

Council Meeting

PUBLIC BUSINESS AGENDA

A Council Meeting
will be held in the Council Chamber,
Torphin Crescent, Tokoroa
on Wednesday, 15 March 2023
Commencing at 9.30am

OUR VISION

“Healthy people thriving in a safe, vibrant and sustainable community.”

Attendees

Members

Mayor (Chairperson)
Deputy Mayor (Deputy Chairperson)

G Petley
B Machen

Councillors

H Daine
M Farrell
R Garner
T Lee
H Nelis
K Purdy
M Te Kanawa
J Teokotai
S Wallace

Staff

Chief Executive
Interim Executive Manager (IEM) Corporate
Interim Executive Manager (IEM) Transformation
Interim Executive Manager (IEM) Operations
Group Manager Assets
Group Manager Regulatory
Head of Communications
Acting Chief Finance Officer
[(Minutes)

S Law
M Booth
D Lascelles
J Hassall
T Anderson
S Robinson
K Fabrie
W Cortesi

Agenda Confirmed by:

S Law
Chief Executive


Presentations

Time	Presenter	Business
10.00am	Ashleigh McCormac (Manager)	South Waikato Arts Trust (The Plaza)
10.10am	Raewyn Thorne	Pride in Putaruru
10.20am	Dianah Harrison	Sport Waikato

10.30am	Abby Sissam	Waikato Youth Empowerment Trust (Graeme Dingle)
10.40am	Debbie Gow (Manager)	NZ Timber Museum Trust
10.50am	Glyn Wooller	Waikato River Trails
11.00am	Debbie Meads	Putaruru Community Hub

*RECOMMENDATIONS contained in reports are NOT to be construed as COUNCIL DECISIONS.
Refer to Council minutes for RESOLUTIONS.*

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- 1. Welcome / Blessing**

- 2. Apologies / Leave of Absences**

- 3. Public Forum**

- 4. Presentations**

- 5. Declaration of Conflicts of Interest**

- 6. Confirmation of Agenda**

7. Confirmation of Minutes

7.1 Confirmation of Minutes - Public

Document Information

Report To:	Council
Meeting Date:	Wednesday, 15 March 2023
Author:	G Petley
Author Title:	Chairperson
Report Date:	Wednesday, 1 March 2023

Purpose

1. To present past minutes.

Recommendation

2. That Council:
 - a) confirms the minutes of the public business of the Council meeting held on Wednesday 1 February 2023 as a true and accurate record.

Attachments

Unconfirmed Council public minutes – 1 February 2023

Council Meeting

PUBLIC BUSINESS MINUTES

A Council Meeting
was held in the Council Chamber,
Torphin Crescent, Tokoroa
on Wednesday 1 February 2023
Commencing at 9.30am

Attendees

Members	Mayor (Chairperson)	G Petley
	Deputy Mayor (Deputy Chairperson)	B Machen
Councillors		H Daine
		M Farrell
		R Garner
		T Lee
		H Nelis
		K Purdy
		M Te Kanawa
		J Teokotai
	S Wallace	
Staff	Chief Executive	S Law
	Interim Executive Manager (IEM) Corporate	M Booth
	Interim Executive Manager (IEM) Transformation	D Lascelles
	Interim Executive Manager (IEM) Operations	J Hassall
	Group Manager Assets	T Anderson
	Group Manager Regulatory	S Robinson
Acting Chief Finance Officer	W Cortesi	

1. Welcome / Blessing

Cr Purdy opened the meeting with a Karakia.

2. Apologies / Leave of Absences

Cr Lee requested a leave of absence from 12 April to 6 May 2023.

3. Public Forum

- **Mr Alan Blair**

Spoke on Community Events being held in the district:

- Three-day carnival event being held at the Memorial Sportsground including an International NZ vs Australia under 21's match.
- NZ Cycling Road Championships, with world champions competing, will be held on the following weekend.

- **Mr Colin Campbell**

Spoke on Animal Control and Council's flood assessments of properties.

4. Conflicts of Interest

There were no conflicts of interest declared.

5. Confirmation of Agenda

The Agenda was as circulated.

6.1 Confirmation of Minutes - Public

Matters of Fact

There were no matters of fact raised.

23/01 Resolved

Cr Lee / Cr Te Kanawa

2. That Council:
 - a) confirms the minutes of the public business of the Council Hearing held on Thursday 1 December 2022 as a true and accurate record.
 - b) confirms the minutes of the public business of the Council meeting held on Wednesday 7 December 2022 as a true and accurate record.
 - c) confirms the minutes of the public business of the Extra Ordinary Council meeting held on Tuesday 13 December 2022 as a true and accurate record.

Carried

7. Reports for Information

7.1 Mayoral Report - 28 November 2022 to 20 January 2023

The Report was taken as read.

23/02 Resolved

His Worship / Cr Daine

2. That the Council:
 - a) receives Report No 2023-613922, Mayoral Report – 28 November 2022 to 20 January 2023.

Carried

7.2 Financial Services Report - November 2022

The Report was taken as read.

23/03 Resolved

Cr Nelis / Cr Wallace

2. That Council:

- a) receives and notes Report 2023-614984, Financial Services Report – November 2022.

Carried

7.3 Council Forward Program - 2023

The Report was taken as read.

23/04 Resolved

Cr Lee / Cr Garner

2. That Council:

- a) receives and notes the Report 2023-615318, Council Forward Work Program 2023.

Carried

8. Reports for Decisions

8.1 Resource Management System Reform and Council Submission on the Natural Built Environments Bill and Spatial Planning Bill

The Report was taken as read.

23/05 Resolved

Cr Machen / Cr Teokotai

2. That Council:

- a) receives Report 2023-615062, Resource Management System and Council Submission on the NBE Bill and SP Bill.
- b) delegates authority to the Mayor and Chief Executive to approve a submission to central government on behalf of the Council on the Natural and Built Environment Bill and Spatial Planning Bill.

Carried

Cr Teokotai closed the meeting with a Karakia Whakamutunga (closing prayer) at 10.20am.

G Petley
MAYOR

8. Reports for Information

8.1 Mayoral Report - 24 January to 24 February 2023

Document Information

Report To:	Council
Meeting Date:	Wednesday, 15 March 2023
Author:	G Petley
Author Title:	Mayor
Report Date:	Friday, 3 March 2023

Purpose

1. To inform the Council of appointments and activities undertaken during the month.

Recommendation

2. That the Council:
 - b) Receives Report No 2023-617009, Mayoral Report – 24 January to 24 February 2023.

Context

3. Mayoral Appointments

a) Tuesday, 24 January 2023

Attended Council Internal Workshop, Okoroire Hot Springs

b) Wednesday, 25 January 2023

Attended CDEM Councillor Induction, Council Chamber, Tokoroa

Attended Council Internal Workshop, Council Chamber, Tokoroa

c) Thursday, 26 January 2023

Met with Brian Fisher

Presented Certificates for Summer Reading Program, Putaruru

Deputy Mayor presented Certificates for Summer Reading Program, Tokoroa

Attended Sports Awards at Claudelands Event Centre, Hamilton

Met with Garth O'Brien

d) Friday, 27 January 2023

Meeting with Interim Executive Manager - Corporate, M Booth

e) Wednesday, 1 February 2023

Chaired Council meeting, Council Chamber, Tokoroa

Te Maruata Hui

f) Thursday, 2 February 2023

Met with John Wadey

Met with Debbie Gisby

g) **Tuesday, 7 February 2023**

Attended Tirau Community Board Meeting, Tirau

h) **Friday, 10 February 2023**

Met with Joseph Stowers

Met with Joyce Volker

Attended Medal presentation for Cycling New Zealand, Sport & Events Centre, Tokoroa

Met with Hon Louise Upston

i) **Monday, 13 February 2023**

Hosted morning tea for Sports Award Recipients

j) **Thursday, 16 February 2023**

Meeting with Mark Rawson, Regional Director Waikato at Kainga Ora, Head of Economic Development, Interim Executive Manager - Operations and Chief Executive

Met with Akarere Henry

Met with Ken Reid, ANZAC

Met with Community Development Planner

k) **Friday, 17 February 2023**

Met with Graeme Bell

l) **Monday, 20 February 2023**

Attended Audit, Risk and Improvement Committee discussion

Attended Audit, Risk and Improvement Team Meeting

m) **Tuesday, 21 February 2023**

Attended Waikato Screen Productions, Arapuni

Met with Raewyn Blake

Attended JP training

n) **Wednesday, 22 February 2023**

Attended Council Internal Workshop, Council Chamber, Tokoroa

o) **Thursday, 23 February 2023**

Attended meeting at South Waikato Achievement Centre

Met with HR Advisor, J Herdman, Mayoral Scholarships

Attended LGNZ Leaders meeting via Zoom

p) **Friday, 24 February 2023**

Attended Citizenship Ceremony

8.2 Community Contracts 2021-22 Annual Report

Document Information

Report To:	Council
Meeting Date:	Wednesday, 15 March 2023
Author:	Paul Bowden
Author Title:	Head of Economic and Community Development
Group Manager Lead:	James Hassall
Report Date:	Tuesday, 7 March 2023

Purpose

4. To inform Council of the Community Contracts Annual Reports for the for 2021/22 financial year.

Recommendation

5. That Council:
 - c) receives Report 2023-DocsetID 599569, Community Contracts 2021-22 Annual Report.

Executive Summary

6. Council approved the community contracts for year 1 of the 2021-31 Long Term Plan and resolved that all organisations who received funds would provide an annual report to Council. Council decided that additional reporting would be required depending on the amount of funding approved. Contracts that were up to \$19,999 per annum, would only need to report once per annum, contracts of a value \$20,000 - \$49,999 per annum, would report every six months and contracts larger than \$50,000 per annum, would need to report four times a year, with a presentation each six months.
7. The end of year reports pertaining to the 2021/2022 financial year were not presented to Council due to the reporting date coinciding with the election and appointment of a new council for this triennium.
8. The reporting schedule for each contract holder is outlined within its contract.
9. Council's 2021-31 Long Term Plan has a community development key performance indicator namely that "90% of the key performance indicators within community contracts are satisfactorily met by individual contact holders annually". The overall KPI results for the community contracts is 80.3%, with the primary reason for failing to achieve this KPI attributable to the impact of COVID-19.

Context

10. On 30 June 2021 (Resolution 21/193), Council approved the 2021/22 funding for community contracts to deliver services and activities to the district, aligned to Council's Strategy. This was year one of the 2021-2031 Long Term Plan.

11. On 15 December 2021 an Extra Ordinary Meeting of Council (Resolution C21/128) approved funding for community contracts to deliver services and activities to the district, aligned to Councils Strategy. This was for year two and year three of the 2021-2031 Long Term Plan.

Discussion

12. This report provides summarises the outcome of these contracts for the 2021/22 financial year. Selected Contracts will also present a brief report for 2022/2023 to date.
13. During the 2021/22 financial year, staff administered 12 contracts, an increase of nine (9) contracts from the previous year.

