

Komiti o te Mōrearea me te Tūmaru | Risk & Assurance Committee



Kaupapataka Wātea | Open Agenda



Notice is hereby given that an ordinary meeting of Komiti o te Mōrearea me te Tūmaru | Risk & Assurance Committee will be held on:

Ko te rā | Date: Tuesday 5 December 2023
Wā | Time: 1.30pm
Wāhi | Venue: Te Takere Room
Matamata-Piako Civic and Memorial Centre
11 Tainui Street
MATAMATA

Ngā Mema | Membership

Tiamana | Chairperson

Jaydene Kana

Independent Member

Joanne Aoake

Koromatua | Mayor

Adrienne Wilcock, JP

Koromatua Tautoko | Deputy Mayor

James Thomas

Kaunihera ā-Rohe | District Councillors

Bruce Dewhurst

Kevin Tappin

Gary Thompson

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1 Whakatūwheratanga o te hui | Meeting Opening

Chairperson to welcome members and open the meeting.

2 Karakia

The opening karakia is to be performed.

3 Ngā whakapāha/Tono whakawātea | Apologies/Leave of Absence

At the close of the agenda no apologies had been received.

4 Pānui i Ngā Take Ohorere Anō | Notification of Urgent/Additional Business

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“An item that is not on the agenda for a meeting may be dealt with at that meeting if-

- (a) The local authority by resolution so decides; and
- (b) The presiding member explains at the meeting, at a time when it is open to the public,-
 - (i) The reason why the item is not on the agenda; and
 - (ii) The reason why the discussion of the item cannot be delayed until a subsequent meeting.”

Section 46A(7A) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“Where an item is not on the agenda for a meeting,-

- (a) That item may be discussed at that meeting if-
 - (i) That item is a minor matter relating to the general business of the local authority; and
 - (ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but
- (b) no resolution, decision or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.”

5 Whākī pānga | Declaration of Interest

Members are reminded of their obligation to declare any conflicts of interest they might have in respect of the items on this Agenda.

6 Whakaaetanga mēneti | Confirmation of Minutes

Minutes, as circulated, of the Ordinary meeting of Komiti o te Mōrearea me te Tūmaru | Risk & Assurance Committee, held on 24 October 2023

7 Pūrongo me whakatau | Decision Reports

7.1 Chair's Update

CM No.: 2797851

Te Kaupapa | Purpose

The purpose of this report is for the Chairperson to update the committee on activities following the last committee meeting.

Rāpopotonga Matua | Executive Summary

Risk and Assurance Committee Chairperson, Jaydene Kana, in attendance to present the Chair's Update report (attached).

Tūtohunga | Recommendation

That:

1. The information to be received.

Ngā Tāpiritanga | Attachments

[A↓](#). MPDC - RAC - Chairperson Report - December 2023



Ngā waitohu | Signatories

Author(s)	Stephanie Hutchins Governance Support Officer	
Approved by	Sandra Harris Placemaking and Governance Team Leader	

TE KAUNIHERA AA-ROHE O MATAMATA-PIAKO DISTRICT COUNCIL

KOMITI O TE MOOREAREA ME TE TUUMARU/RISK AND ASSURANCE COMMITTEE

CHAIR REPORT

Kia ora koutou,

On the 17th of November, I attended the “Audit and Risk Committee Chairs Forum” facilitated by the Office of the Auditor-General (OAG) focused on **governing climate risk** and joined by representatives from the OAG, Aon NZ and Independent Chairs of Audit and Risk Committees. My takeaways were:

- The 11 core questions from the Task Force on Climate-related Financial Disclosures, is a recommended starting point for governing climate risk. (See table below)
- Imagine how bad climate/weather events can be and be prepared for this eventuating, including understanding *and testing* mitigations, understanding the impact of being prepared for and responding to events on rates and debt levels, understanding asset values and being astute about insurance cover, and *making climate change a core part of decision-making*.
- The Long-Term Plan, Finance Strategy and Infrastructure Strategy should demonstrate a clear strategic approach to responding to climate change, e.g., the impact on critical assets and what actions Council will take in response.
- The Consultation Document should, in plain English, communicate the risks of climate change, response options and impacts on rates, debt and levels of service to communities.
- The Performance Framework should enable communities to meaningfully assess Council’s performance in relation to climate change.

Recommendations and Supporting Recommended Disclosures

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organization's governance around climate-related risks and opportunities.	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	Disclose how the organization identifies, assesses, and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.
Recommended Disclosures	Recommended Disclosures	Recommended Disclosures	Recommended Disclosures
a) Describe the board's oversight of climate-related risks and opportunities.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	a) Describe the organization's processes for identifying and assessing climate-related risks.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.
b) Describe management's role in assessing and managing climate-related risks and opportunities.	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	b) Describe the organization's processes for managing climate-related risks.	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

During the December meeting, Committee members will have an opportunity to reflect on the results of the Risk and Assurance Committee annual self-evaluation. I look forward to the discussion on how we can improve our support to Council and ultimately the Matamata-Piako District Council community, through achieving our responsibilities in our Charter.

As this is the final Risk and Assurance Committee hui for 2023, I thank the Committee members for their active engagement and also the Matamata-Piako District Council staff members for their mahi to support the Committee. I wish you all a safe and relaxing break. Ka nui te mihi ki a koutou katoa – Huge thanks to you all.

Recommendation

That the Risk and Assurance Committee receives the report.

Jaydene Kana

Chair, Risk and Assurance Committee

23 November 2023

7 Pūrongo me whakatau | Decision Reports

7.2 Issues and risks – new government reforms

CM No.: 2799205

Te Kaupapa | Purpose

The purpose of this report is to inform the committee of the potential issues and risks of the new government reform.

Rāpopotonga Matua | Executive Summary

Andrew Green of Brookfields in attendance to outline his understanding of the issues and potential risks of the new government reform.

Tūtohunga | Recommendation

That:

1. The information is received.

Ngā Tāpiritanga | Attachments

There are no attachments for this report.

Ngā waitohu | Signatories

Author(s)	Stephanie Hutchins Governance Support Officer	
Approved by	Sandra Harris Placemaking and Governance Team Leader	
	Erin Bates Strategic Partnerships and Governance Manager	

7 Pūrongo me whakataua | Decision Reports

7.3 Risk and Assurance Self-Assessment 2023 - Chair's Report on Results

CM No.: 2798461

Te Kaupapa | Purpose

The purpose of this report is to provide the results of committee member's self-assessment, to enable the Matamata-Piako District Council's Risk and Assurance Committee to fulfil Section 7.5 of its Charter. Chairperson Jaydene Kana will provide a summary of results and comments in relation to them.

Rāpopotonga Matua | Executive Summary

In line with the establishment of the new Risk and Assurance Committee on 9 November 2022 for the 2022-2025 triennium and subsequent revised Charter, the self-assessment was revised and updated at the previous meeting (12 September) of the Risk and Assurance Committee.

The self-assessment is undertaken annually by the committee and includes a questionnaire followed by a rating system with comments. A survey monkey link was distributed to all members and requested to be completed.

Tūtohunga | Recommendation

That:

1. The information be received.

Horopaki | Background

Each year as part of its work programme the Risk and Assurance Committee completes a self-assessment of its performance during the calendar year.

All members of the Risk and Assurance Committee were asked to complete the assessment.

The assessment was circulated through a Survey Monkey link, the results will be reviewed by the Committee Chair, who will provide further comments and recommendations as part of the assessment process.

The results from the self-assessment will be discussed and a summary has been attached to the agenda.

Ngā Tāpiritanga | Attachments

A↓. MPDC - RAC - Self-Assessment Results



Ngā waitohu | Signatories

Author(s)	Stephanie Hutchins Governance Support Officer	
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Approved by	Sandra Harris Placemaking and Governance Team Leader	
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TE KAUNIHERA AA-ROHE O MATAMATA-PIAKO DISTRICT COUNCIL

KOMITI O TE MOOREAREA ME TE TUUMARU/RISK AND ASSURANCE COMMITTEE

2023 SELF-EVALUATION RESULTS

Kia ora koutou,

At the 12 September 2023 Risk and Assurance Committee meeting, the Committee agreed to a revised self-assessment, which was distributed to Committee members via survey monkey link for completion.

The purpose of the 2023 self-evaluation, is to enable the Matamata-Piako District Council's Risk and Assurance Committee to fulfil Section 7.5 of its Charter, i.e., "Annually review the performance of this Committee against this Charter, including recommendations to management on improved content or presentation of reports."

The self-evaluation was ultimately completed by the majority of Committee members (6 out of 7) and the table below provides a summary for the Committee to reflect on the results, to improve our support to Council and the Matamata-Piako District Council community, through achieving our responsibilities in our Charter.

#	Question	Results/Trends in comments
1	The RAC Charter is clear in articulating the Committee's responsibilities	100% of respondents agreed
2	The RAC Annual Work plan ensures the Committee can meet its responsibilities outlined in the Charter	100% of respondents agreed
3	<i>Comments on improving the RAC Charter or Annual Work plan</i>	<ul style="list-style-type: none"> ▪ Charter fit for purpose, to be reviewed regularly ▪ Chair to determine risk to Council of papers not submitted in accordance with workplan deadline
4	<i>Comments on improving the RAC composition</i>	<ul style="list-style-type: none"> ▪ Good mix of skills ▪ Consider a risk-based approach to composition
5	The RAC Committee composition enables the Committee to meet its responsibilities outlined in the Charter	100% of respondents agreed
6	The RAC papers are received with sufficient time for members to prepare for Committee meetings	The majority of respondents agreed
7	The RAC papers contain the right amount and quality of information for members to make decisions and meet its responsibilities outlined in the Charter	100% of respondents agreed
8	<i>Comments on improving the RAC papers timeframe or content</i>	<ul style="list-style-type: none"> ▪ Complexity and length of papers can take time to review – good to receive papers early ▪ Chair to work with Team on format of reports
9	The frequency of RAC meetings is appropriate	100% of respondents agreed
10	The duration of RAC meetings is sufficient for members to discuss and conclude the agenda without undue pressure	The majority of respondents agreed
11	The RAC Chair enables an environment where members are given the opportunity to voice their comments before recommendations presented in the papers are voted on	The majority of respondents agreed
12	<i>Comments on improving RAC meetings, including improvements in chairing RAC meetings</i>	<ul style="list-style-type: none"> ▪ Happy with frequency ▪ Targeted discussions to allow time to dive deep into reports as needed
13	The RAC is effective in reviewing the integrity of Council's financial management and reporting processes	100% of respondents agreed
14	The RAC is effective in reviewing the scope, time and effectiveness of Council's internal audit programme	The majority of respondents agreed

15	The RAC is effective in reviewing the scope and timeliness of Council's external audit activity	100% of respondents agreed
16	The RAC is effective in reviewing Council's process for monitoring compliance with laws and regulations.	100% of respondents agreed
17	The RAC is effective in reviewing Council's risk management activities and their effectiveness	The majority of respondents agreed
18	<i>Comments on improving the RAC's performance</i>	▪ <i>Risk practices have improved, and the embeddedness of the strategic risk framework will enable the Committee to provide assurance to Council on risks</i>
19	Information sessions are provided to RAC members to support their understanding of Council's Finance, Internal Audit, External Audit, Compliance and Risk Management activities	The majority of respondents agreed
20	<i>Comments on support needed to improve the RAC's performance</i>	▪ <i>Information sessions would be beneficial to increase understanding of more complex/technical items</i>
21	<i>Other comments not previously shared</i>	▪ <i>Thanks to staff members and Chair</i>

Recommendation

That the Risk and Assurance Committee receives the summary of the 2023 self-evaluation results.

Jaydene Kana
Chair, Risk and Assurance Committee
27 November 2023

7 Pūrongo me whakatau | Decision Reports

7.4 Long-Term Plan 2024-34 Update

CM No.: 2796086

Te Kaupapa | Purpose

The purpose of this report is to provide the Committee with an update on the Long Term Plan 2024-34 (LTP) project to Council.

Rāpopotonga Matua | Executive Summary

The LTP outlines the Council's plans including major projects, levels of service and forecast budgets for the next ten years. The current LTP covers the period 2021 – 2031. The next LTP, which this Council is underway with, is the 2024 – 2034 LTP.

The timeline for the project centres on key dates for completion of the draft documents in December 2023, auditing in January / February 2024 and consultation in March / April 2024.

Various documents are presented to the Committee at this meeting for review. An additional Committee meeting is proposed for 23 January 2023 to review the draft LTP, and Consultation Document prior to audit.

Tūtohunga | Recommendation

That:

1. The information be received.
2. The Committee provide feedback on the Long-Term Plan 2024-34 project.

Horopaki | Background

Council is required to prepare and adopt a LTP under the Local Government Act 2002 (LGA). The Long Term Plan sets out the activities, budgets, Financial Strategy and key financial policies of the Council for the next 10 years and the Infrastructure Strategy for the next 30 years. The LTP is required to be updated every three years, with the last LTP being approved in 2021 (available online <https://www.mpdc.govt.nz/plans/long-term-plan>).

The LTP:

- describes the type of district our communities have told us they want – our community outcomes
- identifies the key projects to take place over the next 10 years
- provides an overview of each activity we will carry out and the services we will provide for the next ten years determines how much this will cost and how it will be funded.

It also provides communities the opportunity to have a say on where Council are heading and to ensure planning is robust. In completing the plan Council are required to do a number of things, including:

- take a sustainable development approach and promote community interests
- carry out our business in a clear, transparent and accountable manner
- operate in an efficient and effective manner, using sound business practices
- take into account community views by offering clear information and the opportunity to present views





- provide opportunities for Māori to contribute to decision making
- collaborate and co-operate with other agencies and councils to achieve desired outcomes.

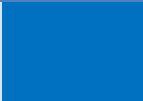

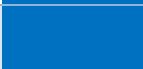
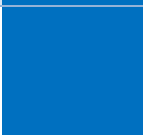
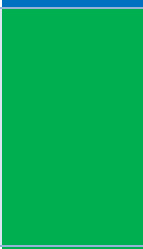

The LTP is a complex document covering all activities of Council, major strategic documents, financial policies, auditing and a large consultation component with the community.

The LTP must be adopted prior to 30 June 2024. The project timeline for LTP is typically 18 months or more, and involves staff across the whole organisation, elected members and the community. A high level overview of the timeline is set out under Communication and Timeline heading below.

Ngā Take/Kōrerorero | Issues/Discussion

Key

	= in progress / on track
	= completed
	= completion delayed / some issues
	= not on track / not started

Description	Start	Finish	Comments	Status
Briefing Papers	Mid-2022	January/February 2023	Completed and distributed to elected members	
Demographic/Growth/Economic/Assumptions - NIDEA/ - FutureProof (demographic projections) - Infometrics (economics)	Oct 2021	May 2023	Completed - Workshop with technical experts held on 9 August. Te Ngira: Institute for Population Research Prof. Michael Cameron (demographic projections) Alchemists: Tony Fenton (for land use projections)	
Revaluation of Assets	Jan 2023	September 2023	Completed.	
Community Outcomes/Vision Review	February 2023	June 2023	Completed – new strategic direction has been formally adopted by Council	
Rates Structure	April 2023	June 2023	Council has indicated it does not wish to make any changes to the rating structure. To be formally confirmed at 13 December 2023 Council meeting.	
Activity Plan review	April 2023	Aug/Sep 2023	This process is almost completed. Performance framework has been	

Description	Start	Finish	Comments	Status
			confirmed by Council, other than one performance measure to be discussed with Te Mana Whenua on 5 December 2023.	
Asset Management Plans (AMPs)	Feb 2023	Oct 2023	<p>Work underway. Council has workshopped key issues, and capital project list. Operating budgets have also been largely confirmed and can be included in the AMP.</p> <p>Aiming to have AMPs updated by end of November 2023.</p> <p>Asset Levels of Services and Performance Framework has been formally confirmed by Council.</p>	
Budgets	August 2023	November 2023	<p>The draft budget has been largely confirmed.</p> <p>A report outlining the major assumptions and significant matters will be formally confirmed in a report to the Council meeting of 13 December 2023.</p>	
Right Debate (pre engagement – possible level of service review)	April 2023	Aug 2023	No longer planned	
Infrastructure and Financial Strategy	April 2023	Oct 2023	<ul style="list-style-type: none"> Financial Strategy: The financial strategy is in progress but significant matters including the limit on rate increases and limit on debt have yet to be confirmed with Council. We are looking at varying ways to frame the limit on rate increases. Infrastructure Strategy: Key issues 	

Description	Start	Finish	Comments	Status
			and responses have been workshopped with Council. Capital and operating budgets have largely been confirmed and are being incorporated into the strategy. Aiming for completion by end of November 2023.	
Policy Review	April 2023	Oct 2023	<ul style="list-style-type: none"> Fees and Charges 2024/25 - to be discussed with elected members on 29 November 2023 Revenue and Financing Policy – to be formally confirmed at Councils 13 December 2023 meeting Development Contributions Policy - to be formally confirmed at Councils 13 December meeting Rates Remission and Postponement Policies - This has yet to be workshopped with Council. Significance and engagement policy - Adopted by Council 	
Consultation Document	July 2023	Nov 2023	<p>Preparation of Consultation Document (CD) is underway with elected members having provided direction on topics and the overall 'story'.</p> <p>This will be the key basis for formal consultation on the LTP.</p>	

Description	Start	Finish	Comments	Status
			<p>Council is required to adopt the information that supports the CD before adopting the cd itself (such as the draft Financial and Infrastructure Strategies).</p> <p>The CD must include an auditor opinion.</p>	
Council controlled organisation section (CCOs)	July 2023	Nov 2023	<p>Not yet commenced.</p> <p>CCOs include Waikato Regional Airport Limited, Hauraki Rail Trail Charitable Trust and Co-lab (Waikato Local Authority Shared Services).</p>	
Māori participation in decision making	July 2023	Oct 2023	<p>This section on the LTP has been drafted and will be presented to Te Mana Whenua Forum meeting on 5 December 2023.</p> <p>Iwi aspirations have been discussed with Te Mana Whenua Forum and Council – further engagement between Council and Forum to occur.</p>	
Document development	July 2023	Dec 2023	<p>Work underway, preparing draft LTP document for audit. It is intended to present this to the Committee at the 23 January meeting.</p>	
Quality checks and administration	July 2023	Dec 2023	<p>Not yet commenced.</p> <p>To occur during December 2023 /January 2024.</p>	
Communications Strategy and implementation	Feb 2024	Dec 2024	<p>A pre-engagement campaign will commence shortly as a lead in to formal LTP consultation.</p> <p>Phase 1 – December 2023 to February 2024 (tbc)</p>	

Description	Start	Finish	Comments	Status
			<p>Awareness: To raise community awareness of the issues Council's facing in a relatable way.</p> <p>Phase 2 – February-March 2024 (tbc) Education (speaker series): Purpose: keynote speakers (i.e. not Council) used to explore complex issues that indirectly and directly relate to Council's challenges.</p> <p>Phase 3 – March-April 2024: Formal LTP Consultation.</p>	
External Audit Process	Jan 2024	June 2024	<p>Refer schedule of audit dates below.</p> <p>Audit NZ have discussed the timeline with staff.</p>	
Special Consultative Procedure	Jan 2024	June 2024	<p>Engagement will be undertaken in early 2024. Refer to the timeline below.</p>	

Future Timetable

The timeline for the project centres on key dates for completion of the draft documents in December 2023, auditing in January / February 2024 and consultation in March / April 2024.

The Project on a Page (attached) provides an overview of the different building blocks and the associated timelines for the project. The below table provides a summary of key milestones and timelines.

Activity	Dates
Self-assessment provided to MPDC	<i>To be confirmed</i>
Self-assessment returned to audit team for consideration	<i>To be confirmed</i>
Risk and Assurance Committee meeting - to review LTP information and draft Consultation Document	5 December 2023
First interim visit (initial assessment)	11 December 2023
Council Approval of LTP information - finalising for audit - Council meeting	13 December 2023
Risk and Assurance Committee meeting – NEW MEETING, PROPOSED DATE - To review proposed LTP, supporting information and Consultation Document	23 January 2024

Activity	Dates
<p>prior to audit</p> <ul style="list-style-type: none"> - To receive report back from external reviewer 	
<p>Council meeting – NEW MEETING, PROPOSED DATE</p> <ul style="list-style-type: none"> - To adopt proposed LTP, supporting information and Consultation Document for auditing 	24 January 2024
Proposed consultation document available for audit	30 January 2024
Second interim visit	30 January to 13 February 2024
<p>Risk and Assurance Committee meeting</p> <ul style="list-style-type: none"> - to review draft LTP and Consultation Document 	5 March 2024
<p>Audit opinion on consultation document</p> <ul style="list-style-type: none"> - Council meeting 	6 March 2024
Draft management report on consultation document engagement	<i>To be confirmed</i>
Finalised management report on consultation document engagement	<i>To be confirmed</i>
<p>Public consultation/engagement period</p> <ul style="list-style-type: none"> - Minimum period of 1 month to be provided 	13 March to 19 April 2024 (<i>to be confirmed</i>)
Council LTP hearings of submitters	8-9 May 2024
<p>Council LTP deliberations/decision making</p> <ul style="list-style-type: none"> - Council meeting 	29 May 2024
<p>Final LTP visit</p> <ul style="list-style-type: none"> - Draft LTP Available for audit 	6 June to 13 June 2024
Proposed LTP for adoption available	14 June 2024
<p>Risk and Assurance Committee meeting</p> <ul style="list-style-type: none"> - to review final LTP 	18 June 2024
<p>Audit opinion on adopted LTP</p> <ul style="list-style-type: none"> - Council meeting 	26 June 2024
Draft management report on LTP engagement	29 August 2024
Finalised management report on LTP engagement	<i>To be confirmed</i>

Mōrearea | Risk

Risk management involves the identification and assessment, then avoidance, mitigation or elimination of risks. An LTP risk register has been developed, and will be monitored and updated throughout the project.

The Project Team is also maintaining an Issues Register to capture issues as they arise and ensure issues are considered and reviewed in a timely manner as they relate to the project.

A key risk for the LTP remains the transition phase for the water reform. Also, the Water Services Reform may be repealed or significantly changed if there is a change in government following the general election.

Ngā Whiringa | Options

Council may wish to consider providing any feedback or comments on the Project Plan and timeline.

Ngā take ā-ture, ā-Kaupapahere hoki | Legal and policy considerations

Requirement for a Long Term Plan

The preparation of the LTP is a requirement under the Local Government Act 2002. [Schedule 10](#) of the LGA sets out the requirements for a LTP. The LTP must include information about;

- Community Outcomes
- Implementation of regional spatial strategy *[note: new addition following passage of the Spatial Planning Act 2023]*
- Groups of Activities
- Capital Expenditure for groups of activities
- Statement of service provision
- Funding impact statement for groups of activities
- Variation between territorial authority's longer term plan and assessment of water and sanitary services and waste management plans
- Council controlled organisations
- Development of Māori capacity to contribute to decision-making processes
- Financial strategy and Infrastructure Strategy
- Revenue and financing policy
- Significant and engagement policy
- Forecast financial statements
- Financial statements for previous year
- Statement concerning balancing of budget
- Funding impact statement
- Rating base information
- Reserve funds
- Significant forecasting assumption

Mayoral Powers

Under LGA [s41A](#), *"it is the role of a mayor to lead the development of the territorial authority's plans (including the long-term plan and the annual plan), policies, and budgets for consideration by the members of the territorial authority."*

Council policies and strategies

As part of the preparation of the LTP, Activity and Asset Management Plans will be checked against Council's key strategic and policy documents and wider regional and national documents for strategic fit. The preparation of the Long Term Plan may lead to the review of some Council policy documents.

Local Government Act 2002 (LGA 2002) Decision-making requirements

Having regard to the decision making provisions in the LGA 2002 and Councils Significance Policy, a decision in accordance with the recommendations is assessed as having a low level of significance.

All Council decisions, whether made by the Council itself or under delegated authority, are subject to the decision-making requirements in sections 76 to 82 of the LGA 2002. This includes any decision not to take any action.

Local Government Act 2002 decision making requirements	Staff/officer comment
Section 77 – Council needs to give consideration to the reasonable practicable options available.	This report provides the Committee with an update; there are no options to consider at this stage.
Section 78 – requires consideration of the	The LTP is subject to a consultative process

Local Government Act 2002 decision making requirements	Staff/officer comment
views of Interested/affected people	
Section 79 – how to achieve compliance with sections 77 and 78 is in proportion to the significance of the issue	The Significance and Engagement Policy is considered above. This issue is assessed as having a Low level of significance, as this report is an information update. The LTP overall has higher significance
Section 82 – this sets out principles of consultation.	The LTP is subject to a consultative process and these principles will be considered as part of the consultation/communications plan.

Policy Considerations

To the best of the writer's knowledge, this recommendation is not significantly inconsistent with nor is anticipated to have consequences that will be significantly inconsistent with any policy adopted by this local authority or any plan required by the Local Government Act 2002 or any other enactment.

Ngā Pāpāhonga me ngā Whakawhitiwhitinga | Communications and engagement

Views of residents are sought via the resident's survey every quarter and have been utilised in preparing the LTP alongside other information.

The LTP project is one of Council's key opportunities to engage with our communities to find out what their aspirations and priorities are.

The LTP is subject to the special consultative process under the LGA ([s83](#)). The special consultative process is a structured one month submission process with a hearing for those who have submitted and wish to speak to their submission.

Further detailed plans on engagement for the LTP consultation period will be brought to Council for consideration early in the New Year.

Formal consultation for the LTP will take place in March-April 2024.

Ngā take ā-lhinga | Consent issues

There are no consent issues.

Te Tākoha ki ngā Hua mō te Hapori me te here ki te whakakitenga o te Kaunihera | Contribution to Community Outcomes

The relevant Community Outcomes are set out below:

Connected Infrastructure	Infrastructure and services are fit for purpose and affordable, now and in	Quality infrastructure is provided to support community wellbeing.	We have positive partnerships with external providers of infrastructure to our
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	the future.		communities.
Economic opportunities	We are a business friendly Council	Our future planning enables sustainable growth in our District.	We provide leadership and advocacy is provided to enable our communities to grow.
Healthy communities	Our community is safe, healthy and connected.	We encourage the use and development of our facilities.	We encourage community engagement and provide sound and visionary decision making.
Environmental Sustainability	We support environmentally friendly practices and technologies.	Development occurs in a sustainable and respectful manner considering kawa/protocol and tikanga/customs	We engage with our regional and national partners to ensure positive environmental outcomes for our community.
Vibrant Cultural values	We promote and protect our arts, culture, historic, and natural resources	We value and encourage strong relationships with Iwi and other cultures, recognising wāhi tapu and taonga/significant and treasured sites and whakapapa/ ancestral heritage.	Tangata Whenua with Mana whenua status (those with authority over the land under Māori lore) have meaningful involvement in decision making.

Pānga ki te pūtea, me te puna pūtea | Financial Cost and Funding Source

The development of and consultation on the LTP is funded from the Strategy and Engagement Activity Operating budget.

Ngā Tāpiritanga | Attachments

There are no attachments for this report.

Ngā waitohu | Signatories

Author(s)	Niall Baker Policy Team Leader	
Approved by	Erin Bates Strategic Partnerships and Governance Manager	

7 Pūrongo me whakatau | Decision Reports

7.5 Long-Term Plan Quality assurance and risk management

CM No.: 2788865

Te Kaupapa | Purpose

The purpose of this report is two-fold:

- To provide an update on the Long-term Plan 2024-34 (LTP) assurance process and the role of the Risk and Assurance Committee in this process into 2024.
- To highlight emerging risks to the LTP project; particularly in regards to the Three Waters reform.

Rāpopotonga Matua | Executive Summary

Council is required to prepare and adopt a Long Term Plan under the Local Government Act 2002 (LGA) every three years. Committee members need to be cognisant of the LTP Quality Assurance and risk management approach to ensuring the LTP processes are robust, risks are managed and legal compliance is achieved.

Tūtohunga | Recommendation

That:

1. The information be received.
2. The Committee provide feedback on the risk management and assurance approach for Long-term Plan 2024-2034.

Horopaki | Background

Council is required to prepare and adopt a LTP under the LGA. The Long Term Plan sets out the activities, budgets, Financial Strategy and key financial policies of the Council for the next 10 years and the Infrastructure Strategy for the next 30 years. The LTP is required to be updated every three years, with the last LTP being approved in 2021 (available online <https://www.mpd.govt.nz/plans/long-term-plan>).

The LTP:

- describes the type of district our communities have told us they want – our community outcomes
- identifies the key projects to take place over the next 10 years
- provides an overview of each activity we will carry out and the services we will provide for the next ten years
- determines how much this will cost and how we will fund it.

It also provides community the opportunity to have a say on where Council are heading and to ensure Council's planning is robust. In completing the plan Council are required to do a number of things, including:

- take a sustainable development approach and promote community interests
- carry out our business in a clear, transparent and accountable manner
- operate in an efficient and effective manner, using sound business practices

- take into account community views by offering clear information and the opportunity to present views
- provide opportunities for Māori to contribute to decision making
- collaborate and co-operate with other agencies and councils to achieve desired outcomes.

The LTP is a complex document covering all activities of Council, major strategic documents, financial policies, auditing and a large consultation component with the community.

The LTP must be adopted prior to 30 June 2024. The project timeline for LTP is typically 18 months or more, and involves staff across the whole organisation, elected members and the community.

Long-term Plan 2024-2034 (LTP) assurance process

According to the Local Government Act 2002, Council must have an LTP adopted before the beginning of the first year to which it relates (2024/25) and utilise the special consultative procedure to consult with its community.

Section 94 of the Local Government Act 2002 requires the LTP to be audited by and contain a report from the Auditor-General. To deliver an LTP that achieves an unqualified audit opinion, it is critical for the Council to ensure that:

- LTP processes are robust
- information contained in the LTP is materially complete and reliable
- any risks associated with the LTP process are minimised and
- the LTP meets the requirements of all relevant legal requirements, including those set out in the Local Government Act 2002.

A programme of work is underway to develop Council's Long-term Plan 2024-2034. Various work streams have been setup to deliver this programme, overseen by an LTP Project Control Group.

Ngā Take/Kōrerorero | Issues/Discussion

Quality assurance process

The attached paper discusses the quality assurance approach for the LTP:

- Phase one of the LTP project focuses on developing the consultation document and supporting information, to be adopted by the Council in early February 2024. This will be made available throughout the region for public consultation in mid-March 2024.
- Phase two of LTP focuses on developing the final LTP, as a key statutory document that enables the implementation of its strategic plans and identifies what people can expect over the next 10 years. The Council will need to adopt the final LTP document by 30 June 2024.

External Quality review

For the 2021-31 LTP, Council commissioned an independent review of the LTP as a quality review mechanism. Consideration is being given to the most appropriate quality review process for the 2024 LTP.

Council staff are in the process of commissioning an independent review of the LTP consultation document and supporting material (also referred to as the draft LTP) to:

1. Consider the continuity and consistency of the strategy and key messages throughout the LTP as a whole, providing an external and independent assessment of how well the LTP package hangs together. For example, have the assumptions been applied consistently?
2. Assess completeness against legislative requirements.
3. Assess the LTP against Local Government sector best practice guidance.

This was discussed with the Committee at its meeting on 25 October 2023. The Committee discussed its preference to have a report from the reviewer at the January meeting.

Taituarā checklists

Taituarā's Living through the LTP guide provides a step-by-step map of the LTP process. This includes two useful tools which staff are using:

- Health check - The purpose of this health check is to aid Council preparation for the 2024–34 LTP by providing an honest assessment of its readiness, identifying where there are concerns and what should be done. Taituarā suggest completing this early in 2023 and around November 2023 as a check on progress.
- Quality Assurance (QA) checklist - this aims to assist Councils with their quality assurance. It is there to supplement, rather than replace quality assurance processes within Council. In particular, Taituarā strongly advises local authorities to ensure they undertake an independent legal check against the requirements in the Local Government Act 2002 before adoption of each of the Consultation Document and LTP.

Staff are currently working on completing the Health check and QA checklist. These can be provided to the Committee at the 23 January 2024 meeting.

Audit self-assessment

Audit NZ typically provide a self-assessment for Council to complete. Audit NZ staff have indicated they will be providing one for the 2024 LTP.

The self-assessment is designed to be a starting point to assist audit planning. In previous years Audit NZ have expected the completion of the self-assessment to be co-ordinated by one person, the Chief Executive and the Chair of a relevant council committee (such as Risk and Assurance Committee) should review it before it is sent back to the auditor.

At the time of writing, staff have not received the self-assessment. Some input may be needed from the Committee, or Committee chairperson.

Risk and Assistance Committee role

The attached paper discusses the role and responsibilities of the Risk and Assurance Committee for the LTP.

It is intended the Risk and Assurance Committee will have an oversight role throughout the LTP process, in line with its assurance, risk management and reporting role set out in the Committee's Charter.

In phase two, it is suggested the Committee's role can be to attest that the final prepared document is a true and accurate reflection of the decisions made by the Council and that it complies with all accounting standards and legislative requirements. The Committee may wish to recommend the document to the Council for adoption, to assist Council in fulfilling its overall responsibilities in relation to the LTP.

Staff reports

Regular reports on the LTP have been provided to Committee meetings since March 2023 and will continue to June 2024 to provide adequate opportunities for members to discuss and consider issues relevant to the project.

The Committee may wish to consider the need for additional meetings or workshops in relation to particular aspects of the LTP.

Regular Project update reports have been provided to Council.



Mōrearea | Risk



A key focus for this Committee is providing oversight of key risks and assumptions.

Risk management involves the identification and assessment, then avoidance, mitigation or elimination of risks.

An LTP risk register has been developed and is monitored and updated throughout the project. This is ensure emerging or new risks are considered and reviewed in a timely manner as they relate to the project.

