1 day (multiple activities or sites)	Disruption of service levels for more than 1 day (multiple activities or sites)

3. EVALUATE

Once risks have been analysed, the following matrix and rating are used to evaluate the risk rating pre-controls i.e. low, medium, high, extreme which is used to determine what action is required by Council in relation to the risk and post-controls i.e. low, medium, high, extreme which is used to determine the impact of the action(s) take by Council.

Risk rating matrix

Risk rating = consequence rating x likelihood rating

Risk Likelihood Rating		Risk Consequence Rating				
		Insignificant	Minor	Moderate	Major	Severe
		1	2	3	4	5
Almost Certain	5	Medium (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Medium (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)

4. TREAT

The risk evaluation determines what actions need to be taken in relation to the risk:

ACTION	DESCRIPTION
Accept	Activity is managed to a low or medium risk rating through existing controls.
Transfer	Activity is managed to a low or medium rating through transferring risk to another party, e.g. contractor/ insurer/stakeholder.
Mitigate	Activity is managed to a low or medium risk rating through existing or additional controls. GM/CE approval required for high risk activity to continue.
Terminate	Activity is terminated if it cannot be reduced to a High or lower risk rating CEO approval required for critical risk activity to continue.

These actions are documented in a treatment plan, outlining the:

- Action to be taken
- Responsibility for completing the action
- Timeframe for completing the action.

Preferred Risk Treatment Options (including ALARP – as low as reasonably practicable)

Residual Risk Rating	Preferred Risk Treatment Options	Minimum reporting / escalation level for decision to cease activity, continue activity or take other necessary actions
Extreme	<p>Preferred treatment options: Avoid</p> <ul style="list-style-type: none"> → Cease activity, process or task until further directed. → Requires immediate escalation and active management through additional and effective treatment measures to reduce risk before proceeding. → Detailed planning required in consultation with the CE/ GM and ARFC to prepare a risk management plan. 	<p>Council</p> <p>(escalate to ARFC as deemed necessary)</p>
High	<p>Preferred Treatment Options: Avoid, Transfer or Mitigate</p> <ul style="list-style-type: none"> → Subject to discussions with GM, consider ceasing activity, process or task temporarily to consider alternative options or review risk treatment strategies to enhance adequacy and effectiveness. → Consider implementation of additional or improved controls to reduce the risk to ALARP. → Continue to monitor control effectiveness. 	<p>Senior Management Team</p> <p>(escalate to SMT as deemed necessary)</p>
Medium	<p>Preferred Treatment Options: Mitigate or Accept</p> <ul style="list-style-type: none"> → Subject to discussions Team Leader (and/or Manager), review risk treatment strategies to determine their adequacy and effectiveness. → Consider implementation of additional or improved controls to reduce the risk to ALARP. → Continue to monitor control effectiveness. 	<p>Manager</p> <p>(escalate to Manager as deemed necessary)</p>
Low	<p>Preferred Treatment Options: Accept and identify corrective action</p> <ul style="list-style-type: none"> → Manage by existing routing procedures and work practices. → Continue to monitor control effectiveness. 	<p>Responsible staff</p> <p>(escalate as deemed necessary)</p>

ALARP – As low as reasonably practicable

ALARP involves weighing the benefits and opportunities to be gained from managing the risk and continuing with the proposed activity against the effort, time and resources needed to control the risk.

When determining if additional treatment options should be implemented, consideration should be given to the level of risk that would remain if additional controls were implemented.

- **Unacceptable** - where the cost or resource required to implement further risk treatment is grossly disproportionate to the risk control improvement gained, a decision should be made to cease the activity altogether or find an alternative course of action (except in cases where overriding factors mean there is no choice but to implement the identified additional control measures).
- **Acceptable - ALARP** - aim for this level of risk treatment - where the cost, resources and effort required to implement additional risk treatment is acceptable and worthwhile given the risk control improvement gained and resulting benefits achieved from continuing with the activity, operation or project being assessed.

5. RECORD AND REPORT

Council expects staff will identify and report risks to their manager as soon as practicably possible. Risks post-controls, including treatment plans, should be recorded and reported as follows:

RISK RATING	REPORTING
EXTREME RISK	<ul style="list-style-type: none"> Weekly update of Strategic/Operational/ Health and safety/ Project risk register. Risk registers used as a basis for weekly update to SMT Risk registers used as a basis for quarterly update to Audit Risk and Finance Committee.
HIGH RISK	<ul style="list-style-type: none"> Monthly update of Strategic/Operational/ Health and safety/ Project risk register. Risk registers used as a basis for monthly update to SMT Risk registers used as a basis for quarterly update to Audit Risk and Finance Committee.
MEDIUM RISK	<ul style="list-style-type: none"> Quarterly update of Strategic/Operational/ Health and safety/ Project risk register. Risk registers used as a basis for quarterly update to SMT
LOW RISK	<ul style="list-style-type: none"> Quarterly update of Strategic/Operational/ Health and safety/ Project risk register.

6. MONITOR AND REVIEW

Once post-controls risks have been reported, the identified risk should be monitored and reviewed as follows

RISK RATING	REPORTING
EXTREME RISK	<ul style="list-style-type: none"> Weekly
HIGH RISK	<ul style="list-style-type: none"> Monthly
MEDIUM RISK	<ul style="list-style-type: none"> Quarterly
LOW RISK	<ul style="list-style-type: none"> Quarterly

Council's risk review and reporting structure will be implemented to assist in:

- Monitoring Council's performance in mitigating risks and seizing positive opportunities
- Informing decision making, identifying improvement opportunities and improving performance
- Ensuring changing circumstances are considered against risk priorities and any additional risks are identified, documented and assessed appropriately
- Reviewing relevance and effectiveness of existing risk controls
- Measuring the success of Council's Risk Management Framework.

Review by Council's Audit, Risk & Finance Committee is considered essential in ensuring the independent and holistic review of Council's performance and to provide assurance to the Chief Executive and Council that risks are being appropriately managed.

Reviews and reports will be co-ordinated by responsible staff in accordance with the following schedule, however it is noted that additional and/or specific risk management reporting may be required from time to time.

Strategic Risk Register

Council's Senior Management Team is responsible to for reviewing Council's Strategic Risk Register.

The Strategic Risk Register will be reviewed on a minimum annual basis and as high level risks emerge. Reviews will be reported to Council's Audit, Risk and Finance Committee.

Operational Risk Register (group level)

The Group Managers and their relevant Management Teams are responsible for reviewing Council's Operational Risk Register.

The Operational Risk Registers will be reviewed on a minimum annual basis and as high level risks emerge. Reviews will be reported to the Senior Management Team and ARFC as necessary.

Group Managers will include the review of the group risks, controls and associated risk treatment action plans on their management team meeting agendas. This will facilitate a consultative approach to ensuring risks remain relevant, controls continue to be effective and that any new or emerging risks are identified and managed adequately.

Project Risk Register

The Project Manager and their project team are responsible for reviewing the relevant Project Risk Register.

Reviews will be reported to the Project Control Group. Where a project is deemed to be of interest to Council, the risk register will be reported to ARFC.

Risk Management Framework

Council's Risk Management Framework will be reviewed on a minimum annual basis to ensure its continued effectiveness and relevance and to identify improvement opportunities. Where significant amendments to the Framework are recommended, approval will be required by SMT and a report presented to ARFC.

Performance and Success Measures

The performance and success of Council's Risk Management Framework will be assessed with consideration of the following five key attributes of enhanced risk management:



Various methods may be used to measure and report on the strengths and weaknesses of Council's performance, including:

- Organisational surveys to monitor risk management awareness and knowledge
- Statistics on staff participation in risk management training
- Analysis of data gathered from organisational risk reporting and internal audit results, as well as incident and claim statistics.

A review of Council's performance will assist in identifying improvement opportunities in relation to this Framework and will be reported to SMT and Council's Audit, Risk & Finance Committee as necessary.

WAITOMO DISTRICT COUNCIL STRATEGIC RISK REGISTER

RISK AND IMPACT DESCRIPTION	RISK DRIVERS (EXISTING AND POTENTIAL CAUSES)	RISK APETITE	PRE-CONTROLS LIKELIHOOD	PRE-CONTROLS CONSEQUENCES	PRE-CONTROLS RISK RATING	RESIDUAL RISK (POST-CONTROL LIKELIHOODS)	RESIDUAL RISK (POST-CONTROL CONSEQUENCES)	RESIDUAL RISK RATING (POST CONTROL & TREATMENTS)
SR01 – HEALTH, SAFETY AND WELLBEING								
<p>SR1.1 There is a risk of impact on the health, safety and wellbeing of staff, caused by external and internal events that may result in physical and / or emotional harm, low staff morale, prosecutions leading to reputational damage and financial loss.</p> <p>Risk Appetite: Waitomo District Council (Council) does not accept a post-control of a medium risk and would like to see the post control brought down to low, recognising that implementing additional controls to fully mitigate this risk is not achievable due to external factors.</p>	<p>Lack of or inadequate:</p> <ul style="list-style-type: none"> Health and Safety Framework. Consistent application of policies, frameworks and demonstrating expected behaviours. Consistent and/or effective performance monitoring. Effective Health and Safety training and awareness (competence) Sharing of lessons learned across Council Sufficient capacity and/or capability of staff Supportive work environment (workloads, bullying). Preparedness for security and physical threats to people including violence. <p>In addition:</p> <ul style="list-style-type: none"> Disease Outbreak (e.g. Covid-19 and other contagious diseases) Organisational changes Risk management framework and mitigation actions not being fit for purpose and not being reported. 	LOW	Probability 51-90% Likely (4)	<p>Health and Safety / Wellness Server (5)</p> <p>Financial Moderate (3)</p>	Extreme (20)	Probability 26-50% Possible (3)	<p>Health and Safety / Wellness Minor (2)</p> <p>Financial Insignificant (1)</p>	Medium (6)
SR02 – CYBER SECURITY								
<p>SR2.1 There is a risk of breach of Councils system caused by increased cyber-security attacks which may result in loss of personal data, intellectual property, reputational damage, business interruption due to loss of systems, impact on supply chains and financial loss including damage to reputation.</p> <p>Risk Appetite: Waitomo District Council (Council) does not accept a post-control of a high risk and would like to see the post control brought down to medium, recognising that implementing additional controls to fully mitigate this risk would be unachievable as there are a lot of external factors driving this risk.</p>	<ul style="list-style-type: none"> Increased digitisation without proper integration with processes. Inadequate cyber security mechanisms \ strategy. Technical failure to protect IT systems. Malicious or innocent employee activities. Ineffective training \ awareness. Move to flexible working (remote access) creates less secure connections. Increased cyber attacks (e.g. Ransomware). 	MEDIUM	Probability >90% Almost Certain (5)	<p>Legislative Major (4)</p> <p>Financial Major (4)</p> <p>Reputation Major (4)</p> <p>Service Delivery Severe (5)</p>	Extreme (25)	Probability 26-50% Possible (3)	<p>Legislative Insignificant (1)</p> <p>Financial Major (4)</p> <p>Reputation Minor (2)</p> <p>Service Delivery Severe (4)</p>	High (12)
SR03 – CLIMATE CHANGE AND ADAPTATION								
<p>SR3.1 There is a risk that Waitomo District Council's adaptation and mitigating actions (e.g. reducing emissions) may not be adequate to response, absorb and / or reduce impacts of climate change, including severe weather events.</p> <p>This may result in tangible and intangible consequences, such as environmental degradation, economic inequity, social vulnerability, financial and reputation damage.</p> <p>Risk Appetite: Waitomo District Council (Council) accepts a medium risk, recognising that implementing additional controls to fully mitigate this risk would be unachievable as the drivers of the risks are not within Council's control.</p>	<p>Lack of or inadequate:</p> <ul style="list-style-type: none"> Planning provisions to ensure appropriate ongoing zoning for land and housing development and urban design planning with respect to climate change impacts. Leadership to ensure alignment of council response and prioritised delivery of key actions. Collaboration between council business units and Council Controlled Organisations. Consistent risk perceptions (across public and private sectors) and different understandings and prioritisation of climate risks. Quality advice to decision makers to ensure effective management and governance oversight. Robust and accessible data and fit for purpose information systems. Sufficient resources and/or capability of staff. Design quality of coastal, flooding and other climate resilience projects. Strategic approach to coastal erosion, sea level rise, flooding and inundation issues. Resource consenting and Land Information Memorandum (LIM) processes <p>In addition:</p> <ul style="list-style-type: none"> Changes to extreme weather patterns (frequency, extent and intensity). Legacy risk caused by historic decisions to permit development (including critical assets) in areas of risk (e.g. housing, roads, utilities etc). The complex urban planning system and misalignment with finance, policy, operations, regulation, legal and risk. 	MEDIUM	Probability 26-50% Possible (3)	<p>Financial Server (5)</p> <p>Service Delivery Sever (5)</p> <p>Reputation Major (4)</p>	High (15)	Probability 26-50% Possible (3)	<p>Financial Minor (3)</p> <p>Service Delivery Moderate (3)</p> <p>Reputation Minor (2)</p>	Medium (9)