Organisation	KPI (%)	Comment
Waikato River Trails Trust	81	There was a reduction in volunteers due to COVID, but KPI was still reached. WRT were unable to hold the Summer Sizzler also due to COVID restrictions.
Pride In Putāruru	95	Due to the uncertainty of COVID the Business Celebration did not go ahead.
New Zealand Timber Museum	77	Onboarding of new staff member has delayed some of the KPIs being met. Networking and marketing. There has been a pause on the café development as NZTM look for other funding opportunities.
South Waikato Arts' Trust	91	Despite a lot of effort to keep events running, many were cancelled due to COVID.
Sport Waikato	100	Have been very proactive with communities to support the activation of the District's parks and reserves as well as working with schools, sports, and community groups.
Graeme Dingle Foundation	91	Survey of year 8 students had that 84% had good relationship with teachers when the target was 85%.
Total Sport	50	The Cougar Run 2022 was successful however due to COVID restriction Total Sport could not run the Taniwha event.
Enviroschools – WRC	100	To provide a framework to explore and recognise the role of collaboration across Councils to grow the impact of the Enviroschools Programme (the programme) in communities across the Waikato region, and to outline engagement expectations between partners.
Mōkaihaha Kokako Trust	100	Contractor laid bait stations due to safety of volunteers. Rat numbers <5% as per objectives statement.
Dynamo Event	79	Delivered one event.

		Dynamo Events decided not to reapply for a community contract of service for 2022 - 2024. Dynamo have found it to be a very difficult 3 years. Final report has not been received.
Community Health Shuttle	75	Minor miscommunications, however, reports are on time. Staff have reported this Contract has been a pleasure to work with.
Creative Waikato	25	Creative Waikato has been carried over due to delay in implementing the programme of works. Staff have developed a project framework and will be implementing in the 2022/23 financial year. It is anticipated that the project will be completed within the 2022/23 year.

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Council also provided funding for the establishment of the Impact Hub site and implementation of programmes to support entrepreneurs. This was funded through the Economic Development Programme, not the Community Grants fund. The South Waikato Investment Fund Trust (SWIFT) also provided funding to Impact Hub for this project.

Attachments

The list below summarises the reports provided by recipients of community contract funding for the 2021/22 financial year. The organisations marked * below will be presenting to the Council meeting on 15 March 2023, to summarise performance for the 2021/22 financial year and to provide Council with the opportunity to ask questions on performance to date for the 2022/23 financial year.

Organisation	ECM # of reports
Waikato River Trails Trust *	593227; 593228; 593229; 593230
Pride In Putāruru *	616116, 616697
New Zealand Timber Museum *	592837; 592836; 592835; 592838
South Waikato Arts' Trust *	592828; 592883; 592884; 592833
Sport Waikato *	615021, 615038
Graeme Dingle Foundation *	599521; 599522; 599525; 599526
Total Sport	599512; 599517; 599518
Enviroschools – WRC	593446
Mōkaihaha Kokako Trust	594085; 594084
Dynamo Event	NA
Community Health Shuttle	599516

Creative Waikato	No report, delay in project
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8.3 Community Contracts July - December 2022 Summary Report

Document Information

Report To:	Council
Meeting Date:	Wednesday, 15 March 2023
Author:	Paul Bowden
Author Title:	Head of Economic and Community Development
Group Manager Lead:	James Hassall
Report Date:	Tuesday, 7 March 2023

Purpose

To inform Council of the Community Contracts six monthly Summary Report for the period July-December 2022.

Recommendation

14. That Council:
 - d) receives Report 2023-DocsetID 618687, Community Contracts July-December 2022 Summary Report.

Executive Summary

15. Council approved the community contracts for year 1-3 of the 2021-31 Long Term Plan and resolved that all organisations who received funds would provide an annual report to Council. Council decided that additional reporting would be required depending on the amount of funding approved. Contracts that were up to \$19,999 per annum, would only need to report once per annum, contracts of a value \$20,000 - \$49,999 per annum, would report every six months and contracts larger than \$50,000 per annum, would need to report four times a year, with a presentation each six months.
16. The end of year reports pertaining to the 2021/2022 financial year were not presented to Council due to the reporting date coinciding with the election and appointment of a new council for this triennium.
17. The reporting schedule for each contract holder is outlined within its contract.
18. Council's 2021-31 Long Term Plan has a community development key performance indicator namely that "90% of the key performance indicators within community contracts are satisfactorily met by individual contact holders annually". The overall KPI results for the community contracts is 80.3%, with the primary reason for failing to achieve this KPI attributable to the impact of COVID-19.

Context

19. On 30 June 2021 (Resolution 21/193), Council approved the 2021/22 funding for community contracts to deliver services and activities to the district, aligned to Council's Strategy. This was year one of the 2021-2031 Long Term Plan.

20. On 15 December 2021 an Extra Ordinary Meeting of Council (Resolution C21/128) approved funding for community contracts to deliver services and activities to the district, aligned to Councils Strategy. This was for year two and year three of the 2021-2031 Long Term Plan.

Discussion

21. This report summarises the outcome of contracts for the 2022/2023 financial year to date.
22. Staff have summarised the seven (7) Contracts Reports for the period of July 2022 to December 2022.

Organisation	Comment
Waikato River Trails Trust	Maintenance targets for period tracking well, with visitor numbers up. Events successfully completed. Majority KPI's for period complete.
Pride In Putāruru	Staffing restructure has developed positive community relationships and feedback. KPI's for period on track.
New Zealand Timber Museum	KPI's on track across the period. Issues with NZTA that are currently being addressed.
South Waikato Arts' Trust (The Plaza)	KPI's for period achieved. DNG meetings to be discussed with Council.
Sport Waikato	Majority KPI's across period achieved. Sport Waikato continues to support local organisations with opportunities to collaborate.
Graeme Dingle Foundation	Tracking well across all KPI's. Planning and delivery of the Stars Teina Programme for Yr 7 & 8 is underway.
Putāruru Community Hub	Governance board appointed. Plans underway for the year. Engagement with existing founding members ongoing. Update progress next report.

Attachments

The list below summarises the reports provided by recipients of community contract funding for the period July – December 2022. The organisations below will be presenting to the Council meeting on 15 March 2023, to summarise performance for the 2021/22 financial year and to provide Council with the opportunity to ask questions on performance to date for the 2022/23 financial year.

Organisation	ECM # of reports
Waikato River Trails Trust	616903, 616913
Pride In Putāruru	618650, 616697
New Zealand Timber Museum	609114, 615076

South Waikato Arts' Trust (Plaza)	614642, 614961
Sport Waikato	615039
Graeme Dingle Foundation	618682
Putāruru Community Hub	618655

8.4 Financial Services Report - January 2023

Document Information

Report To:	Council
Meeting Date:	Wednesday, 15 March 2023
Author:	Wiki Cortesi
Author Title:	Acting Chief Financial Officer
Executive Lead:	Michael Booth, Interim Executive Manager - Corporate
Report Date:	Friday, 24 February 2023

Purpose

23. To inform the Council on the financial performance of Council to 31 January 2023.

Recommendation

24. That Council:
 - e) Receives and Notes the Report 2023-617714, Financial Services Report – January 2023.

Executive Summary

25. The financial performance of Council is an indication of what the level of income and expenses are being received and spent in relation to budget estimates at any point in time and how that impacts on Council equity at the same point.
26. At 31 January 2023, we have identified that there is a \$511k deficit to date. Although total revenue is higher than the revised budget to date by \$655k there has been \$1.46m more in expenses than expected.
27. At 31 January 2023, we have identified that Council has \$101m more in net assets. The total assets of Council are \$92.5m higher than expected and total liabilities are \$8.5m lower than expected.
28. At 31 January 2023, we have identified that the percentage of debt maturing outside four years is currently 8% but policy requires it to be at 10%. Our advisors, PriceWaterhouseCoopers (PwC), are currently reviewing Council's refinancing plan.
29. There is a higher number of accounts in arrears compared to this period last year which corresponds with a lower percentage of rates arrears collection in the same period.
30. There are no significant reserve movements since the November 2022 Financial Services Report was presented to Council.

Context

31. The detail discussed in this report is aligned with the Council vision, community outcomes, Council policies and the Council strategy. We want to keep Council informed and up to date with the relevant financial information through the financial services report.

32. The financial information provided as at 31 January 2023 is slightly different to previous performance reports presented to Council as the format of the financial statements has changed to align with what is typically presented in an Annual Report. Due to changes in staff availability, a report will be presented to Council in April 2023 in relation to the current rates arrears of Council.

Discussion

33. The Performance Report to 31st January has 4 main components. These are the financial statements comprised of the statement of comprehensive revenue and expenditure and statement of financial position, treasury report, rates overview and Council reserve balances.

Reference

34. Annual Plan 2022/2023

Attachments

Performance Report to 31 January 2023

PERFORMANCE REPORT

To 31 January 2023



1. Financial Statements

For the year ended 31 January 2023		YTD	Annual	Revised	YTD
CONSOLIDATED STATEMENT OF COMPREHENSIVE		Actual	Budget	Budget	Budget Difference
REVENUE AND EXPENSE		2023	2023	2023	2023
		\$000s	\$000s	\$000s	\$000s
Revenue					
Rates, excluding targeted water supply rates	21,118	20,207	33,473	34,640	911
Fees, charges, and targeted rates for water supply	2,758	2,844	4,883	4,875	(85)
Development and financial contributions	549	133	227	227	417
Subsidies and grants	3,178	3,607	4,879	6,183	(429)
Finance income	139	263	370	417	(124)
Other revenue	1,228	1,262	2,155	2,163	(34)
Total revenue	28,970	28,315	45,988	48,506	655
Expenditure					
Employee benefits expense	7,537	7,278	12,476	12,476	259
Depreciation and amortisation expense	5,931	5,623	9,609	9,640	307
Finance costs	607	441	818	757	165
Other expenses	15,407	14,679	24,281	25,165	727
Total expenditure	29,481	28,022	47,184	48,037	1,459
Surplus/(Deficit)	(511)	293	(1,196)	468	(804)
Other comprehensive revenue and expense					
Gain/loss in Asset Revaluation Reserve	-	11,409	19,558	19,558	(11,409)
Gain/loss in Investment Revaluation Reserve	996	-	-	-	996
Total other comprehensive revenue and	996	11,409	19,558	19,558	(10,412)
Total comprehensive revenue and expense	486	11,702	18,362	20,026	(11,216)

Commentary

The statement above indicates that although the year-to-date total revenue is \$655k more than expected there has been \$1.46m more year to date total expenditure. This has resulted in an actual deficit year-to-date of \$511k.

The main contributors to the increase in revenue over budget include:

- More rates income received because of property improvements allowing us to charge additional rates.
- More development and financial contributions income received from more processed consents than expected.
- The increases noted above are offset by lower subsidy and grant income from lower Waka Kotahi funding due to less work undertaken to date and lower than expected finance income from the Wealthnet portfolio.

The main contributors to the increase in expenditure over budget include:

- the increase in interest costs on borrowing.
- an increase in power costs with the most significant changes identified at our three water services sites.
- an increase in insurance costs mainly attributable to the revaluations on our three waters and roading infrastructure assets.
- an increase in repairs and maintenance requirements especially in the wastewater service and roading vegetation control.

The gain in the investment revaluation reserve is directly attributable to the unrealised gain received to date from the Wealthnet investment portfolio. This portfolio is managed by BNZ and is an investment fund specifically set up for asset replacement/renewal and should align with the asset replacement reserves.