Some key emerging risks are discussed below:

Risk Description	Residual Rating H, VH, E	Trend 	Comments (Status of control improvements actions or new controls put in place)
Risks around reforms e.g. 3 Waters and Impact on the LTP	E		<p>The impact of The Future of Local Government, 3 Waters, and RMA reforms are not yet fully understood.</p> <p>The LTP 3 waters activity section and aspects of the Infrastructure Strategy may need to be altered/removed.</p> <p>The water reform legislation has been woven into the disclosure requirements of schedule 10 of the LGA 2002 and required local authorities to develop LTPs on the basis that water reform proceeds.</p> <p>A decision not to proceed with water reforms, cannot logically proceed without addressing these matters.</p> <p>Any change to the LTP provisions needs to occur extremely quickly, but the realities of post-election government formation and the summer Parliamentary recess make it likely that amending legislation will not be enacted until the end of February at the earliest.</p>

Risk Description	Residual Rating H, VH, E	Trend 	Comments (Status of control improvements actions or new controls put in place)
			<p>Discussions are underway with Office of Auditor-General, DIA and Taituarā.</p> <p>The uncertainty and impact around any substantive degree of change to the policy environment, the nature of the legislative change required, and the timing of any changes means Council may not be able to meet the statutory LTP timeframe as it currently stands. This includes receiving an audit opinion on both the Consultation Document and the final LTP.</p>
Project delivery deadlines are not met	High		<p>The overall project is behind schedule. Aspects such as the financial strategy were deferred pending budget discussions.</p> <p>There is a risk the audit timeframes cannot be achieved, affecting public consultation and adoption timing.</p> <p>To mitigate this project delivery is being monitored closely and additional resource added if and when required. Use effective programme governance to manage complex interdependencies and escalate any key issues promptly.</p>

Further discussion regarding Three Waters Reform

There are difficulties in developing a LTP given the high level of uncertainty associated with Three Waters reform.

The catalyst for reform of the way in which Three Waters is governed, managed, and delivered came from the government inquiry into the contamination of the Havelock North water supply, with approximately 5,500 people being ill with campylobacteriosis. This inquiry and its comprehensive report led to a call for comprehensive reform of the Three Waters sector.

The inquiry completed its findings in 2017. Since that time, a number of reports, changes and options for reform of Three Waters have been provided, including changing both whether the reform process was voluntary or mandatory and the number of new water entities to be created. This has generated a degree of uncertainty.

Council is required to give effect to legislation recently passed¹, yet knowing that the new government, in all likelihood, will be looking to repeal these enactments. However, it is one thing to repeal statutes, but there is also much work required in putting a detailed alternative in place. Change will likely take some time, with high-level principles and policies easier to identify than the necessary detail of how any option for reform will work on the ground.

Council staff understand that some Councils are preparing their LTPs on the basis of Three Waters remaining in the ownership of local communities. This has been based on the strong statements from politicians who are now senior members of the new government stating that the current waters for Three Waters reform will be scrapped and Councils will be given the opportunity to form Council Controlled Organisations (CCOs) to provide more capacity to raise debt.

This is considered to be precarious option to take, given that it runs contrary to the current law, and there is no certainty or guarantee that statements made by politicians, or an individual political party will reflect the law that is eventually passed by a coalition government. Law changes also need to work through the Parliamentary process.

There are clear risks involved including the potential for qualified LTP audit, if Council departs from the current legislation.

On the flip side, if the Council continues in conformity with the current law, the way ahead may not accord with community expectations or government intentions. There is a risk that the draft LTP will be well advanced and then need to pivot to accommodate policy change of the new government.

Potentially detailed legislation to provide a legal platform for any change desired by the new government may be well after the 1 July 2024 deadline for the adoption of LTPs. There is some discussion in the sector around cancellation or deferral of the 2024 Long Term Plans.

Some Councils are now advocating for legislative amendment that would abolish the need for Councils to prepare a LTP in 2024. This proposed abolishment of the need for adopting a new LTP in 2024 could be accompanied by a corresponding obligation that an Annual Plan is produced (which would effectively become Year 4 of the 2021 LTP).

Ngā Whiringa | Options

There are no reasonably practicable issue to consider. The LTP is required by legislation and has prescribed content.

Ngā take ā-ture, ā-Kaupapahere hoki | Legal and policy considerations

Requirement for a Long Term Plan

The preparation of the LTP is a requirement under the Local Government Act 2002. [Schedule 10](#) of the LGA sets out the requirements for a LTP.

Local Government Act 2002 (LGA 2002) Decision-making requirements

Having regard to the decision making provisions in the LGA 2002 and Councils Significance Policy, a decision in accordance with the recommendations is assessed as having a low level of significance.

¹ The Water Service Entities Act, Water Services Legislation Act, and The Water Services Economic Efficiency and Consumer Protection Act.

All Council decisions, whether made by the Council itself or under delegated authority, are subject to the decision-making requirements in sections 76 to 82 of the LGA 2002. This includes any decision not to take any action.

Local Government Act 2002 decision making requirements	Staff/officer comment
Section 77 – Council needs to give consideration to the reasonable practicable options available.	Options are addressed above in this report.
Section 78 – requires consideration of the views of Interested/affected people	<Insert text> There is no consultation required on risk management/quality assurance of the LTP.
Section 79 – how to achieve compliance with sections 77 and 78 is in proportion to the significance of the issue	The Significance and Engagement Policy is considered above. This issue is assessed as having a low level of significance.
Section 82 – this sets out principles of consultation.	No consultation is required on this issue.

Policy Considerations

1. To the best of the writer's knowledge, this recommendation is not significantly inconsistent with nor is anticipated to have consequences that will be significantly inconsistent with any policy adopted by this local authority or any plan required by the Local Government Act 2002 or any other enactment.

Ngā Pāpāhonga me ngā Whakawhitiwhitinga | Communications and engagement

This is addressed in a separate report on the LTP project update. There is no communications/engagement required for the QA and risk management aspects.

Ngā take ā-lhinga | Consent issues

There are no consent issues.

Te Tākoha ki ngā Hua mō te Hapori me te here ki te whakakitenga o te Kaunihera | Contribution to Community Outcomes

The relevant Community Outcomes are set out below:

Connected Infrastructure	Infrastructure and services are fit for purpose and affordable, now and in the future.	Quality infrastructure is provided to support community wellbeing.	We have positive partnerships with external providers of infrastructure to our communities.
Economic opportunities	We are a business friendly Council	Our future planning enables sustainable growth in our District.	We provide leadership and advocacy is provided to enable our communities to grow.

Healthy communities	Our community is safe, healthy and connected.	We encourage the use and development of our facilities.	We encourage community engagement and provide sound and visionary decision making.
Environmental Sustainability	We support environmentally friendly practices and technologies.	Development occurs in a sustainable and respectful manner considering kawa/protocol and tikanga/customs	We engage with our regional and national partners to ensure positive environmental outcomes for our community.
Vibrant Cultural values	We promote and protect our arts, culture, historic, and natural resources	We value and encourage strong relationships with Iwi and other cultures, recognising wāhi tapu and taonga/significant and treasured sites and whakapapa/ ancestral heritage.	Tangata Whenua with Mana whenua status (those with authority over the land under Māori lore) have meaningful involvement in decision making.

Pānga ki te pūtea, me te puna pūtea | Financial Cost and Funding Source

The development of and consultation on the Long Term Plan is funded from the Strategy and Engagement Activity Operating budget.

A budget of \$45,000 per annum is provided for, being \$135,000 over 3 years, excluding audit fees.

Ngā Tāpiritanga | Attachments

[A↓](#). DRAFT LTP Quality Assurance (QA) Plan v2



Ngā waitohu | Signatories

Author(s)	Niall Baker Policy Team Leader	
Approved by	Erin Bates Strategic Partnerships and Governance Manager	

MATAMATA-PIAKO DISTRICT COUNCIL

LONG-TERM PLAN 2024-34

DRAFT QUALITY ASSURANCE PLAN

Introduction

Quality assurance is a vital part of developing an LTP and needs to be incorporated formally into our process (and thus is a key project management discipline).

Quality assurance is an on-going process, and not just a task that gets done towards the end. It is a key project management discipline that supports each of the others.

Why is quality assurance so important?

Quality assurance helps ensure that our LTP is:

- complete – legislative requirements are met, and the key issues are discussed
- coherent – all parts of the plan make sense individually and hang together
- consistent – all information is presented in the same way,
- Cost-effective – the need for rework is minimised.

It is important that quality assurance is factored into the overall LTP project plan – thus the quality assurance plan needs to be prepared before the LTP project starts.

It is in everyone's interest to ensure that both the consultation document and the final LTP are quality documents and are the result of quality processes.

Preparation of a Quality Assurance Plan is recommended by Taituara Good Practice guidance.

How does quality assurance relate to the legislation?

A quality assurance process is a tool for ensuring that legislative requirements are met, not a legislative requirement of itself.

What other processes are linked to quality assurance?

Quality assurance is linked to all of the processes that go into an LTP. It is also related to the risk management process.

Opportunities/risks with quality assurance

- Limited assurance or assurance that comes too late may not make much difference to the final document.
- Quality assurance should not be reduced or 'squeezed' if there is slippage in the overall project. The most important assurance of all comes in our consistency and coherence checks.
- Legal review of the LTP and the supporting processes (e.g. key decision-making processes and the papers that support them) are now regarded as good practice.
- The external audit process should not be a de facto quality assurance process. This will add to the time and cost it takes to produce the LTP and should be avoided.

Long-Term Plan 2024-34
DRAFT Quality Assurance Plan

An identified person should be responsible for ensuring that quality assurance occurs. Some of the best quality assurance is achieved from the informal quality assurance individual staff incorporate into their daily work.

Regardless, quality assurance must be applied throughout the whole process.

Long-term Plan 2024-34 (LTP) assurance process

1. According to the Local Government Act 2002, Council must have an LTP adopted before the beginning of the first year to which it relates and utilise the special consultative procedure to consult with its community.
2. Section 94 of the Local Government Act 2002 requires the LTP to be audited by and contain a report from the Auditor-General. To deliver an LTP that achieves an unqualified audit opinion, it is critical for the council group to ensure that:
 - a) LTP processes are robust
 - b) information contained in the LTP is materially complete and reliable
 - c) any risks associated with the LTP process are minimised and
 - d) The LTP meets the requirements of all relevant legal requirements, including those set out in the Local Government Act 2002, and the Local Government Rating Act.
3. A programme of work has now commenced to develop Council's Long-term Plan 2024-34 (essentially council's 10-year budget/plan). Various work streams will be setup to deliver this programme, overseen by an LTP Project Control Group.
4. The LTP is a key statutory document for Council, enabling the implementation of its strategic plans and identifying what people can expect over the next 10 years.
5. Council will be providing an opportunity for all stakeholders including tangata whenua and the community at large to submit on the LTP consultation document.
6. The development of the LTP is a collaborative effort with key accountabilities for delivery lying with the Strategic Partnerships and Governance (SPAG) team. However, by its very nature and content, it requires collective engagement from the entire council, including Finance, Asset Strategy & Policy activity managers, Executive Team and CCOs (to a lesser extent, for example Hamilton & Waikato Tourism).
7. Phase one of the LTP project focuses on Project planning, governance and risk management that will guide the project.
8. Phase Two develops the key Underlying Information such as the Asset Management Plans, Finance Strategy, and policies.
9. Phase three involves developing the consultation document and supporting information, to be adopted by the Council around December 2023-February 2024. This will be made available throughout the district for public consultation in mid-February/March 2024.
10. Phase four of LTP focuses on developing the final LTP, as a key statutory document that enables the implementation of its strategic plans and identifies what people can expect over the next 10 years. The Council will need to adopt the final LTP document by 30 June 2024.

11. The following table provides a summary of controls and sign-offs for key areas of the LTP:

Area	Key controls and sign-offs
a) Programme management and governance	<ul style="list-style-type: none"> An LTP Project Control Group (made-up of policy, asset, finance, and communications staff) monitors LTP alignment with council priorities, and ensures that significant risks are being actively managed. Councillors are engaged throughout the LTP process so the risk of late surprises or risks to adoption are minimised. The Mayor has a legal role to lead the development of plans and policies, which can include the LTP. The Mayor has indicated a desire for briefings by staff prior to key workshops and Council meetings.
b) Asset management plans (AMPS)	<ul style="list-style-type: none"> Council staff are updating existing AMPs and draw upon external help as required. No external review is planned however they are reviewed internally and by Audit NZ. Prior to submission of all draft budgets, there will be a review and signoff by council's Executive Leadership Team. Activity Managers sign off that the planned services and AMPs are consistent with available funding and strategies as per Draft Budget. Finance team to reflect Final Budget decisions (following the consultation process), and asset team to ensure the AMPs are updated accordingly
c) Infrastructure investment	<ul style="list-style-type: none"> Mitigate risks of uncoordinated planning by areas working together in one work stream on an integrated programme of infrastructure provision. This could include mapping out the major projects and programmes by location and time, so that the integration between them is clearly visible. It is noted the 2024 LTP will only dealing with community facilities and transport assets in view of the 3 waters reform/legislation. Engagement with community and stakeholders on scenario trade-offs and decisions. How we communicate these Trade-Offs will be critical – through pre-engagement and the Consultation Document.
d) Levels of service and performance measures/ performance targets	<ul style="list-style-type: none"> Validate existing measure set for relevancy, meaningful targets and robust reporting methodology. Further consideration is needed as to how this is validated. Following approval of budgets, performance targets will be realigned if necessary and signed-off by activity managers to ensure that the planned services are consistent with available funding (staff to incorporate this within the project plan/timeline).
e) Key alignment and linkages	<ul style="list-style-type: none"> Key steps will be taken to ensure that financial and non-financial information included in the LTP is consistent with council's strategies, policies and assumptions. The GMs and E-team will review and sign-off whether information included for each group of activities has been incorporated into the underlying information.

Area	Key controls and sign-offs
f) Assumptions	<ul style="list-style-type: none"> Ensure assumptions are complete, reasonable and supportable through E-team review and Risk and Assurance Committee consideration. Sign-off of budget submissions by activity managers to confirm consistent application of assumptions. Further consideration is needed around how we can make this step easier for managers to understand? When sending out the budgets, do we need to also include the assumptions, and include a step to confirm the Budget Manager has read and understood the impact of the assumptions on their budget – and perhaps including a place for commentary when the assumptions drive budget decisions? Further consideration is needed on the best mechanism for this control.
g) Accounting standards	<ul style="list-style-type: none"> Document review against accounting standard FRS-42 Prospective financial statements as well as Taituara guidance. Peer review of financials by Finance team.
h) Financial model and data	<ul style="list-style-type: none"> Monitor built-in checks in model of treasury ratios, prudential benchmarks and the balanced budget requirement. Review the financial model against significant commitments, policies and strategies e.g. Revenue and Financing Policy, Parks & Open Spaces Strategy, Financial Strategy, Infrastructure Strategy.
i) Legal sign off/Document preparation / Peer review	<ul style="list-style-type: none"> Council has a range of experienced external legal advisors who can be engaged to conduct a review of the Consultation Document, supporting information, and the final LTP, as well as in-house legal advisor who can provide legal support and guidance during the process. Having a person at a senior level, who is not involved in the day to day 'nuts and bolts' preparation of the LTP, undertaking a final 'stand back' test. This may be a role for Council's Risk Manager. Council will commission an external peer review of all or part of the LTP. This could be from a law firm, by a reviewer from another local authority or a consultant working in the sector (the purpose/scope of peer review is to be clearly defined).
j) Prudent financial management	<ul style="list-style-type: none"> Financial scenarios presented to elected members will illustrate the impact of different scenarios on rates and debt levels in the short and long term. Final published documents will include assessment of council's borrowing against its prescribed limits and of its operating budget through a prescribed Balanced Budget Benchmark.
k) Right debate with the community	<ul style="list-style-type: none"> It is expected one of the key issues in the Consultation Document will be balancing economic conditions such as an inflationary pressure, affordability of rates against the need for additional (social and hard) infrastructure investment. Strategic Partnership and Governance team to ensure that we ask the right questions, and provide genuine options (avoiding asking where there's only one feasible option)

Area	Key controls and sign-offs
	<ul style="list-style-type: none"> Strategic Partnership and Governance team in consultation with the Communications Team will review that the consultation document and process adopted are fit for purpose. The Project Manager will provide sign-off.
L) Budget refresh for Final LTP	<ul style="list-style-type: none"> Budget refresh process will incorporate alignment of budgets with AMP and performance targets and any new investment or changes in budget request will require a full justification. If during the Hearing, Council is leaning towards a different option than set out in the Consultation Document/draft LTP or a decision that impacts budgets, a process of staff reviewing the impact of this before Council decision-making and commitment is needed (further consideration is required on how this best occurs and the process needs to be clearly mapped out (future task)).

Long-term Plan 2024-34 (LTP) assurance process

Phase one: Project planning and early engagement to help identify issues consultation document

Programme management and governance

12. A detailed draft roadmap has been developed that sets out the intended path of the entire LTP process.
13. This roadmap should be finalised by late 2022/early 2023 and will be provided to Audit New Zealand to assist with their resource planning.
14. The key dates from this draft roadmap are as follows:

Milestone	Definition	Date
Risk and Assurance Committee workshops Te Mana Whenua Forum workshops	Workshop key issues for the LTP 2024-2034 Ensuring Committee members and iwi are engaged throughout the process.	Ongoing during 2023
Council	Agree consultation items	October/November 2023
Risk and Assurance Committee meeting	Ensure process is sound and advise there are no outstanding Audit issues in relation to the Consultation Document & Supporting Information	Feb 2024
Council meeting	Adopt Consultation Document & Supporting Information and agree to the consultation and engagement approach	Feb/March 2024
Public consultation	Details to be confirmed as part of the engagement plan	March/April 2024

Milestone	Definition	Date
Submission hearings	Public input Decision making for final plan	April / May 2024
Risk and Assurance Committee meeting	Ensure process is sound and advise there are no outstanding Audit issues in relation to the final LTP 2024-2034	June 2024 (TBC)
Council meeting	Adoption of the LTP 2024-2034	June 2024

15. The Risk and Assurance will have oversight of key aspects of LTP governance, assurance, risk management and internal control.
16. Clear roles and responsibilities have been allocated to various work-streams who report to the LTP Project Control Group. Membership of this group consisting of key project staff.
17. The Project Control Group includes members with the necessary delegated authority to make key decisions that will impact the process and accountability of:
 - monitoring the strategic direction of the project and ensure ongoing alignment with council priorities
 - understanding and supporting the project objectives, process and deliverables
 - checking that all significant project risks have been identified and are being actively managed.
18. Elected members are part of the process at the outset, in the form of Council and committee meetings and workshops.
19. The work stream leads and Project Control Group will meet regularly to track progress and respond to issues.
20. Representatives from Te Mana Whenua Forum may be invited to attend the work stream leads' meetings or Council workshops on relevant topics.
21. Risks and issues will be recorded in the internal LTP risk and issues register and mitigating actions will be coordinated through LTP governance and programme management. Highly significant risks will also be recorded and followed up via the Council-wide Top Risk Register and risk mitigation process.
22. Any substantial risks or issues will be escalated to the Executive Leadership Team by the Project Control Group.
23. We will work closely with Audit New Zealand to ensure that the scope of assurance reflects the work that they will be performing when they audit the LTP. By doing this work in advance of the external audit, we will be in a position to identify any issues early and address them prior to the external audit visits during the LTP preparation.

Phase Two: Underlying Information

Asset management plans

24. A maturity assessment is completed each LTP. Audit NZ also undertake a review of the underlying information used to support the LTP which considers whether the plans will

Long-Term Plan 2024-34
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provide a reasonable basis for the Infrastructure Strategy, Financial Strategy, financial forecasts and service performance framework that will be contained in the LTP.

25. Additional external review could be considered as part of future LTPs – for example review and testing of individual AMPs on:
- analytical review to understand and verify the reasonableness of operational and capital expenditure
 - identification, assessment and disclosure of risk
 - assumptions for completeness, reasonableness, and consistency of application
 - integration of service levels
 - integration of demand and asset lifecycle management
 - updating of AMPs to reflect operational and capital expenditure incurred
 - the outcomes of quality assurance performed over AMPs, including the actions taken to respond to AMP Improvement/QA findings.

Infrastructure Investment

26. The infrastructure investment work focuses on council's capital build over the next three, 10 and 30 years. The 3 water reform means the LTP will not include details of these assets. Council staff will provide an integrated programme view of infrastructure (for roading, community facilities) for the next 30 years, informed by the Housing and Business Assessments. Together with the work on the AMPs, this information will inform the development of the 30-year Infrastructure Strategy and future District Plan Changes.
27. Staff are mitigating risks of uncoordinated planning by working together on an integrated programme of infrastructure provision. The work includes taking a spatial view of planned infrastructure investment to ensure alignment with the council's growth projections and District Plan changes especially around the periphery of Morrinsville and Matamata.
28. There will be engagement with community and stakeholders on scenario trade-offs and decisions.
29. Any funding risks or issues are being managed in conjunction with Finance staff to ensure alignment with relevant financial, audit and legal requirements.

Assumptions

30. Controls and sign-off on completeness and appropriateness of assumptions will consist of the following:
- ensure assumptions are complete, reasonable and supportable
 - review assumptions against Local Government Act 2002 and Taituara guidance to identify mandatory and recommended assumptions
 - identify council specific assumptions based on a documented risk assessment, e.g. central government funding for transport
 - support assumptions by way of reference to external supporting documentation where practical
 - sign-off of assumptions, including assessment of risk and potential impacts, by Council.
31. To ensure consistent application of assumptions, the following controls and sign-offs are intended:
- Sending out clear written communication/ guidance to all budget mangers on expectations e.g. business as usual, restraint, increased level of service etc.

- design and pre-populate templates with assumptions where practical, e.g. budget submission templates
- sign-off of budget submissions by activity managers to confirm consistent application of assumptions
- Perform and document an analytical review of budget submissions and supporting information to confirm consistency with assumptions.

32. The Office of the Auditor General (OAG) has stated that climate change assumptions and disclosures were a focus for our auditors when auditing the 2024-34 LTPs. They have expressed that councils should have a comprehensive discussion of resilience and climate change issues with their communities. They intend to consider climate action by councils in more depth in a performance audit in 2022/23. This is an area that potentially may have increasing emphasis in the 2024 LTP audits.

33. Staff will provide an update to the Risk and Assurance Committee later in the process on key assumptions for this LTP. This will include an update on assumptions related to the key review areas indicated by the OAG.

Financial model and data

34. Councils budget are typically based on the current year budget and any changes must be supported by a business case. In the case of transport, Council is required to complete a business case on options of investment and relate it to Levels of service. The transport activity is supported by Waka Kotahi funding.
35. Data integrity review will consist of the following:
- confirm access controls exist to prevent unauthorised changes to data and models
 - reconcile base data for modelling to existing 2023/24 budgets
 - reconcile the financial model results to budget submissions/ templates
 - clearly identify the impact of consultation options and reconcile back to base data
 - monitor built-in data checks in the financial model.
 - In addition to the reconciliation of budgets, a process will be developed for documenting changes during the budget preparation process (such as a change log) and to ensure budget managers are made aware of any budget changes as they happen.
36. To ensure consistency with other strategies and policies, the following reviews will be carried out:
- monitor built-in checks in model of treasury ratios, prudential benchmarks and the balanced budget assumption
 - review the financial model against significant commitments, policies and strategies such as Parks & Open Spaces Strategy, Financial Strategy, Infrastructure Strategy.
37. The financial model will also go through an overall review, reconciliation and sign-off process:
- document analytical review of year-on-year movements by activity
 - reconcile the result of different financial statements in the model, e.g. funding impact statement, statement of comprehensive income, statement of cash flows and movements in balance sheet
 - acceptance of budgets by operational and senior management by way of sign-off.

Accounting Standards

38. The following key steps will be taken to ensure prospective financial information complies with General Accounting Accepted Practices:
- document review against accounting standard FRS-42 Prospective financial statements as well as Taituara guidance
 - confirm with Financial Control department that the accounting policies are consistent with those in the last audited annual report and those expected to be used for subsequent reporting
 - Peer review of financials by the Group Manager Business Services (Manaia).

Prudent financial management

39. Council's approach to prudence is laid out in the Financial Strategy and supported by the Treasury Management Policies, and the Revenue and Financing Policy. In phase four, the final LTP will include an updated Financial Strategy and Revenue and Financing Policy. The plan development process may also include an update to our Accounting Policies.
40. The key factors in the council's approach to ensuring long-term financial prudence and sustainability are the parameters around prudent borrowing and funding of depreciation and rate affordability for the community. All financial scenarios presented to elected members will clearly illustrate the impact of the scenario on these factors.
41. The demographic, social, and economic state of the district will be factors when considering the prudent and affordable levels of capital and operating expenditure for this LTP.
42. Final published documents will include, in accordance with regulations, assessment of planned financial performance in relation to various benchmarks to enable the assessment of whether Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

Levels of service and performance measures/performance targets

43. In order to ensure a set of relevant, meaningful measures and targets, along with a robust underpinning methodology, a review will be conducted between representatives from the appropriate departments to validate the information.
44. A performance framework and guidance material has been developed that articulates the linkages between community outcomes, LTP measures and AMP performance information.
45. LTP targets will be updated and signed-off to reflect any changes to levels of service due to proposed funding envelopes. Following the Risk & Assurance Committee approval of the final envelopes, the targets will be realigned to ensure that the planned services are consistent with available funding.

Key alignment and linkages

46. Key steps will be taken to ensure that information included in the LTP is consistent, such as:
- review and sign-off by activity managers that key plans and policies are adequately applied
 - review of consistency of assumptions with key plans and policies in the development of the underlying information
 - review and sign-off whether information on capital expenditure included in the funding impact statements is consistent with underlying asset information

- review to ensure linkages between community outcomes, LTP measures and AMP performance information.
47. All documents are reviewed by a core group of the project team to ensure consistency of language, projects and financials throughout the documents. The Project Manager will assign responsibilities for which staff member is responsible for reviewing particular parts reviewing what part for example the Finance Manager to review consistency with Financial Strategy, Revenue and Financing Policy, etc.
48. Time for internal Q&A (to consider internal consistency with the document, proof reading) has been allocated in January 2024 prior to the commencement of the audit.
49. Communications staff provide 'plain englishing' of the Long-Term Plan for readability and consistency.
50. All Activity Managers are involved with the development of the Activity Plans and are asked to proof read their sections of the LTP.
51. The Executive Team will review and sign-off whether information for each group of activity has been incorporated into the underlying information. This will occur prior to the Audit process, before the 2023 Christmas break.

Phase three: Consultation Document

Consultation document preparation

52. We will work with Councils Communications Team to produce a user friendly LTP consultation document that informs and engages the public about the LTP. Further consideration will be given to:
- Process for identifying the issues and options
 - How we ensure that all options are back up with business case and cost analysis
 - Developing the content
 - Developing the designed document and ensuring consistency
 - How we ensure consistency across all platforms (print to publish)
53. Council has an experienced legal team who will conduct a legal review of the consultation document, supporting information, and the final LTP, and provide legal support and guidance during the process.

Right debate with the community

54. Section 93(2) of the Local Government Act 2002 requires the council to consult with the community through a special consultative procedure (SCP) in order to adopt the LTP. Using the SCP places enhanced obligations on the council, specifying what must be done in order to consult with the community for this purpose.
55. We plan to drive a conversation with our community, based on the big issues to help them engage in, understand and shape the LTP. We will also utilize existing engagement such as through the Pride of Place Project to inform the LTP. We will ensure the LTP consultation document, supporting material and final document is publicly available easily (through use of digital/web based tools).

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56. The Communications Manager will take the lead on the Communications workstream within the LTP project. The Engagement work stream will be led by the Placemaking & Engagement Lead, with SPAG Policy having sign off on all content and the overall Communication Strategy.
57. The Communications Strategy will be a key QA tool to ensure effective community engagement. The Communication and Events team are involved in ensuring that the consultation document and process adopted are effective in meeting their intended purpose.

Phase four: final Long-term Plan 2024-34

Final budget decision-making

58. A series of workshops will be held through 2023 to discuss budget issues, implications and trade-offs.
59. The mayor has a statutory role of leading the planning process and may wish to present a budget proposal to Council. The Mayor has indicated a desire to have briefings before key workshops and meetings but has not signaled an intention to put forward a Mayoral budget proposal to Council.
60. If required, Council will debate the Mayor's proposal (if any) and final decisions on the LTP will then be made by the Council (scheduled for mid-late 2023).

Document preparation

61. Council staff will incorporate the decisions made by the Council into the LTP document in line with the appropriate legislation. This document will include an updated Financial Strategy, Infrastructure Strategy, Revenue and Financing Policy, and Funding Impact Statement.

Risk and Assurance Committee review

62. The Risk and Assurance Committee will have an oversight role throughout the LTP process in line with its Charter. The draft final LTP will be presented to the Risk and Assurance Committee in late 2023. The committee will review the document to ensure that:
- it is a true and accurate reflection of the decisions made by the Council
 - the prospective financial statements, and level of service statements accurately reflect the impacts of the decisions
 - the prospective financial statements are compliant with the relevance accounting standards
 - the document complies with all legislative requirements.

63. The committee will recommend the document to the Council for adoption.

Long-term Plan 2024-34 Adoption

64. The Council must adopt the final LTP by 30 June 2024. This allows for the rates to be set for 2024/25.

7 Pūrongo me whakatau | Decision Reports

7.6 2024-34 Long-Term Plan - Review of Draft Revenue and Financing Policy

CM No.: 2796474

Te Kaupapa | Purpose

The purpose of this report is to present the Draft Revenue and Financing Policy for the 2024-34 Long Term Plan (LTP) for review.

Rāpopotonga Matua | Executive Summary

Council is required to review and adopt a Revenue and Financing Policy (RFP) every three years. The purpose of the policy is to show how Council's activities are funded - who pays for what, and why. The policy would come into effect from 1 July 2024 and must be included in the Council's Long-term Plan (LTP).

The final version of the RFP, along with the full draft LTP and consultation document, will be presented to this Committee at its meeting on 23 January 2024, and to Council for approval for audit on 24 January 2024. Audit will review the RFP along with the rest of the LTP in February and the results of the audit will be provided to Council in early March 2024. Council will then be requested to approve the document for consultation. Council will receive public submissions 13 March-19 April and hold hearing and deliberations in May 2024, before adopting the final LTP.

Tūtohunga | Recommendation

That:

1. The Committee receive the report
2. The Committee review the draft 2024-34 Long-term Plan Revenue and Financing Policy and provide comment.

Horopaki | Background

Council is required to review and adopt a Revenue and Financing Policy (RFP) every three years. The purpose of the policy is to show how Council's activities are funded - who pays for what, and why. The policy would come into effect from 1 July 2024 and must be included in the Council's Long-term Plan (LTP).

The first step in the policy review process is reviewing Council activities and the overall impact of funding decisions, considering factors such as strategic direction, affordability, accessibility, sustainability of funding, and current and projected future economic conditions. Together, these steps result in the RFP.

Ngā Take/Kōrerorero | Issues/Discussion

Economic Concepts

In considering the Revenue and Financing Policy and how Council structures its rates, some useful economic concepts to keep in mind are:

- *Incidence* – the distribution of the burden of rates. Two key things to distinguish are the legal incidence of the tax (who gets the bill) and the economic incidence (from whose pocket the money eventually comes)
- *The difference between income and wealth* – income is a flow concept. It measures the amount of money an individual receives from work or investment over a set period of time. Wealth, on the other hand is a stock concept and measures the level of financial and non-financial assets an individual has. Rates are a tax on one element of wealth
- *Affordability, ability to pay, and willingness to pay* – this is the difference between ‘can’t pay’ and ‘don’t want to pay’. Affordability is a measure an individual’s true capacity to meet their contribution to community services. Willingness to pay relates more to the value an individual thinks they receive from council services
- *Efficiency* – the degree to which local authority funding requirements affect production and consumption decisions
- *Equity* – very much a subjective concept, equity relates to the ‘fairness’ of certain decisions
- *Public/private goods* – a *public* good is an activity or service that is both non-rival (my consumption does not interfere with yours) and non-excludable (I cannot be prevented from consuming the service). Common examples in local government are civil defence and various planning functions. A private good is both rival and excludable.

Revenue and Financing Policy

The Local Government Act 2002 (LGA) requires Council to adopt a Revenue and Financing Policy (RFP) that must be included in the Long-term Plan (LTP).

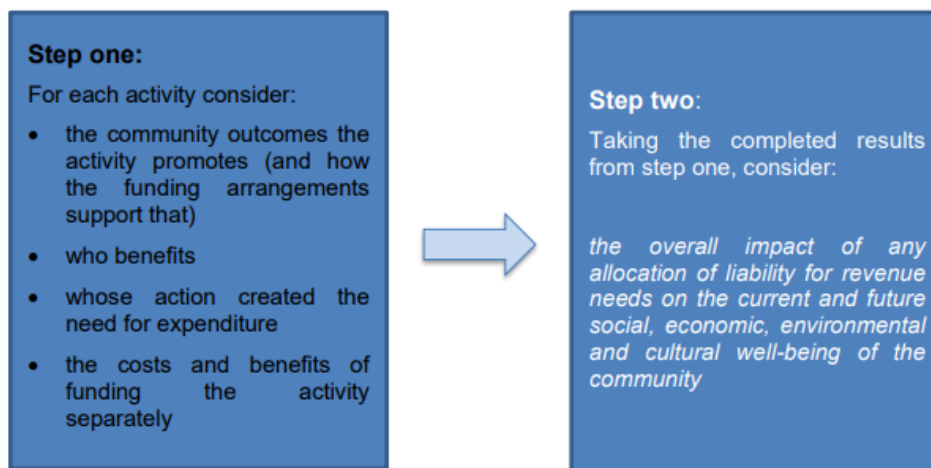
The RFP sets out how Council plans to fund each of its activities and outlines how it has made these decisions.