RISK AND IMPACT DESCRIPTION	RISK DRIVERS (EXISTING AND POTENTIAL CAUSES)	RISK APETITE	PRE-CONTROLS LIKELIHOOD	PRE-CONTROLS CONSEQUENCES	PRE-CONTROLS RISK RATING	RESIDUAL RISK (POST-CONTROL LIKELIHOODS)	RESIDUAL RISK (POST-CONTROL CONSEQUENCES)	RESIDUAL RISK RATING (POST CONTROL & TREATMENTS)
SR04 – SIGNIFICANT INTERNAL AND EXTERNAL DISTRUPTIONS								
<p>SR 4.1 There is a risk of significant disruptions in the operations of Waitomo District Council and/or a civil emergency due to major natural catastrophes, pandemics, technology and/or communication failure, power outage and asset failure, which may result in financial loss or reputation damage, loss of life and loss of trust and confidence in Waitomo District Council.</p> <p>Risk Appetite: Waitomo District Council (Council) accepts a medium risk, recognising that implementing additional controls to fully mitigate this risk would be unachievable as the drivers of the risks are not within Council's control.</p>	<p>Lack of or inadequate:</p> <ul style="list-style-type: none"> Business continuity and/or disaster recovery framework. Civil emergency management framework. Effective and/or consistent BCPs across council due to lack of BCP testing for each business unit. Clarity of BCP accountability across council. Commitment to crisis management team process. Insurance protection and cover. Deployment of system upgrades and changes. Patch Management. Performance monitoring. Problem and incident management processes. Alternative / backup facilities for key operations (including systems and buildings). Sufficient resources and/or capability of staff. <p>In addition:</p> <ul style="list-style-type: none"> Increased natural catastrophes (super storms, sever winds, coastal inundation, flooding, volcanoes, earthquakes, etc.). Infectious human and animal disease pandemics. Break in the supply chain inter-dependencies. Withdrawal of regulatory approval or service license (Including downgrade of credit rating). Technology failure (including Lifeline). Human error. System and power outages. Loss of communication and building. 	<p>MEDIUM</p>	<p>Probability >90% Almost Certain (5)</p>	<p>Financial Major (5) Service Delivery Severe (5) Reputation Moderate (3)</p>	<p>Extreme (25)</p>	<p>Probability 26-50% Possible (3)</p>	<p>Financial Moderate (3) Service Delivery Moderate (3) Reputation Minor (2)</p>	<p>Medium (9)</p>
SR05 – PROGRAMME AND PROJECT DELIVERY								
<p>SR5.1 There is a risk of project budgets and scope overruns, project delays, substandard construction, workstreams not leveraging off each other to drive decision making and optimise efficiencies caused by inadequate planning which may result in adverse environmental impacts, financial loss (including return on investment / benefit realisation not met), reputation damage and not meeting 10YP project deliverables.</p> <p>Risk Appetite: Waitomo District Council (Council) does not accept a post-control of a medium risk, recognising that there are opportunities for improvement and with additional controls the risk can be brought down to low.</p>	<p>Lack of:</p> <ul style="list-style-type: none"> Embedded fit for purpose project framework and project risk management framework including efficient risk assessment process for high risk projects and clear risk tolerances and escalation processes. Robust financial controls or a financial system which provide an up-to-date reporting ability. Effective governance structures. Effective risk management. Effective tools / systems. Effective monitoring, review and challenge. Resources and/or capability of staff. Funding. Adherence to the Investment Delivery Framework (project management framework) from inception through to post implementation reviews. <p>In Addition:</p> <ul style="list-style-type: none"> Poor integration between aspirations and objectives of Council and CCOs and project outcomes. Programme and project plans generated prior to Council or SMT agreement as appropriate Capability in performing comprehensive cost benefit analysis. Resistance to banking those benefits. Delivery of projects is reliant on individual departmental requirements and activities. Multiple departments have responsibility to deliver to the project management and quality standards which can result inefficient delivery of projects and programmes. 	<p>LOW</p>	<p>Probability 51-90% Likely (4)</p>	<p>Financial Major (4) Environmental Moderate (3) Reputation Moderate (3)</p>	<p>High (16)</p>	<p>Probability 26-50% Unlikely (2)</p>	<p>Financial Moderate (3) Environmental Minor (2) Reputation Minor (2)</p>	<p>Medium (6)</p>

RISK AND IMPACT DESCRIPTION	RISK DRIVERS (EXISTING AND POTENTIAL CAUSES)	RISK APETITE	PRE-CONTROLS LIKELIHOOD	PRE-CONTROLS CONSEQUENCES	PRE-CONTROLS RISK RATING	RESIDUAL RISK (POST-CONTROL LIKELIHOODS)	RESIDUAL RISK (POST-CONTROL CONSEQUENCES)	RESIDUAL RISK RATING (POST CONTROL & TREATMENTS)
SR06 – THEFT FRAUD AND CORRUPTION								
<p>SR6.1 There is a risk of Internal or external fraud, corruption or other unethical behaviour perpetrated within or against Council that could lead to financial loss, reputational damage, and/or operational risk to council.</p> <p>Risk Appetite: Waitomo District Council (Council) has a post-control of a low risk appetite, noting that fraudulent activity is not tolerated, and the organisation will work towards implementing additional controls.</p>	<p>Lack of or inadequate:</p> <ul style="list-style-type: none"> Pre-employment checks. Training and awareness. User access management controls. Segregation of Duties controls. Controls around procurement and contract management. Rigorous management of declarations and conflicts of interest. Mandate to review budgets vs actuals <p>In addition:</p> <ul style="list-style-type: none"> Insider knowledge impacting tendering process. Collusion between staff and external suppliers. Poor financial literacy for budget holders. Inconsistently applying policies and demonstrating expected behaviours. Undetected substandard and/or unapproved building products used in construction. 	LOW	Probability 51-90% Likely (4)	<p>Financial Major (4)</p> <p>Reputation Major (4)</p>	High (16)	Probability 26-50% Unlikely (2)	<p>Financial Moderate (3)</p> <p>Reputation Moderate (3)</p>	Medium (6)
SR07 – FIT FOR PURPOSE ASSETS								
<p>SR7.1 There is a risk of failure to effectively manage and protect council owned assets so they are fit for purpose to deliver the required levels of service caused by ineffective operational planning which may result in:</p> <ul style="list-style-type: none"> inability to deliver environmental and economic outcomes sought by Waitomo District harm to staff, contractors and public's health and safety and wellbeing financial loss (e.g., loss of investment and unbudgeted costs), and loss of trust and confidence <p>Risk Appetite: Waitomo District Council (Council) has a post-control of a low risk appetite, noting it is a priority for WDC to ensure that we have and maintain fit for purpose assets.</p>	<ul style="list-style-type: none"> Lack of or inadequate understanding and management of significant asset risks including: <ul style="list-style-type: none"> Asbestos o Mould Seismic Durability of assets o Weather tightness Impacts on assets from extreme weather events (eg flooding) Geotechnical (including accelerated deterioration caused by hazards and events exacerbated by climate change Existing residual risks that cannot be removed (eg closed landfills) Non-compliance with regulatory and legislative obligations Lack of aligned service need strategy and asset management strategy, plan or policy for reinvestment or divestment opportunities. Incomplete, inaccurate, and delayed information and data on assets. Lack of tools to manage the utilisation, criticality, and performance of the assets. Funding shortfalls. Over- or under-maintenance. Inefficient asset management practices due to inadequate suppliers, staff capacity and capability, lack of standardised processes and systems. 	LOW	Probability <90% Almost Certain (5)	<p>Financial Major (4)</p> <p>Legislative Minor (2)</p> <p>Reputation Major (4)</p>	Extreme (20)	Probability 51-90% Possible (3)	<p>Financial Minor (2)</p> <p>Legislative Minor (2)</p> <p>Reputation Moderate (3)</p>	Medium (9)

RISK AND IMPACT DESCRIPTION	RISK DRIVERS (EXISTING AND POTENTIAL CAUSES)	RISK APETITE	PRE-CONTROLS LIKELIHOOD	PRE-CONTROLS CONSEQUENCES	PRE-CONTROLS RISK RATING	RESIDUAL RISK (POST-CONTROL LIKELIHOODS)	RESIDUAL RISK (POST-CONTROL CONSEQUENCES)	RESIDUAL RISK RATING (POST CONTROL & TREATMENTS)
SR08 – THREE WATERS INFRASTRUCTURE								
<p>SR8.1 There is a risk of Council not being able to provide quality drinking water caused by a lack of available potable water in the district resulting in Council not meeting its legislative obligation.</p>	<p>Lack of or inadequate:</p> <ul style="list-style-type: none"> Up-to-date data (e.g., consenting framework is not robust enough to provide confidence in how we manage water. Integration of the consenting data and planning mechanisms at local and regional scales. Escalation processes to notify when information needs are to be increased / enhanced. Proportional information to the size of the consent. storm water overwhelming the capacity of drainage systems Asset understanding / management (capacity and age). A focus on disaster prevention rather than disaster recovery. Technology upgrades / incentives. Integration and transparency of the Resource Management Act Reform. Security of water supply and standards of bore sources. Compliance with statutory requirements. <p>In addition:</p> <ul style="list-style-type: none"> Changing Climate (Increased rainfall intensity, storm, droughts, landslides, sea level rise, air temperature rise and flood events). Reliance on historic data to manage the future. Changes in land use (Rural land becoming urban / industrial) and tracking contaminants. Cost of construction. Perception of value of natural, including intrinsic value. Treaty Settlements expectations. Increased water demand for different uses of land (horticulture). Unknown private devices (e.g., septic's and storm water). 	LOW	Probability 6-25% Unlikely (2)	Financial Major (4) Legislative Minor (2) Reputation Major (4)	Medium (8)	Probability 6-25% Unlikely (2)	Financial Moderate (3) Legislative Minor (2) Reputation Major (4)	Medium (8)
<p>SR8.2 There is a risk of Council not being able provide quality drinking water caused by inadequate treatment, monitoring and reporting resulting in Council not meeting its legislative obligation, loss of reputation and compromising health of the community.</p>		LOW	Probability <90% Almost Certain (5)	Financial Major (4) Legislative Minor (2) Reputation Major (4)	Extreme (20)	Probability 51-90% Possible (3)	Financial Moderate (3) Legislative Minor (2) Reputation Major (4)	High (12)
<p>SR8.3 There is a risk of ineffective removal and treatment of wastewater system at Council owned or managed facilities caused by inadequate and non-reticulated wastewater system resulting in Council breaching its legislative obligations.</p>		LOW	Probability <90% Almost Certain (5)	Financial Major (4) Legislative Minor (2) Reputation Major (4)	Extreme (20)	Probability 51-90% Possible (3)	Financial Moderate (3) Legislative Minor (2) Reputation Major (4)	High (12)
<p>SR8.4 There is a risk of flooding in the district caused by severe weather events due to the lack of capacity and management of water assets (infrastructure) resulting in safety issues, loss of trust and confidence and breach of legislation and potential effects on the ecological health of our urban streams and coastal waters, as well as on the economic, social and cultural value of these environments.</p>		LOW	Probability <90% Almost Certain (5)	Financial Major (4) Legislative Minor (2) Reputation Major (4)	Extreme (20)	Probability 51-90% Possible (3)	Financial Moderate (3) Legislative Minor (2) Reputation Major (4)	High (12)
SR09 – FINANCIAL								
<p>SR9.1 There is a risk that Council is unable to maintain its service delivery to the level outlined in its 10 year Plan due to not having a fit for purpose funding framework to effectively attract and allocate sufficient funding, which may result in Council reducing levels of services or stopping some services to the community.</p> <p>Risk Appetite: Waitomo District Council accepts a post control medium risk, recognising that financial sustainability is fundamental and it is willing to accept a moderate amount of risk to achieve its objectives.</p>	<ul style="list-style-type: none"> ineffective organisational planning and budgeting processes (10YP, EAP, Activity management Plans / projects / District Plan) insufficient and or ineffective insurance cover unexpected circumstances (such as a pandemic) that means, the loss or reduced revenue) 	MEDIUM	Probability 26-50% Possible (3)	Financial Server (5) Reputation Major (4)	High (15)	Probability 6-25% Unlikely (2)	Financial Minor (2) Reputation Moderate (3)	Medium (6)

Document No: A578447

Report To: Council



Meeting Date: 26 October 2021

Subject: **Civic Financial Services Limited: New Appointments and Half - Yearly Report to 30 June 2021**

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to present the half-yearly report for Civic Financial Services Ltd for the six months ended 30 June 2021.

Background

- 2.1 Civic Financial Services Ltd (CFS) is the former New Zealand Local Government Insurance Corporation Ltd (NZLGIC) and previously traded as Civic Assurance. It has been trading for over 75 years. The name change has been instituted due to CFS withdrawing from offering property insurance and no longer holding an insurance licence.
- 2.2 CFS provides administration and financial services to SuperEasy and SuperEasy KiwiSaver Superannuation Schemes, the Local Authority Protection Programme Disaster Fund (LAPP) and Riskpool.
- 2.3 WDC holds 16,940 shares (0.15%) in Civic Financial Services Ltd.

Commentary

3.1 **New Appointments**

- 3.2 CFS have appointed John Melville as the Board Chair, Mr. Melville has been a Director and Chair of the Risk and Audit Committee for several years. The second appointment is Charlie Howe to the position of Civic CEO, replacing the retiring CEO Ian Brown, Mr. Brown has take a role of Executive Consultant until his retirement in early 2022.