As at 31 January 2023		YTD	Annual Plan	Revised	YTD
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	Actual	Budget	Budget	Budget	Difference
	2023	2023	2023	2023	2023
	\$000s	\$000s	\$000s	\$000s	\$000s
Equity					
Retained earnings	154,976	165,636	163,972	165,636	(10,660)
Other reserves	418,229	306,491	306,491	306,491	111,738
Total equity	573,205	472,127	470,463	472,127	101,078
Assets					
Current assets					
Cash and cash equivalents	3,157	2,803	2,803	2,803	354
Receivables	6,583	7,058	4,540	7,058	(475)
Inventories	106	171	171	171	(65)
Other financial assets	285	-	-	-	285
Non-current assets held for sale	1,760	-	-	-	1,760
Derivative Financial Instruments	534	-	-	-	534
Total current assets	12,425	10,032	7,514	10,032	2,393
Non-current assets					
Property, plant and equipment	583,444	493,303	493,303	493,303	90,141
Other financial assets	21,467	22,548	22,548	22,548	(1,081)
Derivative Financial Instruments	1,377	-	-	-	1,377
Intangible assets	10	328	328	328	(318)
Total non-current assets	606,298	516,179	516,179	516,179	90,119
Total assets	618,723	526,211	523,693	526,211	92,512
Liabilities					
Current liabilities					
Payables and deferred revenue	4,637	6,819	5,965	6,819	(2,182)
Employee benefit obligations	972	609	609	609	363
Borrowings	5,000	1,904	1,904	1,904	3,096
Provision for landfill closure	38	748	748	748	(710)
Trust accounts	-	-	-	-	-
Total current liabilities	10,647	10,080	9,226	10,080	567
Non-current liabilities					
Provision for landfill closure	649	873	873	873	(224)
Borrowings	34,000	42,883	42,883	42,883	(8,883)
Derivative Financial Instruments	-	-	-	-	-
Employee benefit obligations	223	248	248	248	(25)
Total non-current liabilities	34,872	44,004	44,004	44,004	(9,132)
Total liabilities	45,518	54,084	53,230	54,084	(8,566)
Net assets	573,205	472,127	470,463	472,127	101,078

Commentary

The statement above indicates that our net assets are \$101m more than expected.

The main reasons for the net asset movement includes:

- the increase in the expected non-current property, plant and equipment values. This is mainly due to the movement in the three water and roading infrastructure assets in 2021/2022 because of the revaluation undertaken in that year.
- There has only been \$6m of the expected \$33.6m capital expenditure undertaken to date. A full comprehensive capital expenditure report is being provided by the Programme Management Team.
- less borrowings undertaken to date because of less capital work completed than expected to date.

2. Treasury Report

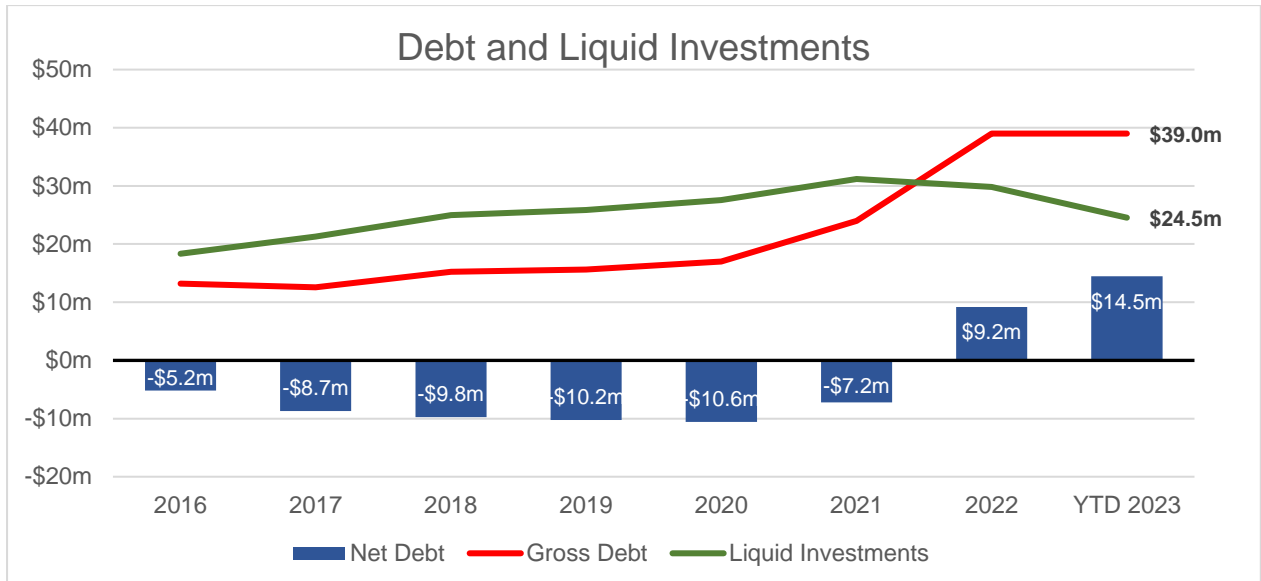
The table below shows our compliance in relation to our Treasury Policy limits and the chart below shows gross debt and liquid investments.

Compliance with Treasury Policy Limits

			Result @	Policy
Policy Compliance	Measure	Policy	31-Jan-23	Compliance
Fixed rate debt maturity	all years	within annual parameters	not achieved for all years	✗
Funding maturity	0 - 3 years	15% - 60%	44%	✓
	3 - 7 years	25% - 85%	56%	✓
	7 - 10 years	0% - 60%	0%	✓
Liquidity ratio	minimum	110%	111%	✓
Counterparty credit risk	maximum	BNZ \$15m	achieved	✓

We are not within policy for the minimum percentage of debt maturing beyond four years. The policy minimum is 10%. Council has 8% of debt maturing beyond four years. This is expected to be a temporary breach of policy as staff are in discussion with our advisors, PriceWaterhouseCoopers, to plan our next tranche of borrowing and re-financing.

Debt



The chart above shows gross debt and liquid investments. The difference between the two is net debt (as measured by LGFA). Council is well within debt covenants, noting that from the 2022 year we have become a net borrower rather than a net investor.

The weighted average cost of funds for gross debt is 3.09%.

3. Rates

Rates are the main source of income for Council. Collection of rates is an important task to ensure that Council can operate and provide services to meet the requirements of the community in which it serves.

The detail that follows provides some information on the outstanding rates in dollar terms, rates collection as a percentage compared to the same month in the prior year and examples of percentage collection and rates accounts arrears in a graph format that shows comparatives for the last four years in relation to this current financial year.

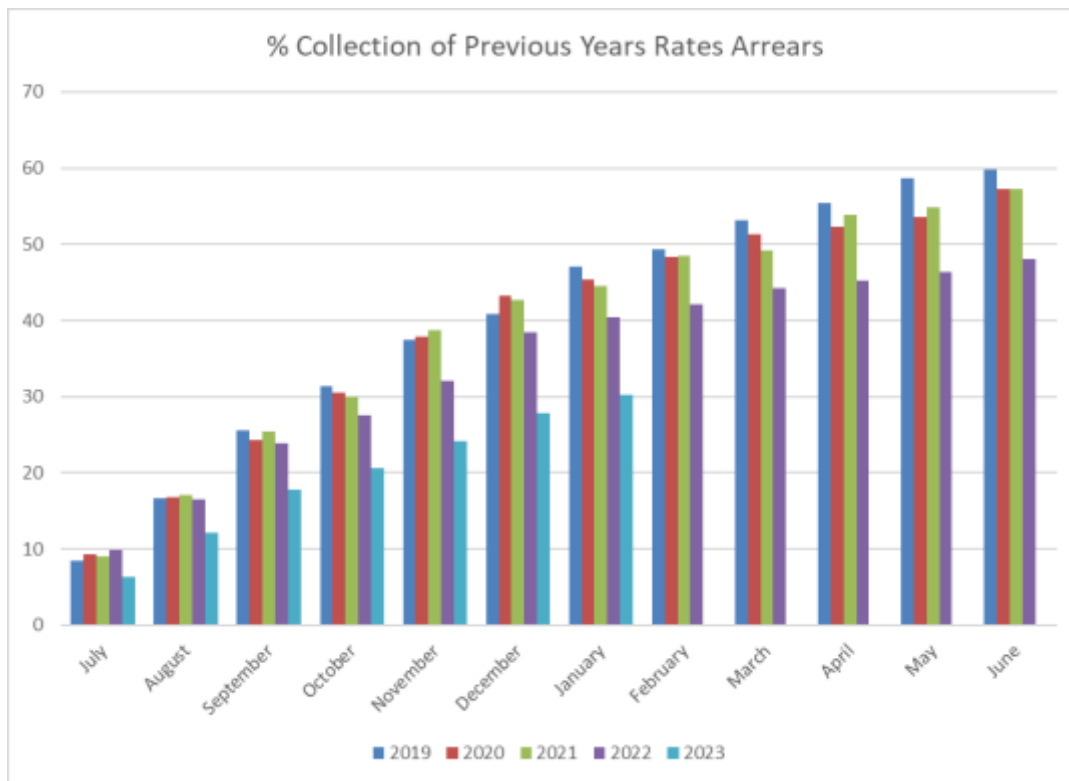
Rates outstanding as at 31 January 2023

Current instalment balance	\$ 7,338,262
Arrears relating to rates charged this year	\$ 698,287
Penalties balance	\$ 200,344
Arrears still outstanding from previous years	\$ 1,626,227
Court Costs	\$ 0
Total	\$ 9,863,120

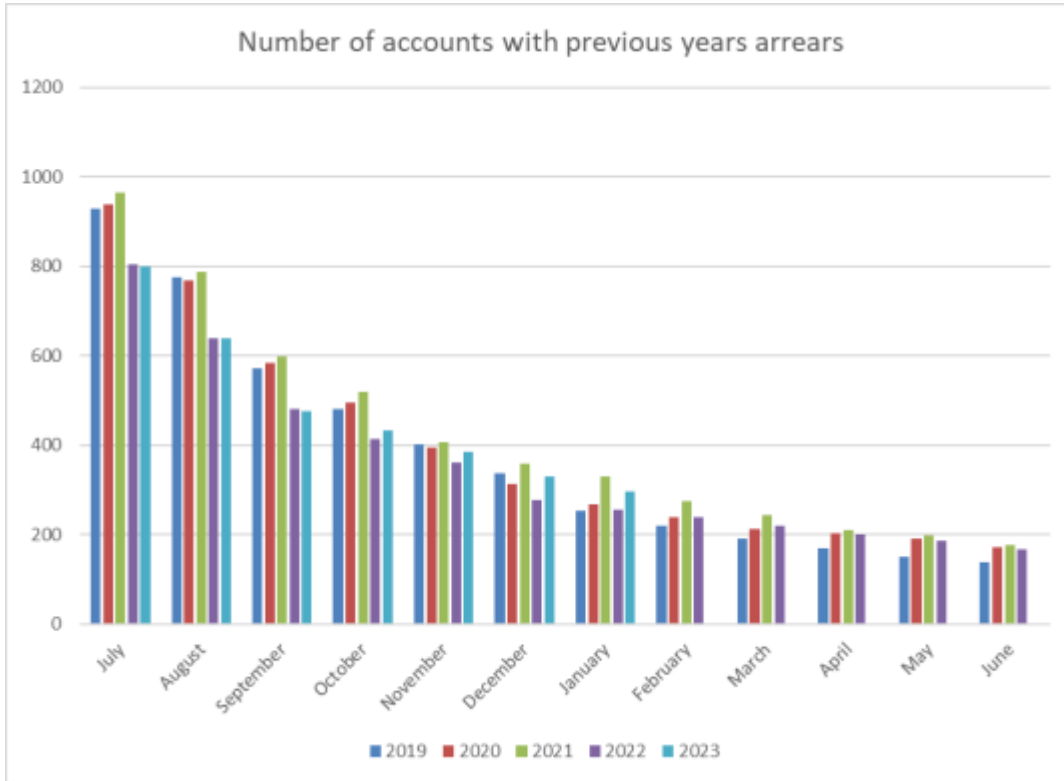
Rates Collection – shown as a percentage

		% Rates Collected YTD This Year	Comparison to same month last year
Arrears as at 1 July 2022	\$ 2,333,944	30%	40%
Current Year Levied	\$29,172,309	73%	72%
Penalties charged	\$ 282,815	29%	27%
Current year including penalties	\$29,455,124	72%	72%

Current Rates and Penalties Collection Percentage History



Rates Account Arrears History



4. Council reserves as at 31 January 2023

Asset replacement reserves

An amount of money equivalent to the current year's depreciation is transferred to these reserves during the year. These funds are then available to fund future capital expenditure and loan repayments.