The policy is an important step in the rate setting process, determining levels of development contributions, and setting fees and charges. A policy that has not been created following correct process or is unreasonable may result in decisions that flow out of the policy being invalid.

Two separate steps are required under the legislation to develop the draft RFP. The first step is the process prescribed in section 101(3)(a) of the LGA (see chart below).

Having completed the step one analysis for each activity - the second step is to aggregate all of the results and consider the impact that these results might have on the community. This includes consideration of the level of rates set on a uniform basis, and the factors used to set targeted rates.

The two-step funding process.



At their most basic level, funding and financial policies show who pays, for what, when. They are part of the package of material that supports the right debate and need to be transparent.

The Revenue and Financing Policy is a device for recording and explaining the policy decisions Council has made regarding the funding of its activities. Transparency in this document is especially important to demonstrate the link between dollars and value to the ratepayer.

Much of the Revenue and Financing Policy will refer to the considerations in section 101(3) of the LGA, and Council's application of those considerations. The analytical process is a sequential two-step process. The first step includes consideration at an activity level the rationale for service delivery, the beneficiary pays principle, the exacerbator pays principle, inter-generational equity, and the costs and benefits of separate funding. The second step of the analysis involves consideration of the results of the first step and their overall impact on community well-being.

A clear rationale for service delivery is a vital piece of information to have when working through the section 101(3)(a) analysis. Knowing why Council is delivering the service can help sort out who benefits, when they benefit, and who any of the exacerbators are, as well as obtaining some idea of what impacts on community interests might arise from the way Council funds a service.

Te Ture Whenua Māori Act Principles

A new requirement from 1 July 2024, is that the Revenue and Financing Policy must support the principles set out in the Preamble to Te Ture Whenua Māori Act 1993. The Preamble states:

"Whereas the Treaty of Waitangi established the special relationship between the Māori people and the Crown: and whereas it is desirable that the spirit of the exchange of kawanatanga for the protection of rangatiratanga embodied in the Treaty of Waitangi be reaffirmed: and whereas it is desirable to recognise that land is a taonga tuku iho of special significance to Māori people and, for that reason to promote the retention of land in the hands of the owners, their whanau and their hapū, and to protect wahi tapu: and to facilitate the occupation, development, and utilisation of that land for the benefit of its owners, their whanau, and their hapū: And whereas it is desirable to maintain a court and to establish mechanisms to assist the Māori people to achieve the implementation of these principles."

Legal guidance obtained through Taituara (published in the Dollars and Sense Guide), advises that a practical way to capture support for the principles in the RFP may be to incorporate the principles into the overall consideration on the current and future social, economic, environmental and cultural well-beings of the community (step 2 of the 2 step funding process outlined above). Modifications (if any) to the selected funding source that are considered necessary after

consideration of the principles (alongside the other considerations), would be recorded in the overall impact consideration section for each activity.

Proposed Revenue and Funding Policy

Proposed changes to the funding sources each activity groups operating costs are set out in (Attachment 1) *Revenue and Financing Policy for LTP 24-34 Table of Changes to Funding Sources for Activity Groups*.

The draft RFP (circulated separately) brings together all funding considerations into a policy which states how we intend to fund our activities after the step two consideration.

Rating Structure

Although not a funding and financial policy as such, the funding impact statement (FIS) is a device for implementing the revenue and financing policy. Effectively the FIS acts as a link between this policy and the annual setting of rates and charges. The FIS should contain all of the information relating to the factors and matters that will be used to set rates. The Local Government Rating Act 2002 (LGRA) gives Council four broad rating tools that can be used to set rates. The options are set out below in this report, followed by an overview of how Council's current rating system is structured.

The General Rate

The general rate is a tool for funding those activities where Council has decided that all or part of the cost of a particular activity should be funded by the community as a whole. Councils have the choice of one of three bases for setting a value-based general rate. These are land (unimproved value), capital value (land and improvements) or annual value (either rentable values or 5 percent of the capital value).

Capital and annual value tend to be better proxies for ability to pay and use of council services than unimproved values. Capital and annual value are also thought to be less prone to sudden swings than unimproved values as location-based factors play a lesser role. On the other hand, to the extent that rates are a part of business cost structures, rating based on unimproved values can be more of an incentive for development. Annual value needs a large and active rental market to work effectively, and is not one of the well-used methods of apportioning the general rate. As such, Council currently uses capital value as a basis for setting the general rate.

Councils can use differential powers on their value-based rates i.e. charge one category of property a higher rate in the dollar than another. Differentials are a tool for altering the incidence of rates; they do not release new revenue in and of themselves. Use of differentials can create 'winners and losers' – it is therefore important that these policies are based on robust criteria.

Council has in the past considered that general rates are the 'public good' component which is available to be enjoyed equally by the whole community. General rates also used to pick up short-falls in cost recovery. For example, using the libraries as an example:

- the individual benefit is considered high,
- the community benefit considered medium
- General rate funds 90-100% as user fees and fines are seen to discourage use which is contrary to what Council is trying to achieve for our community.

The Uniform Annual General Charge (UAGC)

The UAGC is also used to fund the same activities as the General Rate funds, but it is charged at a fixed dollar amount per property. A UAGC ensures that every property pays at least a minimum equal share of the cost of those activities that everyone is able to benefit from. The higher the UAGC is set, the higher that equal share that everyone pays becomes. This in-turn means that less of the remaining general rate needs to be recovered based on property values. The UAGC is a way of mitigating the impact of high property values, it can also be used as a tool to shift the

incidence of rates between properties (for example higher value vs. lower value properties). It is a regressive tax (you pay the same amount regardless of income, wealth or ability to pay) – this is one reason why the LGRA caps the use of fixed charges as a percentage of total rates revenue at 30%. Fixed charges include the UAGC and any other targeted rates set on a fixed basis (for our Council includes stormwater, kerbside collection and some targeted hall rates), but the legislation specifically excludes water and wastewater targeted rates from the 30% calculation.

Council's current RFP sets out that the UAGC (and other fixed targeted rates) can be set at a range between 75-100% of the maximum (so between 22.5% and 30%). In considering the range set out in the policy, Council could choose to set the range at anywhere from 0% to 30%. If Council's goal is that everyone should pay a reasonable minimum share of the general rate funded services, then a range towards the higher end of the scale (as we currently have) may be seen as appropriate for our district given the very wide range of property values within the Matamata-Piako district, due to the diverse land use and industry.

The current RFP allows for Council to review the actual percentage applied (within the policy range) on an annual basis. The percentage applied for the 2023/24 year is 27.5%. Council has used this tool in the past to alter the percentage applied in circumstances where it helped to mitigate the impact on rates of significant shifts in property valuations for certain groups of properties.

In determining how the percentage will be set on an annual basis, Council may wish to outline in the RFP, that this process should consider the following factors:

- The impact that a higher UAGC may have on those with low/fixed incomes and relatively low property values,
- The impact that a lower UAGC may have on the relative share of rates levied on higher value properties,
- Fairness and equity and the consequences of the distribution of rates on our community well-beings.

Targeted Rates

Targeted rates are available for funding those activities where Council has decided that:

- All or part of the cost of a particular activity should be met by particular groups or
- Ratepayers; and/or
- There is some other advantage in funding the activity outside of the general rate.

Councils have access to a wide range of targeted rating powers including: property values (land value, capital value, annual value and the value of improvements). Local authorities can also set a targeted rate based on one or more of the following:

- a flat dollar charge
- the number of separately used or inhabited parts of a rating unit
- the number of water closets and urinals within the rating unit (pan charges)
- the number of connections the rating unit has to local authority reticulation
- the extent of provision of any service to the rating unit by the local authority (where this is capable of objective measure and independent verification)
- the total land area of the rating unit
- the total land area within the rating unit that is sealed, paved or built upon
- the total area of land within the rating unit that is protected by any facility provided by a local authority
- the total area of floor space within the rating unit.

In addition to these powers, a local authority can set a targeted rate for water consumption based on the volume of water consumption (water metering).

Council can set:

- more than one targeted rate to fund a particular activity (for example, many rural local authorities with more than one water or sewage scheme set a rate for each scheme, some city councils charge a base water supply rate and an additional fire protection rate to fund water supply) or
- a targeted rate to fund more than one activity (targeted works and services rates are a common example of this)
- a targeted rate over only some defined categories of property (such as CBD rate for security patrols, street-cleaning or development or a tourism rate over commercial property). The bases for constructing the categories are defined in Schedule Two of the Rating Act.
- a differential targeted rate – provided that the basis for constructing the categories is one of the matters listed in schedule two
- targeted rates using combinations of factors (a not uncommon use is to set a flat dollar charge and a value based rate)
- including a rate that uses different factors for different categories of property (so for example a targeted rate that is set on the basis of a flat dollar charge for residential property, a value based rate for commercial property and an area based rate for rural property)

Lump sum contributions

The LGRA gives local authorities the right to offer lump sum contributions (LSC) to ratepayers as a funding option for payment of targeted rates. Legally speaking, an LSC is not a rate in and of itself. Essentially an LSC is a prepayment of the rates that a ratepayer would expect to pay as the ratepayer's "share" of the cost of a particular capital project. LSCs are not available as an alternative to the general rate, and they can only be used to fund the capital costs of identified projects (including loan repayments). An LSC cannot be offered in respect of an operating cost. Local authorities cannot require ratepayers to make an LSC. The Rating Act refers to the choice to make a lump sum contribution as an election. Once an election is made, it cannot be rescinded, and liability goes with the land (if a rating unit with an unpaid LSC is sold or transferred, the liability moves to the new ratepayer even though they did not make the election). Our Council has utilised this tool in the past to fund the connection of Tahuna and Raungaiti properties to the wastewater network.

Non-Rate Funding Tools

Councils also have the following non-rate funding tools available to them:

- User charges – a variety of powers exist, some set maxima on the levels of fees, others prescribe charging methods (for example dog registration fees);
- Development contributions – a tool for recovering the capital costs that are imposed by growth from development;
- Revenue from investments;
- Asset sales – for example the sale of surplus land;
- Funding from third parties (including but not limited to central government – for example subsidies for roading).
- Funding from available cash reserves or special funds

If Council considered it was prudent to do so, it could choose to not fund/fully fund an activity in any year, which would effectively result in the activity being funded by borrowing (either externally or internally). Debt funding our operating activities (or borrowing to pay for the

groceries) is not considered a sustainable practice, and would usually be avoided, but there may be circumstances where it is considered a prudent decision (eg in relation to affordability, intergenerational equity, etc) . Any such decision to not balance the budget in any one year would need to be made by way of formal council decision.

Council's current rates funding structure

Rate	Description
General Rate	Set under Section 13 of the LGRA on all rateable land based on cents in the dollar of capital value
Uniform Annual General Charge	Set under Section 15 of the LGRA on all rateable land as a fixed charge per rating unit.
Water Supply Targeted Rates (not metered)	A differential targeted rate for Water Supply set under Section 16 of the LGRA based on: <ul style="list-style-type: none"> • A uniform charge for serviced and connected portions of rating units • A uniform charge (1/2 the rate of a connected property) per portion of a rating unit to which the service is available.
Water Supply Targeted Rates (metered)	Targeted rates for metered Water Supply under Section 19 of the LGRA with different charges for: <ul style="list-style-type: none"> • Metered water supplies • Te Aroha West • Braeside Aquaria • Matamata farm properties connected to the Tills Road trunk main
Wastewater Targeted Rates	Differential targeted rates for Wastewater disposal under Section 16 of the LGRA: <ul style="list-style-type: none"> • A uniform charge per connected rating unit in respect of each single residential house connected to the service. • A uniform charge (1/2 the rate of a connected property) per rating unit to which the service is available (but not connected). • A scale of charges for non-residential properties (1 pan, 2-4 pans, 5-10 pans, 11-15 pans and over 20 pans) • A uniform charge for Fonterra (Morrinsville) until 2025/26 • A uniform charge for Greenlea (Morrinsville) until 2025/26
Stormwater Targeted Rates	A targeted rate for Stormwater disposal under Section 16 of the LGRA based on a uniform charge per rating unit within the townships of Matamata, Morrinsville, Te Aroha and Waharoa.
Kerbside Collection Targeted Rates	A targeted rate for Kerbside Collection under Section 16 of the LGRA based on a uniform charge per portion of a rating unit to which the service is available.
Rural Halls	Targeted rates for Rural Halls under Section 16 of the LGRA based on: <ul style="list-style-type: none"> • Cents in the dollar of land value for Tauhei Hall, Hoe-O-Tainui Hall, Springdale Hall, Kiwitahi Hall, Patetonga Hall, Wardville hall, • a uniform charge per rating unit on all rating units for Mangateparu Hall, Kereone Hall, Tatuani Hall, Walton Hall • cents per dollar on the capital value of all rating units for Okauia Hall, Hinuera Hall, Piarere Hall. • a uniform charge on every separately inhabited part of all residential and/or farming rating units for Mangaiti Hall, Waihou Hall, Elstow Hall, Manawaru Hall

Mōrearea | Risk

The Local Government Act 2002 (LGA) requires Council to adopt a Revenue and Financing Policy (RFP) that must be included in the Long-term Plan (LTP).

The RFP sets out how Council plans to fund each of its activities and outlines how it has made these decisions.

The policy is an important step in the rate setting process, determining levels of development contributions, and setting fees and charges. A policy that has not been created following correct process or is unreasonable may result in decisions that flow out of the policy being invalid, including the setting of rates.

Ngā take ā-ture, ā-Kaupapahere hoki | Legal and policy considerations

Council is required to have a LTP under section 93 of the Local Government Act (LGA). As part of this, it is required to utilise the Special Consultative Procedure, which at s93(c)(4) requires audit of the draft Consultation Document.

Ngā take ā-lhinga | Consent issues





There are no consent issues.

Te Tākoha ki ngā Hua mō te Hapori me te here ki te whakakitenga o te Kaunihera | Contribution to Community Outcomes

Matamata-Piako Strategic Direction

As part of the LTP development, Council adopted a new Strategic Direction providing a means to prioritise activities, and provide a frame for decision making.

The relevant Community Outcomes are set out below:

MATAMATA-PIAKO TŌ MĀTOU WĀHI NOHO OUR PLACE		MATAMATA-PIAKO DISTRICT COUNCIL TE ARA RAUTAKI STRATEGIC DIRECTION	
TŌ MĀTOU WHAKAKITENGA OUR VISION			
Matamata-Piako District is vibrant, passionate, progressive, where opportunity abounds. ‘The heart of our community is our people, and the people are the heart of our community.			
TŌ MĀTOU WHĀINGA MATUA OUR PRIORITIES (COMMUNITY OUTCOMES)			
			

He wāhi kaingākau ki te manawa a place with people at its heart	He wāhi puawaitanga a place to thrive	He wāhi e poipoi ai tō tātou taiao a place that embraces our environment	He wāhi whakapapa, he wāhi hangahanga a place to belong and create
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The LTP contributes to all outcomes by setting the funding and activity framework for delivery of Council services and activities.

Pānga ki te pūtea, me te puna pūtea | Financial Cost and Funding Source

All costs associated with the preparation of the Revenue and Financing Policy can be met within existing budgets.

Ngā Tāpiritanga | Attachments

[A↓](#). Revenue and Financing Policy for LTP 24-24 Table of changes to Funding Sources for Activity Groups

Ngā waitohu | Signatories

Author(s)	Anne Gummer Policy Advisor	
Approved by	Niall Baker Policy Team Leader	
	Erin Bates Strategic Partnerships and Governance Manager	
	Larnia Rushbrooke Finance and Business Services Manager	
	Manaia Te Wiata Group Manager Business Support	

Revenue and Financing Policy for LTP 2024-34: Proposed changes to funding sources for activity group operating costs

Community Facilities and Property

	Community Facilities and Property					
	Housing and property					
	Housing		Rural Halls		Corporate/General	
Current RFP Funding source	User charges 100%	Targeted hall rates on varying bases for each of the rating areas 80%. Fees and Charges on varying bases for each of the rating areas.		General Rates 80-90% Fees and Charges 10-20%.		
Draft RFP for LTP 24-34 Funding source	User charges 100%	Targeted hall rates on varying bases for each of the rating areas 80%. Fees and charges on varying bases for each of the rating areas.		General rates 80-90% Fees and charges 10-20%		
Comments	No change	No change		No change		
	Community Facilities and Property					
	Cemeteries	Libraries	Parks and Open Spaces	Pool and Spas	Public Toilets	Community Venues
Current RFP Funding source	General Rates 30-60% Fees and Charges 40-70%.	General Rate 90-99% Fees and Charges 1-10%.	General Rates 90-100% Fees and Charges 0-10%.	General Rates 50-70% Fees and Charges 30-50%.	General Rates 100%.	General Rates 85-90% Fees and Charges 10-15%.
Draft RFP for LTP 24-34 Funding source	General Rates 30-60% Fees and Charges 40-70%.	General rate 90-100% Fees and charges 0-10%	General rates 90-100% Fees and charges 0-10%	General rates 50-70% Fees and charges 30-50%	General rates 100%	General rates 60-80% Fees and charges 20-40%
Comments	No change	Change	No change	No change	No change	Change

Consents and Licensing

	Consents and Licensing					
	Animal Control	Building Consents and Monitoring	Licensing and enforcement			Resource Consents and Monitoring
			Health	Alcohol	Noise Control	
Current RFP Funding source	General Rates 20% Fees and Charges (including fines) 80%.	General Rates 40-60% Fees and Charges 40-60%.	Licence processing 100% user pays Enquires / complaints / enforcement 100% funded by rates.	Licence processing fees set by legislation Enquiries / complaints / enforcement 100 % funded by rates.	100% General Rates.	Planning Resource Consent Processing and monitoring 100% user pays Enquiries/complaints / enforcement 100 % funded by rates.
Draft RFP for LTP 24-34 Funding source	General rates 0-20% Fees and charges (including fines) 80- 100%	General rates 10-50% Fees and charges 50-90%	Licence processing 100% user pays Enquires / complaints / enforcement 100% funded by rates	Licence processing fees set by legislation Enquiries / complaints / enforcement 100 % funded by rates	100% general rates	Planning Resource Consent Processing and monitoring 100% user pays Enquiries/complaints / enforcement 100 % funded by rates
Change / no change	Change	Change	No change	No change	No change	No change

Strategy and Engagement

	Strategy and Engagement			
	Emergency Management	Communications and Events	Community Leadership	Strategies and Plans
Current RFP Funding source	General Rates 100% Exacerbator charges where possible.	General rates 100%	General rates 100%	General rates 100%
Draft RFP for LTP 24-34 Funding source	General rates 100% Exacerbator charges where possible	General rates 100%	General rates 100%	General rates 100%
Comments	No changes	No changes	No changes	No changes

Roading and Rubbish & Recycling

	Infrastructure		
	Roothing	Rubbish and Recycling	
		Waste Management Facilities (Transfer Stations/Resource Recovery Centres)	Kerbside Collection Services
Current RFP Funding source	<p>Subsidy - as determined by Government agency.</p> <p>Council has resolved to allocate interest earned from external investments to fund the Roothing activity to reduce the rates requirement. Council will determine the budgeted interest allocation on an annual basis.</p> <p>General rates - balance of funding</p>	<p>21/22 to 22/23 General Rate 35%-55% Fees & Charges 45%-65% transfer station fees</p> <p>23/24 to 30/31* General Rate 55%-75% Fees and Charges 25%-45% transfer station fees</p>	<p>21/22 to 22/23</p> <p>Kerbside collection targeted rate 50%-70% on a uniform basis for serviced properties</p> <p>Fees & Charges 30%-50% rubbish bags sales</p> <p>23/24 to 30/31*</p> <p>Targeted rate 90%-100% on a uniform basis for serviced properties</p> <p>Fees and Charges 0%-10%</p>
Draft RFP for LTP 24-34 Funding source	<p>Subsidy - as determined by Government agency.</p> <p>Council has resolved to allocate interest earned from external investments to fund the Roothing activity to reduce the rates requirement. Council will determine the budgeted interest allocation on an annual basis.</p> <p>General rates - balance of funding</p>	<p>General rate 55%-75%</p> <p>Fees and charges 25%-45% transfer station fees</p>	<p>Targeted rate 90%-100% on a uniform basis for serviced properties</p> <p>Fees and charges 0%-10%</p>
Comments	No change	No change	No change

Three Waters

	Infrastructure		
	Stormwater	Wastewater	Water
Current RFP Funding source	General rates 10-16% Targeted rate on a uniform basis for serviced urban areas 84-90%	Fees and charges through trade waste agreements The balance of funding after fees and charges will come from either: General rates 0-6% or Targeted rate on a per pan basis (using a scale of charges) for serviced urban areas 94-100% Factors - properties connected Properties able to connect but not connected Council will determine the actual percentages within the allowable range on an annual basis	Targeted rates from metered water (including residential and from industry). The balance of funding after metered water will come from either: General rates 0-6%, or Targeted rates on a uniform basis for serviced urban areas 94-100% Factors - properties connected Properties able to be connected but not connected Council will determine the actual percentages within the allowable range on an annual basis
Draft RFP for LTP 24-34 Funding source	General rates 10-16% Targeted rate on a uniform basis for serviced urban areas 84-90%	Fees and charges through trade waste agreements The balance of funding after fees and charges will come from either: General rates 0-6% or Targeted rate on a per pan basis (using a scale of charges) for serviced urban areas 94-100% Factors - properties connected Properties able to connect but not connected Council will determine the actual percentages within the allowable range on an annual basis	Targeted rates from metered water (including residential and from industry). The balance of funding after metered water will come from either: General rates 0-6%, or Targeted rates on a uniform basis for serviced urban areas 94-100% Factors - properties connected Properties able to be connected but not connected Council will determine the actual percentages within the allowable range on an annual basis
Comments	No change	No change	No change

7 Pūrongo me whakatau | Decision Reports

7.7 2024-34 Long term Plan - Review of Draft Financial Strategy

CM No.: 2796498

Te Kaupapa | Purpose

The purpose of this report is to present the draft Financial Strategy to the Committee for their review and comment.

Rāpopotonga Matua | Executive Summary

The Financial Strategy is a critical part of the Long Term Plan (LTP). Along with the council's Infrastructure strategy, it provides the strategic direction and the underpinning context for the LTP. Taken together, the financial and infrastructure strategies provide the reader with a sense of the costs, risks, and trade-offs that underpin the development of the expenditure programmes in the long-term plan.

Legislative requirements for preparation and consultation on council's Long Term Plan (LTP) are prescribed by The Local Government Act 2002 (LGA). Council is required to prepare financial material for consultation along with the consultation document. This material is subject to Audit prior to finalisation of the consultation document and other strategies and policies as required under the LGA for consultation.

In addition to required documents Council can prepare supporting documentation to the consultation document. Where possible Council presents this supporting documentation in the format required for the final LTP.

A draft Financial Strategy is currently being prepared in accordance with section 101A of the LGA. The Strategy is being prepared based on Council feedback provided in workshops.

The supporting documentation that accompanies the Long-term plan consultation document is part of communicating the LTP's proposed investments in Matamata-Piako over the next ten years and inviting feedback on those proposals.

Tūtohunga | Recommendation

That:

1. The committee receives the report.
2. The committee reviews the draft Financial Strategy and provides comment

Horopaki | Background

The Local Government Act 2001 (the Act) sets out the purpose and required content of the Financial strategy. Section 101A(2) states that the purpose of the financial strategy is to:

- facilitate prudent financial management by the local authority by providing a guide for the local authority to consider proposals for funding and expenditure against; and
- provide a context for consultation on the local authority's proposals for funding and expenditure by making transparent the overall effects of those proposals on the local authority's services, rates, debt, and investments.

The financial strategy is a mix of forecast information about what could have a significant financial effect on the council (such as changes in population or land use), expected capital expenditure in significant areas, and disclosures about the financial parameters that the council will operate in (limits on rates increases, borrowing, and targeted returns for financial investments).

The financial strategy is a critical part of the LTP. Along with the council's Infrastructure strategy, it provides the strategic direction and the underpinning context for the long-term plan. Taken together, the financial and infrastructure strategies provide the reader with a sense of the costs, risks, and trade-offs that underpin the development of the expenditure programmes in the long-term plan.

Ngā Take/Kōrerorero | Issues/Discussion

A draft Financial Strategy is being prepared in accordance with section 101A of the LGA. Under section 101A of the LGA, Council is required to prepare a Financial Strategy for the 10 years of the LTP. The purpose of this strategy includes to provide a guide and context for council's proposals for funding and expenditure and to provide transparency on the overall effects of its LTP proposals on Council's services, rates, debt and investments.

The supporting documentation will be available on Council's website during the consultation period for public reference, but the legislation makes it clear that other than the draft policies, Council should not be consulting on the supporting documentation.

The supporting documentation consists of key components that underpin the LTP, which as a whole, provides Council's investment plan in support of the intention for Matamata-Piako to keep rates affordable, by focusing on required projects ("must do's") while making strides towards achieving its community outcomes.

The draft Financial Strategy will be presented to Council for approval for audit by Council on 24 January 2024.

The strategy includes statements on quantified limits on rates increases and borrowing, both of which are outlined in the consultation document.

It also confirms Council's ability to provide and maintain existing levels of service and to meet additional demands within these limits.

Rates Limits

Section 101A(3)(b)(i) of the Act requires a council's financial strategy to include a statement about the Council's quantified limits on rates increases. Some Councils continue to set a total limit for rates (for example, by stating that rates would not exceed a certain percentage of total revenue), although the Act no longer requires this.

Councils set their own rates increase limits, which may be the same for each of the 10 years or an average of the 10 years of the plan. Alternatively, limits may vary year on year.

Debt Limits

As well as requiring a council's financial strategy to set a limit on rates increases, section 101A(3)(b)(i) of the Act also requires a council's financial strategy to include a statement about the council's quantified limits on borrowing. Councils can choose what limits to set. Many councils apply multiple limits.

Mōrearea | Risk

The Local Government Act 2002 sets the requirements for preparation of the LTP.

Ngā take ā-ture, ā-Kaupapahere hoki | Legal and policy considerations

An LTP is prepared every three years, covers ten years (and includes an Infrastructure Strategy for a 30-year period), must include specific information as prescribed in the Local Government Act 2002 (LGA), must be audited, and can only be adopted after a period of public consultation on a consultation document which itself also needs to be audited.

The financial strategy will be prepared as supporting documentation to the consultation document on the Long-term plan. It will be made available on the MPDC website and referenced in the consultation document where feedback from the community will be sought.

Policy Consideration

To the best of the writer's knowledge, this recommendation is not significantly inconsistent with nor is anticipated to have consequences that will be significantly inconsistent with any policy adopted by this local authority or any plan required by the Local Government Act 2002 or any other enactment.

Ngā take ā-lhinga | Consent issues





There are no consent issues.

Te Tākoha ki ngā Hua mō te Hapori me te here ki te whakakitenga o te Kaunihera | Contribution to Community Outcomes

Matamata-Piako Strategic Direction

As part of the LTP development, Council adopted a new Strategic Direction providing a means to prioritise activities, and provide a frame for decision making.

The relevant Community Outcomes are set out below:

MATAMATA-PIAKO TŌ MĀTOU WĀHI NOHO OUR PLACE		MATAMATA-PIAKO DISTRICT COUNCIL TE ARA RAUTAKI STRATEGIC DIRECTION	
TŌ MĀTOU WHAKAKITENGA OUR VISION			
Matamata-Piako District is vibrant, passionate, progressive, where opportunity abounds. ‘The heart of our community is our people, and the people are the heart of our community.			
TŌ MĀTOU WHĀINGA MATUA OUR PRIORITIES (COMMUNITY OUTCOMES)			
			
He wāhi kaingākau ki te manawa a place with people at its heart	He wāhi puawaitanga a place to thrive	He wāhi e poipoi ai tō tātou taiao a place that embraces our environment	He wāhi whakapapa, he wāhi hangahanga a place to belong and create

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The LTP contributes to all outcomes by setting the funding and activity framework for delivery of Council services and activities.

Pānga ki te pūtea, me te puna pūtea | Financial Cost and Funding Source

All costs associated with the production of the financial strategy and community engagement can be met within existing budgets. This costs falls within the overall LTP development budget.

The financial impacts of the decisions included in the draft 2024-34 LTP supporting documents have been outlined in the consultation document.

Ngā Tāpiritanga | Attachments

There are no attachments for this report.

Ngā waitohu | Signatories

Author(s)	Niall Baker Policy Team Leader	
Approved by	Erin Bates Strategic Partnerships and Governance Manager	
	Larnia Rushbrooke Finance and Business Services Manager	
	Manaia Te Wiata Group Manager Business Support	

7 Pūrongo me whakatau | Decision Reports

7.8 2024-2034 Long-Term Plan - Review of the Draft Infrastructure Strategy

CM No.: 2796482

Te Kaupapa | Purpose

This purpose of this report is to present the draft Infrastructure Strategy to the committee for their review and comment.

Rāpopotonga Matua | Executive Summary

Council's 30-year Infrastructure Strategy is a requirement of the Local Government Act 2002.

The Infrastructure Strategy is a key part of the Long Term Plan and is also part of the supporting documentation that accompanies the Long Term Plan (LTP) consultation document. It is part of communicating Council's proposed investments in Matamata-Piako over the next ten years and inviting feedback on those proposals.

The final version of the Infrastructure Strategy for audit will be presented to this committee at the meeting on 23 January 2024, and to Council for approval for audit on 24 January 2024. Audit will review the Infrastructure Strategy along with the rest of the LTP in February and the results of the audit will be provided to Council in early March 2024, at which time Council will be requested to approve the document for consultation. Council will receive public submissions 13 March-19 April and hold hearings and deliberations in May 2024, before adopting the final LTP.

Tūtohunga | Recommendation

That:

1. **The Committee receives the report.**
2. **The Committee reviews the draft Infrastructure Strategy and provides comment.**

Horopaki | Background

TCouncil's 30-year Infrastructure Strategy is a requirement of the Local Government Act 2002.

The Infrastructure Strategy is a key part of the Long Term Plan and is also part of the supporting documentation that accompanies the Long Term Plan (LTP) consultation document. It is part of communicating Council's proposed investments in Matamata-Piako over the next ten years and inviting feedback on those proposals.

The Local Government Act 2002 (LGA) requires Council to adopt the information that supports the development of the consultation document and the LTP. Schedule 10 of the LGA sets out the requirements for the final LTP document, this has been used to form the basis of the supporting documentation.

The supporting documentation will be available on Council's website during the consultation period for public reference, but the legislation makes it clear that other than the draft policies, Council should not be consulting on the supporting documentation.

The supporting documentation consists of key components that underpin the LTP, which as a whole, provides Council's investment plan in support of the intention for Matamata-Piako to keep

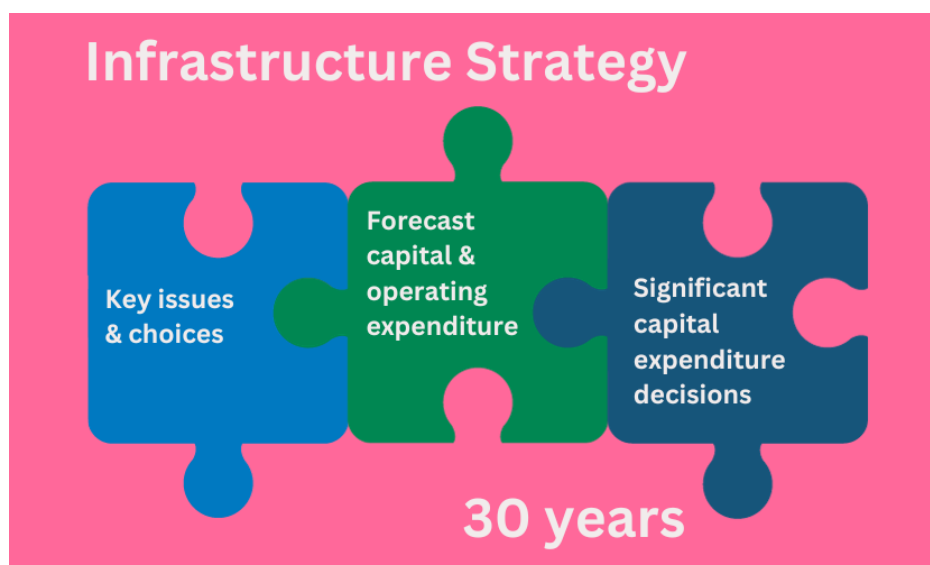
rates affordable, by focusing on required projects (“must do’s”) while making strides towards achieving its community outcomes.

Ngā Take/Kōrerorero | Issues/Discussion

The purpose of the Infrastructure Strategy is to take a strategic approach to the management of council assets. The Infrastructure Strategy identifies:

- Significant infrastructure issues for the local authority over the period covered by the Strategy; and
- Options and associated expenditures for managing these issues over the period covered by the Strategy, considering factors that impact on the nature and cost of infrastructure provision; and
- The key planned projects to deliver the infrastructure to renew or replace existing assets and to enable growth.

The key issues and responses for the Infrastructure Strategy 2024-2054 were approved at the Council meeting on 22 November 2023.



The Long Term Plan process, which includes the Infrastructure Strategy, is one of Council’s key opportunities to engage with our communities to find out what their priorities are.

The assets currently managed within the Infrastructure Strategy are:

- Roads and Footpaths [mandatory inclusion in the strategy]
- Parks and Open Spaces
- Community Facilities and Buildings
- Water Supply *
- Stormwater *
- Wastewater Treatment and Disposal *

**Guidance has been given that even with the current 3 waters legislation, 3 waters infrastructure should be included in the 30year strategy.*

The Infrastructure Strategy is closely tied to other parts of the Long Term Plan, particularly

- the Financial Strategy and
- the Activity Plans and Asset Management Plans contained within the What We Do section

Like the Long Term Plan, the Infrastructure Strategy is reviewed every three years.