3.3 **Half-Yearly report to 30 June 2021**

- 3.4 The CFS half yearly accounts for the six months ended 30 June 2021 are attached to, and form part of this business paper.
- 3.5 The company's income is derived from administration services and investment income. Revenue has increased by \$44,000 (2.9%) from the same period last year, expenditure has reduced by \$41,000 (3.3%), resulting an unaudited increase in Net Surplus after Tax of \$84,000.
- 3.6 The company reports an (unaudited) after tax profit of \$311,000 (2020: \$226,000) for the first half of the year.
- 3.7 This compares to an after tax profit of \$345,000 for the full year to 31 December 2020 (2019: after tax profit of \$1.95m).

Suggested Resolutions

- 1 The business paper on Civic Financial Services Limited Half yearly Report to 30 June 2021 be received.
- 2 The Civic Financial Services Limited – Half Yearly Accounts to 30 June 2021 be received.
- 3 The Civic Financial Services Limited – Half Yearly Report to 30 June 2021 be made public and published on Council’s website in accordance with Section 66(5) of the Local Government Act 2002.



ALISTER DUNCAN
GENERAL MANAGER – BUSINESS SUPPORT

29 September 2021

Attachments:

- 1 New Appointments and Half Year Accounts to 30 June 2021 (A578451)
- 2 Civic Financial Services Half-Yearly Accounts 30 June 2021 (A578452)

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CIVIC FINANCIAL SERVICES LTD

STATEMENT OF COMPREHENSIVE INCOME (Unaudited) FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Six Months		Full Year	
	Note	2021 \$000	2020 \$000	2020 \$000
REVENUE				
Administration Fees		1,533	1,469	2,973
Income from Investments		55	75	141
TOTAL REVENUE		1,587	1,543	3,115
EXPENDITURE				
Depreciation & Amortisation		9	9	16
Employee Remuneration		340	348	746
Other Expenses		839	872	1,872
TOTAL EXPENDITURE		1,188	1,229	2,635
NET SURPLUS BEFORE TAXATION		399	315	480
Less Taxation Expense	6	88	88	136
NET SURPLUS AFTER TAXATION		311	227	345

STATEMENT OF MOVEMENTS IN EQUITY (Unaudited) FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Six Months		Full Year
	2021 \$000	2020 \$000	2020 \$000
Equity as at 1 January	10,822	10,477	10,477
Net Surplus After Taxation	311	227	345
EQUITY AS AT 30 JUNE	11,133	10,704	10,822

STATEMENT OF FINANCIAL POSITION (Unaudited) AS AT 30 JUNE 2020

	2021 \$000	2020 \$000	2020 \$000
EQUITY			
Capital	10,764	10,764	10,764
Retained Earnings	369	(60)	58
TOTAL EQUITY	11,133	10,704	10,822
Represented By:			
Current Assets			
Bank & Cash Equivalents	975	124	897
Term Deposits	5,335	4,935	4,735
Receivables	497	457	526
Loans	7 2,119	2,877	2,588
TOTAL CURRENT ASSETS	8,925	8,393	8,747
Non-Current Assets			
Property, Plant & Equipment & Intangible Assets	202	155	200
Deferred Tax Asset	2,262	2,398	2,350
TOTAL NON CURRENT ASSETS	2,465	2,553	2,550
TOTAL ASSETS	11,390	10,946	11,297
Current Liabilities			
Sundry Creditors & Accrued Charges	241	226	449
TOTAL CURRENT LIABILITIES	241	226	449
Non Current Liabilities			
CLP/ Riskpool Admin Fee Reserve	16	16	26
TOTAL NON-CURRENT LIABILITIES	16	16	26
TOTAL LIABILITIES	258	242	475
EXCESS OF ASSETS OVER LIABILITIES	11,133	10,704	10,822

The notes to the accounts on page 3 form part of and are to be read in conjunction with these Statements.

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CIVIC FINANCIAL SERVICES LTD

STATEMENT OF CASH FLOWS (Unaudited)
FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Six Months		FULL YEAR	
	Notes	2021 \$000	2020 \$000	2020 \$000
Cash Flows from Operating Activities				
Cash from operating activities:		1,522	1,525	2,971
Cash applied to operating activities:		1,346	1,185	2,361
Net Cashflow from Operating Activities	5	178	341	611
Cash Flows from Investing Activities				
Cash provided from investing activities:		(577)	409	4,068
Cash applied to investing activities:		(459)	921	4,056
Net Cashflow from Investing Activities		(118)	(512)	12
Cash Flows from Financing Activities				
Cash was provided from financing activities:		31	21	-
Cash applied to financing activities:		12	-	-
Net Cashflow from Financing Activities		19	21	-
Net Decrease in Cash Held		78	(150)	623
Opening Cash Balance as at 1 January		897	274	274
Closing Cash Balance as at 30 June		975	124	897
Being:				
Bank & Cash Equivalents		975	124	897

The notes to the accounts on page 3 form part of and are to be read in conjunction with this statement.

CIVIC FINANCIAL SERVICES LTD
FOR THE SIX MONTHS ENDED 30 JUNE 2021

Notes to the Financial Statements

1 Statement of Compliance

The Group is a Tier 1 Public Sector Public Benefit Entity and the financial statements have been prepared in accordance with and comply with Tier 1 Public Sector Public Benefit Entity (PBE) Standards.

2 Accounting policies

The accounting policies applied in the preparation of the half year financial statements are consistent with those disclosed in the 2020 annual report.

3 Basis of Preparation

These interim financial statements have been prepared in accordance with PBE IAS 34 - Interim Financial Reporting, and should be read in conjunction with the Company's annual financial report for the year ended 31 December 2020. Disclosures in these interim financial statements are less extensive than those in the annual financial report.

4 Comparative figures.

The comparative figures are for the six months ended 30 June 2020 and the year ended 31 December 2020.

5 Reconciliation of net surplus after tax with cash flow from operating activity.

	Six Months		Full Year
	2021	2020	2020
	\$000	\$000	\$000
Reported Surplus After Taxation	311	227	345
Add/(less) non cash items			
Loan Interest	(30)	(20)	(51)
Depreciation	10	10	16
Deferred Tax Liability	88	88	136
Movement in CLP/ Riskpool Admin Fee Reserve	(10)	(10)	(19)
	58	68	82
Add/(less) movements in other working capital items			
Accounts Receivable	28	96	28
Accounts Payable	(208)	4	246
	(180)	100	274
Less Items Classified as investing activity	(23)	(54)	(90)
Less Items Classified as financing activity	12	-	-
	178	341	611
Net Cash Outflow from Operating Activities	178	341	611

6 Income Tax

The income tax liability for June 2021 is nil as the Company has unused tax credits with which it will use to offset any income tax expense .

7 Secured loan agreements between the Company and Local Government Mutual Funds Trustee Limited on behalf of New Zealand Mutual Liability Riskpool ("Riskpool") were entered into in February 2017 and August 2017 for \$2,250,0000 each to assist with Riskpool's cashflow. Both loans are arm's length and on commercial terms. Any loan may be repaid by Riskpool at any time without penalty and the agreement terminated by either party with six months' notice.

8 Contingent liabilities.

The contingent liabilities are:

- i) 100,000 uncalled shares in the wholly owned subsidiary, Local Government Superannuation Trustee Limited.
- ii) 1,000 uncalled shares in the wholly owned subsidiary, Local Government Mutual Funds Trustee Limited.
- iii) 100 uncalled shares in the wholly owned subsidiary, SuperEasy Limited.
- iv) 100 uncalled shares in the wholly owned subsidiary, Local Government Finance Corporation Limited.

9 Events occurring after reporting date

ii) There have been no significant events since the reporting date that affect the results disclosed in the half year financial statements.

Chris Ryan
Chief Executive
Waitomo District Council
PO Box 404
TE KUITI 3941

21 September 2021

Dear Chris,

New Appointments and Half-Yearly Accounts to 30 June 2021

Board Chair: I have been elected Chair of Civic Financial Services Limited, having been a director of the company and chair of the Risk and Audit Committee for several years. I feel privileged to take over this position from Tony Marryatt who continues to serve as a director. During his time as Chairman Tony successfully led Civic as the company settled claims relating to the Canterbury earthquakes, restructured and rebranded the company and sold Civic Assurance House to allow payment of the net proceeds to shareholders. I look forward to continuing the Board's work for you and the sector.

Chief Executive Officer: The Board has received notice from Ian Brown about his intention to retire from Civic. Following a rigorous process, the Board has appointed Charlie Howe to the position of Civic CEO from 1 September 2021, with Ian taking the role of Executive Consultant until his retirement early next year. Charlie brings to Civic a wealth of experience in leadership roles at the Ministry of Social Development following extensive business and retail banking experience with ANZ Bank. The Board has acknowledged Ian's service to the company and is pleased to welcome Charlie to the role of CEO. Charlie is looking forward to meeting with you in person when lock-down conditions ease.

Half-Yearly Accounts to 30 June 2021: Enclosed is your copy of the half-yearly accounts for Civic Financial Services Limited to 30 June 2021. As reflected in the accounts, Civic's income is derived from administration services and investment income. In addition to administering Riskpool, Civic Liability Pool and the LAPP Fund, Civic administers the SuperEasy and SuperEasy KiwiSaver Superannuation Schemes which are offered to local government on an exclusive basis. I am pleased to note that the company is tracking above budget and has returned an (unaudited) pre-tax profit of \$0.399 million for the first half of 2021 while continuing to maintain a strong financial position.

Civic provides superannuation services to 76 councils, through administration of the SuperEasy and the SuperEasy KiwiSaver Schemes, which have some \$530 million funds under management. Over 11,000 members use those superannuation services, and it is noteworthy that 69 Councils have appointed Civic as their preferred KiwiSaver provider. The Board policies are aimed at continuing to improve those services to members, councils and the local government sector.

Yours sincerely



John Melville
Chair

Document No: A573246

Report To: Council



Meeting Date: 26 October 2021

Subject: Local Government Funding Agency - Annual Report

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to present the Annual Report of the Local Government Funding Agency for year ended 30 June 2021.
- 1.2 A copy of the Local Government Funding Agency Annual Report for year ended 30 June 2021 is enclosed separately and forms part of this business paper.

Background

- 2.1 The LGFA was established in December 2011 principally to borrow domestically or offshore and provide lending to local authorities across New Zealand.
- 2.2 Waitomo District Council (WDC) joined the LGFA as a borrower and guarantor in April 2017. Substantially all its borrowings are now provided from the LGFA.
- 2.3 As a borrower WDC would look to the LGFA as first lender of choice for Council's borrowing requirements. As a Guarantor to the LGFA, WDC has an ongoing interest in the financial strength of LGFA.

Commentary

- 3.1 LGFA has performed well over the last year with total interest income increasing by 1.9% when compared to the previous year. Operation profit has increased by 13.0%, this increase is greater than signaled in the Statement of Intent forecasts.
- 3.2 The membership has increased by five with Napier City, Central Otago, Kawerau, South Waikato and Waitaki District Councils joining, membership is now 72 councils.
- 3.3 Financial Performance for the Year to 30 June 2021**
- 3.4 Net operating profit for the twelve months was \$12,007,000 an increase of \$1,384,000 from the corresponding period for the prior year.
- 3.5 Net interest income and operating profit are ahead of SOI forecast and expenses are less than budget for the year ended 30 June 2021.
- 3.6 Importantly "the financial strength of the LGFA was reaffirmed by credit rating agencies Standard & Poor's who increases the long term credit rating to AAA and Fitch who maintain the credit rating at AA+". These credit rating are equivalent to the New Zealand Government.
- 3.7 The ability of the LGFA to maintain its financial strength and high credit rating is important for Council as a borrower, so debt funding can be sourced on favourable terms and as a guarantor because it further reduces the already very low likelihood of the guarantee being exercised.

- 3.8 Total loans to Councils by LGFA are \$12.067 billion as at 30 June 2021 and were \$10.869 billion in the comparable period last year.
- 3.9 Bonds on issue to investors in LGFA total \$13.680 billion as at 30 June 2021 and was \$11.660 billion last year.

3.10 Performance Targets Statement of Intent

2020/21 SOI measures	Target	Result
Net Interest Income	Greater than \$18.8m	\$19.537m
Annual issuance and operation expenses (excluding AIL)	Less than \$6.8m	\$6.689m
Total Lending to Participating Local Authorities	At least \$9,790m	\$12,039m
Annual Survey – value added by LGFA	85% satisfaction score	98.8%
Meet lending request were those request meet LGFA operational and covenant requirements	All	All
Market Share of all council borrowing in New Zealand	85% market share	79%
Review each Participating Local Authority’s financial position	All participating Local Authorities	All councils visited.
Treasury Policy Breaches	None	None
Refinance existing loans to councils and LGFA bone maturities	All	All
Maintain credit rating equal to New Zealand Government	AA+	AA+/AAA

Suggested Resolutions

- 1 The business paper on Annual Report – Local Government Funding Agency be received.
- 2 The Annual Report – Local Government Funding Agency for the year ended 30 June 2021 be received.