Asset Replacement Reserves	Opening Balance at 1 July 2022 \$ (favourable)	Closing Balance at 31 January 2023 \$ (favourable)
TOTAL	(15,503,700)	(14,362,878)

Targeted rate reserves

Targeted rates are levied on specific properties for a specific purpose. The funds are kept in separate reserve accounts, so they are only used for that specific purpose.

Targeted Rate Reserves	Opening Balance at 1 July 2022 \$ (favourable)	Closing Balance at 31 January 2023 \$ (favourable)
TOTAL	(1,410,914)	(1,355,120)

Council created reserves

These reserves are created by Council for a specific purpose. The funds have been set aside and are able to be used at Council's discretion.

Council Created Reserves	Opening Balance at 1 July 2022 \$ (favourable)	Closing Balance at 31 January 2023 \$ (favourable)
TOTAL	959,735	1,289,261

Performance Report Explanatory Notes

1. The Financial Statement section in relation to financial performance is as follows:
 - a) The Statement of Comprehensive Revenue and Expenditure (also known as an income statement) looks at the overall operational income and expenses of the organisation.
 - b) The Statement of Financial Position (also known as the balance sheet) looks at the current and non-current assets and liabilities of the organisation.

2. The Treasury Report section in relation to treasury policy compliance and debt and liquid investments is as follows:
 - a) The Treasury Policy compliance

Measures are set with the intention to manage council's various risks associated with borrowing. When policy compliance is achieved, risk is at an acceptable level. If policy is breached it is an indicator that a risk is greater than a prudent level and we will work towards regaining compliance as soon as practicable.

 - b) Fixed rate debt maturity

This places an upper and lower limit on the percentage of debt that is able to be at fixed rates of interest per financial year to manage exposure to interest rate movements.

 - c) Funding Maturity

Ensures there is a spread of debt maturity dates so that council's exposure to interest rates upon refinancing the debt is not concentrated.

d) Liquidity Ratio

Ensures there is access to liquid investments of at least 10% of debt to enable council to meet cashflow requirements.

e) Counterparty credit risk

Limits any risk of losses arising from a counterparty defaulting on a financial instrument. Note that amounts contracted with the NZ Government and the LGFA are not limited.

3. The rates section provides information as follows:

a) Rates outstanding

Broken down into different line items to give the total value of rates outstanding at the time in which we are reporting

b) Rates collection

Provided on a rates percentage collection in comparison to the same month of the previous year.

c) Graph information

Five years of comparative information showing the rates and penalty collection history and the rates accounts arrears history.

4. The reserves section provides information as follows:

a) Asset replacement reserves

An amount of money equivalent to depreciation that can be used to fund future capital projects and loan repayments.

b) Targeted rate reserves

Levies on specific properties that are then utilised for specific purposes associated with those specific properties.

c) Council created reserves

Created by Council for a specific purpose. The funds are generally generated from a specific action or activity. Funds are then held to be used at the discretion of Council based on the specific purpose.

8.5 Capital Portfolio Monitoring Report

Document Information

Report To:	Council
Meeting Date:	Wednesday, 15 March 2023
Author:	Nick Murphy
Author Title:	Project Management Officer
Group Manager Lead:	Debbie Lascelles - Interim Executive Manager, Transformation
Report Date:	Monday, 27 February 2023

Purpose

To inform Council on the performance of the overall capital portfolio and associated key projects and programmes for the seven months ended 31 January 2023.

Recommendation

35. That Council:
- f) receives the Report 2003-618608, Capital Portfolio Monitoring Report.

Executive Summary

36. This is the second year of the 2021-31 Long Term Plan. The 2022/23 Annual Plan approved capital budget is \$16.36 million.
37. Since the approval of the 2022/23 Annual Plan, an additional \$16.08 million has been added to the capital budget from carryovers from 2021/22, which was approved during the 4 October 2022 Extra Ordinary Council meeting.
38. On 7 September 2022, Council approved \$1.2 million to be allocated from Asset Replacement Reserves for the secondary treatment plant at Arapuni.
39. The total approved capital budget for 2022/23 is \$33.64 million.
40. The total capital expenditure for the seven months ended 31 January 2023 is \$6 million, 18% of the total approved capital budget.
41. \$13.97 million has been identified as requiring rephasing (carryover) to future years due to project timing.
42. The current forecast expenditure to the financial year end is \$19.68 million.
43. There are three capital portfolio level risks identified that are being managed by staff:
- Cost escalation
 - Capacity within the market
 - Inclement weather.
44. Three projects and one programme across the capital portfolio have been flagged as having risks that are being brought to the attention of Council. Each individual project or programme and risk are listed in paragraphs 30-45.

45. Staff consider the matters to be of low significance and that the recommendations comply with the Council's legal requirements.

Context

46. The following definitions are relevant:
- Portfolio: refers to the total organisational capital work budget for 2022/23.
 - Programme: refers to two or more projects that are managed in a coordinated way to deliver a set of benefits.
 - Project: refers to the individual project under a particular programme. These projects may have funding from multiple activities and occur across multiple years.
47. This is the second year of the 2021-31 Long Term Plan. The 2022/23 Annual Plan approved capital budget is \$16.36 million.
48. Since the approval of the 2022/23 Annual Plan, an additional \$16.08 million has been added from carryovers from 2021/22.
49. On 7 September 2022, Council approved \$1.2 million to be allocated from Asset Replacement Reserves for the secondary treatment plant at Arapuni.
50. The total approved capital budget for 2022/23 is \$33.64 million.
51. For the purposes of this Capital Portfolio Monitoring report, there are three main types of capital budget movement that will impact on the forecasted total spend for this financial year. They are:
- Deferrals and Bring Forwards: These are approved budgets where a timing change has been identified. The timing change is either, a deferral, where the budget is moved out to a future year or a brought forward where the future budget is brought forward to the current year.
 - Savings: these are permanent reductions in the budget due to projects and/or programmes being delivered under budget; and
 - Other Changes: these are new budgets that either did not previously exist or is an amendment to an existing approved budget.

Discussion

Capital Expenditure and Forecasts

52. For the seven months ended 31 January 2023, the actual expenditure to date is \$6 million (\$12.7 million). The amount in brackets is the comparative from the previous financial year.
53. The current forecast expenditure to the financial year end is \$19.68 million. The following table summarises the forecast expenditure:

	Budget (\$)
2022/23 Annual Plan	16,355,026
2021/22 Carryovers	16,084,000
Arapuni WWTP Funding Request	1,200,000
2022/23 Total Approved Budget	33,639,026
Current Year Changes	
Proposed Deferrals	(13,962,016)
Proposed Bring Forwards	0
Proposed Savings	0
Proposed Other Changes	0
Forecast to Financial Year End	19,677,010

54. The proposed deferrals relate to the following projects and programmes:

Project Name	Deferral (\$)
Putaruru Wastewater Treatment Plant (WWTP) Wetlands	742,000
Arapuni Tirau St Wastewater Pipe Upgrade	1,369,000
Tokoroa Wastewater Treatment Plant (WWTP) Digestor	1,459,000
Tokoroa Pools Upgrade	4,912,000
Rural Residential Subdivision	155,000
Maraetai Road Intermodal Business Park (MRIBP)	5,076,000
Tokoroa Library/Community Hub	184,016
Districtwide Additional Public Toilets Programme	65,000

55. The attachment provides an overview of performance for the capital portfolio as at 31 January 2023, along with an update on key projects and programmes.

Portfolio Risks

56. There are currently three portfolio risks that are being monitored and managed.

Cost escalation

57. This risk relates to the ongoing dynamic economic environment with most recent quarterly data reporting annual inflation at 7.2%, along with the national and international demand for certain materials. The risk consequences are project delays and escalating project costs.
58. Staff are continuing to monitor the economic environment and are considering this as part of the 2023/24 Annual Plan process to ensure that capital budgets remain adequate to deliver the required outcomes.

Capacity within the market

59. This risk relates to both supply of materials and labour. While there continue to be concerns around labour resourcing due to the ongoing COVID environment, there is currently no evidence to suggest these factors are impacting on the ability to deliver the capital portfolio.
60. Recent significant weather events, including Cyclone Gabrielle, and the extent of damage across the North Island is still yet to be fully quantified. However, it is predicted that there will be a large amount of resourcing required to repair the significant damage and the national workload may affect future project and programme delivery.

Inclement weather

61. This risk relates to the consistent poor weather over the traditional summer months, and in particular January and February. Poor weather is likely to have an impact on the progress of some projects.
62. Staff continue to monitor progress and there is the potential for some work needing to be carried over to the 2023/24 construction season.

Project Risks

63. Three projects and one programme across the capital portfolio have been flagged as having risks that are being brought to the attention of Council.

64. Of the three projects and one programme, one is classified as Red, indicating current issues that are affecting scope, budget and/or schedule; and three are classified as Amber, indicating risks to scope, budget and/or schedule that are being monitored and managed.

Putaruru Wastewater Treatment Plant (WWTP) Wetlands

65. This project is required to meet resource consent conditions. There is a requirement to construct a post-treatment wetland adjacent to the WWTP. Unfortunately, contaminated ground has been discovered across most of the proposed wetland site, preventing works to continue.
66. Meetings have been held with both Raukawa and Waikato Regional Council (WRC), with both confirming their support for the proposed actions to extend the timeframes required to meet resource consent conditions.
67. Initial stream testing has shown there is no contamination from the historic landfill entering the stream. Detailed surface water testing is underway and groundwater investigations will commence shortly.
68. Once investigations have been completed, staff will prepare remedial options for consideration to confirm the project scope and required budget.