The Long Term Plan covers a 10year period, the Infrastructure Strategy takes a longer term view and has a 30year timeframe.

As well as being linked with the Financial Strategy, the Infrastructure Strategy is also based on, and aligned with other elements of the Long Term Plan:

- The Key Assumptions
- The Key Challenges
- The Vision and Community Outcomes / Strategic Direction

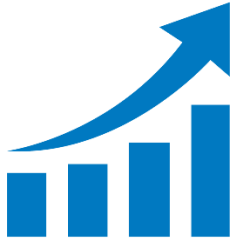
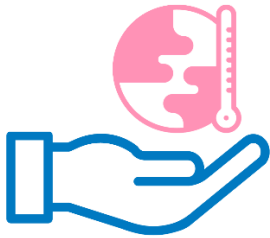

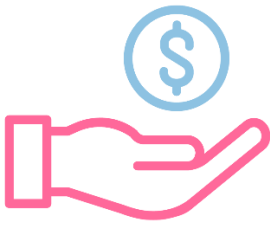
Key Drivers

The Key drivers identified in the Strategy are :

- Affordability
- Growth and Demand
- Compliance
- Climate change and resilience



Key Drivers, Impact on Infrastructure and Our Response

Driver	Most Likely Scenario For Our District	Impact on Infrastructure	Our Response
 GROWTH AND DEMAND	<p>We are forecasting that our population will increase over time with the majority of this increase happening among the older age groups and within urban areas.</p>	<p>Population growth and land intensification increases demand for infrastructure service in the urban centres. Ageing population increases demand for accessibility and changes the way in which infrastructure assets and services are used. There currently hasn't been the growth in tourism but over the 30 years this is still included in our planning.</p>	<p>We will plan for sustainable growth and manage demand. Investing in infrastructure at the right time and at the right place.</p> <p>Taking some risks and staging some of the projects and investment where we can.</p> <p>We will provide additional capital and operational expenditure over the next 30 years to meet growth</p>
 CLIMATE CHANGE AND RESILIENCE	<p>The global climate change we are currently experiencing means that we have more frequent severe weather events like storms and droughts.</p>	<p>This will impact how we manage our infrastructure to ensure we protect our community by providing them with compliant drinking water, lessen the environmental impact from activities and look to reduce serious and fatal injuries on our roads</p> <p>Planning for resilient infrastructure assets.</p>	<p>Our infrastructure will support or improve public health benefits.</p> <p>Our infrastructure will support or improve environmental outcomes.</p> <p>We will provide for the replacement of critical assets at the end or before the end of their useful lives.</p> <p>We will plan for resilient assets that have capacity and anticipate future needs.</p>
 COMPLIANCE	<p>Increased level of central and regional government direction particularly with changes to the Drinking Water Regulations, the Freshwater Policy and the Road to Zero Strategy.</p>	<p>This will impact how we manage our infrastructure to ensure we protect our community by providing them with compliant drinking water, lessen the environmental impact from activities and look to reduce serious and fatal injuries on our roads</p>	<p>This will impact how we manage our infrastructure to ensure we protect our community by providing them with compliant drinking water, meet our tighter Stormwater and wastewater discharge consents to lessen the environmental impact from activities. We also continue to look to reduce serious and fatal injuries on our roads</p>
 AFFORDABILITY	<p>The median household income for our District is \$32,400 (2018), with around 72.2% of our population holding a formal qualification (2018 census). With the increase in the ageing population, we are also forecasting that the average household size will decrease from 2.5 to 2.3 by 2051, with a higher proportion of single income or fixed income households.</p>	<p>The ageing population, high inflation and interest rates places a cap on the ability of our community to pay for infrastructure assets and services. This is compounded by the increase and high costs associated with compliance for the water, wastewater and Stormwater activities.</p>	<p>We will optimise our investment and apply asset management practices to our planning, taking some risks with some of the investment.</p> <p>We will smooth our costs where possible over time</p> <p>Non-critical assets will be run to failure and only replaced if there is still a demand and requirement for the asset.</p>

Key Issues in the Infrastructure Strategy

In the **Short Term** affordability is more prominent due to rising costs and the community's ability to pay.

- Priority is looking after what we have.
- Prioritise our capital investment. Focusing on the *must dos* with only a handful of *should dos* that we think are most important to the community.
- Accepting some risk with our investment around levels of service and resilience of our assets.

In the **Longer Term** it is about balancing our drivers.

- Climate Change – upgrading our assets to be more resilient. Doing the planning to understand the impact on our assets. Then can consider investment over the longer term.
- Growth – investing in the right infrastructure at the right time. Take some calculated risks where we can. This also includes careful consideration of future zoning for servicing growth to ensure future costs to Council and developers are minimised.

Our Responses

The different choices to address the issues above have been considered and will also be outlined in the strategy.

These include:

- Take some risks with our roading renewal investment and minimising the increase in budget – short term
- Smoothing our renewals over 5 years. Smoothing out the backlog in 3 waters and building renewals. – over the term of the strategy
- Not doing some capital and focusing on the *must dos* with only some selected *should dos* identified as important by our community. – over the term of the strategy
- Resource Recovery Centre development – medium term
- Staging some of our compliance and growth projects – over the term of the strategy
- Focusing on a reduction in water loss and water demand – education, leak detection and grey water use in short term, installation of universal household water meters in the medium term

Key Capital Projects

Some of the key projects planned over the next 30 years are as following:

Project	Year	Cost
Upgrade of Matamata Wastewater Treatment Plant	2024-26 2039-41	\$40million \$35million
Upgrade of Morrinsville Wastewater Treatment Plant	2026/27	\$7million
Upgrade of Te Aroha Wastewater Treatment Plant	2026/27	\$3million
Tower Road Pump Station and Rising Main	2025-27	\$3.2million
Morrinsville CBD Stormwater upgrade	2024/25	\$1.5million
Roading upgrades due to growth:	2026-28	\$1.1million
• Morrinsville-Tahuna/Taukoro/Hangawera Road Roundabout	2026/27	\$802,000
• Station Road upgrade	2029/30	\$720,000
New Matamata Sports Stadium	2024/25	\$2million
Community Playgrounds	2024/25	\$1.5million
• Matamata Domain	2026/27	\$1.5million
• Te Aroha		
Universal domestic Water Metering	2024-26	\$6.9million
Resource Recovery Centre Development	2026-29	\$5.5million
Te Aroha Domain Redevelopment	2025/26	\$600,000
Morrinsville Pool Development	2028-31	\$11million
Morrinsville Civic Centre upgrade	2035-36	\$6.5million

Mōrearea | Risk

As highlighted above, Council is going to take some risks with the budget, by potentially reducing some of the levels of service. It is proposed to closely monitor the infrastructure assets to ensure the asset condition is not deteriorating and the level of service impacted.

Compliance and meeting legislative requirements is where less risks will be taken.

Ngā take ā-ture, ā-Kaupapahere hoki | Legal and policy considerations

An LTP is prepared every three years, covers ten years (and includes an Infrastructure Strategy for a 30-year period), must include specific information as prescribed in the Local Government Act 2002 (LGA), must be audited, and can only be adopted after a period of public consultation on a consultation document which itself also needs to be audited.

Local Government Act 2002 (LGA 2002) Decision-making requirements

Council is required to prepare and adopt a Long Term Plan (LTP) under the Local Government Act 2002 (LGA). In preparing a LTP, Part 1(4) requires Council to include an Infrastructure Strategy.

Its purpose is to take a strategic approach to the management of council assets. The Infrastructure Strategy identifies:

- Significant infrastructure issues for the local authority over the period covered by the Strategy; and
- Options and associated expenditures for managing these issues over the period covered by the Strategy, considering factors that impact on the nature and cost of infrastructure provision; and
- The key planned projects to deliver the infrastructure to renew or replace existing assets and to enable growth.

As part of the preparation of the LTP, the Infrastructure Strategy has been reviewed against Council's key strategic and policy documents for strategic fit.

Policy Consideration

To the best of the writer's knowledge, this recommendation is not significantly inconsistent with nor is anticipated to have consequences that will be significantly inconsistent with any policy adopted by this local authority or any plan required by the Local Government Act 2002 or any other enactment.

Ngā Pāpāhonga me ngā Whakawhitiwhitinga | Communications and engagement

Once the 2024 Infrastructure Strategy is adopted for audit as supporting material alongside the LTP consultation document in January 2023, and following an audit process, it will be consulted on with the community in accordance with section 93A of the LGA (use of the special consultative procedure).

Ngā take ā-lhinga | Consent issues





There are no consent issues.

Te Tākoha ki ngā Hua mō te Hapori me te here ki te whakakitenga o te Kaunihera | Contribution to Community Outcomes

Matamata-Piako Strategic Direction

As part of the LTP development, Council adopted a new Strategic Direction providing a means to prioritise activities, and provide a frame for decision making.

The relevant Community Outcomes are set out below:

MATAMATA-PIAKO TŌ MĀTOU WĀHI NOHO OUR PLACE		MATAMATA-PIAKO DISTRICT COUNCIL TE ARA RAUTAKI STRATEGIC DIRECTION	
TŌ MĀTOU WHAKAKITENGA OUR VISION			
Matamata-Piako District is vibrant, passionate, progressive, where opportunity abounds. ‘The heart of our community is our people, and the people are the heart of our community.			
TŌ MĀTOU WHĀINGA MATUA OUR PRIORITIES (COMMUNITY OUTCOMES)			
			
He wāhi kaingākau ki te manawa a place with people at its heart	He wāhi puawaitanga a place to thrive	He wāhi e poipoi ai tō tātou taiao a place that embraces our environment	He wāhi whakapapa, he wāhi hangahanga a place to belong and create

The LTP contributes to all outcomes by setting the funding and activity framework for delivery of Council services and activities.

Pānga ki te pūtea, me te puna pūtea | Financial Cost and Funding Source

All costs associated with the production of the Long-term Plan and community engagement can be met within existing budgets.

The financial impacts of the decisions included in the draft 2024-34 LTP supporting documents have been outlined in the consultation document.

Ngā Tāpiritanga | Attachments

There are no attachments for this report.

Ngā waitohu | Signatories

Author(s)	Niall Baker Policy Team Leader	
	Susanne Kampshof Asset Manager Strategy and Policy	
	Anne Gummer Policy Advisor	

Approved by	Erin Bates	
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	Strategic Partnerships and Governance Manager	
	Manaia Te Wiata Group Manager Business Support	

7 Pūrongo me whakatau | Decision Reports

7.9 2024-34 Long Term Plan - Performance Measures for Infrastructure Assets

CM No.: 2797224

Te Kaupapa | Purpose

The purpose of this report is for the Committee to review the non-financial performance measures for Council's infrastructure assets for inclusion in the draft Long Term Plan 2024-34.

Rāpopotonga Matua | Executive Summary

Every three years Council is required to prepare and adopt a Long Term Plan (LTP) under the Local Government Act 2002 (LGA). As part of this process, Council sets a Performance Framework. This Framework sets out what we plan to do and why (what we are trying to achieve), and how we plan to measure our progress.

The Committee reviewed the performance measures for the non-asset activities (such as communications, strategies and planning) at its previous meeting on 24 October 2023.

The performance framework for the asset-based activities are now presented to the Committee for review. Council has approved the performance framework at its meeting on 22 November 2023 for auditing, subject to some minor changes by staff.

Tūtohunga | Recommendation

That:

1. The report is received.
2. The Committee provides any feedback on the draft Long Term Plan 2024-34, performance measures outlined in Attachment A.

Horopaki | Background

Long Term Plan

Council is required to prepare and adopt a Long Term Plan (LTP) under the Local Government Act 2002 (LGA). The LTP sets out the activities, budgets, Financial Strategy and key financial policies of the Council for the next ten years, and the Infrastructure Strategy for the next 30 years. The LTP is updated every three years, with the last LTP approved in 2021 (available online at <https://www.mpd.govt.nz/plans/long-term-plan>).

Performance Management Framework

As part of the LTP, Council is required to review its performance framework. Performance management is a process of determining objectives, measuring progress against those objectives (Council does this through its Annual Report), and using the results to improve delivery of services to the community.

This is our 'contract' with the community and explains what we plan to do and why, and how we will measure our performance and determine progress towards our goals and objectives. It helps

Council to 'tell the story' about what we want to achieve and what we have achieved for our community.

The Committee reviewed the performance measures for the non-asset activities (such as communications, strategies and planning) at its previous meeting on 24 October 2023.

The performance framework for the asset-based activities are now presented to the Committee for review. Council has approved the performance framework at its meeting on 22 November 2023 for auditing, subject to some minor changes by staff.

Ngā Take/Kōrerorero | Issues/Discussion

This section of this report summarises the workshop discussions and identifies the key proposed changes.

Community Facilities & Property Activity Group

Feedback from the workshops indicated that the majority of the existing performance measures are to be retained for this activity group. The following changes to performance measures are however proposed:

Activity	Proposed Change	Reason for Change
Carparks and Street Furniture	Removing the current performance measure, which is based on response times to vandalism and graffiti complaints.	The sample size is typically very small (<5 complaints a year) which can easily skew the results. It is also proposed that Carparks and Street Furniture will no longer be a standalone activity in the next LTP but will, instead, fall under the Parks and Open Spaces Activity. There will thus be no need for a specific measure for the sub-activity.
Recreation and Heritage	Removing the current performance measure, which is based on response times to vandalism and graffiti complaints.	The sample size is typically very small (<5 complaints a year) which can easily skew the results. It is also proposed that Recreation and Heritage will no longer be a standalone activity in the next LTP. Event Centres will fall under the new Community Venues category and historic reserves, like Firth Tower, will fall under the Parks and Open Spaces Activity. There will thus be no need for a specific measure for the sub-activity.
Parks and Open Spaces	Adding a performance measure based on external playground audit results	We currently have our playgrounds audited annually by an external play inspector. This provides an independent, qualified, opinion on the level of compliance with playground safety standards. We

Activity	Proposed Change	Reason for Change
		<p>already record this information but do not report on it in the LTP or Annual Report. We recommend including a performance measure around this to highlight our commitment to safety.</p> <p>Our level of compliance is relatively high at 90% and should continue to improve as older equipment is replaced.</p>
Community Venues	Adding a new measure based on the utilisation of our event centres (i.e. Te Aroha Event Centre, Headon Stadium, Morrinsville Event Centre).	<p>We now have electronic booking systems at all our event centres which makes it easier to reliably report on utilisation. We already record this information but do not currently report on it in the LTP or Annual Report.</p> <p>Utilisation of our event centres is an important measure for supporting community wellbeing.</p> <p>We only have reliable, comparable data from 2022 onwards and therefore propose to benchmark against the 2022-23 booking data and set a target to maintain the number of bookings within 5% of the benchmark.</p>
Libraries	Minor rewording of the performance measure	<p>At the 18 October 2023 workshop it was proposed to 'reset' the target for library and pool users based on visitor numbers during the 2022-23 Financial Year and to remove the 'five year average' from the performance measure.</p> <p>At its meeting of 25 October 2023, Council reconsidered this and proposed that the current performance measure, including reference to the five-year average, be retained but amending the wording to include virtual visits.</p>
Pools and Spas	Rewording audit-related performance measures for pools and community venues	<p>Rewording the current measure for clarity and to reflect current practice. Reference to the pool water quality standard is included in the revised wording.</p>

At the workshop on 18 October it was proposed to reset the visitor target for pools based on the 2022-23 Financial Year and remove the 'five year average'. A similar measure was proposed for libraries but has since been reconsidered with Council indicating a preference to retain the current

measure with the 'five year average'. It is proposed that the current pool visitor measure with 'five year average' also be retained for consistency with the libraries' performance measure.

Infrastructure – Roothing

At Council workshops it was discussed that only performance measures (PM) developed earlier by the Department of Internal Affairs (DIA) would be included for Council's local road land transport function.

Although these measures are mandatory, Council may set its own targets as appropriate and relevant for the local community.

Staff recommended changing just two of the PM targets, both of which are highlighted below with the explanation of the reason behind the change.

Performance Measure and Proposed Change	Reason(s) for change
<p>Performance Measure 2: Local road network – sealed road condition</p> <p>Amending the Target to 95%</p>	<p>The average quality of ride measure of Smooth Travel Exposure (STE) was the target promoted for change. Staff explained the current target was set at 97% and based on targets maintained by neighbouring councils' Hauraki and Waikato, and this target could be easily and effectively lowered to 95%.</p> <p>The benefits include taking pressure off the roading team, upholding what is presently a very high smooth travel target by building-in some flexibility for road maintenance and renewals works and offsetting limitations to contractor capacity, potentially impacting work completion.</p>
<p>Performance Measure 5: Responses to service requests from customers</p> <p>Amending the Target to 15 working days</p>	<p>Currently the target is set at 90% for all non-urgent customer requests to be responded to within five (5) working days. Staff suggested this could be lowered to 80% of non-urgent requests responded to within fifteen working days.</p> <p>However, during workshop discussions, the approach of leaving the 90% target in place was generally preferred by Council. Having considered this, staff are happy to leave the target at 90% with the 15 working days an agreed target adjustment to provide for flexibility.</p>

Infrastructure – Water

Following central government's 3 waters reform programme and in accordance with the new legislative requirements, councils are required to disclose non-financial performance measures only for the first two years of the LTP 2024-34. Therefore, this report includes Water, Wastewater and Stormwater non-financial measures only for the first 2 years of the LTP 2024-34.

The following describes the key changes to the performance measures for the water activity.

Existing Performance Measure/Target	Proposed Change	Reason for Change
The extent to which Council's drinking water supply complies with: - Part 4 of the drinking-water standards (bacteria compliance criteria), and - Part 5 of the drinking-water standards (protozoal compliance criteria).	Number of breaches of the Maximum Acceptable Values (MAV's) in the Drinking Water Standards.	Reflects the new Taumata Arowai drinking water standards.
New measure	Number of Regulatory Actions (measured by the number of: Directions, Compliance Orders, Enforceable Undertakings, Remedial Actions).	Reflects the new Taumata Arowai drinking water standards.
The percentage of real water loss from Council's networked reticulation system (using minimum night flow analysis).	Current Annual Real Loss (CARL), from Council's urban reticulation system (l/conn/day). (Previously used minimum night flow analysis).	As per the Taumata Arowai National Environmental Performance Measures (NEPM's). CARL is a better measure than % of real water loss.
The average consumption of drinking water per day per resident within the District* 500 litres per urban resident per day.	The average consumption of drinking water per day per resident within the District* Propose the following targets: 2024/25: 500 litres 2025/26: 480 litres	Propose to lower the target in line with new requirements.
	Removal of resolution time to faults or interruptions. Propose to only record attendance time.	It is proposed to remove this measure as it is determined that the cost of reporting on this measure outweighs the benefits of. Reporting on this measure is currently very resource intensive.

Infrastructure - Wastewater

One change is proposed to the wastewater performance measures. The performance measure for resolution time when attending to sewage overflows is proposed to be deleted as per the table below:

Existing Performance Measure/Target	Proposed Change	Reason for Change
	Removal of resolution time to faults or interruptions. Propose to only record attendance time.	It is proposed to remove this measure as it is determined that the cost of reporting on this measure outweighs the benefits of. Reporting on this measure is currently very resource intensive.

Stormwater

In the council workshop held on 18 October 2013, staff proposed the non-financial performance measures with targets to include in 2024/34 LTP. Some changes to the existing non-financial performance measures were recommended in the workshop. They are described in the following table:

Existing Performance Measure/target	Proposed Change	Reason for Change
The existing target for measure for the number of complaints received about the performance of council's Stormwater system (Expressed per 1,000 properties) is 4.	This target is proposed to be changed to 10.	With recent experience and changes to the rainfall patterns and frequencies, it will be hard to meet current performance targets.

Rubbish and Recycling

Some changes to the existing non-financial performance measures are recommended due to changes in legislation and the new kerbside collection contract. The changes are described in the following table:

Existing Performance Measure/target	Proposed Change	Reason for Change
Total quality of kerbside household waste sent to landfill.	Delete this measure	This measure is difficult and subjective to measure. The proportion of total waste diverted measure captures the waste reduction target.
Proportion of waste diverted (recycled or composted) from the transfer station and kerbside recycling collection service	Proportion of household waste placed at the kerbside which is diverted (recycled or composted) Amend the Targets 30% up to and including 2026/27 40% by 2027/28 50% by 2029/30	Reset to meet Legislative requirements. Noting the measure is only for kerbside collection. A separate measure for the diversion from transfer stations will be included in the Asset Management Plan.

Existing Performance Measure/target	Proposed Change	Reason for Change
Compliance with our resource consents for closed landfills, (measured by the number of: abatement notices, infringement notices, enforcement orders, and convictions, received in relation to those resource consents).	Proposed new measure	A new measure to align with what we are measuring for the 3 waters.

Mōrearea | Risk

Some general risks related to the setting of a performance framework have been identified:

- Council may not meet the new auditing standards and could face a modified audit opinion.
- Targets set may not be appropriate or realistic and may not reflect the level of service Council are wanting to achieve.
- Performance framework may not accurately reflect Council's Strategic Direction and Community Outcomes.
- The internal visibility of performance reporting information may need strengthening to support an organisational-wide focus on service improvement.

To mitigate the above risks, Council must carefully consider its performance framework, regularly review and adjust the metrics as needed, and ensure transparency and accountability in the reporting process.

Ngā Whiringa | Options

The options are:

1. Status quo
2. Approve the proposed performance measures (Attachment A).

Option One – Status Quo	
Description of option	
This option would see exactly the same performance measures used as in the 2021-31 LTP.	
Advantages	Disadvantages
No resources required for additional measures	Same issues as with current measures
Council could provide direction to staff for further refinement of performance measures.	Council's performance framework would not reflect its updated Strategic Direction and current/new auditing standards.

Option Two – Approve proposed performance measures

This option would make some changes to the performance measures as outlined in this report and detailed in Attachment A.

Advantages	Disadvantages
Some performance measures which were based on a relatively small sample size would be removed.	None identified.
We are already gathering the data for some of the proposed performance measures so reporting on these would be relatively simple and not incur significant costs.	
Some of the proposed measures will help demonstrate the use of assets or improvements to asset networks over time.	

Recommended option

Option 2 is the recommended option.

Ngā take ā-ture, ā-Kaupapahere hoki | Legal and policy considerations

Council is required to prepare and adopt a Long Term Plan (LTP) under the Local Government Act 2002 (LGA). In preparing a LTP, Part 1(4) requires Council to include a statement of the intended levels of service provision that specifies:

- Performance measures made under section 261B of the LGA (mandatory performance measures);
- The performance measures that Council considers will enable the public to assess the level of service for major aspects of activities for which performance measures have not been specified under a) above;
- The performance targets set by Council for each performance measure; and
- Any intended changes to the level of service that was provided in the year before the first year covered by the plan and the reasons for eh changes; and
- The reason for any material change to the cost of a service.

As part of the preparation of the LTP, Council's performance measures have been reviewed against Council's key strategic and policy documents for strategic fit.

Local Government Act 2002 (LGA 2002) Decision-making requirements

The LTP and the proposals within it are deemed to be of high significance. However, the decisions associated with this report are considered to be of low significance.

All Council decisions, whether made by the Council itself or under delegated authority, are subject to the decision-making requirements in sections 76 to 82 of the LGA 2002. This includes any decision not to take any action.

Local Government Act 2002 decision making requirements	Staff/officer comment
Section 77 – Council needs to give consideration to the reasonable practicable options available.	Options to address NFPs are considered reasonable and practicable.
Section 78 – requires consideration of the views of Interested/affected people	Council will consult the community on the draft LTP. This provides interested/affected people an opportunity to make submissions on the matter. Improvements to measures and/or targets may help to improve understanding of the measures and what Council is aiming to achieve which can be positive for community/stakeholder relations.
Section 79 – how to achieve compliance with sections 77 and 78 is in proportion to the significance of the issue	The LTP project is assessed as per Council's Significance and Engagement Policy as having a high level of significance.
Section 82 – this sets out principles of consultation.	Consultation on the draft LTP will be undertaken as per the legislative requirements using the special consultative procedure as prescribed in the LGA.

Policy Considerations

To the best of the writer's knowledge, this recommendation is not significantly inconsistent with nor is anticipated to have consequences that will be significantly inconsistent with any policy adopted by this local authority or any plan required by the Local Government Act 2002 or any other enactment.

Ngā Pāpāhonga me ngā Whakawhitiwhitinga | Communications and engagement

No engagement is required at this time (as the decisions as described in this report have been assessed as having low significance). Once the performance measures are adopted as supporting material alongside the LTP consultation document in December 2023, and following an audit process, it will be consulted on with the community in accordance with section 93A of the LGA (use of the special consultative procedure).

The LTP is subject to a communications and engagement plan and a full consultation process in early 2024.

Te Tākoha ki ngā Hua mō te Hapori me te here ki te whakakitenga o te Kaunihera | Contribution to Community Outcomes

The relevant Community Outcomes are set out below:

The draft performance measures for non-asset activities reflect Council's updated Strategic Direction and Community Outcomes.

Matamata-Piako District is vibrant, passionate, progressive, where opportunity abounds.

- A place with people at its heart

- A place to thrive
- A place that embraces our environment
- A place to belong and create

Pānga ki te pūtea, me te puna pūtea | Financial Cost and Funding Source

The Performance measures are a measure of delivery of our services to the community and we communicate this through the Annual Plan. Budgets reflect the targets we have set.

Ngā Tāpiritanga | Attachments

[A↓](#). Asset Performance Measure Framework



Ngā waitohu | Signatories

Author(s)	Niall Baker Policy Team Leader	
Approved by	Erin Bates Strategic Partnerships and Governance Manager	
	Susanne Kampshof Asset Manager Strategy and Policy	



Proposed Performance Measures Asset Activities (2024-34 Long Term Plan)

Level of Service	Performance Measure	Reporting Year 2022/23		2023/24 Target	Proposed Targets LTP 2024-34				Notes
		Target	Result		2024/25	2025/26	2026/27	2027-34	
Activity - Water									
We will provide safe and reliable water for household and business use (serviced properties).	The extent to which Council's drinking water supply complies with: – Part 4 of the drinking water standards (bacteria compliance criteria), and – Part 5 of the drinking water standards (protozoal compliance criteria).	Complaint	Not compliant	Compliant	N/A	N/A	-	-	Propose to delete this measure and replace with the below to reflect the new Taumata Arowai drinking water standards.
	New Measure: Number of breaches of the Maximum Acceptable Values (MAV's) in the Drinking Water Standards.	Not applicable until 2024/25			No breaches	No breaches	-	-	Required due to changes in the Water Services Legislation incl. Drinking water Standards. These are sampled from our treatment plants and reticulation, and tested on a regular basis.
	The total number of complaints received by Council about any of the following: (expressed per 1,000 connections per year)* Drinking water clarity: Drinking water taste: Drinking water odour: Drinking water pressure or flow: Continuity of supply: Council's response to any of these issues:	9 complaints per 1,000 connections across all categories (total of 72 complaints based on 8,000 connections)	Achieved (5.9 complaints per 1,000 connections; 59 in total)	9 complaints per 1,000 connections across all categories (total of 72 complaints based on 8,000 connections)	9 complaints per 1,000 connections across all categories (total of 72 complaints based on 8,000 connections)	9 complaints per 1,000 connections across all categories (total of 72 complaints based on 8,000 connections)	-	-	
We will provide safe and reliable water for household and business use (serviced properties).	New Measure: Number of Regulatory Actions (measured by the number of: Directions, Compliance Orders, Enforceable Undertakings, Remedial Actions).	Not applicable until 2024/25			No Regulatory Actions	No Regulatory Actions	-	-	Required due to changes in the Water Services Legislation incl. Drinking water Standards.
We will ensure that our water assets are well maintained and managed and that the assets are maintained and replaced when required.	The percentage of real water loss from Council's networked reticulation system (using minimum night flow analysis).	25% or less	Not Achieved (41.4%)	25% or less	N/A	N/A	-	-	Propose to delete this measure and replace with the below to reflect the new Taumata Arowai National Environmental Performance Measures (NEPM's).
	New Measure: Current Annual Real Loss (CARL), from Council's urban reticulation system (l/conn/day).	Not applicable until 2024/25			600l/conn/day	600l/conn/day	-	-	As per the Taumata Arowai National Environmental Performance Measures (NEPM's). CARL is a better measure than % of real water loss.



Proposed Performance Measures Asset Activities (2024-34 Long Term Plan)

Level of Service	Performance Measure	Reporting Year 2022/23		2023/24 Target	Proposed Targets LTP 2024-34				Notes
		Target	Result		2024/25	2025/26	2026/27	2027-34	
Activity – Water cont...									
Council's water assets are managed adequately for the future.	The average consumption of drinking water per day per resident within the District (Amended Target)	500 litres or less per urban resident per day	Achieved (482.8 litres)	500 litres per urban resident per day	500 litres or less per urban resident per day	480 litres or less per urban resident per day	-	-	The NEPM's are calculated, after each financial year, using SCADA, Asset and financial data. Propose to lower the target in 2025/26 to 480 litres.
We will provide reliable water systems that our community can count on.	Where we attend a call-out in response to a fault or unplanned interruption to our networked reticulation system, we will measure the following median response times: a) Attendance for urgent call- outs: from the time that we receive notification to the time that service personnel reach the site.	Median: 4 hours or less	Achieved (.67 hours)	Median: 4 hours or less	Median: 4 hours or less	Median: 4 hours or less	-	-	This is collated from the CRM data after each financial year.
	Resolution of urgent call-outs: from the time that we receive notification to the time that service personnel confirm resolution of the fault or interruption**	Median: 24 hours	Achieved (2.77 hours)	Median: 24 hours or less	N/A	N/A	-	-	It is proposed to remove this measure as it is determined that the cost of reporting on this measure outweighs the benefits of. Reporting on this measure is currently very resource intensive.
	Where we attend a call-out in response to a fault or unplanned interruption to our networked reticulation system, we will measure the following median response times: a) Attendance for non-urgent call-outs: from the time that we receive notification to the time that service personnel reach the site.	Median: 3 days	Achieved (1.13 days)	Median: 3 working days or less	Median: 3 working days or less	Median: 3 working days or less	-	-	This is collated from the CRM data after each financial year.
	Resolution of non-urgent callouts: from the time that we receive notification to the time that service personnel confirm resolution of the fault or interruption*	Median: 5 days	Achieved (1.71 days)	Median: 5 working days or less	N/A	N/A	-	-	It is proposed to remove this measure as it is determined that the cost of reporting on this measure outweighs the benefits of. Reporting on this measure is currently very resource intensive.



Proposed Performance Measures Asset Activities (2024-34 Long Term Plan)

Level of Service	Performance Measure	Reporting Year 2022/23		2023/24 Target	Proposed Targets LTP 2024-34				Notes
		Target	Result		2024/25	2025/26	2026/27	2027-34	
Activity - Wastewater									
We will have an effective wastewater system that provides an appropriate level of protection.	The number of dry weather sewage overflows from our wastewater system, (expressed per 1,000 connections per year to our wastewater system).	1 per 1000 connections	Achieved (0.1 – 1 total)	1 per 1000 connections	1 complaint per 1,000 connections per year (8 total)	1 complaint per 1,000 connections per year (8 total)	-	-	These are collated from the Dry Weather overflow reports we send to Waikato Regional Council.
We will protect the environment by ensuring our wastewater is properly treated before being discharged to our environment.	Compliance with our resource consents for discharge from our wastewater (measured by the number of: abatement notices, infringement notices, enforcement orders, and convictions, received in relation to those resource consents).	Zero	Achieved (Zero)	Zero	Zero	Zero	-	-	Measured by the number of these received.
We will have reliable wastewater systems and will respond to requests for service from our residents in a timely manner.	Where we attend to sewage overflows resulting from a blockage or other fault in our wastewater system, we will measure the following median response times: a) Attendance time: from the time that we receive notification to the time that service personnel reach the site.	Median: 4 hours or less	Achieved (.48 hours)	Median: 4 hours or less	Median: 4 hours or less	Median: 4 hours or less	-	-	This is collated from the CRM data after each financial year.
	Resolution time: from the time that we receive notification to the time that service personnel confirm resolution of the blockage or other fault.	Median: 24 hours or less	Achieved (1.8 hours)	Median: 24 hours or less	N/A	N/A	-	-	It is proposed to remove this measure as it is determined that the cost of reporting on this measure outweighs the benefits of. Reporting on this measure is currently very resource intensive.
We will have reliable wastewater systems and will respond to requests for service from our residents in a timely manner.	The total number of complaints received by Council about any of the following (expressed as 1000 connections per year). <ul style="list-style-type: none">Sewage odourWastewater system faultsWastewater system blockagesCouncil's response to issues with our wastewater system.	≤16complaints (across all categories) per 1,000 connections (128 total)	Achieved (3.8 per 1,000 - 38 total)	≤16complaints (across all categories) per 1,000 connections (128 total)	≤16 complaints (across all categories) per 1,000 connections (128 total)	≤16 complaints (across all categories) per 1,000 connections (128 total)	-	-	This is collated from the CRM data after each financial year.