ALISTER DUNCAN
GENERAL MANAGER - BUSINESS SUPPORT

30 August 2021

Attachment: Covering Letter to Guarantor Local Authorities, Local Government Funding Agency Annual Report for year ended 30 June 2021 (A573247)

Separate Enclosure: Local Government Funding Agency Annual Report for year ended 30 June 2021 (A573248)

30 August 2021

Dear Guarantor

LGFA 2021 Annual Report

I have attached our Annual Report for the 12-month period to 30 June 2021 as we thought it might be of interest to you as a guarantor. We are pleased to highlight another strong year for LGFA that included several achievements.

1. We have made longer dated borrowing options available to an increased number of council borrowers

By 30 June 2021, LGFA had loans outstanding of \$12.10 billion. This is an increase over the past year of \$1.20 billion and we added five new council members to bring the number of member councils to seventy-two. Councils and CCOs can now borrow for terms out to sixteen years (2037). For the 12-month period to 30 June 2021, LGFA provided 79% of the sector borrowing and we are appreciative of the support from our borrowing councils.

2. S&P Global Ratings upgraded our credit ratings

Our domestic credit rating was upgraded to the highest possible rating of AAA by S&P Global Ratings while our foreign currency rating was also upgraded by one notch to AA+.

3. New products and increasing focus on sustainability.

LGFA launched standby facilities for councils as a new product during the year and by 30 June 2021 we had \$522 million of facilities in place with seven councils. CCO lending is now in place with our first CCO loan transacted after balance date. A substantial amount of work was undertaken on sustainability, and we have received ZeroCarbon certification from Toitū Envirocare. We are in the process of forming a sustainability committee and launching sustainable loans as a new product for councils in the coming year.

4. A strong financial position.

The financial strength of LGFA has been enhanced with a record Net Operating Profit of \$12.0 million for the 2020/21 year and Shareholder Equity of \$94.7 million as at 30 June 2021. The value of our total assets is \$14.485 billion.

A copy of the Annual Report is attached and is also available on our website www.lgfa.co.nz If you would like a hard copy version, please contact jane.phelan@lgfa.co.nz.



We intend holding our Annual General Meeting (AGM) on Tuesday 23 November 2021 in Wellington and will send a Notice of AGM to you for information only in late September.

Please do not hesitate to contact me if you have any comments or questions.

Kind regards

A handwritten signature in black ink, appearing to read 'Mark Butcher', with a stylized flourish extending to the right.

Mark Butcher
Chief Executive

Document No: A581109

Report To: Council



Meeting Date: 26 October 2021

Subject: **Review of the Dangerous and Insanitary Buildings Policy**

Type: Decision Required

Purpose of Report

- 1.1 The purpose of this business paper is to present to Council the submission received from Heritage New Zealand Pouhere Taonga, and the updated Dangerous and Insanitary Buildings Policy for adoption.

Background

- 2.1 Section 131 of the Building Act 2004 (the Act) requires Council to adopt a policy on dangerous and insanitary buildings within its district.
- 2.2 The Policy must state –
- a) The approach that the Council will take in performing its functions under this Part (of the Building Act), and
 - b) The Council's priorities in performing those functions, and
 - c) How the policy will apply to heritage buildings.
- 2.3 Section 132 of the Act states that the policy must be reviewed every 5 years and can only be amended or replaced in accordance with the special consultative procedure.
- 2.4 Section 132A(2) states that Council must amend an existing policy to take into account affected buildings at the latest within a reasonable period following the next review of the policy.
- 2.5 The Dangerous and Insanitary Buildings Policy (the Policy) was first introduced in 2006 and last reviewed in 2016.
- 2.6 This scheduled review of the Dangerous and Insanitary Buildings Policy has provided the opportunity to clarify and enhance the Policy in addition to meeting the review requirements of section 132A(2) of the Act.
- 2.7 **PROPOSED AMENDMENTS PRIOR TO PUBLIC CONSULTATION**
- 2.8 At a Council Workshop on 17 August 2021, elected members were presented with the track changed Draft Policy on Dangerous and Insanitary Buildings highlighting the proposed amendments.
- 2.9 The following amendments had been made to the Policy presented at the workshop:
- Creation of an Introduction Section outlining why Council is required to have this policy.
 - The Purpose and Scope Section was extended to:
 - include 'affected' buildings – as require by the Act
 - provide clarity on what Council wishes to achieve through the policy. 3.7 Expanded the definition section to include key terminology used within the policy.
 - Amended the policy to incorporate 'affected' buildings within all the policy settings.
 - Transferred the policy into the new Council policy template.

- 2.10 At the meeting on 28 August 2021, Council considered the Draft Policy and resolved as follows:
- 1) The business paper on "Adoption of Statement of Proposal for Consultation on Council's Dangerous and Insanitary Buildings Policy Review" be received.
 - 2) Council adopts the Statement of Proposal for the proposed amendments to the Dangerous and Insanitary Buildings Policy for public consultation from 8 September to 8 October 2021.

Commentary

- 3.1 Attached for Council's information is a copy of the track changed Draft Policy on Dangerous and Insanitary Buildings as consulted on. (**Attachment 1**)
- 3.2 **PUBLIC CONSULTATION**
- 3.3 The consultation period ran from 8 September 2021 to 8 October 2021. During this time the Waitomo District was at COVID-19 Alert Level 2 and at 11:59pm on 7 October moved to Alert Level 3.
- 3.4 Due to the Alert Level settings, the consultation was conducted electronically with a prominent link on the Waitomo District Council (WDC) website to a dedicated page. Weekly posts were made on WDC Facebook page promoting the opportunity for people to submit on the Policy.
- 3.5 A public notice advertised in the local paper on 16 September 2021, no groups were identified that required individual contact regarding the consultation period.
- 3.6 **SUBMISSION – HERITAGE NEW ZEALAND POUHERE TAONGA (HERITAGE NZ)**
- 3.7 One submission was received from Heritage New Zealand Pouhere Taonga (Heritage NZ) (**Attachment 2**). The submitter (Heritage NZ) advised that they did not wish to be heard in relation to their submission.
- 3.8 Heritage NZ advised that it expects to see the following in the sections of the Policy that relate to Heritage Buildings:
- a) A statement of importance of heritage buildings to the district, which could be included in section 6.2 of the proposed policy. The proposed definition of 'heritage building' of the proposed policy should be expanded to include:
 - i. Scheduled heritage items from the District Plan or any future revisions of this document, which may contain items that differ from the NZHPT List; and
 - ii. Recognise character buildings or areas; and
 - iii. marae buildings.
 - b) Recognition of Principle 4(l) of the Building Act = "the need to facilitate the preservation of buildings of significant cultural, historical or heritage value:"
 - c) Recognition of principle 4(d) of the Building Act – "the importance of recognizing any special traditional and cultural aspects of the intended use of the building:"
 - d) A statement of Council policy encouraging owners to conserve their buildings by
 - e) undertaking maintenance and upgrades so the building does not become dangerous or insanitary, which could be included in section 10 of the proposed policy.
 - f) Reference to any Council heritage policy or strategy document.

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- g) Information on funding assistance the Council may be able to provide owners for example link to finding websites such as HNZPT Incentive Fund and NZ Lotteries funds.
 - h) Criteria for determining the action to be taken if a building becomes dangerous or insanitary, in particular a strong statement about avoiding demolition, which could be included in section 10 of the proposed policy.
 - i) The type of action that may be taken to secure building, such as fences, hoardings, warning notices, or issuing notice to the owner to fix the issue.
- 3.9 The amendments suggested by Heritage NZ in each of the points outlined above in 3.8 (a) – (h) have been considered and reviewed as set out in Table 1 below.

Table 1: Assessment of the Heritage NZ Submission

Heritage NZ Submission Point	Analysis	Proposed Amendment
<p>A statement of importance of heritage buildings to the district, which could be included in section 6.2 of the proposed policy. The proposed definition of 'heritage building' of the proposed policy should be expanded to include:</p> <ul style="list-style-type: none"> i. Scheduled heritage items from the District Plan or any future revisions of this document, which may contain items that differ from the NZHPT List; and ii. Recognise character buildings or areas; and iii. marae buildings. 	<ul style="list-style-type: none"> • The current heritage building definition in the Policy has been reviewed and considered against the definition provided in the Act. Council officers suggest that the definition of heritage building in its entirety, as set out in the Act be included. The definition includes heritage items listed in a schedule in a District Plan. • Council officers do not consider it appropriate to include character buildings or areas. As these areas are part of the Proposed District Plan, which has not been notified, or consulted on. Therefore, as these areas have not been through the Schedule 1 (plan making process) under the Resource Management Act 1991, they may be subject to change. • Council officers do not consider it appropriate to include marae, as specific consultation on their inclusion as a heritage building in the Policy has not been undertaken, and there is insufficient time to undertake this consultation. Marae have also been identified and provided for in the Proposed District Plan, which has been consulted on with Mana whenua. 	<p>Defined in section 7 of the Act;</p> <p>Means a building that is included on:</p> <p><u>Heritage building means:</u></p> <ul style="list-style-type: none"> (i) thea building that is included New Zealand Heritage List / Rarangi Korero maintained under section 65 of the Heritage New Zealand Pouhere Taonga Act 2014; or (ii) <u>a building that is included on</u> the National Historic Landmarks / Ngāa Manawhenua o Aotearoa me onā korero Tuturu list maintained under section 81 of the Heritage New Zealand Pouhere Taonga Act 2014. (iii) <u>a place, or part of a place, that is subject to a heritage covenant under section 39 of the Heritage New Zealand Pouhere Taonga Act 2014 and is registered under section 41 of that Act; or</u> (iv) <u>a place, or part of a place, that is subject to a heritage order within the meaning of section 187 of the Resource Management Act 1991; or</u> (v) <u>a place, or part of a place, that is included in a schedule of a district plan because of its heritage value;</u> (vi) <u>elsewhere in this Act, a building referred to in paragraph (a)(i) or (ii)</u>

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Heritage NZ Submission Point	Analysis	Proposed Amendment
<p>Recognition of Principle 4(l) of the Building Act = “the need to facilitate the preservation of buildings of significant cultural, historical or heritage value:”</p> <p>Recognition of principle 4(d) of the Building Act – “the importance of recognizing any special traditional and cultural aspects of the intended use of the building:”</p>	<ul style="list-style-type: none"> Section 4 of the Act requires that Council must take into account the principles in section 4 that are relevant to the performance of functions or duties imposed, or the exercise of powers conferred, on that person by this Act. Although, this is a requirement for territorial authorities carrying out functions under the Act, Council officers consider it appropriate to add these principles to Policy 5 of the Policy. 	<p>New policy 5:</p> <p><u>This policy applies to Heritage buildings in the same way it applies to all other buildings. Where Council receives information regarding buildings which have a heritage classification under Heritage New Zealand Pouhere Taonga, in addition to consulting with affected owners Council will consider seeking advice from Heritage New Zealand Pouhere Taonga. Council recognises heritage buildings as important infrastructure that add character and history to the district.</u></p> <p><u>A number of heritage buildings are listed with the New Zealand Historic Places Trust and/or are listed in the Heritage section of the District Plan.</u></p> <p><u>When considering heritage buildings under the Dangerous and Insanitary Buildings Policy, consideration will be given to:</u></p> <ul style="list-style-type: none"> a. <u>the importance of recognising any special traditional and cultural aspects of the intended use of a building, and</u> b. <u>the need to facilitate the preservation of buildings of significant cultural, historical, or heritage value.</u>
<p>A statement of Council policy encouraging owners to conserve their buildings by undertaking maintenance and upgrades so the building does not become dangerous or insanitary, which could be included in section 10 of the proposed policy.</p>	<ul style="list-style-type: none"> Not applicable. This is not a requirement of the Act, and Council officers do not consider the amendment is necessary. 	<p>N/A</p>

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Heritage NZ Submission Point	Analysis	Proposed Amendment
Reference to any Council heritage policy or strategy document.	<ul style="list-style-type: none"> Not applicable. Council does not have a heritage policy or strategy document. The only relevant document are the provisions of the District Plan, which are referred to where appropriate in the Policy. 	N/A
Information on funding assistance the Council may be able to provide owners for example link to finding websites such as HNZPT Incentive Fund and NZ Lotteries funds.	<ul style="list-style-type: none"> Links to these webpages can be displayed on the Councils webpage. 	N/A
Criteria for determining the action to be taken if a building becomes dangerous or insanitary, in particular a strong statement about avoiding demolition, which could be included in section 10 of the proposed policy.	<ul style="list-style-type: none"> Do not consider that amendment to this provision is necessary. The process is set out in Policy 6 and 8 and this has been discussed with the Building Control Officers, who consider it appropriate. 	N/A
The type of action that may be taken to secure building, such as fences, hoardings, warning notices, or issuing notice to the owner to fix the issue.	<ul style="list-style-type: none"> These actions are already prescribed in the Act, and there is no need to list them in the Policy. 	N/A

Analysis of Options

- 4.1 There are two options relating to the adoption of the Dangerous and Insanitary Buildings Policy:

Option One:

Council adopt the policy (Attachment 1) as consulted on with the community.

Option Two:

Council consider the proposed amendments put forward by Heritage NZ in their submission, including the advice contained in Table 1 and amend the Policy accordingly. A copy of the amended Draft Policy with these amendments (shown in yellow highlight) included is attached (**Attachment 3**) (recommended).

These amendments to the Policy will not extend the obligations of Council over and above the requirements of the Act and the relevant provisions of the District Plan and Heritage New Zealand Pouhere Taonga Act 2014. Council officers have also included subheadings in the policy to better outline what each policy applies too.