Arapuni Tirau St Wastewater Pipe Upgrade

69. This is a three-phase project. Phases Two and Three are in the construction phase.
70. Phase One has encountered underground conflicts around the crossing of State Highway One require redesign to that area. Procurement of the physical works contractor for this phase will occur once staff have obtained KiwiRail Deed of Grant to pipe under the Kinleith branch line.
71. Even though progress has been made with the KiwiRail Deed of Grant, this has delayed Phase One physical works into 2023/24, requiring a deferral of budget.
72. Physical works will be tendered immediately following KiwiRail approval, with the project currently scheduled for completion by December 2023.

Tokoroa Wastewater Treatment Plant (WWTP) Digester

73. This project is required to rehabilitate the old digester tank to enable appropriate management of the wastewater sludge at the Tokoroa WWTP.
74. Initial Structural Assessment indicates the existing 1960's digester tank may not be suitable for refurbishment. It is likely the demolition and site clearance will need to be considered as part of the upcoming Long-Term Plan.
75. Biosolid disposal is proving challenging due to high levels of heavy metal contamination and requires disposal to a specialised facility. Investigations continue into effective disposal options.

Districtwide Additional Public Toilets Programme

76. This programme delivers renewed, upgraded and/or new public toilet facilities across the district.
77. Site works and utilities are underway at Lake Moananui with installation of the toilet facilities to commence following building consent approval. The Pioneer Park project is currently on hold due to budget constraints caused by cost escalations.
78. Any remaining budget will be required to be carried over to the 2023/24 financial year's programme.

Update on KPMG Project Management Audit Improvement Initiatives

Background

79. The delivery of key infrastructure projects was identified as a top organisational risk in 2021. As a result, the Executive Team agreed to review the organisation's project management practices to determine where key improvements could be made.
80. The objective of the audit was to assess South Waikato District Council's project management capability and provide recommendations for improvements that are aligned with best practice.
81. KPMG conducted the audit and focused on the following areas:
 - Policy, standards, and methodology applied to project delivery
 - Approach to project initiation, delivery, change-management, governance, reporting and stakeholder-engagement
 - Staff capability (focussing on the project sponsors and project managers, and the associated organisational support and resources available to them)
 - Overall project management performance, with respect to established 'good practice' and other similar organisations.
82. The draft report was circulated to the 7 April 2022 Audit and Risk Committee and a high-level overview of the findings and potential costs for an improvement programme was presented by Interim CE, Miriam Taris.
83. The report highlighted five key recommendations:
 - Develop high quality delivery frameworks: Further investment is needed to create a full suite of delivery frameworks, that when implemented will create consistencies and efficiencies, which will lead to higher quality project outcomes.
 - Consistently apply delivery frameworks: Once the frameworks are developed, they need to be consistently applied across all projects in the council portfolio. The Project Management team needs to be fully aware of them, know how to use them correctly and have easy access to them.
 - Develop governance structures: Governance structures need to be established and clearly defined, with stakeholders who are clear on their roles and responsibilities. This will help ensure that the council are implementing frameworks correctly and consistently across projects.
 - Support learning and development for Project Managers: By providing training opportunities for project managers, the council will increase capability, understanding of frameworks, as well as improve staff retention.
 - Increasing effort spent during early project stages: By providing more time and consultation at these early stages, stakeholders will have a higher understanding of project objectives and contribute to the emerging design, which in turn will and mitigate the risks of time and cost over runs.
84. Following the audit, an internal Project Management Officer and Programme Manager were appointed and commenced in August/September 2022.
85. The role of the Programme Manager is to oversee and be responsible for consistent project delivery and leading the internal Programme Delivery team.
86. The role of the Project Management Officer is to lead the establishment of a Project Management Office with a focus on the development of a project management framework and the integration of this framework throughout the organisation.

Current Improvement Initiatives

87. A Project Management Framework has been developed and endorsed by the Executive Team. The framework focuses on a consistent project management methodology and lifecycle to be

used by all projects across the organisation. The next step is to implement this framework across the organisation, complementing existing organisational frameworks and processes.

88. A Portfolio Governance structure has been developed with clear roles and responsibilities throughout the project lifecycle. The establishment of a Portfolio Oversight Board is in progress and will focus on ensuring that the project management framework is implemented correctly and consistently across all projects from identification, with a particular focus on high risk and/or high value projects and programmes.
89. Standard project documentation, such as a project business case and project brief, has been developed. The project business case has been tested during the current 2023/24 Annual Plan process and the project brief has been tested across different parts of the organisation. These will continue to be developed as part of the upcoming Long-Term Plan process.
90. A review of the current project management system has been undertaken by staff and a business case is being developed to look at improvement options.
91. Following the implementation of the project management framework, a training and capability plan will be developed to ensure training needs are identified, along with a standard induction for new project managers.
92. Reporting to Council on the wider capital portfolio and key projects has also been reviewed and now reflects industry practice.

Risks

The portfolio and project risks have been identified above.

Significance & Engagement Policy

The matters and recommendation contained in this report do not trigger Council's Significance and Engagement Policy.

Attachments

Capital Portfolio Performance Update as at 31 January 2023 (618609)

CAPITAL PORTFOLIO PERFORMANCE

AS AT 31 JANUARY 2023

\$6.0m

2022/23 Actual Spend to Date

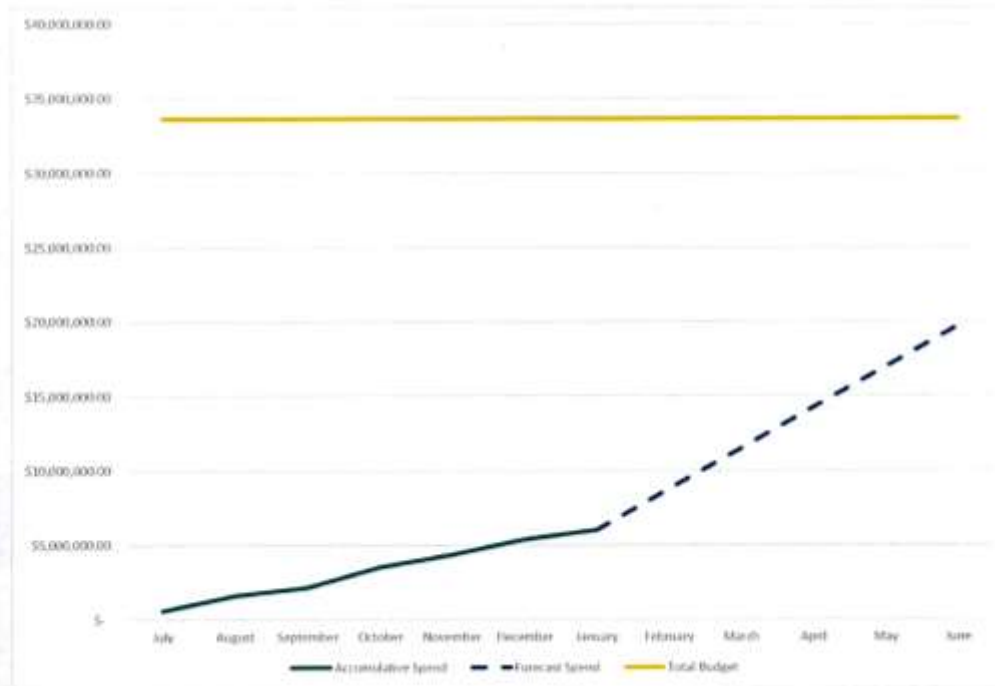
\$33.64m

2022/23 Total Approved Budget

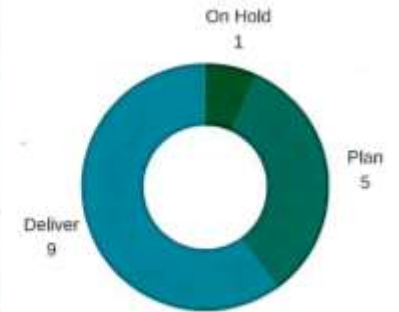
\$19.68m

2022/23 Forecast Expenditure to Financial Year End

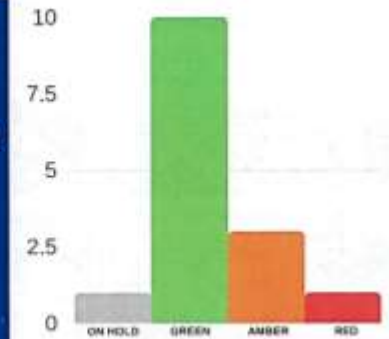
2022/23 FINANCIAL PERFORMANCE



Key Projects and Programmes Stage/Phase



Key Projects and Programmes RAG Status



CAPITAL PORTFOLIO PERFORMANCE

AS AT 31 OCTOBER 2022

Project / Programme	Purpose	Total Multi-Year Budget (\$)	Forecast Completion Date	Stage	Overall Status	Scope Status	Budget Status	Schedule Status	2022/23 Actual Spend (\$)	2022/23 Forecast to Financial Year End (\$)	2022/23 Total Approved Budget (\$)	2022/23 Variance (\$)	Commentary
Putāruru Wastewater Treatment Plant (WWTP) Wetlands	To construct a wetland in Putāruru WWTP as required by the resource consent	1,040,000.00	TBC	Plan	Red	Red	Red	Red	80,488.00	250,000.00	992,000.00	742,000.00	<p>Both Raukawa and WRC have confirmed their support of SWDC proposed actions.</p> <p>Initial stream water testing has shown no contamination from the historic landfill entering the stream. Furthermore, detailed surface water testing is underway. Ground water investigations to commence shortly.</p> <p>Following findings SWDC will prepare remedial options for consideration.</p>
Arapuni Teau St Wastewater Pipe Upgrade	To upgrade wastewater pipelines in Putāruru to accommodate growth	2,017,000.00	March 2024	Plan	Amber	Green	Green	Amber	64,419.00	500,000.00	1,869,000.00	1,369,000.00	<p>Tenders Board have accepted the proposed Procurement Plan to complete these works. All information required by KiwiRail to gain their approval will be with them before the end of February.</p> <p>Works will be tendered immediately after receiving KiwiRail's approval to drill under the rail line. Delivery is still on track for completion by Dec 2023, pending KiwiRail approvals.</p>
Tokoroa Wastewater Treatment Plant (WWTP) Digester	To rehabilitate the old digester tank to enable appropriate management of the wastewater sludge	3,157,000.00	December 2024	Plan	Amber	Green	Green	Amber	193,320.00	600,000.00	2,059,000.00	1,459,000.00	<p>Initial Structural Assessment indicates existing (1960's) digester tank may not be suitable for refurbishment. It is likely the demolition and site clearance will be a new line item in the upcoming LTP, when it will be "made safe" or demolished.</p> <p>Biosolid disposal is proving challenging due to high levels of heavy metal contamination and requires disposal to specialised facility. Investigations continue into effective disposal options.</p>
Putāruru Skate Park Development	To refurbish the existing skate bowl and create new facilities for multi-age users / community	550,000.00	March 2023	Deliver	Green	Green	Amber	Green	201,040.50	600,000.00	556,000.00	-50,000.00	<p>Works continue, however wet weather is delaying progress. Community seeking further minor changes in design.</p>
Tokoroa Pools Upgrade	Major upgrade of all aspects of the existing pools facility to "future proof" the venue for a further 25 years	12,940,000.00	November 2024	Deliver	Green	Green	Green	Green	58,892.00	930,000.00	5,842,000.00	4,912,000.00	<p>Consultant team are progressing with preliminary design, first draft due in March.</p> <p>Site surveys for, asbestos, electrical efficiency and ground conditions are all in progress.</p> <p>Change management system is in place for design queries and any proposed scope changes.</p> <p>Currently there are no plans to commence physical works until the 2023/24 financial year</p>