Proposed Performance Measures Asset Activities (2024-34 Long Term Plan)

Level of Service	Performance Measure	Reporting Year 2022/23		2023/24 Target	Proposed Targets LTP 2024-34				Notes
		Target	Result		2024/25	2025/26	2026/27	2027-34	
Activity - Stormwater									
We will have an effective stormwater system that provides an appropriate level of protection to minimise harm	The number of flooding events that occur in our District. For each flooding event, the number of habitable floors affected (expressed per 1,000 properties connected to our stormwater system).	0 flooding events 0 habitable floors affected	Achieved (0)	0 flooding events 0 habitable floors affected	0 flooding events 0 habitable floors affected	0 flooding events 0 habitable floors affected	-	-	We had discussed changing this performance measure but this is still a DIA measure that staff think would be good to continue on with monitoring. We have spent time defining what a flooding event is and providing clarity that it is a habitable floor level.
We will protect the environment from stormwater contaminate discharging into waterways.	Compliance with our resource consents for discharge from our stormwater system, (measured by the number of: abatement notices, infringement notices, enforcement orders, and convictions, received in relation to those resource consents).	Zero	Achieved (Zero)	Zero	Zero	Zero	-	-	Measured by the number of these received.
We will have reliable stormwater systems and will respond to requests for service from our residents in a timely manner.	The median response time to attend a flooding event, measured from the time that we receive notification to the time that service personnel reach the site.	Median: 4 hours or less	Achieved (no flooding events)	Median: 4 hours or less	Median: 4 hours or less	Median: 4 hours or less	-	-	This is collated from the CRM data after each financial year.
Residents will be satisfied with the overall performance of the stormwater system.	The number of complaints we received about the performance of our stormwater system, (expressed per 1,000 properties connected to our stormwater system). (Amended Target)	≤4 complaints per 1,000 connections per year (32 in total)	Not achieved (8.8 per 1,000 connections - 75 total)	≤10 complaints per 1,000 connections per year (85 in total)	≤10 complaints per 1,000 connections per year (85 in total)	≤10 complaints per 1,000 connections per year (85 in total)	-	-	With recent experience and changes to the rainfall patterns and frequencies, it will be hard to meet current performance targets. Therefore it is proposed to raise the target from ≤4 to ≤10.



Proposed Performance Measures Asset Activities (2024-34 Long Term Plan)

Level of Service	Performance Measure	Reporting Year 2022/23		2023/24 Target	Proposed Targets LTP 2024-34				Notes
		Target	Result		2024/25	2025/26	2026/27	2027-34	
Activity – Roothing									
We will provide a roading network that is safe for all users.	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.	Reduction in fatalities and serious injury crashes year on year	Not achieved (increase of 3 – 20 in total)	Reduction in fatalities and serious injury crashes year on year	Reduction in fatalities and serious injury crashes year on year	Reduction in fatalities and serious injury crashes year on year	Reduction in fatalities and serious injury crashes year on year	Reduction in fatalities and serious injury crashes year on year	
We will provide a roading network that is maintained and developed to provide smoothness and comfort.	The average quality of ride on a sealed local road network, measured by smooth travel exposure. (Amended Target)	97% or more	Not achieved (96%)	97% or more	95% or more	95% or more	95% or more	95% or more	The revised target is consistent with neighbouring councils, reflects current resourcing and upholds a very high smooth travel target by building-in some flexibility for road maintenance and renewals works and offsets limitations to contractor capacity, potentially impacting work completion.
	The percentage of the sealed local road network that is resurfaced.	6.7% or more	Not achieved (5.1%)	6.7% or more	6.7% or more	6.7% or more	6.7% or more	6.7% or more	
	The percentage of footpaths within our District that fall within the level of service or service standard for the condition of footpaths that is set out in our relevant documents (such as our annual plan, activity management plan, asset management plan, annual works program or LTP).	95% or more within the acceptable level of service	Not measured	95% or more within the acceptable level of service	95% or more within the acceptable level of service	95% or more within the acceptable level of service	95% or more within the acceptable level of service	95% or more within the acceptable level of service	
We will provide a reliable roading network and will respond to customer service requests in a timely manner.	The percentage of customer service requests relating to roads and footpaths to that the territorial authority responds within the time frame specified in the LTP. (Amended Target)	90% of urgent requests responded to within one working day	Achieved (100%)	90% of urgent requests responded to within one working day	90% of urgent requests responded to within one working day	90% of urgent requests responded to within one working day	90% of urgent requests responded to within one working day	90% of urgent requests responded to within one working day	
		90% of non-urgent requests responded to within five working days	Not achieved (74%)	90% of non-urgent requests responded to within five working days	90% of non-urgent requests responded to within 15 working days	90% of non-urgent requests responded to within 15 working days	90% of non-urgent requests responded to within 15 working days	90% of non-urgent requests responded to within 15 working days	The revised target is set at a more realistic 15 working days for non-urgent requests. This reflects current resourcing levels.



Proposed Performance Measures Asset Activities (2024-34 Long Term Plan)

Level of Service	Performance Measure	Reporting Year 2022/23		2023/24 Target	Proposed Targets LTP 2024-34				Notes
		Target	Result		2024/25	2025/26	2026/27	2027-34	
Activity – Rubbish and Recycling									
We will provide kerbside rubbish and recycling collection services to urban and rural townships and transfer stations. Amended wording: We will provide kerbside rubbish and recycling collection services to urban households .	Percentage of users satisfied/very satisfied with kerbside rubbish and recycling collection services.	Maintain baseline (80%)	Not achieved (64%)	Maintain baseline (80%)	Reduce to 70% - New Baseline	Maintain baseline (70%)	Maintain baseline (70%)	Maintain baseline (70%)	
We will provide transfer stations for the community that allow for the Reuse and Recovery of materials.	Percentage of residents satisfied with transfer stations.	Maintain baseline (71%)	Not achieved (70%)	Maintain baseline (71%)	Maintain baseline (71%)	Maintain baseline (71%)	Maintain baseline (71%)	Maintain baseline (71%)	
We will encourage residents to minimise waste disposal to landfill by providing more sustainable waste management options.	Total quantity of kerbside household waste sent to landfill.	Reduction of 1% /year Target for 2022 ≤41.36kg	Achieved (39.52kg)	Reduction of 1% per person per year (from previous year)	N/A	N/A	N/A	N/A	This measure is difficult and subjective to measure. The proportion of total waste diverted below captures the waste reduction target.
	Proportion of waste diverted (recycled or composted) from the transfer station and kerbside recycling collection service.	45% or more	Not achieved (43.8%)	40% or more					
	Amended Performance Measure and Target: Proportion of household waste placed at the kerbside which is diverted (recycled or composted)	Not applicable - New measure	30% or more	30% or more	30% or more	30% or more	30% or more	40% from 2027/28 onwards 50% from 2029/30 onwards	Reset to meet Legislative requirements. Measured based on the tonnes of rubbish collected divided by the tonnes of dry recycling and food waste recycled. See discussion below:
We will monitor our closed landfills and protect the environment.	New Measure: Compliance with our resource consents for closed landfills, (measured by the number of: abatement notices, infringement notices, enforcement orders, and convictions, received in relation to those resource consents).	Not applicable until 2024/25			Zero	Zero	Zero	Zero	A new measure to align with what we are measuring for the 3 waters.

The policy direction from Ministry for the Environment includes the following

Policy: Set councils a performance standard to divert 50 per cent of household waste placed at kerbside (measured based on the tonnes of rubbish collected divided by the tonnes of dry recycling and food waste recycled). To be phased in as follows:

In view of this policy, the performance measure above has been changed remove the transfer station reference. There are options for the overall waste diversion target (to be included in the Asset Management Plan and continue reporting this not added into the LTP.



Proposed Performance Measures Asset Activities (2024-34 Long Term Plan)

Level of Service	Performance Measure	2022/23 Performance		2023/24 Target	Proposed Targets LTP 2024-34				Notes
		Target	Result		2024/25	2025/26	2026/27	2027-34	
Activity – Cemeteries									
Cemeteries will be maintained to a high standard.	Percentage of people who have visited a Council cemetery in the last year who are satisfied/very satisfied with the cemeteries.	80%	Achieved (89%)	80% or more	80% or more	80% or more	80% or more	80% or more	

Activity – Community Venues									
Level of Service	Performance Measure	2022/23 Performance		2023/24 Target	Proposed Targets LTP 2024-34				Notes
		Target	Result		2024/25	2025/26	2026/27	2027-34	
We will promote and encourage the community to use our community venues	[New Measure] The number of event centre bookings	Not applicable until 2024/25			Number of bookings maintained at 2022/23 levels (2,703)	Within 5% of 2022/23 bookings (2,703)	Within 5% of 2022/23 bookings (2,703)	Within 5% of 2022/23 bookings (2,703)	We have reliable booking data for our three event centres for the 2022-23 FY (from our new electronic booking system). The proposal is to use this information to set a benchmark for bookings that we can aim to maintain going forward. Council may consider shifting to a 5 year rolling average (similar to libraries and pool visitation) at next LTP once we have sufficient trend data - by the end of the 2023/24 financial year we will have two years' worth of data from the booking system plus the next three LTP years.

Level of Service	Performance Measure	Reporting Year 2022/23		2023/24 Target	Proposed Targets LTP 2024-34				Notes
		Target	Result		2024/25	2025/26	2026/27	2027-34	
Activity – Housing and Property									
We will provide housing that meets the needs of elderly people	Percentage of elderly persons housing tenants who are satisfied/very satisfied with the standard of maintenance and accommodation.	80% or more satisfied/very satisfied	Achieved (82%)	80% or more satisfied/very satisfied	80% or more satisfied/very satisfied	80% or more satisfied/very satisfied	80% or more satisfied/very satisfied	80% or more satisfied/very satisfied	Measured by surveying the occupants of the Elderly persons housing units.
We will provide affordable elderly persons housing.	Rent charged for elderly persons housing is below the market median for the District.	Rents are below the market median	Achieved	Rents are below the market median	Rents are below the market median	Rents are below the market median	Rents are below the market median	Rents are below the market median	Measure removed as no market median data available to measure performance.



Proposed Performance Measures Asset Activities (2024-34 Long Term Plan)

Elderly Persons Housing will be well utilised	At least 95% Percentage of available elderly persons housing which is will be occupied (Amended wording)	95% or more	Achieved (96.5%)	95% or more	95% or more	95% or more	95% or more	95% or more	
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Item 7.9

Attachment A

Attachment A



Proposed Performance Measures Asset Activities (2024-34 Long Term Plan)

Level of Service	Performance Measure	Reporting Year 2022/23		2023/24 Target	Proposed Targets LTP 2024-34				Notes
		Target	Result		2024/25	2025/26	2026/27	2027-34	
Activity – Parks and Open Spaces cont...									
Our public playgrounds will be safe.	New Measure: The assessment score from the annual external safety audit.	Not applicable until 2024/25			90% or more	90% or more	90% or more	90% or more	We currently have our playgrounds audited annually by an external play inspector. This provides an independent, qualified, opinion on the level of compliance with playground safety standards. We already record this information but do not report on it in the LTP or Annual Report. The assessment is made against the NZ standard 5828: 2015. Our level of compliance is relatively high at 90% and should continue to improve as older equipment is replaced.

Level of Service	Performance Measure	Reporting Year 2022/23		2023/24 Target	Proposed Targets LTP 2024-34				Notes
		Target	Result		2024/25	2025/26	2026/27	2027-34	
Activity – Public Toilets									
Our public toilets will be maintained to acceptable standards.	The number of complaints received regarding dissatisfaction with the cleanliness of public toilets.	20 or fewer complaints about cleanliness per year.	Achieved (19)	20 or fewer complaints about cleanliness per year.	20 or fewer complaints about cleanliness per year.	20 or fewer complaints about cleanliness per year.	20 or fewer complaints about cleanliness per year.	20 or fewer complaints about cleanliness per year.	



Proposed Performance Measures Asset Activities (2024-34 Long Term Plan)

Level of Service	Performance Measure	Reporting Year 2022/23		2023/24 Target	Proposed Targets LTP 2024-34				Notes
		Target	Result		2024/25	2025/26	2026/27	2027-34	
Activity – Pools and Spas									
<div>Our facilities will be safe for facility users and staff.</div> <div>Our facilities will be fit for purpose and safe.</div>	<div>Four independent safety and quality audits will be carried out on Swim Zone Te Aroha, Swimzone Matamata and Te Aroha Mineral Spas. Two independent safety and quality audits will be carried out on Swim Zone Morrinsville.</div>	<div>4 audits for Te Aroha Spa, Matamata Pool, Te Aroha Pool.</div> <div>2 audits for Morrinsville Pool</div>	<div>Achieved</div>	<div>4 audits for Te Aroha Spa, Matamata Pool, Te Aroha Pool.</div> <div>2 audits for Morrinsville Pool</div>	<div>N/A</div>	<div>N/A</div>	<div>N/A</div>	<div>N/A</div>	
	<div>The number of safety and quality audits carried out at our SwimZone facilities</div>	<div>Not applicable until 2024/25</div>			<div>Two independent audits will be conducted annually for SwimZone Te Aroha, SwimZone Matamata and one independent audit for SwimZone Morrinsville</div>	<div>Two independent audits will be conducted annually for SwimZone Te Aroha, SwimZone Matamata and one independent audit for SwimZone Morrinsville</div>	<div>Two independent audits will be conducted annually for SwimZone Te Aroha, SwimZone Matamata and one independent audit for SwimZone Morrinsville</div>	<div>Two independent audits will be conducted annually for SwimZone Te Aroha, SwimZone Matamata and one independent audit for SwimZone Morrinsville</div>	<div>It is proposed to reword this level of service and measure for clarity and to improve efficiencies.</div> <div>External audits show pool testing compliance with the pool water quality standard NZS 5826:2010.</div> <div>Council staff undertake regular internal audits of our facilities. An external provider completes safety and quality audits against the NZ standard.</div> <div>Removed reference to Te Aroha Mineral Spas as the NZ Pool Standard doesn't apply to the spas which have different requirements.</div>
<div>We will provide well maintained aquatic facilities in the District</div>	<div>Percentage of users satisfied/very satisfied with pool facilities.</div>	<div>80% or more</div>	<div>Not achieved (69%)</div>	<div>80% or more</div>	<div>80% or more</div>	<div>80% or more</div>	<div>80% or more</div>	<div>80% or more</div>	
<div>We will promote and encourage our community to use aquatic facilities.</div>	<div>The number of customers using our pool facilities will be maintained.</div>	<div>Visitor numbers will be within 5% of the five year average</div>	<div>Achieved (155,072)</div>	<div>Visitor numbers will be within 5% of the five year average</div>	<div>Visitor numbers will be within 5% of the five year average</div>	<div>Visitor numbers will be within 5% of the five year average</div>	<div>Visitor numbers will be within 5% of the five year average</div>	<div>Visitor numbers will be within 5% of the five year average</div>	<div>This was discussed at the 18 October workshop. It was proposed to change this to maintaining the 2022/3 levels, but after further consideration, it may be appropriate to keep within 5% which also aligns with the Library measure.</div>



Proposed Performance Measures Asset Activities (2024-34 Long Term Plan)

Propose to add the deleted measures for completeness:

Carparks and Street furniture (remove activity)

Level of Service	Performance Measure	Reporting Year 2022/23		2023/24 Target	Proposed Targets LTP 2024-34			
		Target	Result		2024/25	2025/26	2026/27	2027-34
Carparks and Street Furniture								
We will provide well maintained carparks and street furniture and will respond to vandalism and graffiti in a timely manner.	90% or more of damage, vandalism and graffiti complaints regarding Council carparks and street furniture will be responded to within the assigned timeframe.	90% or more	Not achieved 66.7%	90% or more	N/A	N/A	N/A	N/A

Recreation and Heritage

Level of Service	Performance Measure	Reporting Year 2022/23		2023/24 Target	Proposed Targets LTP 2024-34			
		Target	Result		2024/25	2025/26	2026/27	2027-34
Recreation Facilities and Heritage								
We will provide well maintained recreation and heritage facilities and will respond to complaints about damage, vandalism and graffiti in a timely manner.	90% or more of damage, vandalism and graffiti complaints regarding recreation and heritage facilities will be responded to within the assigned timeframe.	90% or more	Achieved 100%	90% or more	N/A	N/A	N/A	N/A

7 Pūrongo me whakatau | Decision Reports

7.10 Review of Development Contributions Policy 2024-27

CM No.: 2796508

Te Kaupapa | Purpose

The purpose of this report is to present the draft Development Contributions Policy to the committee for their review and comment.

Rāpopotonga Matua | Executive Summary

The Development Contributions Policy sets out how Council will recover the capital costs of development from development activity in the district, such as subdivisions, which place extra demand on the network.

The Development Contributions Policy is reviewed and consulted on alongside the Long Term Plan.

The final version of the Development Contributions Policy, alongside the full LTP and the Consultation Document will be presented to this committee at the meeting on 23 January 2024, and to Council for approval for audit on 24 January 2024. Audit will review the DCP and the LTP in February and the results of the audit will be provided to Council in early March 2024, at which time Council will be requested to approve the documents for consultation. Council will receive public submissions 13 March-19 April and hold hearing and deliberations in May 2024, before adopting the final LTP.

Tūtohunga | Recommendation

That:

1. The committee receives the report.
2. The committee reviews the draft Development Contributions Policy and provides comment.

Ngā Take/Kōrerorero | Issues/Discussion

Council reviews its growth projections and the Development Contributions Policy every three years.

The Policy has been developed taking into account the following key principals:

- development contributions should only be required if the effects or cumulative effects of developments will create or have created a requirement for Council to provide or to have provided new or additional assets or assets of increased capacity;
- development contributions should be determined in a manner that is generally consistent with the capacity life of the assets for which they are intended to be used and in a way that avoids over-recovery of costs allocated to development contribution funding;
- cost allocations used to establish development contributions should be determined according to, and be proportional to, the persons who will benefit from the assets to be

provided (including the community as a whole) as well as those who create the need for those assets;

- development contributions must be used: for or towards the purpose of the activity or the group of activities for which the contributions were required; and o for the benefit of the district or the part of the district that is identified in our Policy in which the development contributions were required;
- we should make sufficient information available to demonstrate what development contributions are being used for and why they are being used;
- development contributions should be predictable and be consistent with the methodology and schedules of our Policy;

Mōrearea | Risk

The Local Government Act 2002 sets the requirements for preparation of the LTP.

Ngā take ā-ture, ā-Kaupapahere hoki | Legal and policy considerations

The Development Contributions Policy is prepared every three years, alongside the Long Term Plan.

Policy Consideration

To the best of the writer's knowledge, this recommendation is not significantly inconsistent with nor is anticipated to have consequences that will be significantly inconsistent with any policy adopted by this local authority or any plan required by the Local Government Act 2002 or any other enactment.

Ngā take ā-lhinga | Consent issues

There are no consent issues.

Pānga ki te pūtea, me te puna pūtea | Financial Cost and Funding Source

All costs associated with the production of the Long-term Plan, including the Development Contributions Policy and community engagement can be met within existing budgets.

The financial impacts of the decisions included in the draft 2024-34 LTP supporting documents have been outlined in the consultation document.

Ngā Tāpiritanga | Attachments

There are no attachments for this report.

Ngā waitohu | Signatories

Author(s)	Niall Baker Policy Team Leader	
	Anne Gummer Policy Advisor	
	Larnia Rushbrooke Finance and Business Services Manager	
	Susanne Kampshof Asset Manager Strategy and Policy	

Approved by	Erin Bates Strategic Partnerships and Governance Manager	
	Manaia Te Wiata Group Manager Business Support	

7 Pūrongo me whakatau | Decision Reports

7.11 2024-34 Long-Term Plan - Review of Draft Significant Forecasting Assumptions

CM No.: 2796509

Te Kaupapa | Purpose

The purpose of this report is to present the draft Significant Forecasting Assumptions for the Long Term Plan 2024-2034 (LTP) to the committee for their review and comment.

Rāpopotonga Matua | Executive Summary

The draft Significant Forecasting Assumptions (SFAs) have been developed iteratively during 2023 building on those used for the Long-term Plan 2021-2031 with adjustments, additions and exclusions made to reflect updated data from third parties, legislative changes and the impacts of COVID-19.

The Significant Forecasting Assumptions are part of the supporting documentation that accompanies the Long Term plan consultation document.

Tūtohunga | Recommendation

That:

1. **The Committee receives the report.**
2. **The Committee reviews the draft Significant Forecasting Assumptions and provides comment.**

Horopaki | Background

An LTP is prepared every three years, covers ten years (and includes an Infrastructure Strategy for a 30-year period), must include specific information as prescribed in the Local Government Act 2002 (LGA), must be audited, and can only be adopted after a period of public consultation on a consultation document which itself also needs to be audited.

The SFAs are one of the essential building blocks in developing the LTP. They represent the important trends and projections that are expected to affect the Council and the District, and the assumptions that have been made when preparing plans, programmes, and financial forecasts. They are applied consistently across activity areas.

For each assumption, Council identifies what is assumed and why, along with the level of uncertainty, risks and associated effects, i.e. what the result might be if events are materially different to those assumed. Alongside each assumption are mitigation actions that council can take to minimise the uncertainty and effects.

The Significant Forecasting Assumptions are based on reliable data sources, both internal and external. External sources include Stats NZ and Te Ngira: Institute for Population Research among others.

The key assumptions represent the most important items for consideration in our planning. However, each activity may also have their own specific assumptions.

The draft SFAs were presented to Council in a workshop on 13 May 2023 and to the Risk and Assurance Committee on 13 June 2023.

The Local Government Act 2002 (LGA) requires Council to adopt the information that supports the development of the consultation document and the LTP. Schedule 10 of the LGA sets out the requirements for the final LTP document, this has been used to form the basis of the supporting documentation.

The supporting documentation will be available on Council's website during the consultation period for public reference, but the legislation makes it clear that other than the draft policies, Council should not be consulting on the supporting documentation.

Ngā Take/Kōrerorero | Issues/Discussion

The assumptions provide the base upon which the rest of the LTP is built. It is not possible to predict the future, but the underlying assumptions provide reference points that help provide direction into the future.

Council's LTP forecasting assumptions must be:

- realistic
- evidence-based - especially where assumptions are outside industry norms • internally consistent with other assumptions
- applied consistently across the LTP and supporting documents (unless there is good reason not to and the difference in treatment and reason are both explained).

The LTP must identify all significant forecasting assumptions and risks underlying the financial estimates and, where there is a high level of uncertainty associated with particular assumptions, Council is required to set out the level of uncertainty and quantify the potential effect of the uncertainty on the financial estimates.

Some of council's significant assumptions are more uncertain or provide greater risk than others. Transparency about the potential impact of future uncertainty is important in preparing the LTP. For the 2024-34 LTP, matters such as the future impacts of climate change, and the three waters reforms is front of mind.

The appointed auditor is required to express a view on the quality of the forecasting assumptions in their Audit report on both the consultation document and the LTP proper.

Key assumptions underpinning the LTP 2024-2034 include:

- Council's delivery of **water and wastewater services**. It is uncertain how, and to what extent, the proposed three waters reforms will take effect, and based upon our current understanding of timelines, this is not expected to be resolved by the time of audit in January 2024. This LTP is based on the assumption that the current legislation will remain in place (as statutorily required).
- **Assets** assumptions. The LTP contains maintenance and renewal forecasts that are based on information about asset condition and performance;
- **Growth** assumptions - Growth has three components, population growth, growth in the rating base (numbers of rating units and the size of the rating base) and growth in economic activity.

- Council's **ability to deliver its planned capital expenditure**. The impact on council's planned levels of service and its flow-on impacts on forecast debt and rates funding means that it is essential the LTP's forecast capital programme is achievable;
- **Implementing new or known changes to regulation**. For example, the recently released National Policy Statements on Freshwater Management and Urban Development and, in particular, how regulatory changes might affect the levels of service council is required to provide.
- Council's assumptions about a **changing climate**, its impacts on council operations, service levels, and planned responses;
- **the Covid-19 downturn and recovery assumptions**.

Mōrearea | Risk

The Local Government Act 2002 sets the requirements for preparation of the LTP.

Ngā take ā-ture, ā-Kaupapahere hoki | Legal and policy considerations

Schedule 10, Section 17 of the Local Government Act 2002 (LGA 2002), requires Council to identify significant forecasting assumptions.

Similarly, section 94(b) LGA 2002, requires that these assumptions be audited, with the quality of the information and assumptions underlying the forecast information to be commented on.

Assumptions are also a requirement of the financial accounting standards (under the GAAP – Accounting standard PBE FRS 42 Prospective Financial Information).

Ngā take ā-lhinga | Consent issues

There are no consent issues.





Te Tākoha ki ngā Hua mō te Hapori me te here ki te whakakitenga o te Kaunihera | Contribution to Community Outcomes

Matamata-Piako Strategic Direction

As part of the LTP development, Council adopted a new Strategic Direction providing a means to prioritise activities, and provide a frame for decision making.

The relevant Community Outcomes are set out below:

MATAMATA-PIAKO TŌ MĀTOU WĀHI NOHO OUR PLACE	MATAMATA-PIAKO DISTRICT COUNCIL TE ARA RAUTAKI STRATEGIC DIRECTION
<p>TŌ MĀTOU WHAKAKITENGA OUR VISION</p> <p>Matamata-Piako District is vibrant, passionate, progressive, where opportunity abounds. ‘The heart of our community is our people, and the people are the heart of our community.</p>	

TŌ MĀTOU WHĀINGA MATUA OUR PRIORITIES (COMMUNITY OUTCOMES)			
			
He wāhi kaingākau ki te manawa a place with people at its heart	He wāhi puawaitanga a place to thrive	He wāhi e poipoi ai tō tātou taiao a place that embraces our environment	He wāhi whakapapa, he wāhi hangahanga a place to belong and create

The LTP contributes to all outcomes by setting the funding and activity framework for delivery of Council services and activities.

Pānga ki te pūtea, me te puna pūtea | Financial Cost and Funding Source

All costs associated with the SFAs and community engagement can be met within existing budgets.

Ngā Tāpiritanga | Attachments

There are no attachments for this report.

Ngā waitohu | Signatories

Author(s)	Niall Baker Policy Team Leader	
	Anne Gummer Policy Advisor	
Approved by	Erin Bates Strategic Partnerships and Governance Manager	
	Niall Baker Policy Team Leader	

7 Pūrongo me whakatau | Decision Reports

7.12 2024-2034 Long Term Plan - Review of Draft Consultation Document

CM No.: 2796412

Te Kaupapa | Purpose

The purpose of this report is to present the draft content for the 2024-34 Long-term Plan Consultation Document to the Committee for their review and comment.

Rāpopotonga Matua | Executive Summary

The consultation document is being prepared based on guidance received through Council decisions throughout 2023. It presents information from other key supporting Long Term Plan (LTP) documents, such as the Infrastructure Strategy.

The purpose of the consultation document is to provide key information to communities, and to encourage them to share their views on the most significant issues and choices facing Council, allowing their views to be considered in the LTP decision making process.

Council will adopt the draft consultation document for audit at the Council meeting on the 24th January 2024. The results of the audit of the consultation document will be provided to Council in early March 2024, at which time Council will be requested to approve the document for consultation. Council will receive public submissions between 13 March to 19 April 2024, and hold hearing and deliberations in May 2024, before adopting the final LTP.

Tūtohunga | Recommendation

That:

1. **The Committee receives the report.**
2. **The Committee review the draft consultation document and provide comment**

Horopaki | Background

The purpose of a LTP is to:

- (a) *describe the activities of the local authority; and*
- (b) *describe the community outcomes of the local authority's district; and*
- (c) *provide integrated decision-making and co-ordination of the resources of the local authority; and*
- (d) *provide a long-term focus for the decisions and activities of the local authority; and*
- (e) *provide a basis for accountability of the local authority to the community*

An LTP is prepared every three years, covers ten years (and includes an Infrastructure strategy that covers 30 years), must include specific information described in the Local Government Act 2002, must be audited, and can only be adopted after a period of public consultation on a consultation document which itself also needs to be audited.

The consultation document is an important milestone in the development of the 2024-34 Long-term Plan. It sets out our broad direction over the next ten years, with a focus on the next three, how much that will cost, and the effects we will achieve. It asks the public to provide their views on key issues facing Council. It is the legal basis for consultation on the Long-term Plan and must be audited by Audit New Zealand.

Ngā Take/Kōrerorero | Issues/Discussion

The consultation document for an LTP must be presented in as concise and simple a manner as possible, while still achieving its purpose. It must not be a draft LTP and must not include a full version of any of the draft supporting documents. It must clearly show to affected communities, using graphs and charts where appropriate, what is changing, with a particular focus on rates and debt levels.

Council must include a preferred option for any topic on which it is seeking community views and cost its budget to that option. Council will be asked to adopt the consultation document only after having adopted all the supporting information.

The story for this Consultation Document is: **balancing affordability and looking after our assets**

Main driver for this plan has been: **affordability**

Council's response is: **choosing to focus on looking after what we have**

Council's approach:

- **Prioritise capital investment**
- **Focus on things we HAVE to do,**
- **Including some projects that we think we SHOULD do**
- **Deferring or removing everything else**
- **Looking for other ways to reduce our costs – taking greater risks**

Other points of discussion:

- **Climate change**
- **Looking ahead (10+ years):**
 - **Growth - investing in infrastructure at the right time**
 - **Climate change and resilience: upgrading our assets to be more resilient**

Topics to include in consultation document:

[Topics for community consultation](#)

1) Resource recovery centres (consult/option for feedback)

- We previously consulted on creating two resource recovery centres (MM and MV)
- Major improvements needed at Waihou (possibly millions of dollars)
- Challenges with all three existing sites
- Costs continue to increase – need to look at better, future focussed options
- Proposing to develop one, central resource recovery centre
- May need to close Waihou in year X (rather than sinking money into it)
- Cost info/rating impact

2) Roading (consult/option for feedback)

- Continue implementation of speed management plans and other safety improvements
- Costs have increased significantly – would cost around 6.5m to do what we had been doing for 5m

- Think we should keep the funding level the same to manage affordability. In an ideal world we would spend more.
- It will mean stretching out our work programme. Results will take a few years to be seen
- Cost saving/other options

3) Te Aroha Spa (consult/option for feedback)

- Background on the project (drivers, public support)
- Business case + recommendation (\$37m)
- Outcome of investment case
- Decision: not include at this point. Would revisit if suitable funding partners approached us in future
- Still acknowledge the original drivers and desire of the community to do something.
- Plan to revisit the Domain Reserve Management Plan
- Cost saving/other options

4) Te Aroha Library (consult/option for feedback)

- The Te Aroha Library is not suitable for future use and is earthquake prone – so consider this a 'HAVE to do'.
- Spreading out capital work programme, so doesn't start until year 3
- Other options - if the community considers that the cost of a new library outweighs the benefit, could be an option to not replace it

Topics to inform community

1) Matamata Domain Playground (inform, not consult)

- Consider this a 'HAVE to do' because already committed, work underway. Community partnership project
- Include costs info/rating impact
- Not giving people the option

2) Matamata Stadium (inform, not consult)

- Consider this a 'HAVE to do' because already committed, work underway. Community partnership project
- Include cost info/rating impact
- Not giving people the option

3) Matamata Wastewater Treatment Plant (inform, not consult)

- This is a 'HAVE to do' project to ensure we can comply with our new resource consent conditions
- \$40 million, with another \$40m in 15-20 years to cater for growth.
- Choosing to stage this manage affordability (alternative is the full \$75m now)

- Include cost info/rating impact

4) Public toilets at Matamata Domain and Davies Park (inform, not consult)

- Consider this a 'HAVE to do' because of growth/demand. Support existing projects
- Include cost info/rating impact
- Cost info/rating impact

5) Morrinsville CBD stormwater upgrades (inform, not consult)

- Consider this a 'HAVE to do' because of climate change/resilience
- Include cost info/rating impact

6) Morrinsville WWTP upgrade (inform, not consult)

- This is a 'HAVE to do' project to ensure we can comply with our new resource consent conditions
- \$X million
- Include cost info/rating impact

7) Digital enablement (inform, not consult)

- A SHOULD do project to prioritise organisational efficiency
- Rates increases at this level are unsustainable, so looking at how we can do things differently.
- Reserve funded, no rates impact.

8) Waitoa water (inform, not consult)

- Fonterra has decided that they do not want to be the water supplier for the village of Waitoa.
- Council is required to do something to ensure the area has a water supply – however, investigation of options is still under way
- This issue will require ongoing consultation with the Waitoa community.

Mōrearea | Risk

The Local Government Act 2002 sets the requirements for preparation of the LTP.

Ngā take ā-ture, ā-Kaupapahere hoki | Legal and policy considerations

Council is required to have a LTP under section 93 of the Local Government Act (LGA). As part of this, it is required to utilise the Special Consultative Procedure, which at s93(c)(4) requires audit of the draft Consultation Document.

Policy Consideration

To the best of the writer's knowledge, this recommendation is not significantly inconsistent with nor is anticipated to have consequences that will be significantly inconsistent with any policy adopted by this local authority or any plan required by the Local Government Act 2002 or any other enactment.

Ngā Pāpāhonga me ngā Whakawhitiwhitinga | Communications and engagement

Next Steps

Once Council has approved the draft consultation document for audit, the draft consultation document will be provided to Audit New Zealand for their audit.

Once that audit is completed, the draft consultation document will be revised as necessary and presented to Council for adoption in March 2024, along with the supporting documentation and Statement of Proposals.

If adopted, the Consultation Document will be used for the Special Consultative Procedure required by the LGA. Council decision making may require further changes through this process.

Timeframes

The following table sets out the key dates for the LTP process ahead:

Key Task	Dates
Interim audit visit	11 December 2023
Risk and Assurance Committee Meeting - to review LTP and Consultation Document before audit	23 January 2023
Council meeting - to approve LTP and Consultation Document before audit	24 January 2024
Second interim audit visit	30 January to 13 February 2024
Risk and Assurance Committee Meeting - to review LTP and Consultation Document before Council approves the documents for public Consultation	5 March 2024
Audit opinion on consultation document Council sign off on draft LTP, CD... - Council meeting	6 March 2024
Public consultation/engagement period	13 March to 19 April 2024
Council LTP hearings of submitters	8-9 May 2024
Council LTP deliberations/decision making - Council meeting	29 May 2024
Final LTP audit visit - Draft LTP Available for audit	6 June to 13 June 2024
Risk and Assurance Committee meeting - to review final LTP	18 June 2024
LTP Adoption - Council meeting	26 June 2024

Ngā take ā-lhinga | Consent issues





There are no consent issues.