Considerations

5.1 **RISK**

- 5.2 If Council does not adopt the Draft Dangerous and Insanitary Buildings Policy, there is a potential risk that Council will not meet its legislative timeframe for the required 5-year review.

5.3 **CONSISTENCY WITH EXISTING PLANS AND POLICIES**

- 5.4 There are no inconsistencies with Council's plans and policies.

5.5 **SIGNIFICANCE AND COMMUNITY VIEWS**

- 5.6 Council has undertaken a special consultative process to obtain the community views. Although this was an online process due to Alert levels it was well promoted. There was only one submission made, however, it was not unexpected to have a low number of submissions for this policy review.
- 5.7 The Heritage NZ submission has been considered some additional changes have been suggested relating to this.

Recommendation

- 5.8 It is recommended that Council receive the Heritage NZ submission and adopt the amended Dangerous and Insanitary Building Policy as detailed in Option Two and attached to this business paper as Attachment 3.

Suggested Resolutions

- 1 The business paper on the Review of the Dangerous and Insanitary Buildings Policy be received.
- 2 Council receive and acknowledge the submission from Heritage New Zealand Pouhere Taonga.
- 3 Council adopt the amended Dangerous and Insanitary Buildings Policy 2021 (Option Two, Attachment 3).



CHARMAINE ELLERY
MANAGER – STRATEGY AND POLICY



ALEX BELL
GENERAL MANAGER – STRATEGY AND ENVIRONMENT

19 October 2021

Attachments:

- 1 Draft Dangerous and Insanitary Building Policy (Consultation Version) A504167
- 2 Submission from Heritage New Zealand Pouhere Taonga A579031
- 3 Amended Dangerous and Insanitary Building Policy (Recommended for Adoption) A581259

DRAFT

Waitomo District Council

**Dangerous and Insanitary
Buildings Policy**

First adopted	25 July 2006
Last Reviewed	2016
Review Date	25 July 2021
Associated documents	N/A
Responsibility	GM Strategy and Environment

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INTRODUCTION | KUPU ARATAKI

The provisions of the Building Act 2004 (the Act) reflect the governments concern with the safety of the public in buildings and in terms of dangerous and insanitary buildings, the need to reduce the danger to the public posed by such buildings. The Act also requires the Policy to state the Council's policy approach regarding affected buildings, which are buildings adjacent to, adjoining or nearby to a dangerous building or dam.

The Building Act 2004 leaves it up to each territorial authority to determine the approach to be taken to the management of dangerous and insanitary buildings. The approach can either be active or passive.

PURPOSE AND SCOPE | TE ARONGA ME TE KORAHĪ

~~This document sets out WDC's policies in relation to dangerous and insanitary buildings, in particular this of policy contains:~~

1. The purpose of this policy is to:
 - Reduce the potential risk posed to residents in the District by dangerous, affected and insanitary buildings; and
 - Provide a clear framework for how Council will manage dangerous, affected, insanitary and heritage buildings.
2. The policy sets out:
 - The approach Waitomo District Council takes in performing its functions under the Building Act 2004;
 - Waitomo District Council priorities in performing those functions; and
 - How the policy applies to dangerous, affected, insanitary and heritage buildings
3. This policy applies to all buildings within the Waitomo District Council territorial authority district.

DEFINITIONS | NGĀ WHAKAMĀRAMATANGA

Affected Building

Defined in s121A of the Act;

A building is an affected building for the purpose of this Act if it is adjacent to, adjoining, or nearby:

- (a) A dangerous building as defined in section 121; or
- (b) A dangerous dam within the meaning of section 153.

Authorised officer

has the same meaning as section 222 of the Act, as follows: means an officer of a territorial authority to whom either or both of the following applies:

- (a) he or she is authorised to carry out inspections; or
- (b) he or she is authorised to enter the land –
 - (i) by this Act; or
 - (ii) by an order of the District Court made under section 227.

Building owner

Defined in section 7 of the Act;

Owner in relation to any land or buildings on the land,

-
- (a) means the person who –
- (i) is entitled to the rack rent from the land; or
 - (ii) would be so entitled if the land were let to a tenant at a rack rent; and
- (b) includes –
- (i) the owner of the fee simple of the land; and
- for the purposes of sections 32,44,92, 97 and 176 (c) any person who has agreed in writing, whether conditionally or unconditionally, to purchase the land or any leasehold estate or interest in the land, or to take a lease of the land, and who is bound by the agreement because the agreement is still in force.
-

Council Means the Waitomo District Council

Dangerous Building Defined in section 121 of the Act;

(1) A building is dangerous for the purposes of this Act if;

- (a) in the ordinary course of events (excluding the occurrence of an earthquake), the building is likely to cause –
 - (i) injury or death (whether by collapse or otherwise) to any persons in it or to persons on other property; or
 - (ii) damage to other property; or
- (b) in the event of fire, injury or death to any persons in the building or to persons on other property is likely.

(2) For the purpose of determining whether a building is dangerous in terms of subsection (1)(b), a territorial authority:

- (a) May seek advice from employees, volunteers, and contractors of Fire and Emergency New Zealand who have been notified to the territorial authority by the board of Fire and Emergency New Zealand as being competent to give advice; and

If the advice is sought, must have due regard to the advice

Heritage Building Defined in section 7 of the Act;

Means a building that is included on:

- (a) the New Zealand Heritage List / Rarangi Korero maintained under section 65 of the Heritage New Zealand Pouhere Taonga Act 2014; or

the National Historic Landmarks / Ngaa Manawhenua o Aotearoa me onaa korero Tuturu list maintained under section 81 of the Heritage New Zealand Pouhere Taonga Act 2014.

Immediate danger Defined in section 129 of the Act;

(1) This section applied if, because of the state of the building;

- (a) Immediate danger to the safety of people is likely in terms of section 121 or 123; or

Immediate action is necessary to fix insanitary conditions.

Insanitary Building	<p>Defined in section 123 of the Act;</p> <p>A building is insanitary for the purposes of this act if the building;</p> <p>(a) Is offensive or likely to be injurious to health because;</p> <p style="padding-left: 40px;">(i) of how it is situated or constructed; or</p> <p style="padding-left: 40px;">(ii) it is in a state of disrepair; or</p> <p>(b) has insufficient or defective provisions against moisture penetration so as to cause dampness in the building or in any adjoining building; or</p> <p>(c) does not have a supply of potable water that is adequate for its intended use; or</p> <p>does not have sanitary facilities that are adequate for its intended use.</p>
<u>Property file and register</u>	<u>A record of legal information the Council is required to maintain in terms of section 216 of the Act.</u>
<u>Territorial Authority</u>	<u>Within the context of this policy means Waitomo District Council.</u>
<u>The Act</u>	<u>The Building Act 2004</u>

POLICY | KAUPAPA HERE

4. Council will not actively inspect all buildings within the District but will make it a priority to quickly and efficiently respond to information received regarding potentially dangerous, **affected or** ~~and~~ insanitary buildings.
5. When Council receives information from any person that indicates that a building is potentially dangerous, **affected** or insanitary it will assess the building in order to determine whether or not it is a dangerous, **affected building** or an insanitary building. This will involve (but not be limited to):
 - a) Checking the details of the property against Council records;
 - b) An authorised officer undertaking a full and extensive inspection of the building;
 - c) Where necessary, seeking advice from the NZ Fire Service; and
 - d) Preparing an inspection record.
6. Where a building is determined to be a dangerous, **affected building** or an insanitary building, Council will work with the building owners to find a mutually acceptable plan of action before exercising its powers under the Act. Council will however, exercise its statutory powers under the Act where action is required to avoid immediate danger or in circumstances where an acceptable solution cannot be negotiated with the building owner.
7. In forming its view as to the work or action that is required to be carried out on the building to prevent it from remaining an insanitary building or a dangerous **or affected** building, or where Council needs to prioritise work on buildings, the following issues will be taken into account:
 - a) The size of the building;
 - b) The complexity of the building;

- c) The location of the building in relation to other buildings, public places and natural hazards;
 - d) The life of the building;
 - e) How often people visit the building;
 - f) How many people spend time in the building;
 - g) How many people spend time in the vicinity of the building;
 - h) The current or likely future use of the building;
 - i) The reasonable practicality of any work concerned; and
 - j) Any other matters Council considers may be relevant, taking into account the particular set of circumstances.
8. The owner of a building which is determined to be a dangerous, affected building or an insanitary building, will bear all costs incurred in meeting the requirements of the Act. These costs include assessment and enforcement costs incurred by Council.
9. This policy applies to heritage buildings in the same way it applies to all other buildings.
10. Where a heritage building is potentially a dangerous, affected building or an insanitary building, Council may seek advice from Heritage New Zealand Pouhere Taonga.
11. Council will retain all information relating to dangerous, affected building and insanitary buildings on the relevant property file. This includes a copy of the inspection record and any action taken.

RECEIVED
04 OCT 2021
WAITOMO DISTRICT
COUNCIL.



HERITAGE NEW ZEALAND
POUHERE TAONGA

24 September 2021

Waitomo District Council
P O Box 404,
Te Kuiti,
3941

By email: haveyoursay@waitomo.govt.nz

To whom it may concern,

SUBMISSION OF HERITAGE NEW ZEALAND POUHERE TAONGA TO THE PROPOSAL TO REVISE THE DANGEROUS AND INSANITARY BUILDING POLICY FOR WAITOMO DISTRICT COUNCIL.

1. Thank you for the opportunity to make a submission on the proposed Dangerous and Insanitary Buildings Policy (the proposed policy).
2. Heritage New Zealand Pouhere Taonga (HNZPT) is an autonomous Crown Entity with statutory responsibility under the Heritage New Zealand Pouhere Taonga Act 2014 (HNZPTA) for the identification, protection, preservation and conservation of New Zealand's historical and cultural heritage. Heritage New Zealand is New Zealand's lead historic heritage agency.
3. HNZPT appreciates that Waitomo District Council is updating its existing "Dangerous and Insanitary Building Policy", however notes that there could be additional references to heritage matters in the proposed policy.
4. In 2007, the then Historic Places Trust produced guidance for local authorities on preparing policies for earthquake prone, dangerous and insanitary buildings. A copy of this guidance is available at <http://www.heritage.org.nz/resources/sustainable-management-guides>.
5. While this submission relates to the proposed policy, some of the matters raised in the aforementioned guidance, such as consulting with owners and HNZPT have been picked up in this policy with reference to consulting with owners and HNZPT (section 6 and 10).
6. However, HNZPT is concerned at the limited references to heritage as they consider that the policy could also consider alternatives methods to avoid necessary demolition. The HNZPT guidance stresses the importance of facilitating the preservation of buildings of significant or historic heritage values. The proposed policy does not address the role of prevention in section 10 that relates to the application of the policy to heritage buildings. Some heritage buildings could be particularly vulnerable to becoming dangerous buildings and the proposed policy could assist in addressing this matter. Therefore, HNZPT considers that there needs to be a greater discussion relating to heritage in the proposed policy similar to those that have been undertaken by other Councils as they update to the Dangerous and Insanitary Buildings Policy and examples are enclosed in Appendix 1 to this submission.

7. HNZPT expects to see the following in the sections of the Policy that relate or should relate to Heritage Buildings:
 - a. A statement of the importance of heritage buildings to the district, which could be included at section 6.2 of the proposed policy. The proposed definition of "heritage building" of the proposed policy should be expanded to include:
 - i. scheduled heritage items from the District Plan or any future revisions of this document, which may contain items that differ from the HNZPT List, and
 - ii. recognised character buildings or areas, and
 - iii. marae buildings.
 - b. Recognition of Principle 4(l) of the Building Act- "the need to facilitate the preservation of buildings of significant cultural, historical, or heritage value:"
 - c. Recognition of Principle 4(d) of the Building Act-"the importance of recognising any special traditional and cultural aspects of the intended use of a building:"
 - d. A statement of Council policy of encouraging owners to conserve their buildings by undertaking maintenance and upgrades so the building does not become dangerous or insanitary, which could be included at section 10 of the proposed policy.
 - e. Reference to any council heritage policy or strategy document.
 - f. Information on funding assistance the council may be able to provide owners for example link to finding web sites such as HNZPT Incentive Fund and NZ Lotteries funds.
 - g. Criteria for determining the action to be taken if a heritage building becomes dangerous or insanitary, in particular a strong statement about avoiding demolition, which could be included at section 10 of the proposed policy.
 - h. The type of action that may be taken to secure a building, such as fences, hoardings, warning notices, or issuing notice to the owner to fix the issue.
8. These additions could be achieved by using similar information to that found in the Matamata Piako District Council Policy at pg. 6-section 6.2 Heritage Buildings, or using an example from other councils Policies, such as the Upper Hutt City Council at 4.3.2.7 of that Policy, attached as an example to this submission.
9. HNZPT is also interested in how character and marae building are supported to prevent them from becoming dangerous or insanitary and affecting surrounding buildings or other heritage and character buildings.
10. Therefore, HNZPT **submits** that amendments should be made to the proposed policy, to include the matters set out in this submission to address risks to heritage buildings that may ultimately lead them to becoming dangerous or unsanitary, such as deferred maintenance and unconsented

alterations. The amendments to the proposed policy should include information on assistance available to repair and upgrade heritage and marae buildings. A useful example is set out in the section on heritage buildings in the Upper Hutt City Council Dangerous and Insanitary Buildings policy attached to this submission at Appendix 1.