CAPITAL PORTFOLIO PERFORMANCE

AS AT 31 OCTOBER 2022

Project / Programme	Purpose	Total Multi-Year Budget (\$)	Forecast Completion Date	Stage	Overall Status	Scope Status	Budget Status	Schedule Status	2022/23 Actual Spend (\$)	2022/23 Forecast to Financial Year End (\$)	2022/23 Total Approved Budget (\$)	2022/23 Variance (\$)	Commentary
Putaruru Pools Refurbishment and Upgrade	To install BBQ, shelters, and changing rooms. Refurbishment of changing rooms, upgrade to kiosk, and new storage facility	240,000.00	December 2022	Deliver	Green	Green	Green	Green	22,230.00	155,000.00	184,000.00	29,000.00	<p>Stage 2 - Phase 1 of the changing rooms refurbishment was completed last Dec 2022.</p> <p>Proposed additional scope has been programmed for March 2023 due to weather disruptions from last few months.</p>
Tirau Pools Refurbishment and Upgrade	New toilets and overall improvements to the appearance and maintenance condition of the facility	550,000.00	June 2023	Deliver	Green	Green	Green	Green	46,073.00	80,000.00	80,000.00	0.00	<p>Initial scope of works complete. Works suspended until pools close again in March.</p> <p>Project Brief and Business Case being developed seeking approval to increase scope to utilise underspend of 2022/23 remaining budget and advance budget for 2023/24.</p>
Rural Residential Subdivision	Development of existing Council owned land into a 11 plot residential subdivision	1,466,000.00	September 2023	Deliver	Green	Green	Green	Green	172,214.00	1,250,000.00	1,405,000.00	155,000.00	<p>Design is complete and procurement is advancing, with works to start this financial year with works completion currently scheduled for September 2023.</p>
Dumfries 800m New Link Road	New road to link the existing cul-de-sacs of Pelikan Place and Dumfries Road. Provides improved (safer) access to local schools and Events Centre, as well as creating additional parking for visitors to Tokoroa Cemetery	1,600,000.00	April 2023	Deliver	Green	Green	Green	Amber	167,627.00	376,000.00	416,000.00	40,000.00	<p>All remedial works completed by Contractor.</p> <p>SWDC accepted alternative stormwater design to allow road opening and to have this work completed before winter.</p> <p>Traffic Calming Procurement Plan has been accepted, and final detailed designs due shortly.</p>
Marapehi Road Intermodal Business Park (MRIBP)	Plan to build an industrial subdivision on the MRIBP site to create 18 industrial lots. This will benefit the Tokoroa township, as well as the wider South Waikato area with increasing employment opportunities and development	8,965,000.00	October 2024	Plan	Green	Green	Green	Green	206,990.33	450,000.00	5,526,000.00	5,076,000.00	<p>Consenting (new and variations to existing consents) are progressing, with final applications due February 2023.</p> <p>Engineering design is advancing. Discussions with Raukawa have been undertaken.</p> <p>On target to procure physical works contractor (only) this financial year.</p>

CAPITAL PORTFOLIO PERFORMANCE

AS AT 31 OCTOBER 2022

Project / Programme	Purpose	Total Multi-Year Budget (\$)	Forecast Completion Date	Stage	Overall Status	Scope Status	Budget Status	Schedule Status	2022/23 Actual Spend (\$)	2022/23 Forecast to Financial Year End (\$)	2022/23 Total Approved Budget (\$)	2022/23 Variance (\$)	Commentary
Depot St (Tirau) Pump Station	Increase pump station capacity and emergency storage for Depot St, Tirau	1,025,000.00	September 2023	Plan	Green	Green	Green	Green	41,800.00	100,000.00	100,000.00	0.00	All ground investigations now complete. Design is underway, with full pump station replacement scheduled in 2023/24 financial year.
Districtwide Additional Public Toilets Programme	To renew, upgrade and/or install new public toilet facilities across the district to increase utilisation of reserves, playgrounds and/or other Council spaces and places	243,000.00	May 2023	Deliver	Amber	Green	Amber	Green	91,478.00	178,000.00	243,000.00	65,000.00	Site works and utilities underway with Lake Maanawai toilet installation to commence following Building Consent approval. Pioneer Park remains on hold until future years due to budget constraints.
Districtwide Roading Capital Programme	To provide a safe and efficient road network within the district	6,136,059.00	Jun-23	Deliver	Green	Green	Green	Amber	572,971.00	6,136,059.00	6,136,059.00	0.00	Resurfacing: The contractor has made a start on preliminary repair works but has been delayed by on-going poor weather and resource shortages. Pavement Rehabilitation: Planning for works on sites on Old Taupo Rd, Mossop Rd, and Kiriath Rd is well underway. Investigation work has taken longer than anticipated but is now almost complete with physical work expected to begin in March. Improvement projects such as seal widening have largely been deferred due to the higher than expected costs of the new contracts and consequent funding constraints.
Districtwide Water Reticulation Renewals	Renewal and upgrades to the water reticulation network across the district	1,021,500.00	Jun-23	Deliver	Green	Amber	Green	Green	512,535.00	1,021,500.00	1,021,500.00	0.00	Works are progressing across the district. Due to cost fluctuations/escalations, projects have had to be prioritised and a number of planned works will be deferred to 2023/24 to allow for increased budgets. This will have an effect on the planned programme for 2023/24, which will require prioritisation to accommodate the deferred projects.
Tokoroa Library/Community Hub	Design and build of a replacement library building that provides a future-proofed facility and improves the library's ability to provide a service that will serve the community	5,466,170.00	TBC	On Hold	On Hold	On Hold	On Hold	On Hold	45,783.00	45,783.00	229,799.00	184,016.00	This project is currently on hold pending the outcome of the Town Concept Plans and Growth Strategy programme of work.

8.6 Tirau Community Board Report to Council

Document Information

Report To:	Council
Meeting Date:	Wednesday, 15 March 2023
Author:	Jessica Wanden
Author Title:	Tirau Community Board Chairperson
IEM Lead:	Michael Booth, IEM Corporate
Report Date:	Monday, 27 February 2023

Purpose

To provide an update on matters consider by the Tirau Community Board at its meeting on 7 February 2023.

To provide an outline of Tirau community priorities identified by the Board for consideration by the South Waikato District Council as part of its deliberations on the 2023-24 Annual Plan and the 2024-34 Long Term Plan.

To note the approved minutes of the Tirau Community Board meeting of 29 November 2022.

Recommendation

93. That the Council:
- g) receives Report 2023-618780, Tirau Community Board
 - h) note that matters outlined in the report.
 - i) note the adopted minutes of the Tirau Community Board meeting held on 29 November 2022.

Context

94. The Tirau Community Board has no delegated budget and is reliant on the South Waikato District Council to fund Local Government services in the Tirau Ward. The Council is currently developing its 2023-24 Annual Plan and 2024-2034 Long Term Plan and it is incumbent upon the Tirau Community Board to ensure that Tirau community priorities are considered as part of that process. Several consultation activities have been undertaken to gather input from the community including posting on the Tirau Community Facebook page.

Discussion

95. It is proposed that the following matters be recommended for consideration by the South Waikato District Council for funding:
96. **2023-24 Annual Plan**
- Larger and clearer signage on the main street directing to the parking located on Station Street and Hillcrest Street.
 - Increased spending on parks including:
 - Play equipment,

- water play area,
- bike racks for the domain.
- Fencing of Church Street playground for toddlers
- Removal of uneven bricks in footpaths process accelerated to remove public hazard

97. **2024 – 2034 Long Term Plan**

- Carpark for the Tirau Pool. – The current space for parking is inadequate in that the area is earthwork only. To better provide service for users it is recommended that the carpark be at least sealed with gravel.
- Scooter track and BBQ area at the Okoroire/Prospect Park
- Traffic Management Plan for the main street of Tirau.

98. **Other Matters**

- Community input for the naming of the park on the corner of Okoroire and Prospect Streets.
- Clear signage for on-lead and off-lead dog areas at the Tirau Domain, and provision of additional poo bag dispensers.
- Support for Submission to Waka Kotahi:
 - Traffic build up caused by the pedestrian crossing has been a complaint made by many in the community, and a suggestion to have lights at the crossing to keep traffic flowing has been made.
 - signage at the roundabout for the Tirau Domain exit

99. It is recommended that the Tirau Community Board formally report these matters to the next meeting of the South Waikato District Council for budget consideration.

100. Adopted minutes of the TCB meeting held on 29 November 2022 are attached for the information of Councillors.

Attachments

TCB Minutes 29 November 2023

9. Reports for Decisions

9.1 Annual Report 2021-2022

Document Information

Report To:	Council
Meeting Date:	Wednesday, 15 March 2023
Author:	Wiki Cortesi and Colleen Litchfield
Author Title:	Acting Chief Financial Officer and Corporate Planning Manager
Group Manager Lead:	Debbie Lascelles and Michael Booth
Report Date:	Wednesday, 22 February 2023

Purpose

The purpose of this report is to present to Council the 2021-2022 Annual Report, the 2021-2022 Annual Report Summary along with the Audit opinion for its consideration and adoption, as required by Section 98 of the Local Government Act 2002 (LGA).

Recommendation

101. That Council
- j) Receives the Council Report – Annual Report 2021-2022- ECM 614965.
 - k) Receives the draft 2021-2022 Annual Report and 2021-2022 Annual report summary.
 - l) Adopts the draft 2021-2022 2022 Annual Report and 2021-2022 Annual report summary.
 - m) Authorises that the 2021-2022 Annual Report and the 2021 -2022 Annual Report Summary be made publicly available.

Executive Summary

102. The Annual Report must
- *report on the performance of any Council Controlled Organisations,*
 - *report on the various financial provisions specified in the Local Government Act 2002,*
 - *contain a report from the Auditor General on Council's compliance with the requirements of the LGA,*
 - *be adopted by the Council on or before 31 December 2022,*
 - *be made publicly available within one month after the adoption date.*
103. *In addition to the Annual Report, the Council is required to prepare a summary of the Annual Report. The summary must represent, fairly and consistently, the information regarding the major matters contained within the full Annual Report document. The summary must not contain any new/different material than what is already contained (and approved by Audit NZ) in the Annual Report.*

Context

104. The statutory requirement for the 2021-2022 Annual Report is directed by the: *Local Government Act 2002, Section 98 Annual Report.*

1) *A local authority must prepare and adopt in respect of each financial year an annual report containing in respect of that year the information required by Part 3 of Schedule 10.*

(2) The purposes of an annual report are—

(a) *to compare the actual activities and the actual performance of the local authority in the year with the intended activities and the intended level of performance as set out in respect of the year in the long-term plan and the annual plan; and*

(b) *to promote the local authority's accountability to the community for the decisions made throughout the year by the local authority.*

(3) *Each annual report must be completed and adopted, by resolution, within 4 months after the end of the financial year to which it relates.*

(4) A local authority must, within 1 month after the adoption of its annual report, make publicly available—

(a) *its annual report; and*

(b) *a summary of the information contained in its annual report.*

(5) *The summary must represent, fairly and consistently, the information regarding the major matters dealt with in the annual report.*

(6) *A local authority must, within 1 month after the adoption of its annual report, make the report and the summary prepared under subsection (4)(b) publicly available*

An amendment was made to the Local Government Act 2002, as of 13 July 2021 to allow for an extension of time limits for the adoption of the 2020/21 and 2021/22 years reports with the due date being 31 December.