Te Tākoha ki ngā Hua mō te Hapori me te here ki te whakakitenga o te Kaunihera | Contribution to Community Outcomes

Matamata-Piako Strategic Direction

As part of the LTP development, Council adopted a new Strategic Direction providing a means to prioritise activities, and provide a frame for decision making.

The relevant Community Outcomes are set out below:

MATAMATA-PIAKO TŌ MĀTOU WĀHI NOHO OUR PLACE		MATAMATA-PIAKO DISTRICT COUNCIL TE ARA RAUTAKI STRATEGIC DIRECTION	
TŌ MĀTOU WHAKAKITENGA OUR VISION			
Matamata-Piako District is vibrant, passionate, progressive, where opportunity abounds. 'The heart of our community is our people, and the people are the heart of our community.			
TŌ MĀTOU WHĀINGA MATUA OUR PRIORITIES (COMMUNITY OUTCOMES)			
			
He wāhi kaingākau ki te manawa a place with people at its heart	He wāhi puawaitanga a place to thrive	He wāhi e poipoi ai tō tātou taiao a place that embraces our environment	He wāhi whakapapa, he wāhi hangahanga a place to belong and create

The LTP contributes to all outcomes by setting the funding and activity framework for delivery of Council services and activities.

Pānga ki te pūtea, me te puna pūtea | Financial Cost and Funding Source

All costs associated with the production of the Consultation Document can be met within existing budgets.

The financial impacts of the decisions included in the draft 2024-34 LTP supporting documents have been outlined in the consultation document.

Ngā Tāpiritanga | Attachments

There are no attachments for this report.

Ngā waitohu | Signatories

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	Anne Gummer	

	Policy Advisor	
Approved by	Niall Baker Policy Team Leader	
	Erin Bates Strategic Partnerships and Governance Manager	
	Manaia Te Wiata Group Manager Business Support	

8 Ngā Pūrongo Whakamārama | Information Reports

8.1 Climate Change - Introduction to Risks and Responses

CM No.: 2786798

Te Kaupapa | Purpose

The purpose of this report is to:

- 1) Update the Committee on Council's progress toward identifying, assessing and responding to climate change risks including:
 - the risk(s) climate change poses to MPDC including to critical assets and levels of service
 - the rating of these risks (likelihood/impact) and how these ratings were determined
 - the mitigations MPDC has in place in relation to these risks
- 2) Update the Committee on Council's planned response to climate change in the Long Term Plan 2024-2034
- 3) Seek the Committee's guidance on next steps

Rāpopotonga Matua | Executive Summary

Climate change hazards pose risks to many of Council's core functions and our community. To date, Council has undertaken some work to identify, assess and respond to the risks from climate change and more is planned during the Long Term Plan 2024-2034 period.

Tūtohunga | Recommendation

That:

1. The Committee receive the report
2. The Committee provide comment on the report and guidance on next steps

Horopaki | Background

Context

1. Risk and Assurance Charter 2023

This report is presented within the context of the Risk and Assurance Committee's objectives and responsibilities as stated in its charter, which include:

1.5 Review Council's risk management activities and their effectiveness, and

6.5.1 Review the effectiveness of Council's framework to identify, treat, monitor, and report on risks to Council's activities, Annual Plan and Long-Term Plan

2. Climate change impacts for communities

Waikato Regional Council, in the introduction to their Climate Action Roadmap 2020, expresses the inter-related impacts of climate change in this way:

- The Waikato region is already experiencing the effects of our changing climate. The changes present risks to our economy, our people, our property and our environment.
- Drought and extreme storm events are increasingly affecting the primary sector, upon which the Waikato economy depends.
- Dairying and agricultural biotechnology are key drivers of our regional economy, with aquaculture, forestry and horticulture also important. The changes that affect primary production will impact on the city and towns that have grown around these industries. Town and country need each other. There is a clear interdependency between the primary sector and those working in manufacturing, retail, transport, research, and professional and trade services.
- Many communities are already feeling the effect of water restrictions on their business and domestic use, and many will face increased fire risk. Low water flows during times of drought impact the ability to generate power through our hydro schemes and the health of our river ecosystems.
- More frequent and increasingly extreme storms, increased rainfall events and rising tides will test our coastal communities, infrastructure, roads, rail and communications networks. Our native animals and plants will become increasingly vulnerable, particularly if rates of change are faster than they can adapt.

3. Local government's role in adapting to a changing climate

Ministry for the Environment, in their guidance on the National Adaptation Plan describes local government's role in responding to climate change in this way:

- Councils have statutory responsibilities to avoid or mitigate natural hazards and to have regard to the effects of climate change when making certain decisions. They are also responsible for civil defence and emergency management, as well as improving community resilience through public education and local planning.

More detail here: <https://environment.govt.nz/publications/climate-change-and-local-government-what-the-national-adaptation-plan-means-for-you/>

4. Office of the Auditor General expectations

The Office of the Auditor General has issued the following expectations in regards to local government's response to climate change:

The Auditor-General has a strong interest in making sure that public organisations approach all their climate change-related activity – including governance, planning, risk management, data collection, and reporting – with integrity. Doing so will help ensure that public organisations are able to provide New Zealanders with transparent, meaningful, and understandable information about the organisation's responses to, and how it is affected by, climate change. It will also facilitate the public sector's effective and efficient transition to a lower carbon economy.

The Auditor-General's expectations for public organisations are:

- that governing bodies and senior management teams monitor climate change risks and closely oversee the climate change activity, data, and reporting of their organisation;
- that emissions information is measured and reported clearly – the information must be credible, comparable, transparent, as well as understandable;
- that emissions targets, actions, achievements, progress, and the terminology used are well considered, accurate, and honest (that is, no deliberate or inadvertent “greenwashing”); and
- that reporting on the expected effects of climate change on a public organisation is based on a robust assessment (including risks and opportunities) of the effects on its activities and assets.

Where appropriate, the Auditor-General expects:

- robust planning for how a public organisation will strengthen the resilience of its communities and infrastructure;
- transparent reporting of spending and achievements from specific climate change funding; and
- appropriate monitoring of a public organisation’s performance in meeting its stated targets.

Although identifying, managing, and reporting on climate targets, outcomes, and progress is new and, at times, difficult, it is arguably one of the most important challenges facing New Zealand’s public sector.

<https://oag.parliament.nz/reports/climate-change>

To note from the OAG comments above:

- the range of activities that require a climate change response
- the expectation that Council will undertake an emissions inventory
- the expectation that Council will set emissions reduction targets
- the expectation that Council will undertake a risk assessment for its assets and activities
- the expectation that Council planning will strengthen resilience of both communities and Council infrastructure

5. Climate projections for Matamata Piako and the Waikato region

In 2021, Waikato Regional Council commissioned a set of Waikato region-wide and district specific reports on climate projections.

The report, *Matamata-Piako District Climate Impact Report Applying CMIP6 Data*, outlines the following projected climate impacts for Matamata Piako:

1. Annual mean temperature demonstrates a warming trend, and seasonal shifts including warmer summer months are expected to intensify.
2. Maximum temperatures expected to increase, with greatest rise in summer
3. Minimum temperatures expected to become warmer
4. Average annual precipitation minor decrease Autumn and Spring, minor increase Winter and Summer
5. Greater fluctuations and disturbances in annual runoff (river flow)
6. Increasing variability in wind speed
7. Daily extreme precipitation increases
8. Extreme wind speed marginally increases
9. Probability of dry spells increases
10. Water demand increases

6. Policy context

Legislation, policies and plans that are relevant to local government's action and obligations in respect to climate change include the following:

International

The Paris Agreement is an international commitment to limit global warming to well below 2° Celsius above pre-industrial levels, and to pursue efforts to limit the temperature increase to no more than 1.5° Celsius.

National

The **Climate Change Response Act** provides a framework for New Zealand to contribute to the global effort under the Paris Agreement. This Act, alongside associated policies, plans and regulations, are the Government's main response to climate change.

National Adaptation Plan

This plan sets out what actions the Government will take over the next six years to help all New Zealanders adapt and thrive in a changing climate. It includes a programme of work to support councils to take action and adapt to climate change. It brings together existing actions and proposed future work to:

- enable better risk-informed decisions
- drive climate-resilient development in the right places
- lay the foundations for a range of adaptation options, including managed retreat
- embed climate resilience across government policy.

Emissions Reduction Plan

New Zealand's first Emissions Reduction Plan contains strategies, policies and actions for achieving our first emissions budget and contributing to global efforts to limit global temperature rise to 1.5° Celsius above pre-industrial levels.

Local Government Act 2002

No explicit obligation to respond to climate change but obligation could be inferred in the purpose of local government as set by the Act: to promote the social, economic, environmental, cultural wellbeing of communities in the present and for the future.

Resource Management Act and associated National Policy Statements

Resource Management Act 1991 and RMA Amendment Act 2020 – Councils must have particular regard to the effects of climate change and the management of natural hazard risks when exercising functions under the RMA (District Plan)

Resource Management reforms

The resource management system is being reformed, with the focus shifting from a reactive stance of managing the adverse environmental effects of activities that use natural and physical resources to one that is designed to achieve social, economic, environmental, and cultural outcomes.

Future legislation replacing the RMA – Natural and Built Environment Act, Spatial Planning Act, Climate Adaptation Act are likely to have both mitigation (emissions reduction) and adaptation requirements for local authorities

Regional

Waikato Regional Policy Statement – has references to responding to climate change throughout the document. District Plans must give effect to this policy statement. It includes directing local authorities to assume a climate change scenario of temperature increase of 2.1C by the end of the century

See also attachment: Climate change legislative context – WRC

7. Waikato Region climate change risk assessment

Waikato Regional Council has been undertaking a climate change risk assessment for the Waikato region. Phase 1 identified a list of key “Waikato Climate Change Hazards of Interest”. Phase 2, involving a detailed assessment of climate risks is continuing in 2023.

Read more: <https://subsite.waikatoregion.govt.nz/assets/WRC/WRC-2019/Report-Phase-1-Phase-2-Waikato-regional-climate-change-risk-assessment.pdf>

8. National Climate Change Risk Assessment – Ministry for the Environment, 2020

The first National Climate Change Risk Assessment was published in 2020 as one of the requirements under the Zero Carbon Act 2019. The following were rated as New Zealand’s 10 most significant climate change risks, based on consequence and urgency, across five domains:

- Natural environment - Risks to coastal ecosystems
- Natural environment - Risks to indigenous ecosystems and species
- Human - Risks to social cohesion and community wellbeing
- Human - Risks of exacerbating existing inequities and creating new and additional
- Economy - Risks to governments from economic costs associated with lost productivity, disaster relief expenditure and unfunded contingent liabilities
- Economy - Risks to the financial system from instability
- Built environment - Risk to potable water supplies (availability and quality)
- Built environment - Risks to buildings
- Governance - Risk of maladaptation across all domains
- Governance - Risk that climate change impacts across all domains will be exacerbated because current institutional arrangements are not fit for adaptation.

Read more: <https://environment.govt.nz/assets/Publications/Files/national-climate-change-risk-assessment-new-zealand-snapshot.pdf>

9. Guidance on undertaking a local climate change risk assessment – Ministry for the Environment

Ministry for the Environment has produced a guide to conducting a local climate change risk assessment. The key steps it identifies are:

Phase 1: Getting started

- 1a. Establish project team, governance, and communication plan
- 1b. Establish the project principles, purpose and level of the assessment
- 1c. Identify stakeholders and plan for iwi/Māori and stakeholder engagement

Phase 2: Setting up the risk assessment

- 2a. Inputs and scale of assessment
- 2b. Climate change scenarios and timeframes
- 2c. Develop and agree organising themes

Phase 3: Carrying out the risk assessment

- 3a. Identify hazards, screen elements at risk
- 3b. Detailed physical risk analysis
- 3c. Additional analysis
- 3d. Review of risk rating workbook
- 3e. Risk assessment report

Phase 4: Next steps

- 4a. Risk prioritisation
- 4b. Adaptation planning

To read the detail of this guidance:

<https://environment.govt.nz/assets/publications/climate-risk-assessment-summary-guide.pdf>

Ngā Take/Kōrerorero | Issues/Discussion

The discussion below has two sections:

- (1) MPDC response to climate change – to date and planned
- (2) Governance of climate change risk

(1) MPDC response to climate change – to date and planned

a) MPDC staff have identified some high level risks including:

MPDC climate change risks <i>summary</i>	
Risk Category - Environmental	
Hazard	Risk Description
Flooding and extreme rainfall events	Surface source water quality impact
	Wastewater service disruption
	Stormwater flooding in urban locations
	Stormwater pollution entering waterways
	Erosion of streams and rivers
	Slips cut off access to critical assets
	Flooding and damage to roads, bridges and footpaths
Sea level rise	Waihou River flooding
Hotter temperatures and drought	Discharge of treated wastewater into streams with low flow
	Water supply capacity
	Biodiversity impacts
	Economic downturn
	Impacts on agriculture, horticulture, forestry, tourism, cultural sites
	Increased fire risk
Risk Category – Financial / Economic	
Hazard	Risk Description
	Transition to low carbon economy
	Transition for MPDC communities
	Impacts on primary industries and communities
Risk Category - Strategic	
Hazard	Risk Description
Public resistance to change	
Significant negative impact on financial strategy	

Failure to deliver our work programmes	
Failure to respond adequately to a crisis or emergency	
Failure to meet compliance standards	
Failure to deliver growth outcomes	
Political changes negatively impact strategic direction	

b) An Operational Resilience Strategy has been developed for water and wastewater assets.

The strategy focuses on the resilience risks associated with current Matamata Piako District Council (MPDC) water and wastewater assets, and identifies and prioritises mitigation actions to improve their resilience. Stormwater is considered a lower risk, and has not been considered in this Strategy.

The objectives for this Operational Resilience Strategy are:

- Integrate consideration of resilience into asset management and operations activities for water and wastewater
- Identify and implement actions to improve resilience
- Implement a proactive approach to response and recovery planning

Summary of wastewater and water risk register (climate change risks highlighted)

Risk Category	Number of Risks	Inherent Risk Severity Score			
		Extreme	High	Moderate	Low
Seismic/Earthquake	15	0	11	4	0
Drought	5	0	4	1	0
Flood/Storms	6	0	4	2	0
Fire	5	0	5	0	0
Water Quality	8	0	7	1	0
Critical Infrastructure/ asset failure	11	0	8	3	0
Pandemic	3	0	3	0	0
Disruption/unavailability of support services	3	0	1	2	0
Health & Safety	1	0	0	1	0
Inherent Risk Severity Score Category	57	0	43	14	0
Residual Risk Severity Score Category	57	0	3	35	19

List of high scoring risks (climate change risks highlighted)

Risk Category	Risk Description	Inherent Risk Severity	Residual Risk Severity
Seismic/Earthquake	The risk of seismic/earthquake damage impacting operations, including damage to reservoirs, WTPs, critical pipelines.	High	Moderate
Drought	The ability of water supplies to meet demand under drought and future climate change scenarios.	High	Moderate
Floods/storms	The risk of flood/storms impacting critical communications infrastructure	High	Moderate
Floods/storms	The risk of flood/storms impacting power supply	High	Moderate
Floods/storms	Risk of unavailability of raw water or untreatable water quality	High	Moderate
Fire	Existing assets vulnerable to fire damage	High	Moderate
Fire	The risk of failure or insufficient maintenance of Fire water infrastructure impacting critical infrastructure	High	Moderate
Fire	Clarity on Fire Water Plans	High	Moderate
Water Quality	The risk of decreased water supply impacting water quality	High	Moderate
Critical infrastructure/asset failure	The risk of blackout (communications/power)	High	Moderate
Critical infrastructure/asset failure	Damage or disruption to operations due to security threats, i.e. Cyber security, break-in, lack of fencing.	High	Moderate
Pandemic	Backup staff unfamiliar with site and work plans	High	Moderate

c) Within Council's new Strategic Direction document outlining its Vision and Community Outcomes, a response to climate change is included under Outcome 3: A place that embraces our environment, as one of the ways that Council will achieve this goal: *Demonstrate and advocate for climate friendly and community resilient initiatives.*



Outcome #1

He wāhi kaingākau ki te manawa | A place with people at its heart

Priorities

- Be the connector between community, iwi, NGOs and government agencies
- Prioritise community grants that enhance placemaking
- Create vibrant, welcoming town centres
- Strive for liveable, accessible, connected neighbourhoods



Outcome #2

He wāhi puawaitanga | A place to thrive

Priorities

- Seek opportunities to realise Matamata-Piako's economic potential
- Support and encourage quality, sustainable and varied development
- Invest in the right infrastructure at the right time



Outcome #3

He wāhi e poipoi ai tō tātou taiao | A place that embraces our environment

Priorities

- Educate and exemplify continuous improvement in waste minimisation
- Create and maintain green and natural and open spaces
- Demonstrate and advocate for climate friendly and community resilient initiatives



Outcome #4

He wāhi whakapapa, he wāhi hangahanga | A place to belong and create

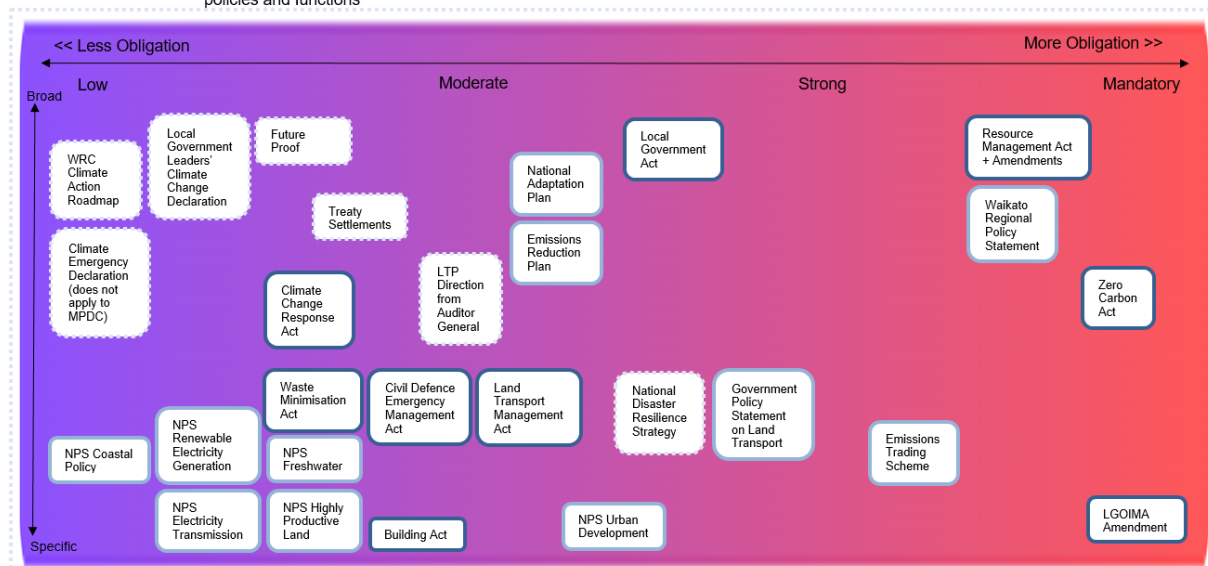
Priorities

- Genuine partnership with mana whenua
- Partner and plan for multi-purpose sporting, cultural and community hubs
- Support arts and heritage as an important part of our communities

d) Legislative scan

Staff have undertaken a stocktake of legislation, policies and plans – with a specific climate change focus, or with references to climate change - to better understand the obligations that local councils have to respond to climate change.

Figure 1 Policy landscape - legislation and plans impacting local authority obligations to incorporate climate change response into plans, policies and functions



See attachment: Snapshot of climate change policy landscape

e) Relationship building and knowledge sharing with neighbouring councils

Staff have been forming links with staff from neighbouring councils who have undertaken climate change risk assessment, community engagement and climate change strategy development work including Waikato Regional Council, Hamilton City Council, Thames Coromandel District Council and Hauraki District Council to learn from their experiences and explore options for collaboration.

f) Climate change workshops with elected members to determine LTP priorities

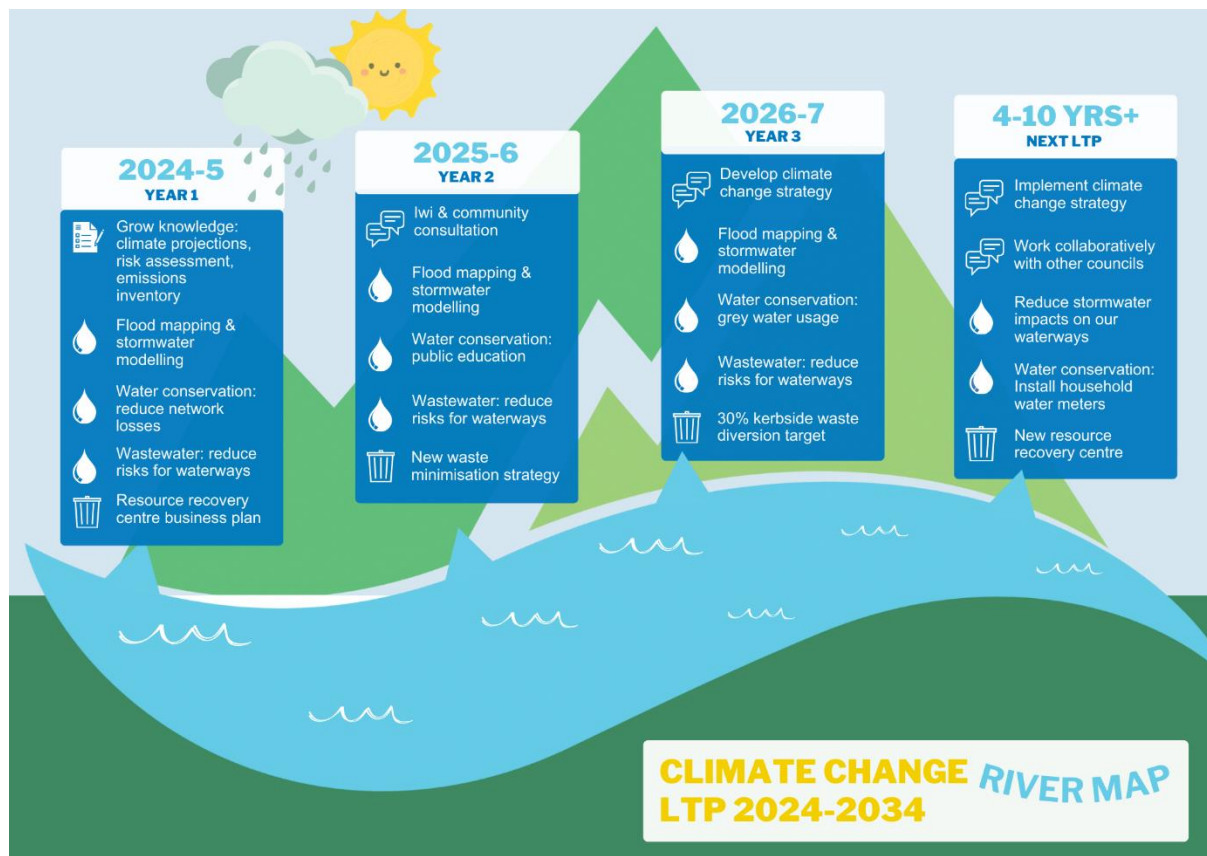
A series of climate change workshops have been run with elected members and priorities and a work plan identified for the next LTP period, including some budget for a climate change risk assessment.

In the first workshop, elected members took part in a facilitated activity to answer the question: How would you like Council to respond to climate change in the next LTP period? The outcome was a set of six priorities for how Council wanted to respond to climate change:

1. Find out more
2. Understand impacts
3. Create a climate change strategy
4. Implementation – Water
5. Implementation – Waste
6. Implementation – Community Projects

In the second workshop, elected members mapped actions falling under each of these priorities on to a roadmap across the timeframe of the LTP. This work formed the basis for the creation of a Climate Change River map.

In the third workshop, elected members considered the approach to telling the story of Council's climate change response in the consultation for the Long Term Plan, and agreed on funding of \$150,000 over three years for strategic planning work on climate change including a risk assessment, an emissions inventory, community consultation and the development of a climate change strategy.



See attachment Climate Change River map to view in more detail

As in the Rivermap the areas of focus for Council's climate change response in the LTP are:

- Growing understanding of climate change impacts
- Protecting our waterways
- Increasing drinking water sustainability
- Reducing our waste
- Developing a Climate change strategy with our community

g) LTP 2024-2034 Significant Forecasting Assumptions and Key Drivers

The Long Term Plan identifies four key drivers or challenges, one of which is climate change and resilience.

The Long Term Plan's Significant Forecasting Assumptions include a discussion of climate change risk, the level of uncertainty, impacts of uncertainty and ways Council will manage uncertainty.

h) LTP 2024-2034 Infrastructure Strategy and Financial Strategy

Both strategies will discuss climate change impacts and Council's response.

I) LTP 2024-2034 Consultation Document

The consultation document which is currently being developed will include a discussion of climate change impacts for Council's assets and services and Council's intended responses.

(2) Governance of climate change risk

a) OAG expectation

As stated in the context section above, the expectation of the Office of the Auditor General is:

- that governing bodies and senior management teams monitor climate change risks and closely oversee the climate change activity, data, and reporting of their organisation;

b) Example of Climate Change Governance Review

In 2022-23, as part of their internal Audit Plan, Waipa District Council commissioned a review of their climate change governance to assess whether appropriate structures and processes were in place to manage climate change risk.

The review structured its assessment and recommendations on three areas:

- Risk Governance Structures
- Skills and Performance
- Systems and Settings

Recommendations under each focussed on the following:

- Risk Governance Structures
 - Climate change policy
 - Climate change committee
 - Cross functional staff group
 - Council's leadership role
 - Reporting
- Skills and Performance
 - Skills assessment for governance/management team
 - Training programme
- Systems and Settings
 - Climate change risk assessment for Council operations

It is suggested that it could be of value for MPDC to commission a similar review. Alternatively, MPDC could use Waipa's review as a guide to undertake its own internal review.

See attachment: Waipa Climate Change Review to read the full report

c) Task Force on Climate-related Financial Disclosures (TCFD)

The framework of disclosures developed by the Task Force on Climate-related Financial Disclosures has been identified by OAG as a useful starting point for governing climate change risk.

The TCFD was created in 2015 to improve and increase reporting of climate-related financial information. The framework is widely adoptable and applicable to organizations across sectors and jurisdictions and is designed to solicit decision-useful, forward-looking information that can be included in mainstream financial filings.

Recommendations and Supporting Recommended Disclosures

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organization's governance around climate-related risks and opportunities.	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	Disclose how the organization identifies, assesses, and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.
Recommended Disclosures	Recommended Disclosures	Recommended Disclosures	Recommended Disclosures
a) Describe the board's oversight of climate-related risks and opportunities.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	a) Describe the organization's processes for identifying and assessing climate-related risks.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.
b) Describe management's role in assessing and managing climate-related risks and opportunities.	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	b) Describe the organization's processes for managing climate-related risks.	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

See attachment: Taskforce on climate related financial disclosures











For more information: <https://www.fsb-tcfd.org/>

d) Next steps

Staff would appreciate the committee's input and guidance on the following:

- Developing a governance structure within Council for oversight of Council's climate change work
- A reporting framework for reporting back to governance and management on climate change work
- How often and in what manner the committee would like to be updated on climate change work including climate change risk assessment work
- In what ways the committee would like to be involved in the climate change risk assessment for example – involvement in setting the scope of the assessment, involvement in the procurement process etc

Ngā Tāpiritanga | Attachments

- A  Climate Change River Map

- B  Snapshot of climate related policy

- C  Climate change legislative context - WRC

- D  Taskforce on Climate Related Financial Disclosures

- E  Waipa Climate change review - KPMG Mar23


Ngā waitohu | Signatories

Author(s)	Anne Gummer Policy Advisor	
Approved by	Niall Baker Policy Team Leader	
	Erin Bates Strategic Partnerships and Governance Manager	