11. HNZPT does not wish to be heard in support of our submission.

Yours sincerely



Ben Pick
Area Manager- Lower Northern

Appendix 1

Attachment 1-Pages 111-113 -Manual of Policies (Operative from July 2020) Upper Hutt City Council

Attachment 2- Dangerous, Affected and Insanitary Buildings Policy 2019, matamata Piako District Council

Address for service

Heritage New Zealand Pouhere Taonga

Lower Northern Office

PO Box 13339

Tauranga, 3141

Ph: 07 577 4535

Email: cmcalley@heritage.org.nz

Contact person: Carolyn McAlley

Failure to implant microchip transponder in dog	\$300
False statement relating to dog registration	\$750
Failure to register dog	\$300
Fraudulent procurement or attempt to procure replacement dog registration label or disc	\$500
Failure to advise change of dog ownership	\$100
Failure to advise change of address	\$100
Removal, swapping, or counterfeiting of registration label or disc	\$500
Failure to keep dog controlled or confined	\$200
Failure to keep dog under control	\$200
Failure to provide proper care and attention, to supply proper and sufficient food, water and shelter, and to provide adequate exercise	\$300
Failure to carry leash in public	\$100
Allowing dog known as dangerous to be at large unmuzzled or unleashed	\$300

4.2.20 Bylaws

A bylaw will be adopted that gives effect to this policy.

4.3 Dangerous and Insanitary Buildings Policy 2017²⁵

4.3.1 Introduction and background

The Dangerous and Insanitary Buildings Policy was adopted by the Council on 9 August 2017 in accordance with the new requirements of the Building (Earthquake-Prone Buildings) Amendment Act 2016. Under this Act Councils are required to remove reference to earthquake-prone buildings in their local policies. This policy formerly addressed earthquake-prone buildings in its earlier form as the Earthquake-Prone, Dangerous and Insanitary Buildings Policy 2006.

4.3.2 Policy approach

4.3.2.1 POLICY PRINCIPLES

The Council has noted the requirements of the Building (Earthquake-Prone Buildings) Amendment Act 2016 in regard to earthquake-prone buildings which reflect the government's new national policy approach to this matter. Accordingly, the scope of this policy has been revised to be limited to dangerous and insanitary buildings.

4.3.2.2 OVERALL APPROACH

²⁵ Council authorised the Director, Planning and Regulatory Services to make the changes necessary to the current adopted Earthquake-prone, Dangerous and Insanitary Buildings Policy 2006 to remove all provisions relating to earthquake-prone buildings, including minor consequential changes to the wording of the Policy at the Ordinary Council Meeting 9 August 2017.

Dangerous and insanitary buildings will be dealt with in the same way as the Council already deals with these buildings - by responding to complaints received from the public and advice received from Fire and Emergency New Zealand.

4.3.2.3 IDENTIFICATION PROCESS

The Council will respond to building complaints received from the public and to advice received from Fire and Emergency New Zealand and then investigate and assess the condition of the building.

4.3.2.4 ASSESSMENT CRITERIA

The Council will assess dangerous and insanitary buildings in accordance with sections 121 and 123 of the Building Act 2004 respectively.

4.3.2.5 TAKING ACTION ON DANGEROUS AND INSANITARY BUILDINGS

The Council, on being satisfied that a building is dangerous or insanitary will:

- a. advise and liaise with owners of buildings identified as dangerous or insanitary to determine action to be taken
- b. liaise with the Fire Service to discuss the proposed action when notification has been received from the Fire Service of a dangerous building
- c. where it is considered measures are necessary to avoid immediate danger or to fix insanitary conditions, the Council will use the powers given in section 129 of the Building Act 2004
- d. in the case of a building that, due to its structural condition is considered to be dangerous because it is likely to collapse, in whole or in part, potentially causing injury to occupants or persons in areas adjacent to the building, immediate evacuation, the fencing off of the building, shoring up of structures and the preparation and implementation of a Temporary Protection Plan to ensure security (fire and vandalism) of any vacant buildings will be required
- e. on being advised of conditions that are alleged to be insanitary within the provisions of section 123 of the Building Act, the buildings will be inspected and a determination made as to whether action is required under section 124 or 129 of the Act. [Note: Provisions exist in the Health Act 1956 to deal with nuisance conditions related to certain matters associated with housing under Section 29(f) overcrowding likely to be injurious to health or section 42 because of insanitary conditions likely to cause injury to the health of persons or are dwellings unfit for human habitation]
- f. give owners information about the right of appeal in respect of such notice

4.3.2.6 PRIORITIES

Priority for action will be decided after investigation of complaints and Fire Service notifications are complete.

4.3.2.7 HERITAGE BUILDINGS – SPECIAL CONSIDERATION AND CONSTRAINTS

When considering heritage buildings under the Dangerous and Insanitary Buildings Policy, account will be taken of:

- a. the importance of recognising any special traditional and cultural aspects of the intended use of a building
- b. the need to facilitate the preservation of buildings of significant cultural, historical, or heritage value.

When dealing with dangerous and insanitary heritage buildings, the Council will ensure the development of special and appropriate management and planning for heritage buildings to ensure, where possible, risk mitigation for the protection of heritage fabric and values. The skills of suitably qualified professionals with heritage expertise will be engaged to advise and recommend actions.

4.4 Residential Stimulus Policy²⁶

4.4.1 Objective

To encourage higher density residential development in Upper Hutt by remitting the development charges listed below:

- Resource consent charges
- Building consent charges²⁷
- Reserve fund contributions

Remissions granted will be up to 100% of the charges levied by Upper Hutt City Council (Council), and for up to a maximum period of two years following granting remissions.

4.4.2 Development charges conditions and criteria

For developments to be eligible for remissions of development charges, they must meet the following criteria:

A1 In the Central Business District (as defined in the District Plan maps) and be:

- a. A new residential development of at least three dwellings, at a density greater than the minimum net site area requirement for the Residential zone
- b. A conversion of a building to an apartment development with three or more apartments
- c. A new development with a mix of apartment and commercial with three or more apartments
- d. A conversion/redevelopment of an existing building to a mix of apartment and commercial with three or more apartments.

A2 In the Residential (Centres Overlay) Areas (as defined in the District Plan maps) and be:

- a. A new residential development of at least three dwellings, at a density greater than the minimum net site area requirement for the Residential zone

²⁶ The Residential Stimulus Policy was adopted by Council at an Extraordinary Council Meeting on 27 June 2018, along with the adoption of the Long Term Plan 2018 – 2028

²⁷ Includes the cost of any external expertise sought by Council when assessing a resource or building consent and the cost of any hearing, but excludes the cost of the building research levy paid to BRANZ or the Ministry of Business, Innovation and Employment fees. These must still be paid by developers.



Dangerous, Affected and Insanitary Buildings Policy 2019

Adopted: 11 September 2019



1.0 Introduction

- 1.1 The Dangerous, Affected and Insanitary Buildings Policy 2019 ("the Policy") has been prepared by Council to comply with section 131 of the Building Act 2004 ("the Act"), which requires Council to have a policy on Dangerous, Affected and Insanitary Buildings.
- 1.2 This policy supersedes Council's Earthquake-prone, Dangerous and Insanitary Buildings Policy 2016.

2 Policy Purpose

- 2.1 The purpose of this policy is to:
 - Reduce the potential risk posed to residents in the district by Dangerous, Affected or Insanitary buildings;
 - Improve the control of, and encourage better practice in design and construction; and
 - Provide a clear framework of how Council will manage unsatisfactory building conditions.
- 2.2 In setting this policy, Council has endeavoured to strike a balance between the threats posed by Dangerous, Affected and Insanitary Buildings and the broader social and economic issues affecting the community that are involved.
- 2.3 This policy sets out:
 - The approach that Council will take in performing its functions under the Building Act 2004 in relation to Dangerous, Affected and Insanitary Buildings;
 - Council's priorities in performing these functions; and
 - How the policy will apply to Heritage buildings.
- 2.4 The relevant principles of section 4 of the Act have been taken into account in preparing this policy, and will be taken into account in the performance of Council's functions, powers and duties.

3 Policy Scope

- 3.1 This policy applies to all buildings within the Matamata-Piako District.
- 3.2 Earthquake-prone buildings were previously addressed by Council in the Earthquake-prone, Dangerous and Insanitary Buildings Policy 2016, but they are now managed under the Building (Earthquake-prone Buildings) Amendment Act 2016 and are therefore excluded from this policy.

4 Definitions

- 4.1 For the purposes of this policy the definitions in the table below shall apply.

Where a definition has the same meaning as a definition in the Act, the definition for the purposes of this Policy includes any subsequent amendment to the definition in the Act. For the avoidance of doubt, where a definition in the Act differs from a definition in this Policy, the definition in the Act has precedence.

Term	Definition
"The Act"	means the Building Act 2004.

"Affected building"	has the same meaning as section 121A of the Act, as follows: a building is an affected building for the purposes of this Act if it is adjacent to, adjoining, or nearby – (a) a dangerous building as defined in section 121; or (b) a dangerous dam within the meaning of section 153.
"Authorised Officer"	has the same meaning as section 222 of the Act, as follows: means an officer of a territorial authority to whom either or both of the following applies: (a) he or she is authorised to carry out inspections; or (b) he or she is authorised to enter the land – i. by this Act; or ii. by an order of the District Court made under section 227.
"Building"	has the same meaning as section 8 of the Act, as follows: In this Act, unless the context otherwise requires, building – (a) means a temporary or permanent movable or immovable structure (including a structure intended for occupation by people, animals, machinery, or chattels); and (b) includes— i. a mechanical, electrical, or other system; and ii. a fence as defined in section 2 of the Fencing of Swimming Pools Act 1987; and iii. a vehicle or motor vehicle (including a vehicle or motor vehicle as defined in section 2(1) of the Land Transport Act 1998) that is immovable and is occupied by people on a permanent or long-term basis; and iv. a mast pole or a telecommunication aerial that is on, or forms part of, a building and that is more than 7 m in height above the point of its attachment or base support (except a dish aerial that is less than 2 m wide); and (c) includes any 2 or more buildings that, on completion of building work, are intended to be managed as one building with a common use and a common set of ownership arrangements; and (d) includes the non-moving parts of a cable car attached to or servicing a building; and (e) after 30 March 2008, includes the moving parts of a cable car attached to or servicing a building.
"Council"	means the Matamata-Piako District Council.
"Dangerous building"	has the same meaning as section 121 of the Act, as follows: (1) A building is dangerous for the purposes of this Act, if — (a) in the ordinary course of events (excluding the occurrence of an earthquake), the building is likely to cause — (i) injury or death (whether by collapse or otherwise) to any persons in it or to persons on other property; or (ii) damage to other property; or (b) in the event of fire, injury or death to any persons in the building or to persons on other property is likely. (2) For the purpose of determining whether a building is dangerous in terms of subsection (1)(b), a territorial authority — (a) may seek advice from members of the New Zealand Fire Service who have been notified to the territorial authority by the Fire Service National Commander as being competent to give advice; and (b) if the advice is sought, must have due regard to the advice.

<p>“Heritage building”</p>	<p>means a building that is included on —</p> <ul style="list-style-type: none"> (a) the New Zealand Heritage List/Rārangi Kōrero maintained under section 65 of the Heritage New Zealand Pouhere Taonga Act 2014; or (b) the National Historic Landmarks/Ngā Manawhenua o Aotearoa me ōna Kōrero Tūturu list maintained under section 81 of the Heritage New Zealand Pouhere Taonga Act 2014 (c) At it’s discretion Council may also consider recognised character buildings, such as from within the Te Aroha Special Character Area under the Operative Matamata-Piako District Plan (as at the date of this Policy) and marae buildings as Heritage Buildings.
<p>“Household unit”</p>	<p>has the same meaning as section 7 of the Act, as follows:</p> <ul style="list-style-type: none"> (a) means a building or group of buildings, or part of a building or group of buildings, that is — <ul style="list-style-type: none"> (i) used, or intended to be used, only or mainly for residential purposes; and (ii) occupied, or intended to be occupied, exclusively as the home or residence of not more than 1 household; but (b) does not include a hostel, boardinghouse, or other specialised accommodation.
<p>“Insanitary building”</p>	<p>has the same meaning as section 123 of the Act, as follows: a building is insanitary for the purposes of this Act if the building —</p> <ul style="list-style-type: none"> (a) is offensive or likely to be injurious to health because — <ul style="list-style-type: none"> (i) of how it is situated or constructed; or (ii) it is in a state of disrepair; or (b) has insufficient or defective provisions against moisture penetration so as to cause dampness in the building or in any adjoining building; or (c) does not have a supply of potable water that is adequate for its intended use; or (d) does not have sanitary facilities that are adequate for its intended use.
<p>“Inspection”</p>	<p>has the same meaning as section 222 of the Act, as follows: means the taking of all reasonable steps —</p> <ul style="list-style-type: none"> (a) to determine whether— <ul style="list-style-type: none"> (i) building work is being carried out without a building consent; or (ii) building work is being carried out in accordance with a building consent; or (iii) a notice to fix has been complied with: (b) to ensure that — <ul style="list-style-type: none"> (i) in relation to buildings for which a compliance schedule is issued, the inspection, maintenance, and reporting procedures stated in the compliance schedule are being complied with; or (ii) in relation to buildings that have specified systems, the requirement for a compliance schedule is being complied with: (c) to enable a territorial authority to — <ul style="list-style-type: none"> (i) identify dangerous, earthquake-prone, or insanitary buildings within its district; and (ii) carry out its functions or duties in relation to those buildings: (d) to satisfy a territorial authority as to whether a certificate of acceptance for building work should be issued under section 96.