105. Significant pressures on the Audit team resulted in an email letter being received 16 November 2022 from the Auditor General's Office to update the current auditing challenges experienced that could delay achieving the statutory date for adoption of 31 December 2022.

106. At the time of writing, we have not met the statutory adoption date of 31 December 2022. This has occurred due to those significant pressures on the Audit team. We have been advised by Deloitte that by not meeting the statutory deadline date there is no penalty to the South Waikato District Council but rather the audit report will note that this has been due to an auditor shortage in New Zealand.

107. Staff consider the matters in this report have high significance and that the recommendations comply with the Council's legal requirements.

Discussion

108. If the 2021-2022 Annual Report and 2021-2022 Annual Report Summary document are not adopted, the South Waikato District Council will be in breach of legislative requirements.

Options

109. Staff recommend adopting the 2021-2022 Annual Report and 2021-2022 Annual Report Summary.

Linkage to Strategic Plan Priorities

- 110. Aligns with the 2021-2031 Long Term Plan
- 111. Is consistent with the Councils strategic direction including community outcomes.
- 112. Aligns with the Revenue and Financing Policy and the Significance and Engagement Policy.

Financial Considerations

- 113. There are no financial implications to consider.

Risks

There are no risks identified in adopting the 2021-2022 Annual Report and 2021-2022 Annual Report Summary.

Significance & Engagement Policy

Significance

Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendation in this report is not considered significant.

Engagement

There is a statutory requirement to make the Annual Report, and summary of information contained in the Annual Report, available to the public within one month after the adoption of the Annual Report.

Attachments

- Attachment A: Draft Annual Report 2021-22 ECM 589473
- Attachment B: Draft Summary Annual Report 2021-22 ECM 589789
- Attachment C: Unsigned Deloitte Representation Letter 2022 ECM 618773

9.2 Fees and Charges Consultation 2023-2024

Document Information

Report To:	Council
Meeting Date:	Wednesday, 15 March 2023
Author:	Colleen Litchfield and Wiki Cortesi
Author Title:	Corporate Planning Manager and Acting Chief Financial Officer
Group Manager Lead:	Deb Lascelles – Michael Booth
Report Date:	Thursday, 23 February 2023

Purpose

114. To present to Council the draft 2023-2024 Fees and Charges.
115. To seek approval to proceed to consultation on the draft 2023-2024 Fees and Charges.

Recommendation

116. That Council:
 - n) receives Report 2023-618613, Fees and Charges Consultation 2023-2024.
 - o) receives the draft 2023-2024 Fees and Charges document.
 - p) Approves the release for public consultation the draft 2023-2024 Fees and Charges document.
 - q) Delegates approval of the consultation summary document for public release to the Chief Executive.

Executive Summary

117. Council is required to adopt the Fees and Charges by 30 May 2023 for the 2023-2024 financial year to ensure 2023-2024 Fees and Charges applicable to some activities are available for invoicing in June 2023. Consulting with the community is part of this process.
118. Staff consider the matters and decision in this report have a low significance and that the recommendations comply with the Council's legal requirements.

Context

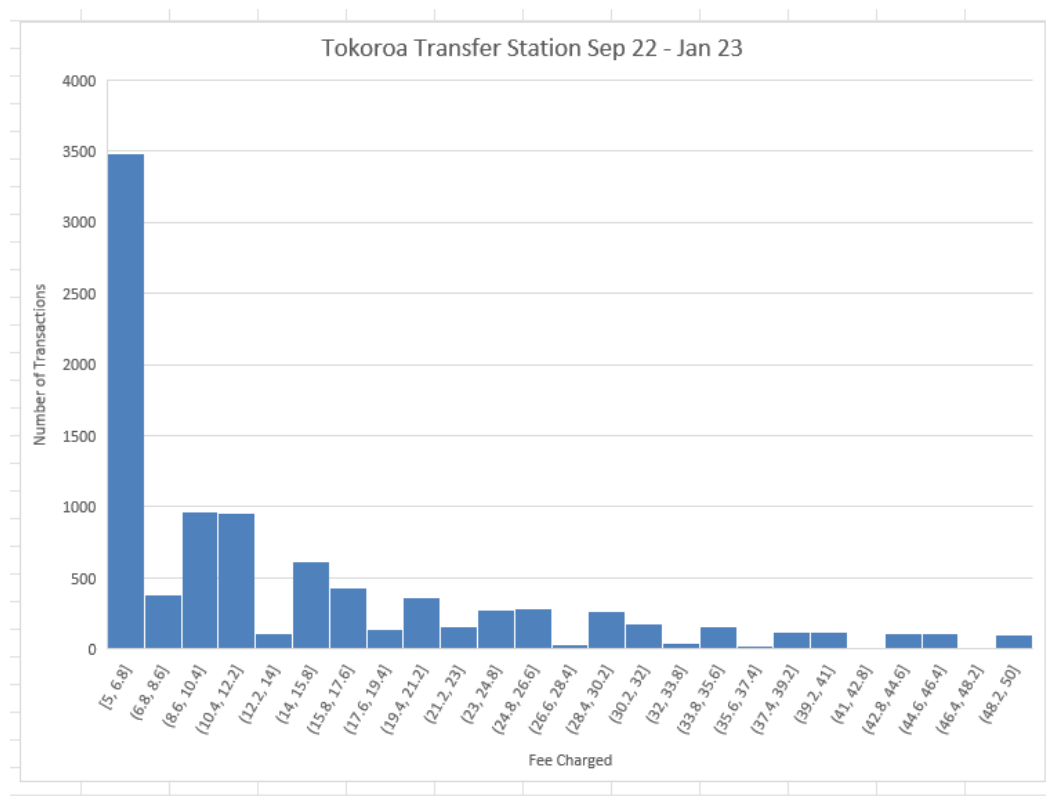
119. Fees and Charges are adopted for a three year period with each Long Term Plan. Fees and charges for 2023-2024, being year three of the 2021-2031 Long Term plan (LTP) were set in 2021 as part of the LTP process.
120. In the interim years the Fees and Charges are reviewed and adjusted if necessary to ensure that the cost of operations is being met and that the Revenue and Finance Policy is being applied to the fees and charges correctly.

Discussion

121. At the 22 February 2023 workshop staff presented an overview of the draft 2023-2024 Fees and Charges. Further information on some Fees and Charges was requested and is supplied as part of this report.
122. **All Fees and Charges** will be reviewed with direction from Council as part of the 2024-2034 Long Term Plan process.
123. **Building Fees** – All building consent applications create administration / clerical work and require processing and inspections. The time spent on admin / clerical functions is much the same for all types of consents while the time spent on processing and inspections varies quite considerably.
124. Consents for plumbing, drainage, heaters and carports typically require less processing and inspection time therefore the admin / clerical component is a higher proportion of the overall time involved.
125. Consent fees are calculated at the full hourly rates for time spent on processing and inspections by qualified officers. Time spent on admin / clerical functions is calculated at a slightly lower rate. This results in the fees fairly recovering cost - as required by legislation.
126. Additionally, if fees for simple building work that is able to be carried out by owners is too high, the fee can be a deterrent to the owner applying for a consent. That can result in unsafe or unsanitary buildings and additional work for the building team at a later time when they have to deal with enquiries about unconsented work - the cost of which cannot be recovered.
127. Recent changes to the Building Act have meant that more work is exempt from the need for a building consent. In 2022 there were no standalone applications for carports or plumbing and only one application for drainage. However fees remain in place as large carports do still require consents.
128. **Solid Waste** – Staff are recommending continuing with the current minimum fee of \$5.00, with a full review of the Solid Waste fee structure to be undertaken as part of the 2024-2034 LTP process.
129. **Greenwaste** – Staff are recommending a fee of \$152 per tonne for greenwaste. This is 80% of the cost to process greenwaste and is in line with the current Revenue and Financing Policy. A full review of the Greenwaste structure is to be undertaken as part of the 2024-2034 LTP process.
130. **All other Fees and Charges are as per the attached 2023-2024 Fees and Charges Schedule.**
131. Staff have prepared a fee comparison with neighbouring Councils as shown below.

Landfill/Transfer Station Charges 2022/23	SWDC	Taupo	Rotorua	MPDC	Waitomo
Per tonne General Waste	\$290	\$170	\$230.40	\$290	\$290
Per tonne Greenwaste	\$120	\$51	N/A	\$135	\$170
Minimum Charge Gen Waste	\$5	varies	varies	\$30	\$10
Minimum Charge Greenwaste	\$5	\$5	\$11 / \$20	\$3 bag \$16 vehicle	N/A
Minimum charge Gen Waste - car	\$5	\$17	\$23.50	\$30	\$10
Minimum Charge Gen Waste - small ute or trailer	\$5	\$42	\$58	\$30	\$10
Minimum Charge Gen Waste - large ute or trailer	\$5	\$68	\$58	\$30	\$10
General Waste 20 KG	\$5.80	\$17	\$23.50 / \$58	\$30	\$10
General Waste 60 KG	\$17.40	\$17	\$23.50 / \$58	\$30	\$17.40
General Waste 120 KG	\$34.80	\$42	\$23.50 / \$58	\$34.80	\$34.80
General Waste 300 KG	\$87	\$68	\$69.12	\$87	\$87

And the below graph shows the fees paid at the Tokoroa Transfer Station excluding commercial operators with accounts. 22% of users incur fees of \$5.00 per visit currently.



Options

- 132. Staff recommend approving the release of the draft 2023-2024 Fees and Charges and consultation documents to proceed to consultation.

Linkage to Strategic Plan Priorities

- 133. Aligns with the 2021-2031 Long Term Plan
- 134. Aligns with the Revenue and Financing Policy and the Significance and Engagement Policy.

Risks

There are no risks identified in approving the release of the draft 2023-2024 Fees and Charges and consultation documents to proceed to consultation.

Significance & Engagement Policy

Significance

Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendations in this are considered significant.

Engagement and Consultation

Consultation and engagement will occur under

Section 82 Principals of consultation of the Local Government Act 2002.