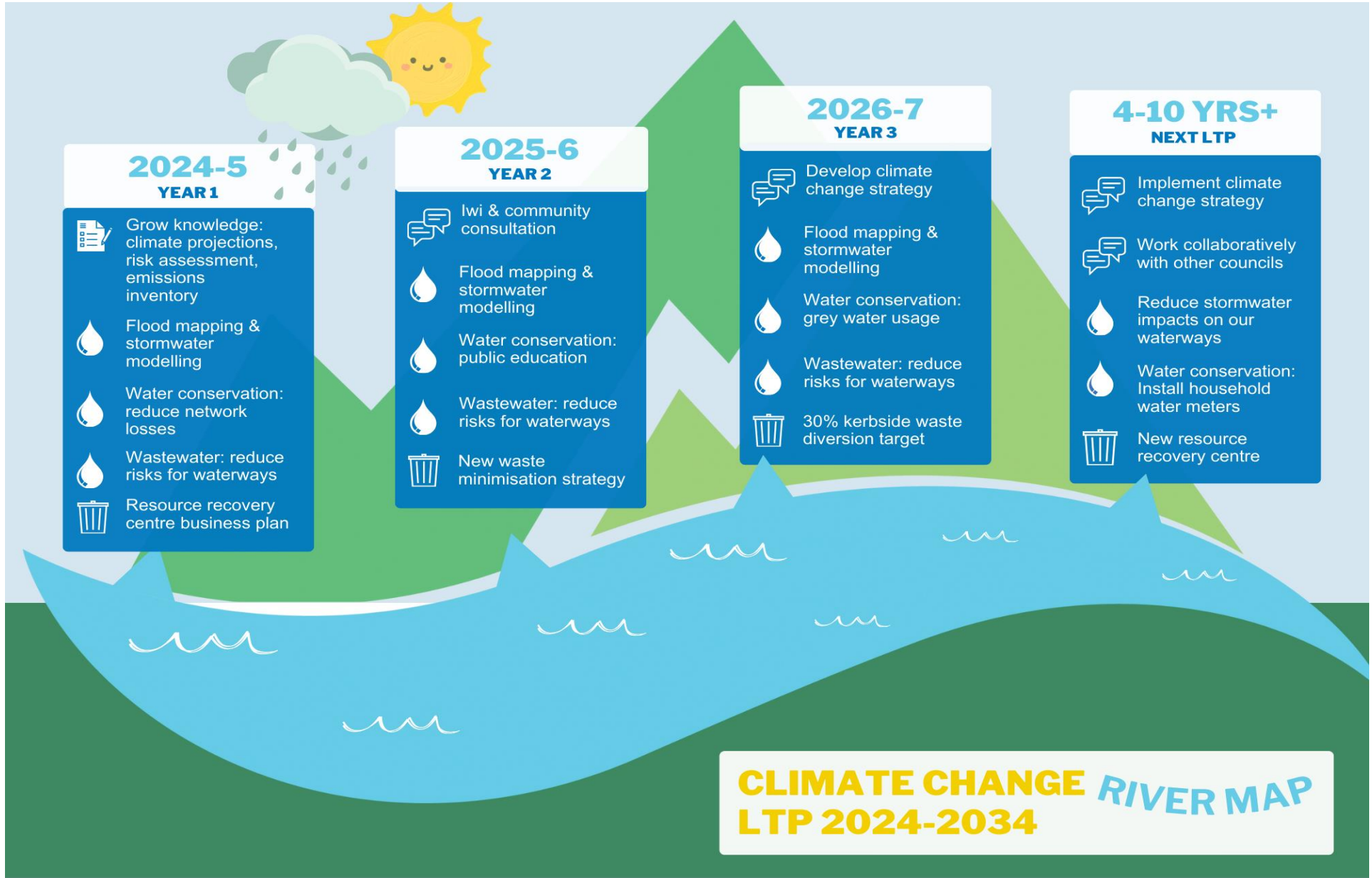
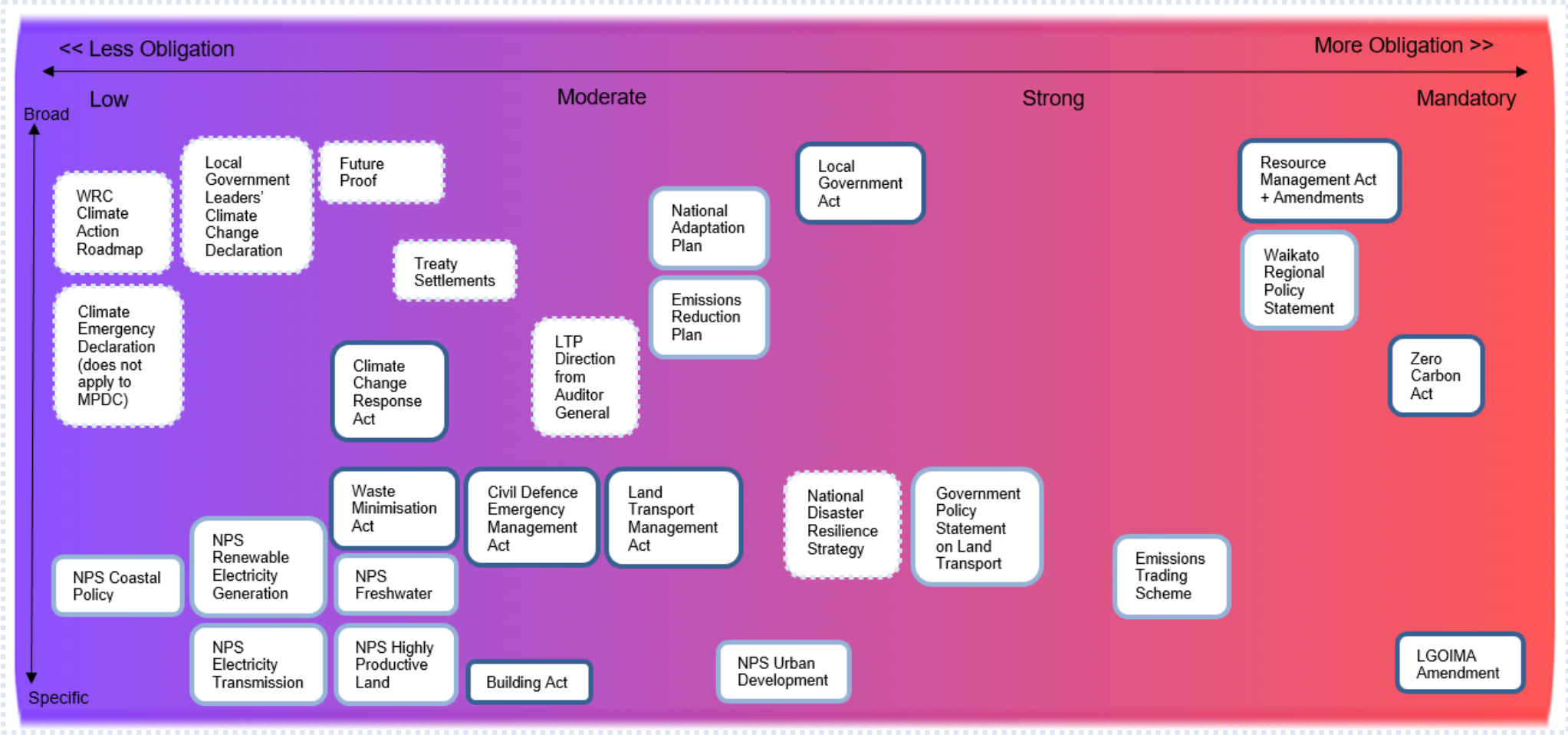
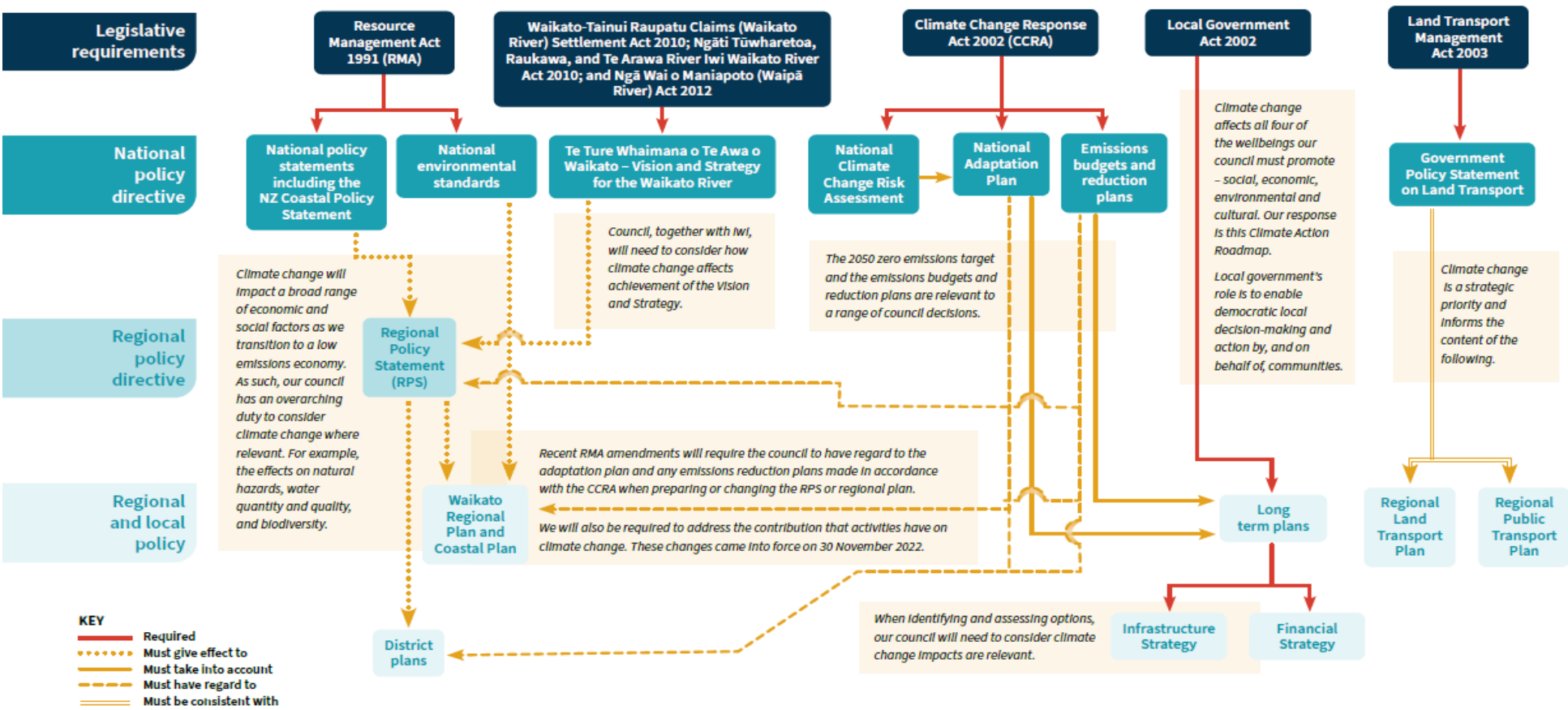


Figure 1 Policy landscape - legislation and plans impacting local authority obligations to incorporate climate change response into plans, policies and functions



How legislation guides our climate response



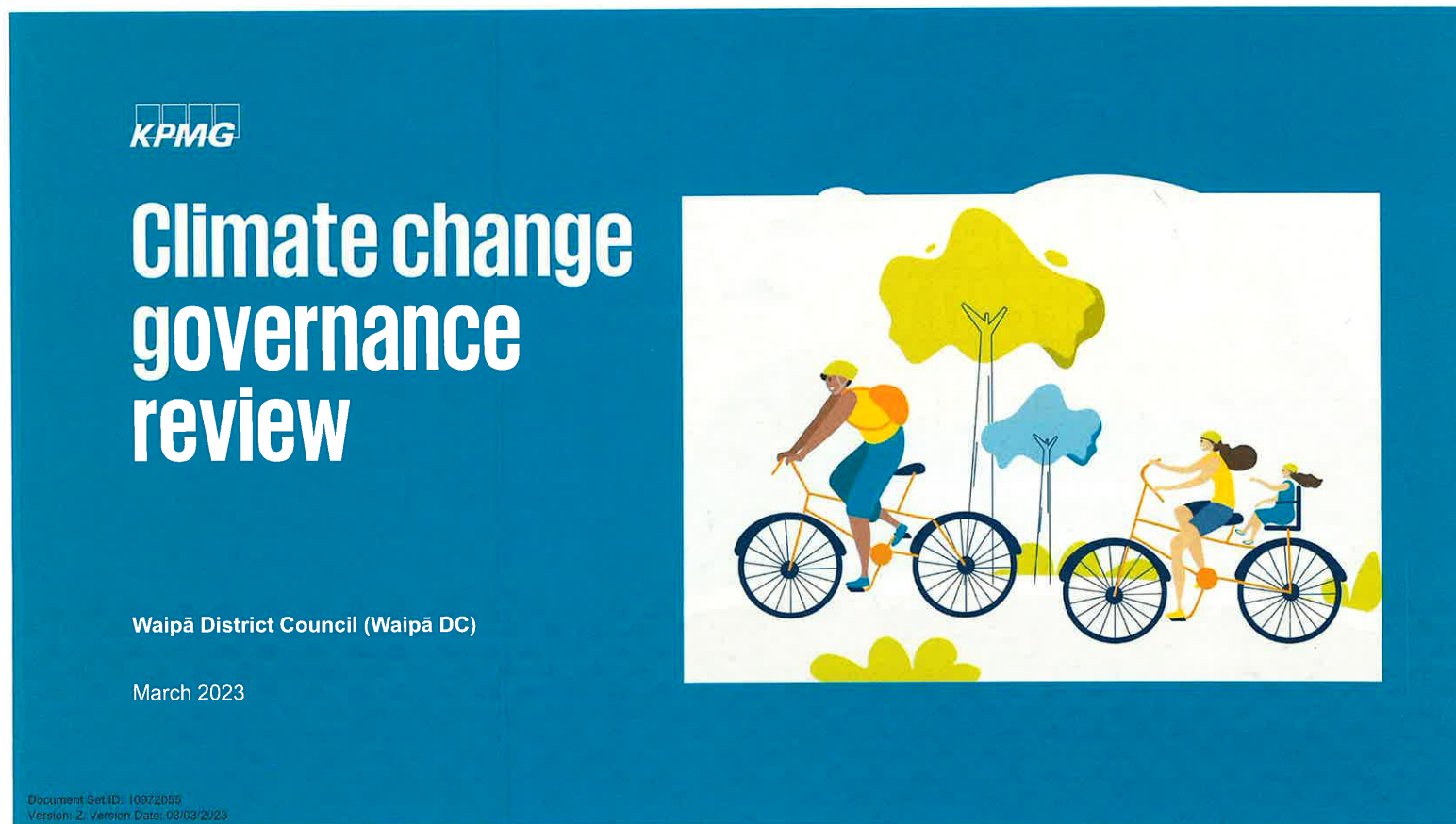
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Recommendations and Supporting Recommended Disclosures

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organization's governance around climate-related risks and opportunities.	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	Disclose how the organization identifies, assesses, and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.
Recommended Disclosures	Recommended Disclosures	Recommended Disclosures	Recommended Disclosures
a) Describe the board's oversight of climate-related risks and opportunities.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	a) Describe the organization's processes for identifying and assessing climate-related risks.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.
b) Describe management's role in assessing and managing climate-related risks and opportunities.	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	b) Describe the organization's processes for managing climate-related risks.	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

Audit & Risk Committee Public Agenda - 13 March 2023 - Internal Audit Reporting: Climate Change Governance Review

Waipa DC online docs - A+R agenda 13/3/23



Item 8.1

Attachment E

Audit & Risk Committee Public Agenda - 13 March 2023 - Internal Audit Reporting: Climate Change Governance Review

**FUELLING
PROSPERITY**

We passionately believe that the flow-on effect from focusing on helping **fuel the prosperity** of our clients significantly contributes to ensuring that our communities, and ultimately our country and all New Zealanders, will enjoy a more prosperous future.

**Titokona tō tātou
Tōnuitanga mō
Aotearoa, mō tātou**

E whakapono marika ana mātou ko ngā hua ka puta i ā mātou mahi taunaki apataki, ko ngā hua e kaha tautoko, e kaha whakatairanga ana i ngā hiahia o ā mātou apataki, mō te āpōpōtanga o ō tātou hapori, o Aotearoa whānui, te take.



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The information presented in this report is based on that made available to us in the course of our work/publicly available information/information provided by Waipā DC. We have indicated within this report the sources of the information provided. Unless otherwise stated in this report, we have relied upon the truth, accuracy and completeness of any information provided or made available to us in connection with the Services without independently verifying it. Nothing in this report constitutes legal advice or legal due diligence.

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Audit & Risk Committee Public Agenda - 13 March 2023 - Internal Audit Reporting: Climate Change Governance Review



Executive summary

Climate change is a relatively new and fast evolving area of focus globally and in New Zealand. New standards and guidance are being rolled out to assist with preparing for physical risks from climate change events and the transition to a low carbon economy. Councils have an important role to lead and positively influence this transition.

Overview

As per the FY2023 Internal Audit Plan endorsed by the Audit and Risk Committee, a review of the climate change governance has been completed. Given the current focus on climate change risks and increasing expectations, it is timely for Waipā DC to have an independent assessment of whether appropriate governance structures and processes are in place to manage climate change risks.

Waipā DC has taken active steps towards managing and mitigating climate change risks. We have provided an overview of Waipā DC's journey mapping in page 06. This includes the Environment Strategy, Waipā DC Community Spatial Plan (Ahu Ake) currently being developed and the carbon monitoring work.

Objectives and approach

The key objectives of this review were to:

- assess whether there are appropriate structures, skills, processes, and policies in place to govern Waipā DC's climate change risks, opportunities, and performance in an effective manner. This included reporting and oversight over:
 - The gap analysis to ensure that any risks not currently included are considered;
 - The role of a regional council vs a territorial authority in governing and managing climate change for our communities;
 - Waipā DC's climate change roadmap for the next 12 months.
- Provide recommendations for improvement where opportunities exist.

(Refer to Appendix One for the detailed Internal audit scope and approach)

Approach

We have assessed Waipā DC's climate change governance structures and practices against KPMG's Climate Maturity Assessment Framework (framework) focusing specifically on the governance element. The governance element includes 3 sub-elements – risk governance structures, skills and performance, and systems and settings. Our review was largely based on interviews with key stakeholders and a review of related documentation.



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Overall assessment

Overall, Waipā DC has made some significant beginnings in the climate change area. In particular, there has been some good work done to date to set-up robust governance mechanisms to manage climate change risks. These are detailed in the next slide. Notwithstanding the work already completed and underway, there are a number of areas that can be improved to enhance the maturity of climate change governance. Therefore, we have assessed Waipā DC's climate change governance as 'Developing'.

Relative to similar organisations, Waipā DC's 'Developing' rating is closely aligned with some of the other councils in New Zealand, at this stage of their climate change journey. We have shared some good climate change governance practices adopted by other councils in page 08 of this report.

Waipā DC could aim to achieve an 'Effective' rating over the next 2-3 years based on our experience with other public sector organisations. Waipā DC has in place, a strong risk management framework which can be leveraged to expedite its climate change governance and risk management.

Overall Rating	Developing
----------------	------------

The 'Developing' rating reflects:

- The need for a formal climate change policy that provides guidance on managing climate-related risks and opportunities when planning and reviewing Waipā DC's strategy, financial decisions and key initiatives.
- Clarity on climate change risk ownership at Executive Management level and a holistic governance structure is necessary to effectively manage climate change risks and opportunities
- The Executive Management and the Council will benefit from a holistic and deeper view of the climate change risks and status of actions on a regular basis. Current climate change reporting is high-level.
- An uplift in climate change training and upskilling of the Councillors and Executive Management will enable them to provide better challenge and oversight over climate change risk matters which are generally complex.
- Although a climate change related risk is recorded as one of the Top Risks for the Council, a thorough assessment is needed at the operational level, firstly, to identify the most critical climate change risk sources followed by assessment and implementation of risk mitigation actions.

(Refer to pages 10 to 13 for detailed findings and recommendations).

What is working well

Our review of the documents and interviews with Waipā DC Councillors, Executive Management and other staff members identified some key climate change initiatives and practices adopted by Waipā DC.

Climate change risk governance structures

Waipā DC has made some good progress with its first steps and building blocks through:

- An Environment strategy is under development that seeks protection and enhancement of the environment and life-sustaining resources, the mauri and the wairua. It is a 30 year strategy, with reviews within each 5-year period to ensure it remains relevant and up-to-date, resets priorities and continues to unite people in Waipā for progress while sustaining the environment. Inputs from this strategy will feed into the Ahu Ake – which presents the blueprint for the district for the next 30-plus years.
- The establishment of a Carbon Monitoring & Reduction Steering Group to lead and manage Waipā DC's Carbon Monitoring and Reduction Programme, covering different workstreams like transport fuels (reducing fleet number, etc), electricity, construction/suppliers (including sustainability as part of procurement considerations), etc.
- Embedding carbon reduction considerations as part of evaluating business cases.
- An annual climate change risk deep dive report is presented to ARC which provides a high-level commentary on the effectiveness of mitigation measures, change in residual risk ratings, risk indicator trends and progress against planned mitigation measures.
- A quarterly high-level update to ARC on climate change risk is provided.

Climate change skills and performance

Waipā DC has taken active steps to uplift the climate change risk awareness and understanding. These include:

- Te Whakahaere conducting climate change workshop for the Councillors and the Executive Management team.
- WSP facilitating a workshop for the Executive Management Team on Carbon Management and Reduction in business cases.
- Waipā DC staff members are provided opportunity to participate in CoLab (Waikato LASS) forum to discuss carbon emissions monitoring and more generally climate change response across the Waikato Region.
- Waipā DC has budget allocated for climate change training that the Councillors might be interested in.

Climate change systems and policy settings

As a good starting point, Waipā DC completed a survey for Waikato Regional Council providing inputs into key risk areas listed on the questionnaire:

- Flooding and extreme rainfall
- Coastal hazards
- Temperature increase and drought
- Other climate hazards
- Transition risk

This work will form the baseline to specify the critical climate change risks at the operational level relevant to Waipā DC.



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Insights on good climate change governance practices adopted by other councils

As mentioned earlier, Waipā DC's climate change journey is closely aligned to most of its peers. Based on our experience with the other Councils, we have highlighted other good climate change governance practices implemented by some of the other Councils. Waipā DC may consider incorporating some of these. We have also incorporated some of these in our recommendations as relevant.



- Sustainability/climate change skills assessment at the Councillors and Executive Management level through a third party service provider. The initial assessment covers sustainability literacy and climate change literacy.
- A designated Sustainability Committee at the Councillor level.
- A cross functional group comprising of the Executive Management team members to focus on sustainability matters including climate change. One of the Executive Management team members has the responsibility to lead and ensure the group delivers on the expectations.
- 1-2 Councillors with specific responsibility to focus and lead on Sustainability matters (incl. climate change) to meet with the cross functional group at least quarterly to highlight potential risks or opportunities.
- The cross functional group generates six monthly holistic reports covering key risks mitigation measures, progress against actions and commentary on key risk movements, risk drivers responsible for these movements, etc. This is then presented to all the Councillors at the meeting.
- The Council to plan specific outcomes on how it will deliver on its leadership role to guide community on sustainability outcomes.
- Development of the Council's own emissions reduction plan for their community.
- Climate change scenario analysis used to perform structured climate change risk assessments to identify the most critical climate change risks relevant for the Council.
- Current and anticipated climate risks identified, assessed, and integrated into Council's risk management framework.
- Reviewing its Sustainability/ climate change strategy or outcomes at least every 5 years to ensure they remain relevant.



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Item 8.1

Attachment E

Risk Governance Structures

RATING: High

The Governance domain assesses whether the ‘Governance-level’ Elected members - (the Elected Council members) and ‘Executive Management-Level’ – Executive Management have the right structures, skills, processes, and policies in place to govern Waipā DC’s climate related risks, opportunities, and performance in an effective manner.

Areas for improvement

Interviews with the Councillors, Executive Management team and staff members and review of documents highlighted that:

- 1. Currently, Waipā DC doesn’t have an overarching climate change policy. As a result, climate change initiatives are largely driven by individual staff members’ values and interests rather than a strategic direction and a deliberate approach.
- 2. Waipā DC has not established a Climate Change Committee at the governance level to own and maintain oversight over climate change risks and opportunities. Climate change is not included as a formal agenda item for Executive Management team and Councillors’ meetings.
- 3. Apart from the Group Manager - Strategy who owns the environment strategy, and Group Manager – Service Delivery who leads the carbon monitoring and reduction planning, Waipā DC has not appointed or allocated climate change/sustainability responsibilities to specific personnel. We understand that none of the Executive Management have formal accountability for overseeing Waipā DC’s climate change practices, initiatives, and resourcing. The wider climate change risk roles and responsibilities are decentralised with each Group Manager expected to consider and highlight climate change consideration matters for their business units.

This has resulted in:

- unclear responsibility for the vulnerability of Council assets and services to the physical impacts of climate change has not been assigned. Nor has responsibility been assigned for reporting on vulnerability or Council’s efforts to reduce vulnerability.
- absence of ownership and oversight over the implementation of activities and actions from strategies like the environment strategy and reporting progress to ARC.
- lack of performance measures or KPIs relating to climate change risk.
- 4. As a local council organisation, Waipā DC can play a more active role for its community and businesses to build climate-resilient communities and implementation of sustainable behaviours to contribute towards the 2050 net zero targets.
- 5. The climate change risk reporting is ad-hoc. There are individual reports presented on carbon emissions and council’s energy use with an annual high-level summary presented to the ARC. However, there is no overarching and holistic view of climate change actions and activities presented to the Councillors and the Executive Management on a regular basis.



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Page 131

RATING: Medium

Areas for improvement

- Recommendation(s):**

- 1. Climate change skills assessment:** Waipā DC should consider conducting climate change skills assessment at the Councillors and Executive Management level, identify potential gaps and measures to remediate the gaps. This may be facilitated through a third party service provider. The initial assessment should cover sustainability/climate change/carbon literacy.

- For Councillors and Executive Management members:**

- provide ongoing training and guidance on internal and external climate expectations and requirements, most critical climate change risks for Waipā DC, Council's leadership role on guiding communities and business on climate change matters.
- incorporate climate change challenges and responsibilities into briefing/induction programme for Councillors and Executive Management team members

For all Waipā DC staff members:

- Management comments:**

Waipā DC accepts the findings of 'Developing' and acknowledges the areas for improvement recommended in the report. We also appreciate the insights into what other Councils are doing in the climate change governance space. The areas for improvement will now be prioritised and an improvement programme plan developed to implement the recommendations over a three year period. The improvement programme will be presented back to ARC at a future meeting.

Document type: Article | 12

Systems and Settings

RATING: Medium

The activities in place that allow an organisation to identify, assess and quantify known and emerging climate change risks. The risk assessment and measurement processes allow organisations to consider the extent to which potential events may have an impact on them and their key stakeholders. It encompasses qualitative and quantitative approaches, processes, tools and systems that organisations develop and implement to identify, assess, and measure climate change risks.

Areas for improvement

1. Although, climate change risk has been identified as a critical risk for Waipā DC, detailed climate change risk assessments to identify specific climate change risks at the operational level relevant to Waipā DC, their mitigation measures and key actions plans have not been conducted.

Recommendation(s):

1. Consider conducting a workshop to identify the most critical climate change risks relevant to Waipā DC.
2. **Undertake a climate change risk assessment. Anticipated risks should be explored using scenario analysis:** In line with good practice, Waipā DC should explore the anticipated impacts of climate change through integrated climate change scenarios. The scenario narratives should cover a range of climate outcomes, including economic, regulatory and social, as well as weather-related events.

This will provide Council's decision makers with a common platform for assessing options to reduce, avoid and prepare for climate-related risks and encourage the proactive development of recovery plans for broader outcomes.

Council could share its scenarios with local communities and businesses to encourage and support their adaptation efforts.

Management comments:

Waipā DC accepts the findings of 'Developing' and acknowledges the areas for improvement recommended in the report. We also appreciate the insights into what other Councils are doing in the climate change governance space. The areas for improvement will now be prioritised and an improvement programme plan developed to implement the recommendations over a three year period. The improvement programme will be presented back to ARC at a future meeting.



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Audit & Risk Committee Public Agenda - 13 March 2023 - Internal Audit Reporting: Climate Change Governance Review



Appendix One: Internal audit scope (extract)

Internal audit objectives

The objectives of this engagement were to:

- Assess whether there were appropriate structures, skills, processes and policies in place to govern:
 - Waipā DC's climate change risks, opportunities, and performance in an effective manner;
 - Gap analysis to ensure that any risks not currently included are considered;
 - Establish the role of a regional council vs a territorial authority in governing and managing climate change for our communities;
 - Assess what may be required of Waipā DC in the coming 12 months to ensure that there is an element of future proofing provided for.
- Provide recommendations for improvement where opportunities exist.

Internal audit scope

The review focused on the governance domain only and covered the following 2 themes under that domain:

- governance level leadership and oversight
- executive level leadership and management coordination

Specifically, the review assessed the following:

- roles and responsibilities (including roles and responsibilities allocated to specific committees or staff members) and consideration of the role of Waikato Regional Council in supporting climate change response across the wider region (to ensure collaboration rather than duplication).
- consideration of climate change risks as part of Waipā DC's strategic initiatives.

- training and guidance provided to the Councillors and Executive Leadership Team on climate change risks.
- development and roll-out of climate change risk framework, policies , or processes.
- updates and reporting provided to the Councillors and SLT on climate change risks.

Internal audit approach

The approach included the following steps:

- Obtained and reviewed relevant information relating to climate change risks including policies and procedures and process documents.
- Conducted interviews with some Councillors, Executive Management team members and staff members involved in Council's climate change initiatives.
- Consolidated the key messaging from the interviews and hold additional discussions with key stakeholders relating to the in-scope areas as required.
- Compiled potential internal audit findings for discussion with process owners as part of the close-out meeting.
- Drafted a report detailing the internal audit findings and opportunities for improvement.
- Issued draft report to Executive Management for documentation of intended action plans.
- Issued final report including management action plans to address Internal Audit's recommendations.



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Review Rating		Risk Rating	
Rating	Definition	Rating	Definition
GOOD	The controls are fit for purpose and are being performed in a manner which effectively mitigates the identified risks.	LOW	Matters which are unlikely to have a significant impact on the system of internal control, but should be addressed as part of continuous improvement.
EFFECTIVE	Despite the fact that some control weaknesses were identified, existing controls within the audited process are considered to be generally adequate, appropriate and effective. They ensure that the audited business processes will achieve their control objectives.	MEDIUM	Matters which are important to the system of internal control and should be addressed as soon as possible.
DEVELOPING	Control weaknesses were identified which, if not appropriately addressed, could in the future result in the audited business processes not achieving their control objectives.	HIGH	Matters which are fundamental to the system of internal control. The matters observed can seriously compromise the system of internal control and data integrity and should be addressed as a matter of urgency.
NOT EFFECTIVE	Existing controls are considered to be inadequate and ineffective to ensure that the audited business processes will achieve their control objectives. Significant improvements are required to improve the adequacy and effectiveness of the control environment.		

8 Ngā Pūrongo Whakamārama | Information Reports

8.2 Takatū Anamata | Future Ready organisation review

CM No.: 2797359

Te Kaupapa | Purpose

The purpose of this report is to provide an update on the Takatū Anamata | Future Ready organisation review.

Rāpopotonga Matua | Executive Summary

The Takatū Anamata | Future Ready organisation review was launched in March. This review is about ensuring MPDC is future ready and fit for purpose whatever the future may look like. Two of three phases of consultation have been undertaken and consultation on the detailed design is currently underway.

This report provides an overview of the review process for the Risk and Assurance Committee.

Tūtohunga | Recommendation

That:

1. The information is received.

Horopaki | Background

The Takatū Anamata | Future Ready organisation review was launched in March. This review is about ensuring MPDC is future ready and fit for purpose whatever the future may look like.

This is the first major organisation review since 2011, and the organisation has grown significantly since. Following some staff concerns about workload and structural alignment, the E-Team considered that continuing without structural review could increase the risk to the organisation of staff burnout from workload, increased turnover, inefficiency, decreased levels of service and failing to meet future needs and expectations.

There are also three major reforms proposed for Local Government that could result in significant change – Three Waters (currently on hold), RMA and the Future for Local Government.

The Exec team identified the following set of principles for the organisation design reset:

- Sustainable and flexible for future needs
- More effective and efficient
- Pragmatic and practical – using recognised local government practice where appropriate i.e. strategy, policy, operations
- Collaborative - facilitating cross-organisation processes and simplifying ways of working
- Support our journey to be customer centric and digitally enabled
- Support our ability to enhance district resilience, including partnering with others to build cultural and social capacity
- Easy to understand for our staff, community and other stakeholders

The review was undertaken in three phases, two of which are now complete.

The first phase invited staff to provide feedback on what MPDC might do to be future ready, and identify what is working well and what challenges and issues need to be addressed. Staff could also provide their views on how they would structure the organisation to address these issues. Hundreds of items of feedback were received, and a consultant from GHD analysed the data and provided recommendations for consideration. The Exec Team considered a number of different designs before reaching a decision on an initial high level design (the high level design includes third tier manager roles and up).

The second phase of the review was consultation on the high level design. There were two consultation periods during this phase.

69 submissions were received on the initial proposed high level design through Survey Monkey, email and an organisation design tool, which were considered before a preferred high level design was agreed and sent out for consultation.

34 submissions were received on the preferred high level design and were considered and responded to before the high level design was finalised on 25 August. This resulted in two new Group Manager positions being created to share workload, increase collaboration and enable Council to better achieve its objectives.

Once the high level design was confirmed internal recruitment for the two new Group Managers was undertaken so they could provide input into the detailed design (phase three). The appointees will officially commence in their new positions on 26 February 2024.

This report provides the latest update on phase three of the organisation review.

Ngā Take/Kōrerorero | Issues/Discussion

The third and final phase of the organisation review process is the detailed design. This includes the organisation structure for all levels below third tier.

Third tier managers were invited to submit a proposal on any changes they would like to see to the structure of their teams, and to reflect on any issues that needed to be addressed including issues raised by staff through the consultation phases, workload issues, succession planning and providing resilience within the team.

The E-Team considered their proposals and developed an initial proposed detailed design and sought staff feedback. 153 comments from staff were received along with 23 questions that were discussed at a Hot Topic Zoom session with staff.

Following consideration of feedback the E-Team released the preferred proposed detailed design on 22 November 2023.

A final decision on the detailed design is expected to be made in early December.

An implementation plan will also be developed and released. This plan will consider the risks of implementing the detailed design.

Mōrearea | Risk

David Walker, an external consultant from GHD has been engaged as the Project Manager on the organisation review process. This ensured external analysis of data and recommendations, particularly during phases one and two.

The Project Sponsor, Kelly Reith ensures the corporate project management framework is applied, change management principles are considered and employment processes are adhered to.

The Communications Manager, Jenni Cochrane and Internal Communications Officer Matthew Beveridge ensure staff are kept informed throughout the process and provide advice on engagement.

A risk register is maintained and updated monthly including identified controls for dealing with any risk to business as usual.

Ngā Whiringa | Options

Not applicable.

Ngā take ā-ture, ā-Kaupapahere hoki | Legal and policy considerations

Any legal issues or potential changes to employee terms and conditions continue to be considered throughout the decision making process.

Ngā Pāpāhonga me ngā Whakawhitiwhitinga | Communications and engagement

The Communications Manager and Internal Communications Coordinator are members of the project group and ensure staff are kept informed of the process.

Ngā take ā-lhinga | Consent issues

Not applicable.

Pānga ki te pūtea, me te puna pūtea | Financial Cost and Funding Source

Not applicable.

Ngā Tāpiritanga | Attachments

There are no attachments for this report.

Ngā waitohu | Signatories

Author(s)	Kelly Reith People, Safety and Wellness Manager	
Approved by	Don McLeod Chief Executive Officer	

8 Ngā Pūrongo Whakamārama | Information Reports

8.3 Safety and Wellness Reports

CM No.: 2795639

Te Kaupapa | Purpose

The purpose of this report is to provide the Committee with safety and wellness reporting.

Rāpopotonga Matua | Executive Summary

The July – September 2023 Quarterly Safety & Wellness Report, and the August and October 2023 Safety & Wellness Updates are provided. Kate Stevens, Safety & Wellness Team Leader, in attendance to discuss the reports with the committee.

Tūtohunga | Recommendation

That:

1. The information be received.

Ngā Tāpiritanga | Attachments

A  Quarterly Safety and Wellness Report July-September 2023



B  August 2023 Safety and Wellness Update



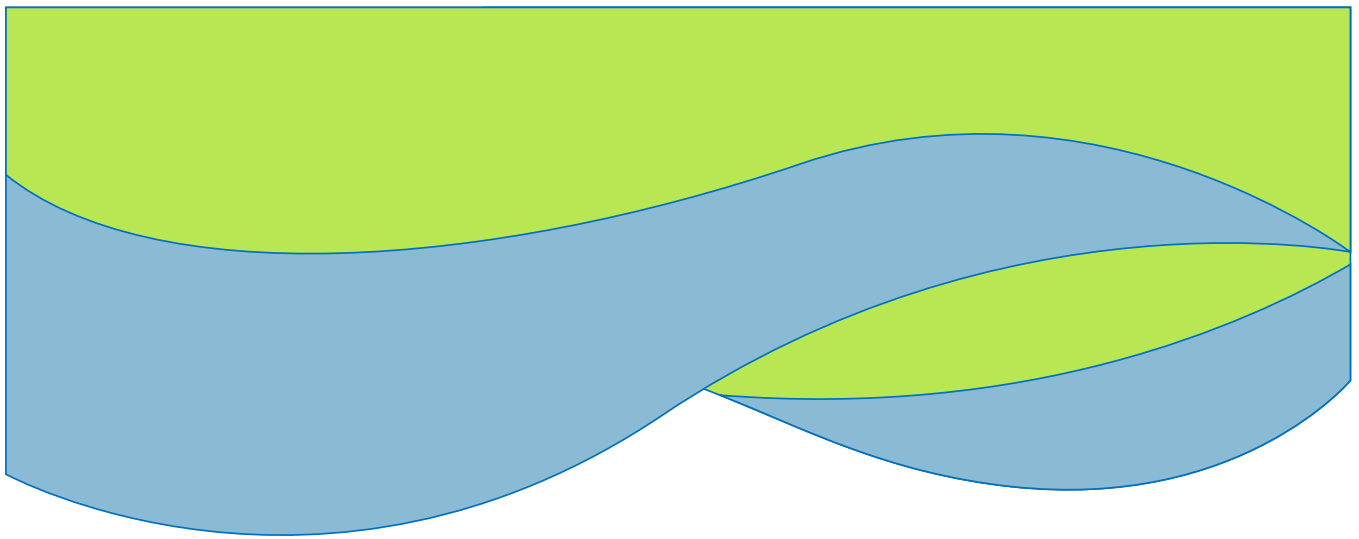
C  October 2023 Safety and Wellness Update



Ngā waitohu | Signatories

Author(s)	Kate Stevens Safety and Wellness Team Leader	
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Approved by	Kelly Reith People, Safety and Wellness Manager	
	Don McLeod Chief Executive Officer	



Safety & Wellness

Quarterly report:

July – August - September 2023

Together we create a healthy, safe workplace where we thrive.