“Owner”	<p>has the same meaning as section 7 of the Act, as follows: in relation to land and any buildings on the land —</p> <p>(a) means the person who —</p> <p>(i) is entitled to the rack rent from the land; or</p> <p>(ii) would be so entitled if the land were let to a tenant at a rack rent; and</p> <p>(b) includes —</p> <p>(i) the owner of the fee simple of the land; and</p> <p>(ii) for the purposes of sections 32, 44, 92, 96, 97, and 176(c), any person who has agreed in writing, whether conditionally or unconditionally, to purchase the land or any leasehold estate or interest in the land, or to take a lease of the land, and who is bound by the agreement because the agreement is still in force.</p>
“Territorial authority”	<p>has the same meaning as section 7 of the Act, as follows:</p> <p>(a) means a city Council or district Council named in Part 2 of Schedule 2 of the Local Government Act 2002; and —</p> <p>(i) in relation to land within the district of a territorial authority, or a building on or proposed to be built on any such land, means that territorial authority; and</p> <p>(ii) in relation to any part of a coastal marine area (within the meaning of the Resource Management Act 1991) that is not within the district of a territorial authority, or a building on or proposed to be built on any such part, means the territorial authority whose district is adjacent to that part; and</p> <p>(b) includes the Minister of Conservation or the Minister of Local Government, as the case may be, in any case in which the Minister of Matamata-Piako District Council Dangerous, Affected and Insanitary Buildings Policy 2017 Page 7 of 10 16087892 Term Definition Conservation or the Minister of Local Government is the territorial authority under section 22 of the Local Government Act 2002.</p>

5 Council’s Role

- 5.1 When buildings that may be Dangerous or Insanitary come to the attention of Council, Council will act promptly to investigate and if determined to be Dangerous or Insanitary ensure they are made safe.
- 5.2 Buildings may become Dangerous or Insanitary due to a number of reasons, such as unauthorised alterations being made, from a fire, from a natural disaster, or as a result of its use by an occupant.
- 5.3 Council has a statutory responsibility to act promptly to ensure the safety of persons or property when buildings that may be Dangerous or Insanitary come to the Council’s attention. Council is also required to consider whether any other buildings may be Affected by a Dangerous or Insanitary building and if so, what action, if any, is appropriate.
- 5.4 The concept of an Affected Building arises in the context of a Dangerous building that is physically close enough to potentially pose a danger to people within the Affected Building. Note: Affected Buildings are defined as buildings which are adjacent to, adjoining, or nearby a Dangerous building.
- 5.5 Council recognises principles 4(d) and (l) of the Act which illustrates, “the importance of recognising any special traditional and cultural aspects of the intended use of a building” and “the need to facilitate the preservation of buildings of significant cultural, historical, or heritage value” respectively.

6 Council Policies

6.1 Council approach to Dangerous, Affected or Insanitary buildings

- 6.1.1 Council will not actively inspect all buildings within the District but will make it a priority to quickly and efficiently respond to information received regarding potentially Dangerous, Affected or Insanitary buildings.

6.2 Application of policy to Heritage buildings

- 6.2.1 This policy applies to Heritage buildings in the same way it applies to all other buildings. Where Council receives information regarding buildings which have a heritage classification under Heritage New Zealand Pouhere Taonga, in addition to consulting with affected owners Council will consider seeking advice from Heritage New Zealand Pouhere Taonga. Council recognises heritage buildings as important infrastructure that add character and history to the district.
- 6.2.2 A number of heritage buildings are listed with the New Zealand Historic Places Trust and/or are listed in 'Schedule 1 - Heritage Sites' of the District Plan.
- 6.2.3 Section 3.1.2 of the Operative Matamata-Piako District Plan (as at the date of this Policy) discusses 'Natural Environment and Heritage' issues and in particular Policy 2 states; *"Activities in the Victorian/Edwardian areas of Te Aroha should be managed in such a way as to ensure their distinctive heritage character is fostered and enhanced"*. This policy recognises that parts of Te Aroha have a unique character which requires a broad unifying approach to control the use and management of public and privately owned properties to maintain and enhance the character of the whole area.
- 6.2.4 When considering heritage buildings under the Dangerous and Insanitary Buildings Policy, consideration will be given to:
- the importance of recognising any special traditional and cultural aspects of the intended use of a building, and
 - the need to facilitate the preservation of buildings of significant cultural, historical, or heritage value.

6.3 Co-operation with other agencies

- 6.3.1 Council will work with Heritage New Zealand Pouhere Taonga, the Fire and Emergency New Zealand, the New Zealand Police and other agencies to achieve the purpose of the Building Act 2004.

6.4 Costs

- 6.4.1 Council may issue a notice under Section 124(2)(c) of the Act requiring work to be carried out on Dangerous or Insanitary buildings to reduce or remove the danger, or to prevent the building from remaining Insanitary. If work required under such a notice issued by Council is not completed or proceeding with reasonable speed, Council may invoke its powers under Section 126 of the Act and apply to the District Court to gain authorisation to carry out building work required in the notice.
- 6.4.2 If Council carries out building work, it is entitled to recover costs associated with that work from the building owner, as set out in Section 126(3) of the Act.

6.5 Immediate danger

6.5.1 If a building presents an immediate danger or health hazard to people within and/or around it, or to surrounding buildings, Council may choose to invoke its powers under Section 129 of the Act.

6.6 Building Owners

6.6.1 Council encourages owners of all buildings to look after their buildings by undertaking maintenance and upgrades to help prevent the buildings from becoming Dangerous or Insanitary buildings.

7 Procedures

7.1 Detect

7.1.1 Once Council has received information regarding a potentially Dangerous, Affected or Insanitary building it will:

- Check the details of the property against Council records;
- Have an Authorised Officer undertake an inspection of the building in question. In doing this, Council may seek advice from the New Zealand Fire Service, or any other professional or organisation deemed appropriate by Council; and
- Prepare an inspection record.

7.2 Assess

7.2.1 All inspections of potentially Dangerous, Affected or Insanitary buildings will involve assessment of the building's condition in terms of the definitions in Section 121 and 123 of the Act and the current building code requirements. Inspection records will be prepared in all cases.

7.3 Act

7.3.1 Once Council is satisfied that a building is Dangerous, Affected or Insanitary it will:

- Consult with the owners of the Affected building to further determine the circumstances and decide on an appropriate course of action.
- Take appropriate measures to secure the building; this may include but is not limited to, fences, hoardings or warning notices.
- If a heritage building is identified as being at risk, Council may consult with Heritage New Zealand or encourage building owners to do so.
- Council will advise owners of any funding assistance available, either through Council or (for example) the Heritage New Zealand Incentive and New Zealand Lotteries funds where owners can apply for funding for heritage buildings to help with any costs to be incurred.
- Authorised Officers are not required to inform or obtain approval for inspections to determine whether or not a building is Dangerous or Insanitary, unless the building is a household unit. In these circumstances Council must either obtain consent of the occupier of the household unit or an order from a District Court.
- Where a mutually acceptable outcome cannot be reached, or where the situation requires, Council may invoke its powers under Section 124, 126 or 129 of the Act.

- Inform complainants of the inspection results and Council's intended course of action to deal with the situation.

7.4 Monitor

- 7.4.1 All information relating to Dangerous, Affected or Insanitary buildings will be filed on the relevant property file. This will include a copy of the original inspection record and any further action taken. This information will also be included on any land information memorandum (LIM) prepared for the property.

8 Amendments

- 8.1 This policy may be amended when required subject to the provisions of the Act.

9 Application and review

- 9.1 The policy will be reviewed at least every five (5) years, as required by section 132(4) of the Building Act 2004.
- 9.2 Clause 9.1 does not preclude this policy from being reviewed within the time frame stated in the Act to meet the needs of Council and best practice.
- 9.3 The policy will take effect from 11 September 2019 which is the date it was formally adopted by Council.

DRAFT

Waitomo District Council

**Dangerous and Insanitary
Buildings Policy**

First Adopted:	25 July 2006
Review History:	2016
Date of Next Review:	25 July 2021
Responsibility:	GM Strategy and Environment
Adopted by:	Council (date of adoption)

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INTRODUCTION | KUPU ARATAKI

The provisions of the Building Act 2004 (the Act) reflect the governments concern with the safety of the public in buildings and in terms of dangerous and insanitary buildings, the need to reduce the danger to the public posed by such buildings. The Act also requires the Policy to state the Council's policy approach regarding affected buildings, which are buildings adjacent to, adjoining or nearby to a dangerous building or dam.

The ~~Building~~ Act 2004 leaves it up to each territorial authority to determine the approach to be taken to the management of dangerous and insanitary buildings. The approach can either be active or passive.

PURPOSE AND SCOPE | TE ARONGA ME TE KORAHĪ

~~This document sets out WDC's policies in relation to dangerous and insanitary buildings, in particular this of policy contains:~~

1. The purpose of this policy is to:
 - Reduce the potential risk posed to residents in the District by dangerous, affected and insanitary buildings; and
 - Provide a clear framework for how Council will manage dangerous, affected, insanitary and heritage buildings.
2. The policy sets out:
 - The approach Waitomo District Council takes in performing its functions under the Building Act 2004;
 - Waitomo District Council priorities in performing those functions; and
 - How the policy applies to dangerous, affected, insanitary and heritage buildings
3. This policy applies to all buildings within the Waitomo District Council territorial authority district.

DEFINITIONS | NGĀ WHAKAMĀRAMATANGA

Affected Building

Defined in s121A of the Act;

A building is an affected building for the purpose of this Act if it is adjacent to, adjoining, or nearby:

- (a) A dangerous building as defined in section 121; or
- (b) A dangerous dam within the meaning of section 153.

Authorised officer

has the same meaning as section 222 of the Act, as follows: means an officer of a territorial authority to whom either or both of the following applies:

- (a) he or she is authorised to carry out inspections; or
-

- (b) he or she is authorised to enter the land –
 - (i) by this Act; or
 - (ii) by an order of the District Court made under section 227.

Building owner

Defined in section 7 of the Act;

Owner in relation to any land or buildings on the land,

- (a) means the person who –
 - (i) is entitled to the rack rent from the land; or
 - (ii) would be so entitled if the land were let to a tenant at a rack rent; and
- (b) includes –
 - (i) the owner of the fee simple of the land; and

for the purposes of sections 32,44,92, 97 and 176 (c) any person who has agreed in writing, whether conditionally or unconditionally, to purchase the land or any leasehold estate or interest in the land, or to take a lease of the land, and who is bound by the agreement because the agreement is still in force.

Council

Means the Waitomo District Council

Dangerous Building

Defined in section 121 of the Act;

- (1) A building is dangerous for the purposes of this Act if;
 - (a) in the ordinary course of events (excluding the occurrence of an earthquake), the building is likely to cause –
 - (i) injury or death (whether by collapse or otherwise) to any persons in it or to persons on other property; or
 - (ii) damage to other property; or
 - (b) in the event of fire, injury or death to any persons in the building or to persons on other property is likely.
- (2) For the purpose of determining whether a building is dangerous in terms of subsection (1)(b), a territorial authority:
 - (a) May seek advice from employees, volunteers, and contractors of Fire and Emergency New Zealand who have been notified to the territorial authority by the

board of Fire and Emergency New Zealand as being competent to give advice; and

If the advice is sought, must have due regard to the advice

Heritage Building

Defined in section 7 of the Act;

Means a building that is included on:

- (a) the New Zealand Heritage List / Rarangi Korero maintained under section 65 of the Heritage New Zealand Pouhere Taonga Act 2014; or
- (b) the National Historic Landmarks / Ngā Manawhenua o Aotearoa me onā korero Tuturu list maintained under section 81 of the Heritage New Zealand Pouhere Taonga Act 2014.
- (c) a place, or part of a place, that is subject to a heritage covenant under section 39 of the Heritage New Zealand Pouhere Taonga Act 2014 and is registered under section 41 of that Act; or
- (d) a place, or part of a place, that is subject to a heritage order within the meaning of section 187 of the Resource Management Act 1991; or
- (e) a place, or part of a place, that is included in a schedule of a district plan because of its heritage value;
- (f) elsewhere in this Act, a building referred to in paragraph (a)(i) or (ii)

Immediate danger

Defined in section 129 of the Act;

- (1) This section applied if, because of the state of the building;
 - (a) Immediate danger to the safety of people is likely in terms of section 121 or 123; or
 - (b) Immediate action is necessary to fix insanitary conditions.

Insanitary Building

Defined in section 123 of the Act;

A building is insanitary for the purposes of this act if the building;

- (a) Is offensive or likely to be injurious to health because;
 - (i) of how it is situated or constructed; or
 - (ii) it is in a state of disrepair; or
-

- (b) has insufficient or defective provisions against moisture penetration so as to cause dampness in the building or in any adjoining building; or
- (c) does not have a supply of potable water that is adequate for its intended use; or
- (d) does not have sanitary facilities that are adequate for its intended use.