135. (1) Consultation that a local authority undertakes in relation to any decision or other matter must be undertaken, subject to subsections (3) to (5), in accordance with the following principles:
136. (a) that persons who will or may be affected by, or have an interest in, the decision or matter should be provided by the local authority with reasonable access to relevant information in a manner and format that is appropriate to the preferences and needs of those persons:
137. (b) that persons who will or may be affected by, or have an interest in, the decision or matter should be encouraged by the local authority to present their views to the local authority:
138. (c) that persons who are invited or encouraged to present their views to the local authority should be given clear information by the local authority concerning the purpose of the consultation and the scope of the decisions to be taken following the consideration of views presented:
139. (d) that persons who wish to have their views on the decision or matter considered by the local authority should be provided by the local authority with a reasonable opportunity to present those views to the local authority in a manner and format that is appropriate to the preferences and needs of those persons:
140. (e) that the views presented to the local authority should be received by the local authority with an open mind and should be given by the local authority, in making a decision, due consideration:
141. (f) that persons who present views to the local authority should have access to a clear record or description of relevant decisions made by the local authority and explanatory material relating to the decisions, which may include, for example, reports relating to the matter that were considered before the decisions were made.

Given the level of significance, it is recommended that the following consultation/ engagement occurs using the normal Communications tactics to promote the Fees and Charges consultation. Items actioned, include website, social, Antenna, posters, flyers and newspaper advertising. A summary document of the key changes will be prepared. In addition, email distribution networks will be used for some targeted messaging to user groups.

Approval to go to consultation	Wednesday 15 March	Council meeting
Consultation	Fri 24 March – Fri 28 April	4 week consultation period
Hearings and Deliberations	Tuesday 16 May	Council
Adoption of Fees and Charges	Tuesday 30 May	Extra ordinary Council Meeting

Attachments

Draft Fees and Charges – ECM 618073

9.3 Standing Orders and Code of Conduct for Elected Members - Proposal

Document Information

Report To:	Council
Meeting Date:	Wednesday, 15 March 2023
Author:	Stevie Ave and Michael Booth
Author Title:	Governance Officer and Interim Executive Manager - Corporate
Executive Lead:	Michael Booth
Report Date:	Monday, 6 March 2023

Purpose

1. The purpose of this report is to present to the Council the proposed Standing Orders and Code of Conduct for Elected Members, for its consideration and adoption.

Recommendation

2. That Council:
 - a) Receives this report – Standing Orders and Code of Conduct for Elected Members – Proposal – DocSet 618844.
 - b) Receives the following documents: Standing Orders – DocSet 516993 and Code of Conduct for Elected Members – DocSet 497737.
 - c) Adopts the revised Standing Orders and Code of Conduct for the Elected Members.

Executive Summary

3. The standing orders and code of conduct are based on templates the Local Government New Zealand (LGNZ) have made available. The items have been updated, firstly, to reflect feedback LGNZ have received from councils over the last three years, as well as any relevant legislative changes; and secondly so that it is fit for the South Waikato District Councils (SWDC) purpose.
4. Before every election LGNZ call for volunteers, drawn mostly from committee secretaries. The latest update involved officials from Waitaki, Porirua and Wellington (who did a majority of the update) along with Steve McDowell from Meeting Solutions, with a number of other contributors.

Standing Orders

5. The Standing orders (SO) contain rules for the conduct of proceedings of local authorities, committees, subcommittees and subordinate decision-making bodies and local community boards. They fulfil the requirements of the Local Government Act 2002 and the Local Government Official Information and Meetings Act 1987 with regard to the conduct of meetings.

Code of Conduct for Elected Members

6. The purpose of the Code of Conduct for Elected Members (the code), is to provide guidance on the standards of behaviour that are expected from the Mayor and Elected Members of the SWDC. The code, which has been developed after consultation with councils, contains several changes to previous versions. Major changes are:

- A clearer distinction between the code of conduct and the process for considering complaints
 - Additional criteria for assessing complaints.
 - A bigger emphasis on behaviours that are inconsistent with the code
 - Incorporation of Te Tiriti principles as relevant to local government
 - Additional case studies of behaviours found to be inconsistent with the code.
 - An optional assessment stage to quickly deal with complaints that are trivial, vexatious, or politically motivated.
7. Please note, the Code includes the additional assessment process (involving an initial assessor) and makes recommendations of an Independent Investigator binding on the council. Before adopting the Code, SWDC will need to decide whether to include those options or not (page 19 of the code).
 8. SWDC currently move motions as per option A - Motions and amendments, page 61 of the SO (see Appendix 1).
 9. Staff consider the matters in this report have some significance and that the recommendations comply with the Council's legal requirements.

Context

Standing Orders

10. It is mandatory that councils adopt a standing order for the conduct of their meetings and the meetings of any subordinates. All members of a local authority must abide by standing orders, under the Local Government Act, Schedule 7, clause 16. It is however, the responsibility of the Mayor to enforce the SO.

Code of Conduct for Elected Members

11. All councils are required to have a code of conduct under the Local Government Act 2002, Schedule 7, clause 15.

Discussion

12. The current adopted rules are in force until the proposed SO and the code are adopted.
13. If the SO and the code are not adopted, it may affect:
 - the effectiveness of the Council as an autonomous local authority
 - the credibility and accountability of SWDC
 - the mutual trust respect and tolerance between the Elected Members as a group.
14. The content, format and layout have been readjusted; however, the intention remains the same.

Options

15. Staff recommend adopting the SO and the code.

Linkage to Strategic Plan Priorities

16. Aligns with the 2021-2031 Long Term Plan.

Financial Considerations

17. There are no financial implications to consider.

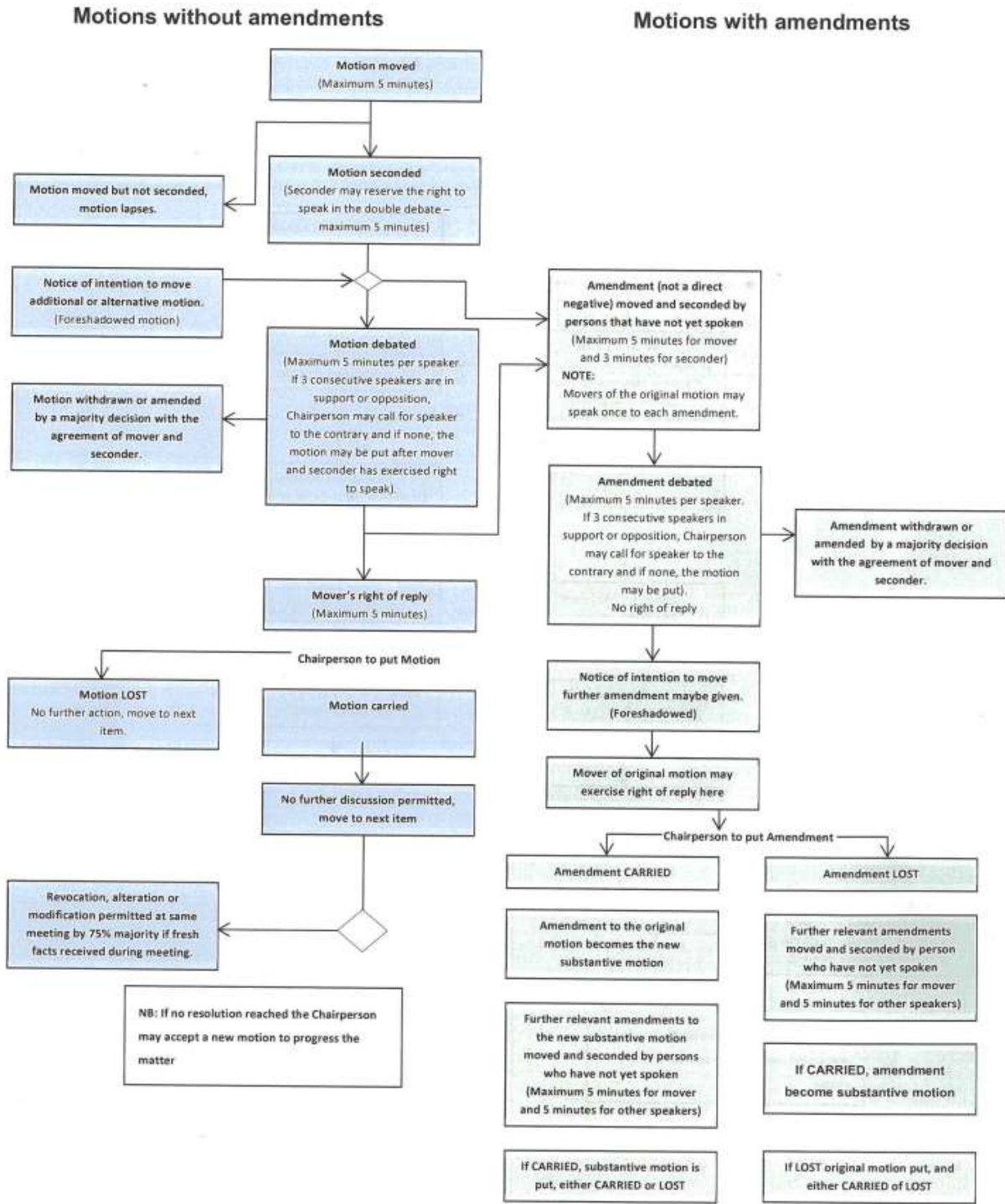
Attachments

Attachment A: (*Proposed*) Standing Orders – DocSet 516993 version 4

Attachment B: (*Proposed*) Code of Conduct for the Elected Members – DocSet 497737 version 3

Appendix 1

Appendix 3: Motions and amendments (Option A)



10. Confidential Business

Section 48, Local Government Official Information and Meetings Act 1987.

Resolution to Exclude the Public

Move that the public be excluded from the following parts of the proceedings of this meeting

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

General subject of each matter to be considered	Reason for passing this resolution	Ground(s) Under Section 48(1) for the passing of the resolution
<p><i>Growth and Infrastructure Committee Report to Council</i></p>	<p><i>This report is CONFIDENTIAL in accordance with section 46A (8) and 46A (9) of the Local Government Official Information and Meetings Act 1987, being a report that the Chief Executive of the South Waikato District Council reasonably expects will be discussed with the public excluded.</i></p> <p><i>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to enable the local authority holding the information to carry on, without prejudice or disadvantage, commercial activities – Section 48(1)(a); Section 7 (2)(h)</i></p>	<p><i>The public conduct of this part of the meeting would be likely to result in the disclosure of information for which there is good reason for it being withheld. Section 48(1)(a)</i></p>
<p><i>Development Report to Council</i></p>	<p><i>This report is CONFIDENTIAL in accordance with section 46A (8) and 46A (9) of the Local Government Official Information and Meetings Act 1987, being a report that the Chief Executive of the South Waikato District Council reasonably expects will be discussed with the public excluded.</i></p> <p><i>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to enable the local authority holding the information to carry on, without prejudice or disadvantage, commercial activities – Section 48(1)(a); Section 7 (2)(h)</i></p>	<p><i>The public conduct of this part of the meeting would be likely to result in the disclosure of information for which there is good reason for it being withheld. Section 48(1)(a)</i></p>

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 public.

11. Meeting closed

Council Outcomes
Growth - Activities and strategies that facilitate sustainable economic growth and lift community pride.
Resilience - A resilient district with good infrastructure, services, a sound financial position, rates affordability and a healthy environment that has the ability to anticipate, resist, respond to and recover from significant change or events.
Relationships - Strong relationships with Iwi and Māori, Pacific Peoples and community and business groups that can achieve growth and a resilient community.