Property file and register

A record of legal information the Council is required to maintain in terms of section 216 of the Act.

Territorial Authority

Within the context of this policy means Waitomo District Council.

The Act

The Building Act 2004

POLICY | KAUPAPA HERE

4. Council's Role

- 4.1 Council will not actively inspect all buildings within the District, but will make it a priority to quickly and efficiently respond to information received regarding potentially dangerous, affected or ~~and~~ insanitary buildings.

5. Heritage Buildings

- 5.1 This policy applies to Heritage buildings in the same way it applies to all other buildings. Where Council receives information regarding buildings which have a heritage classification under Heritage New Zealand Pouhere Taonga, in addition to consulting with affected owners Council will consider seeking advice from Heritage New Zealand Pouhere Taonga. Council recognises heritage buildings as important infrastructure that add character and history to the district.

A number of heritage buildings are listed with the New Zealand Historic Places Trust and/or are listed in the Heritage section of the District Plan.

When considering heritage buildings under this Policy, consideration will be given to:

- a) The importance of recognising any special traditional and cultural aspects of the building and the intended use of a building, and
- b) The need to facilitate the preservation of buildings of significant cultural, historical or heritage value.

6. Assessment Procedure

- 6.1 When Council receives information from any person that indicates that a building is potentially dangerous, affected, or insanitary it will assess the building in order to determine whether or not it is a dangerous, affected building or an insanitary building. This will involve (but not be limited to):
 - c) Checking the details of the property against Council records;
 - d) An authorised officer undertaking a full and extensive inspection of the building;
 - e) Where necessary, seeking advice from the NZ Fire Service; and
 - f) Preparing an inspection record.

7. Building Act 2004 Requirements

7.1 Where a building is determined to be a dangerous, affected ~~building~~ or an insanitary building, Council will work with the building owners to find a mutually acceptable plan of action before exercising its powers under the Act. Council will, however, exercise its statutory powers under the Act where action is required to avoid immediate danger or in circumstances where an acceptable solution cannot be negotiated with the building owner.

8. Approach Applied

8.1 In forming its view as to the work or action that is required to be carried out on the building to prevent it from remaining a dangerous, affected ~~building or a~~ or insanitary building, or where Council needs to prioritise work on buildings, the following issues will be taken into account:

- a) The size of the building;
- b) The complexity of the building;
- c) The location of the building in relation to other buildings, public places and natural hazards;
- d) The life of the building;
- e) How often people visit the building;
- f) How many people spend time in the building;
- g) How many people spend time in the vicinity of the building;
- h) The current or likely future use of the building;
- i) The reasonable practicality of any work concerned; and
- j) Any other matters Council considers may be relevant, taking into account the particular set of circumstances.

9. Cost To Owners

9.1 The owner of a building which is determined to be a dangerous, ~~affected building~~ or an insanitary building, will bear all costs incurred in meeting the requirements of the Act. These costs include assessment and enforcement costs incurred by Council.

~~10. This policy applies to heritage buildings in the same way it applies to all other buildings.~~

~~11. Where a heritage building is potentially a dangerous, ~~affected building~~ or an insanitary building, Council may seek advice from Heritage New Zealand Pouhere Taonga.~~

10. Council Records

10.1 Council will retain all information relating to dangerous, affected ~~building~~ and insanitary buildings on the relevant property file. This includes a copy of the inspection record and any action taken.

Document No: A580811

Report To: Council



Meeting Date: 26 October 2021

Subject: **Reappointment of the Waitomo District Licensing Committee**

Type: Decision Required

Purpose of Report

- 1.1 The purpose of this business paper is to seek a decision from Council to reappoint the District Licensing Committee Chairperson, Alternate Chairperson, Deputy Chairperson and Members for an additional period of five years to 21 November 2026.

Background

- 2.1 Under section 186 of the Sale and Supply of Alcohol Act (the Act), Council is required to appoint a District Licensing Committee (DLC) (with a quorum of three members, one of whom must be the Chairperson). The Committee is responsible for considering applications made under the Act. If a DLC is not operational, Council cannot perform its duties under the Act and there will be no ability to issue or renew alcohol licenses and managers certificates in the District.
- 2.2 It is noted that while Council shares the Chairperson and members (excluding Councillors) with Otorohanga District Council and Waipa District Council, each Council essentially has its own separate DLC. Council has been sharing resources for its DLC with Waipa District Council and Otorohanga District Council since 2013.
- 2.3 In November 2016, Council formally approved the appointment of a District Licensing Committee and an Independent Commissioner (Sara Grayson nee Brown) pursuant to the Act for a period of five years. This is due to expire on 29 November 2021.

Commentary

- 3.1 **DISTRICT LICENCING COMMITTEE**
- 3.2 DLC's hear and determine all applications (including those with opposition), with only enforcement applications (applications by Police and Inspectors to suspend or cancel licenses) and appeals of DLC decisions going to the Alcohol Regulatory and Licensing Authority.
- 3.3 DLC's have the powers of Commissions of Enquiry, and function in a similar way to a Court in that they are able to require attendance and examination of witnesses and the presentation of evidence as required; and hear all applications and reports from reporting agencies.
- 3.4 The Act sets the criteria that the DLC must have regard to when considering an application, and this includes the Local Alcohol Policy (LAP) which gives specific guidance in relation to the hours and location of licensed premises.
- 3.5 The Act is clear that members of DLCs must have experience in matters related to alcohol licensing, and that Chairpersons or Commissioners must be of good standing in the community, and have sufficient skills and knowledge to manage hearings, deal with the matters likely to come before the committee, and draft decisions. Decisions of the DLC can be subject to appeal.

3.6 **CHAIRPERSON (COMMISSIONER)**

3.7 A DLC is formed of a quorum of three members selected from a list of members, one of whom must be the Chairperson of the DLC. The only exception being applications where there are no objections, which the Chairperson can consider alone.

3.8 The Chairperson can be either an elected Councillor, or Council can recommend to the Chief Executive that an Independent Commissioner be appointed as Chairperson. The majority of DLCs are chaired by Independent Commissioners with relevant experience.

3.9 Former long-serving Waipa District Councillor and Regulatory Committee Chairperson Diane Sharpe was initially appointed to this role for Waipa, Otorohanga and Waitomo Districts, but retired in 2016 and was replaced by Sara Grayson (nee Brown) a solicitor with involvement in a range of tribunals including other District Licensing Committees.

3.10 A key point leading to the decision to have a Commissioner as Chairperson is the on-going desire for Waitomo, Waipā and Otorohanga to have the same chairperson and members, which cannot occur if a Councillor is the chairperson. Issues also arise from the three year election cycle, particularly if an incumbent is not elected, in which case the Committee cannot function. There is no staff recommendation to vary the current arrangement.

3.11 The current Independent Commissioner, Sara Grayson, has advised that she wishes to continue as the Chairperson of the committee.

3.12 **ALTERNATE CHAIRPERSON (COMMISSIONER)**

3.13 On 31 July 2018, Council appointed Ms Tegan McIntyre as an alternate Commissioner pursuant to section 193 of the Act, as if the Chair is unavailable, and there is any matter where the Deputy cannot act (such as a conflict of interest) the Act does not allow committee members to deal with applications on their own, and offers no remedy until the Chairperson or Deputy is able to act.

3.14 Therefore, Ms McIntyre was appointed as an alternative Commissioner should any of these circumstances occur. Ms McIntyre has advised that she wishes to continue as an alternate commissioner should the need for her appointment arise. There is no staff recommendation to vary the current arrangement.

3.15 **DEPUTY CHAIRPERSON**

3.16 An elected Councillor can be appointed as a Deputy Chairperson who it is recommended sits as the second member of the DLC, relieves for the Chairperson as necessary, and in all other instances acts as a member only. There is no requirement to have a Deputy Chair, however it maintains a link between the Committee and Council, and allows matters to be considered when the Chair is unavailable.

3.17 Councillor Guy Whitaker has been a member and Deputy Chairperson of the DLC during the last term, and he has made himself available to continue serving on the DLC as the Deputy Chairperson until the next local body election and thereafter as a list member.

3.18 **MEMBERS**

3.19 In respect of the third member of the DLC quorum, this must be selected from list of approved members who meet the criteria in section 192 of the Act. The third member is chosen from the list as matters requiring hearing arise.

3.20 In November 2016 and August 2017, Council (along with Waipa and Otorohanga) approved the following as members of the DLC:

Mr Ross Murphy
Ms Patsi Davies
Dr Michael Cameron
Mr Roy Johnston
Mr John Gower

- 3.21 All members have been contacted and confirm they are available for reappointment. All members have been effective in their role, and it would be recommended that all members making themselves available be reappointed.
- 3.22 With the addition of Chairperson, Deputy Chairperson, and Alternate Commissioner this is a total of eight members which at this time is deemed sufficient. Nominations will need to be called for further members, should workload or circumstances change, and whose appointment will be confirmed by Council at the time.
- 3.23 Investigations are being given to increasing the diversity of the Committee going forward, within the restrictions on the expertise members must have as prescribed by the Act.

Analysis of Options

- 4.1 Section 186 of the Act requires all councils to appoint a District Licensing Committee to deal with licensing matters for its district. In addition, the Act requires 3 members to be appointed to the DLC, one of whom must be a Chairperson. Therefore, there is no alternative option to be considered in respect of the DLC.
- 4.2 While Council has options in terms of who it appoints to the DLC, as per the discussion in section 3 above, it is recommended that Council appoints the Deputy Chairperson and Alternate Chairperson and members to the list for efficiency and effectiveness reasons.

Considerations

- 5.1 **RISK**
- 5.2 Should Council not establish a DLC and appoint a Chairperson and members, Council will not be able to undertake its duties and functions under the Act.
- 5.3 **CONSISTENCY WITH EXISTING PLANS AND POLICIES**
- 5.4 There are no inconsistencies with Council's plans and policies.
- 5.5 **SIGNIFICANCE AND COMMUNITY VIEWS**
- 5.6 This proposal is not a significant decision under the Local Government Act 2002 and does not trigger Waitomo's Significance and Engagement Policy. No public consultation is required.

Suggested Resolutions

- 1 The business paper on Reappointment of the Waitomo District Licensing Committee be received.
- 2 One District Licensing Committee be retained for Waitomo District.
- 3 Pursuant to section 193 of the Sale and Supply of Alcohol Act 2012, Sarah Grayson be reappointed Commissioner (Chairperson) of the District Licensing Committee.
- 4 Pursuant to section 193 of the Sale and Supply of Alcohol Act 2012, Tegan McIntyre be reappointed as the Alternate Commissioner (Chairperson) of the District Licensing Committee.

- 5 Pursuant to section 189(2) of the Sale and Supply of Alcohol Act 2012, Councillor Guy Whitaker be reappointed as Deputy Chairperson of the District Licensing Committee.
- 6 Pursuant to section 192 of the Sale and Supply of Alcohol Act 2012, the following persons be reappointed as members of the District Licensing Committee:
- Mr Ross Murphy
 - Ms Patsi Davies
 - Dr Michael Cameron
 - Mr Roy Johnston
 - Mr John Gower
 - Mr Guy Whitaker
 - Ms Tegan McIntyre
- 7 All appointments be for a period of five years.



ALEX BELL
GENERAL MANAGER – STRATEGY AND ENVIRONMENT

18 October 2021

Document No: A581542	
Report To: Council	
	Meeting Date: 26 October 2021 Subject: Motion to Exclude the Public for the Consideration of Council Business Type: Decision Required

Purpose

1.1 The purpose of this business paper is to enable Council to consider whether or not the public should be excluded from the consideration of Council business.

Note: It is Council's decision whether or not to consider any of the items listed below in the public or public excluded portion of the meeting.

Commentary

2.1 Section 48 of the Local Government Official Information and Meetings Act 1987 gives the right, by resolution, to exclude the public from the whole or any part of the proceedings of any meeting, only on one or more of the grounds contained within that Section.

Suggested Resolutions

- 1 The public be excluded from the following part of the proceedings of this meeting.
- 2 The general subject of each matter to be considered while the public is excluded and the reason for passing this resolution in relation to each matter, as specified by Section 48(1) of the Local Government Official Information and Meetings Act 1987 are as follows:

General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Section 48(1) grounds for the passing of this resolution
1. Inframax Construction Ltd – 2021 Annual General Meeting	Section 7(2)(a) To protect the privacy of natural persons, including that of deceased natural persons; and Section 7(2)(i) – (i) To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations);	Section 48(1)(d) – That the exclusion of the public from the whole or the relevant part of the proceedings of the meeting is necessary to enable the local authority to deliberate in private on its decision or recommendation in any proceedings to which this paragraph applies.
2. Waitomo District Landfill – Harvest of Mature Production Forest	Section 7(2)(i) – (i) To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations);	

- 3 Council agree the following staff, having relevant knowledge to assist in the consideration of the items of business to be public excluded, remain in attendance to assist the Committee with its decision making:

Staff Member	Reason for Remaining in Attendance
Chief Executive	Council CEO
Manager – Governance Support	Committee Secretary
General Manager – Business Support	Portfolio Holder
Acting General Manager – Infrastructure Services	Portfolio Holder

- 4 This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in the public.



MICHELLE HIGGIE
MANAGER – GOVERNANCE SUPPORT