Executive summary

We set two objectives for the 2023/2024 year:

1. We stay focused on critical risks: we use the hierarchy of control and have a programme for critical risk assurance.
2. We use our systems, policies and processes: practice is aligned with process and policy, and we use our safety and wellness system (Damstra) effectively.

With the Takatū Anamata – Future Ready Organisation Review underway and changes within the organisation ahead, we recognised that our ability to take on new projects will be limited. Our focus is therefore to complete work that is already underway and consolidate the work that has been done. A summary of progress for this quarter is included at the end of this report.

One area of concern has been the high number of overdue corrective actions in Damstra: reducing this will make it easier for leaders to monitor progress on actions and assist where needed. This quarter we worked with teams to update their actions in Damstra, extending time frames where appropriate and ensuring that completed actions are closed off in the system. By the end of the quarter the number of overdue actions was down to 51, a significant improvement from 93 at the end of the last quarter.

After a period of low injury rates we were disappointed to see that quite a number of our staff sustained lost time (more than one shift off work) or medical treatment injuries at work this quarter. We know that statistics are not a reliable predictor of safety performance, but monitoring lost time injuries provides us with an indication of the impact that work-related injuries have, both on the people involved and also on our organisation.

Events

The graphs and tables below provide summary data from Damstra reports.

Number of events and observations this quarter:						
Incidents	Injuries/illness	Near Miss/ Hazards	Observations (Unsafe)	Observations (Safe)	Notifiable Events	Lost Time Injuries
26	22	5	37	1	3	8

There were three notifiable events this quarter:

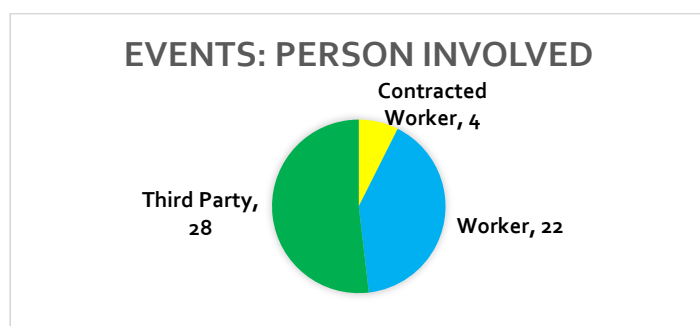
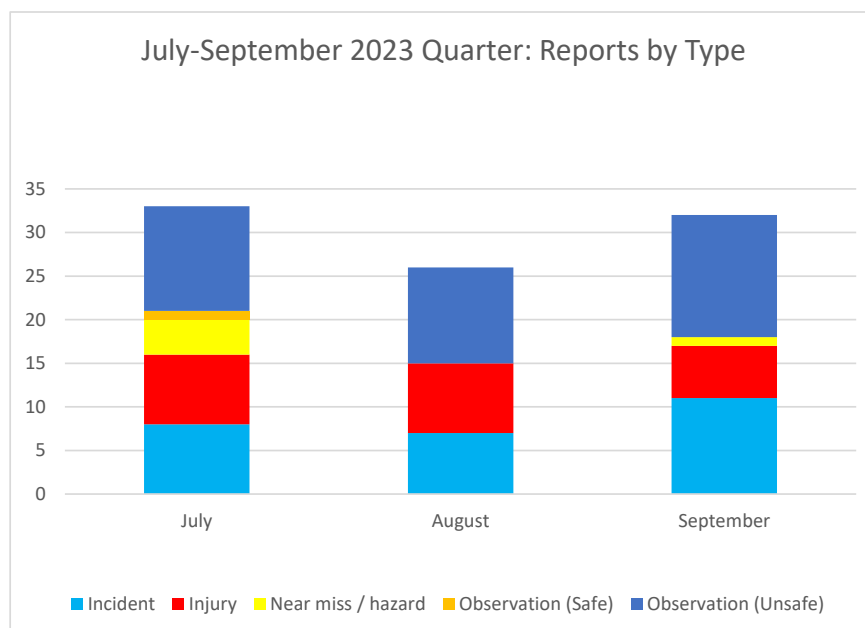
1. One of our contractors was injured while felling a tree, resulting in a cut to the head. The contractor was wearing a harness, which prevented them from falling from the tree.
2. A staff member slipped on wet ground and cut their leg on a waratah, requiring multiple stitches. WorkSafe have advised they will not be intervening.
3. A staff member sustained a crush injury to their foot when moving a manhole lid. WorkSafe have advised they will not be intervening.

We notified WorkSafe of a further event where a member of public was injured at SwimZone Matamata. They have advised us that they did not consider this event to be notifiable as it did not arise from work.

There were eight lost time injuries this quarter and a further four injuries requiring medical treatment. The most common cause of injury was manual handling, accounting for nine of the twelve injuries. The majority of the injuries involved KVS staff and we held a meeting with KVS H&S Reps and leadership team to discuss whether there were any common contributing causes. The only cause suggested was that the wet weather created muddy conditions, which may have contributed to slip and fall type injuries.

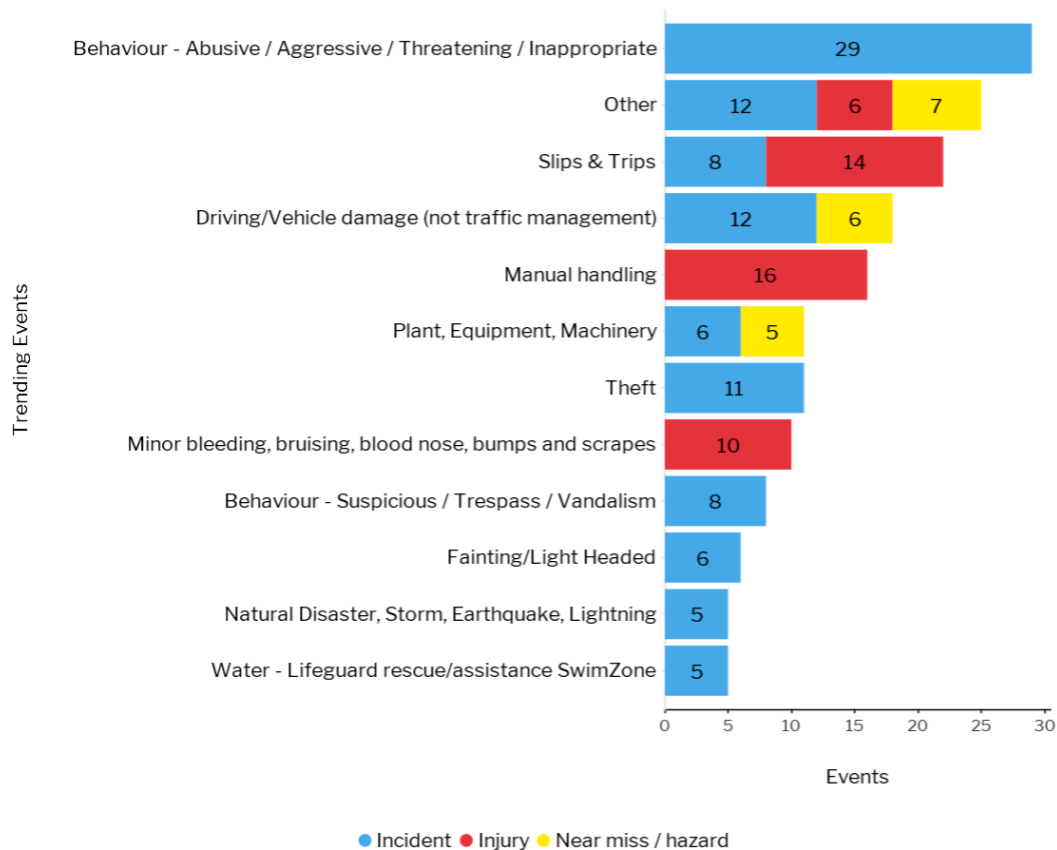
An incident involving one of our contractors occurred when a kerbside collection vehicle drove off the road through a fence into the adjacent paddock. Fortunately, there were no serious injuries. The contractor is investigating to determine the cause.

The graphs below set out the number of reports by type (per month, including observations) and events reported according to the person involved.



The graph below shows events from the last twelve months that have occurred five or more times. It shows a relative increase in reports relating to abusive/aggressive/threatening/inappropriate behaviour. This is discussed further in the critical risk section.

Events by trending category - Rolling 12 months

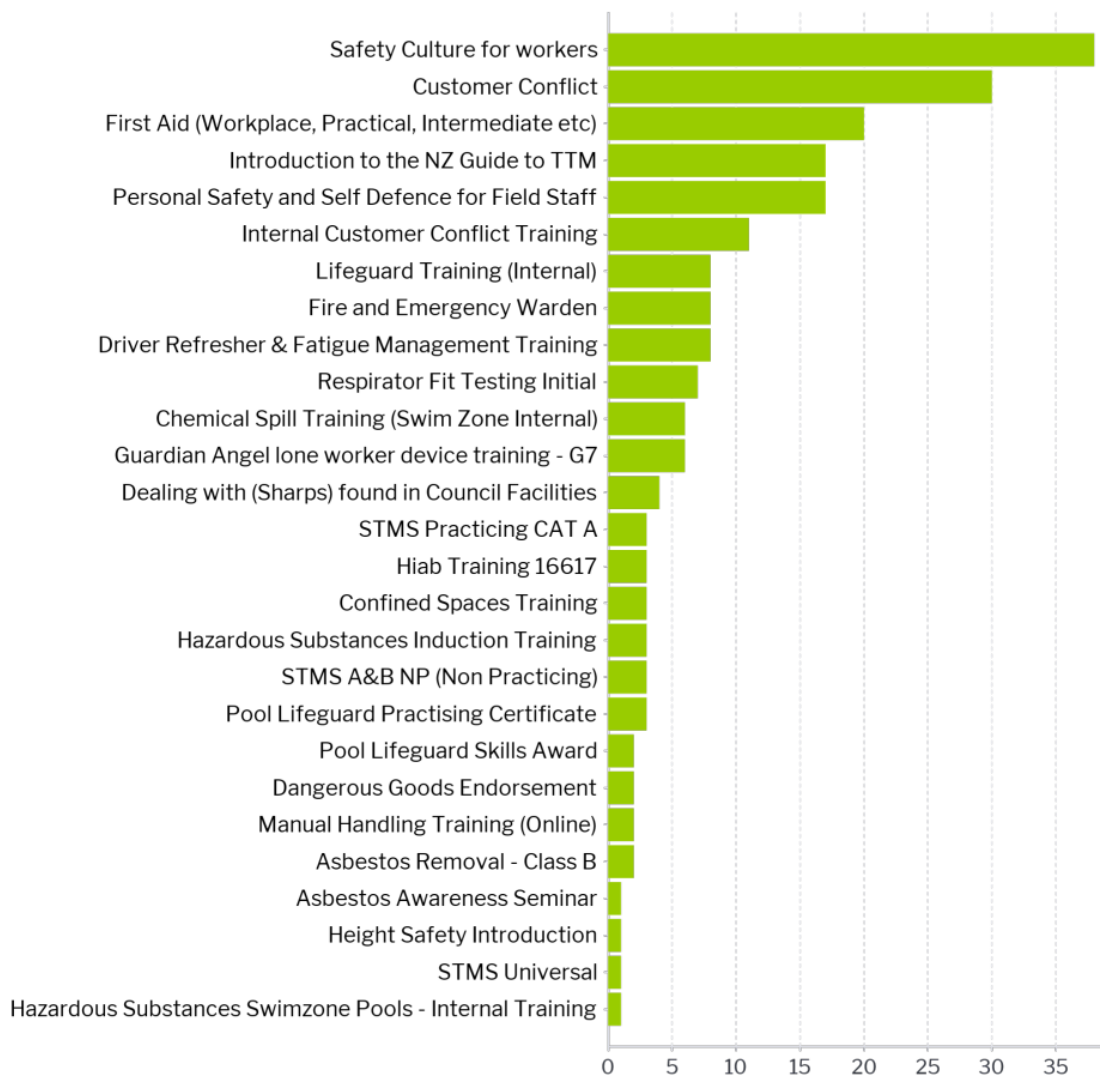


Event Investigations completed this quarter	44	Overdue Investigations at end of quarter	16
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Learning & Development

The graph below shows training (both internal and external) completed this quarter.

Training Completed this Quarter



Risk management

Council has identified “Top 10” critical risks as follows:



Critical risk updates:



Hazardous Substances:

- Work is underway on a new chlorine room at Morrinsville Water Treatment Plant to meet requirements under the Hazardous Substances Regulations.



Working on the road:

- Stiza Te Moananui (Waka Kotahi Traffic Management Auditor) ran a workshop for managers and team leaders who are involved in traffic management. He explained how Waka Kotahi are rolling out the [New Zealand Guide to Temporary Traffic Management](#) (NZGTTM), setting out a new approach to managing roadwork sites. MPDC are currently operating under the existing Code of Practice for Temporary Traffic Management, but the session provided some good information for how we can prepare for the changes ahead e.g. ensuring that staff have a good understanding of risk assessment, and having the capacity to provide traffic management mentoring in-house.



Psychological wellbeing:

- Our customer services team have raised concerns about the impact of abusive behaviour from customers on their mental health and well-being. The changes to kerbside collection seem to have exacerbated this issue. Our customer-facing staff are provided with customer conflict training and we have been monitoring the situation and providing additional support, such as a senior member of staff spending time at the front desk with the team. The Communications Team have also been assisting with messaging to the public regarding behaviour towards staff.
- After considering feedback from staff we finalised the Hauora | Mental Health and Wellbeing Strategy and action plan. A range of actions have been identified, including providing psychosocial risk training for managers and team leaders.



Working over/near water:

- Work is underway on installing signage and life rings at the high risk sites.
- We created a guideline for Working over/near Water with assistance from a focus group from Three Waters, and reviewed and updated the safe work procedure for using a boat.

Other key risks:

Violent or aggressive behaviour:

The Communications and Strategic Partnerships and Governance Teams are trialling a new risk assessment process for public meetings.

Corrective actions:

Completed this quarter	Overdue end of this quarter	Trend for overdue actions
124	51	↓ From 93 last quarter

Risk reviews:

Completed this quarter	Overdue end of this quarter	Trend for overdue reviews
217	15	↓ From 20 last quarter

A risk register has been compiled for the Lockerbie Temporary Water Treatment Plant and this will be reviewed once the site has been handed over.

Health Monitoring

Data for health monitoring and respirator fit testing for this quarter is shown below.

Annual health monitoring completed	25	Exit health monitoring completed	0
Overdue health monitoring	9	Respirator Fit Testing completed	19
Pre-employment health monitoring	21	Respirator Fit Testing Overdue	6

Emergency management

We reviewed and updated our Emergency Action Plan (a flip chart of simple instructions used across all of council) which includes a new section on Lockdown procedures.

Contractor management

The Safety and Wellness Team continue to provide support for contract managers with pre-start meetings, site visits and annual reviews.

This quarter we worked with the Solid Waste Team to document the safety and wellness risks for the kerbside collection contract and completed a pre-start meeting with the new contractor.

Celebrating success

The review of the risk of aggression or violent behaviour towards staff has been an excellent opportunity for collaboration between teams, with Customer services, Libraries, Facilities, Communications, Strategic Partnership and Governance, KVS and Property Teams contributing. This work will continue next quarter to include additional teams.

Employee Engagement & Participation

Twelve people attended the H&S Committee meeting in August. The meeting included a refresher on applying the hierarchy of control. One of the H&S reps suggested that staff would be more likely to attend medical appointments (e.g. physiotherapy) after work-related injuries if MPDC paid the ACC surcharge. It was also suggested this would help staff to return to work or full duties quicker. We have drafted a process for this and will put this forward to E-Team in October to consider.

Governance

Three safety and wellness due diligence workshops were held for Council: presenting the quarterly report for May to June 2023, the annual safety and wellness report for 2022/2023, and a workshop focussing on the risks associated with Arborist work (tree felling and maintenance).

Assurance activities

This quarter we started a programme of internal audits as part of our critical risk assurance programme. We used Vault Check to create a template specific to the risk and completed audits on three critical risks: working in the road reserve, driving and psychosocial risk. We will provide the E-team with a summary of the results in October.

The Group Manager Business Support completed three Leadership Walk Through site visits this quarter. These site visits are an opportunity for leaders to engage with staff about how our critical risk management processes work in reality for those who do the work.

Two KVS H&S Reps participated in a site inspection at the Waihou Depot with the S&W Coordinator and Parks and Reserves Manager.

Safety and Wellness Objectives

Below is a summary of progress on our key projects relating to our objectives for this year.

1. We stay focused on critical risks:		
Action	Update	Status
Create a framework and programme for critical risk assurance.	Assurance activities programmed and first quarter activities completed.	Underway
Complete lock-down assessments at offices and facilities. Develop an overarching framework for managing violence and aggression.	Lockdown assessments underway at offices and facilities. Framework for managing violence and aggression drafted and awaiting further consultation.	Underway
Create a guide for lone work at MPDC and optimise use of lone worker devices.	Usage of lone worker devices has improved but there is further work to do to optimise this fully. Guide for lone work has been drafted, awaiting further consultation.	Underway
Hauora mental health and wellbeing strategy implementation.	Strategy finalised and action plan underway.	Underway
Update and standardise rescue equipment and signage at water and waste water treatment plants. Create working over/near water guidelines.	Rescue equipment and signage is being installed at first three sites identified as highest risk. Working over/near water guidelines completed; yet to be discussed with affected teams.	Underway
Clarify our duties towards the different types of volunteers we interact with. Review and update induction information provided to volunteers.	Work on review of our Volunteer Management processes is likely to recommence next year.	Not started
2. We use our systems, policies and processes		
Drug and Alcohol Policy review	We started the review process for the Drug and Alcohol Policy, with the aim of making it easier to read and understand. It will go out for consultation next quarter.	Underway
Fatigue Policy review		Not started
Health Monitoring Policy review		Not started
Finalise processes for return to work after injury/illness.	Some further work required.	Underway
Review the emergency action plan.	Completed	Completed
Review contractor inductions and create a central register to document these and track refresher inductions.	Communications team are working on a central register.	Underway
Build staff capability in Damstra so we use the system effectively. Reduce the number of overdue corrective actions to below 50.	Reduced to 51 at the end of this quarter. Need to provide further training for staff in using Damstra.	Underway

Safety & Wellness Update August 2023

2023/2024 Priorities

This year we will focus on two objectives:

1. We stay focused on critical risks

We use the hierarchy of control and have a programme for critical risk assurance.

2. We use our systems, policies and processes

Practice is aligned with process and policy, and we use our safety and wellness system (Damstra) effectively.

Key projects for this year include:

Assurance	Create a framework and programme for critical risk assurance.	Policy reviews	Drug and Alcohol Policy review
Violence & Aggression risks	Complete lock-down assessments at offices and facilities. Develop an overarching framework for managing violence and aggression.		Fatigue Policy review
Lone work	Create a guide for lone work at MPDC and optimise use of lone worker devices.	Return to work	Health Monitoring Policy review
Mental Health & Wellbeing	Hauora mental health and wellbeing strategy implementation.	Emergency Planning	Finalise processes for return to work after injury/illness.
Working over/near water	Update and standardise rescue equipment and signage at water and waste water treatment plants. Create working over/near water guidelines.	Contractors	Review the emergency action plan.
Volunteers	Clarify our duties towards the different types of volunteers we interact with. Review and update induction information provided to volunteers.	Damstra	Review contractor inductions and create a central register to document these and track refresher inductions.
			Build staff capability in Damstra so we use the system effectively.
			Reduce the number of overdue corrective actions to below 50.

Our Safety & Wellness Vision:
Together we create a healthy, safe workplace where we thrive.

Safety & Wellness Update August 2023

Critical risk assurance

Our critical risk assurance programme is underway, focusing on a different set of critical risks each quarter. We are creating a customised audit tool for each risk using Vault Check, with a focus on the critical controls for the risk. The Safety & Wellness Team will be completing the audits: traffic management audits for the working on the road critical risk are underway, and we are working on the audit tools for driving and psychological factors.



Leader walk-throughs

The executive team will also each be doing a quarterly safety and wellness leader walk through. This is an opportunity for them to talk to staff who are directly involved in the work that relates to our critical risks, and to learn more about how our risk controls are working in practice.

July-September



October-December



January-March



April-June



Mobile phone apps



Vault Notify and Vault Check can be installed on any staff work mobile phone. We encourage staff to contact Mibin Mathew for assistance with installing the apps and training on how to use them. Vault is now owned by Damstra and we are currently updating the name in our processes and reports. The apps continue to be referred to as Vault Check and Notify.

Vault Notify is an app that allows you to log an incident, close call, injury, illness or safety observation from your phone. The report goes straight into Damstra (Vault) in the same way as if you entered it from the web portal. You can add a GPS location, photo or sketch too.



Vault Check is an app that can be used to document checks, inspections, site visits and audits. We can customise a template to suit the type of information that needs to be captured. You can take photos, draw sketches and add comments in the app.



Events

One of our contractors was injured while felling a tree, resulting in a cut to the head. The contractor was wearing a harness which prevented them from falling from the tree. WorkSafe were notified and the contracting company are investigating.

We notified WorkSafe of two other injuries this month:

- A staff member slipped on wet ground and cut their leg on a waratah, requiring multiple stitches. WorkSafe have advised they will not take any further action.
- A member of public was injured at Matamata SwimZone. WorkSafe have advised they do not consider this to be notifiable as it did not relate to work.

Additional injury for 2022/2023 year: a manual handling injury requiring medical treatment was reported late and therefore not captured in the statistics for the annual report.

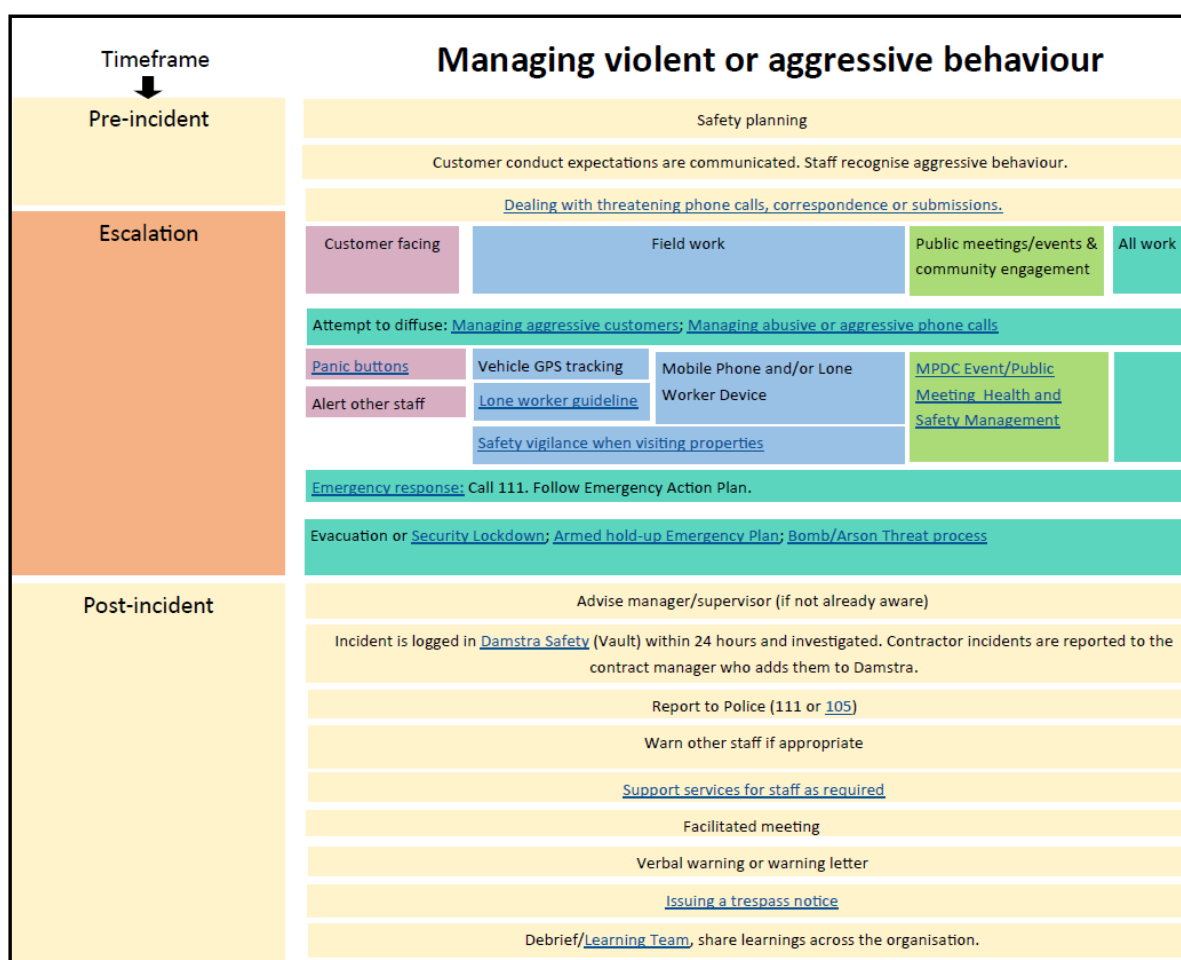


**We are.
Local Government.**

Safety & Wellness Update October 2023

We have seen an increase in abusive or aggressive behaviour from customers this year, particularly with public frustration on issues such as the recent roll-out of the new kerbside solid waste collection. Work is now well underway to create a framework that draws together the different strategies we have across the organisation to manage the risk of violent or aggressive behaviour.

This has been a great opportunity to collaborate between teams and streamline our processes, with some examples of this on page 2. The framework below provides an overview, supported by multiple processes at an operational level. It is a work in progress, with further work planned with the Field Staff teams over the coming months.



Our Safety & Wellness Vision: Together we create a healthy, safe workplace where we thrive.

Safety & Wellness Update October 2023

Customer Facing Teams

The customer services, facilities and libraries teams worked together on the framework for managing aggressive or violent customers.

We found that the teams had separate processes for managing aggressive customers, and so a focus group met in October to create a single process for managing customer behaviour (in a face to face situation) that could be used across all teams. The regular meetings have also been an opportunity to create consistency in other areas such as how panic alarm escalations are managed.

Other processes we are currently working on:

Information sharing: we held a session with our Privacy Officer and Legal Advisor for the teams to discuss when and how we can share information about persons of concern.

Dealing with threats: a new process outlining what to do if a phone call, text, letter, email or submission contains a potential threat (whether direct or implied) towards council members, staff or assets.

Managing abusive or aggressive phone calls: we are working on one process for use across all teams.

Safety vigilance when visiting properties: to be reviewed with field staff.

Lone Worker Guidelines: we have written the guidelines and are working through these with field staff.

Community Engagement and Public Meetings

The Strategic Partnerships and Governance team and the Communications team have been working on a risk assessment tool for event planning. This is now being trialed by the teams.

The risk is assessed by considering factors such as:

- Is the topic controversial?
- Is there negative sentiment or misinformation?
- Are there groups with strong or opposing views?
- Might there be protestors?
- Have there been threats?
- Are high numbers of participants likely?



The tool then provides a range of controls which can be used to mitigate the risk of aggressive or violent behaviour. It uses a risk-based approach when considering how best to balance safety requirements with the purpose of the event, choosing an appropriate:

Format (e.g. informal, formal)

Staffing (or external facilitator)

Venue

Communication and emergency planning

8 Ngā Pūrongo Whakamārama | Information Reports

8.4 Reconsenting Project Report

CM No.: 2798496

Te Kaupapa | Purpose

This paper aims to provide the Risk and Assurance Committee with an update to Councils pathway to submission of a consent application for the replacement of wastewater discharge resource consents.

Rāpopotonga Matua | Executive Summary

Council is targeting a date prior to 8 March 2024 for the submission of the consent application to replace discharge consents at the Matamata, Morrinsville, Te Aroha and Tahuna wastewater treatment plants. This date will ensure that Council retains existing discharge rights under the current consents for the Morrinsville, Te Aroha and Tahuna wastewater treatment plants, however Council will need to rely on Waikato Regional Councils (WRC) discretion in order to retain protection for the Matamata wastewater treatment plant. Staff are taking steps to manage this risk.

Tūtohunga | Recommendation

That:

1. The information be received.

Horopaki | Background

Section 124 of the RMA outlines the provisions related to the submission of consent applications before the expiration of the original consent. This provision grants applicants the opportunity to seek renewal or modification of existing consents well in advance, allowing for a smoother transition and reducing the risk of interruptions to ongoing projects or activities.

Best practice is to submit a complete application for the replacement of an existing consent at least six months before the expiration of the consent, automatically ensuring the activity can continue to operate under the conditions of the existing consent via section 124(a) protection. However, if a complete application cannot be submitted at least six months before, the applicant can still seek protection for their activity under section 124(b), provided the complete application is made no later than three months prior to expiry and with the discretion of the consenting authority.

Ngā Take/Kōrerorero | Issues/Discussion

In mid-2020, Council established a project which sought to renew discharge consents for the Matamata, Morrinsville, Te Aroha and Tahuna wastewater treatment plants with a single global discharge consent, the wastewater reconsenting project. This consent strategy was pursued due to its lower consenting costs, greater ability to balance capital upgrades across plants and to harmonise consent conditions. The wastewater reconsenting project has been progressing for three and a half years, with a target submission date of prior to 8 December 2023, six month prior to the expiry of the Matamata WWTP discharge consent.

However, due to significant delays in the development the technical work underpinning the application, attributed to unforeseen challenges such as disruptions caused by the COVID pandemic, an exceptionally wet 2022/23 summer, and increased stakeholder and iwi partner

engagement, submitting the application by this date would likely result in the application being assessed as being incomplete, jeopardizing section 124(a) protection. To mitigate this risk, the Council has opted to forgo section 124(a) protection for the Matamata WWTP and plans to submit the application before 8 March 2024, acknowledging the impact of these delays on the application timeline. It must be noted that this change in timeline only impacts the existing Matamata WWTP discharge consent, all other consents will still be on track for section 124(a) protection.

The risk with following this strategy, targeting section 124(b) protection, is that ongoing use protection is not automatically granted as it would be under section 124(a) if a complete application were submitted at less six month prior, rather it is at the discretion of WRC

A risk-benefit analysis by Council staff has determined that forgoing section 124(a) protection in favour of ensuring submission of a more comprehensive consent application is least risk. It was considered that the potential consequences of having an application deemed incomplete were more significant when compared against the historical context of successful section 124(b) protections granted by the WRC.

Mōrearea | Risk

Risk mitigation

In order to manage the risk of a section 124(b) approach, Council staff met with WRC staff to discuss Council's intentions and reasons for not meeting the standard six-month deadline, so that potential concerns and challenges could be addressed collaboratively. From this discussion Council was able to arrive at the understanding that, while a section 124(a) approach is preferred by WRC, a section 124(b) approach is common and low risk. It is staff's understanding that WRC has never declined protection under section 124(b). However, to further mitigate this risk, the Council is maintaining open communication with WRC through a formal letter of intent and regular updates.

Furthermore, to address the risk that the application is not completed in time for the new pre-8 March 2024 submission date, Council has stepped into a more direct project management role for the project, directly driving outcomes and managing the remainder of the project timeline. Attachment 1 presents the current timeline update, the next key milestone being receipt of the Water Quality & Ecological Assessment 30 November 2023.

Ngā Whiringa | Options

While it would have been ideal to follow industry best practice and submit consent application prior to 8 December 2023 and receive section 124(a) protection, for the reasons mentioned previously, the application will not be in a complete state by this time and if submitted would likely be assessed as incomplete. Regardless, Council still has the opportunity to receive protection under section 124(b), with the discretion of WRC, provided the complete application is submitted prior to 8 March 2024. Council staff are working closely with WRC in order to mitigate the risk that WRC would decline to grant Council section 124(b) protection and believe this outcome is highly unlikely. Council staff have revised the project timeline and are now actively managing the project on a day by day basis to ensure delivery and submission of the complete application prior to 8 March 2024.

Ngā Tāpiritanga | Attachments

[A↓](#). Deliverables Tracker



Ngā waitohu | Signatories

Author(s)	Karl Pavlovich Water & Wastewater Manager	
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Approved by	Fiona Vessey Group Manager Service Delivery	
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Project title Project number		MPDC WWTP Consenting 12532061				Week Number Week Starting		7 23-Oct	6 30-Oct	5 06-Nov	4 13-Nov	3 20-Nov	2 27-Nov	1 04-Dec
Order of Priority	Task	Comment	Responsibilities	Draft Dates	Review Dates	Final Dates	Risks/Controls							
	Consultation Phase 3 WWG Hui #9 & Iwi Hui #7 Online Hui - conditions Consultation Phase 4 Circulation of Draft AEE (or key conditions)	Booked in for 21 Nov - slide preparation Book in for week of 12th December	Madi Lawry / Michala Lander Madi Lawry / Michala Lander	Draft - 15.11.2023	17.11.2023	Final - 20.11.2023	GHD circulated on 15/11							
	Options Reporting Options Evaluation Report	TBC - We may just circulate Exec Summary with conditions												
	- Appendix B - Alternatives Assessment	Finalised	Jack Feltham / Azam Khan											
	Preferred Options Reporting	Finalised	Jack Feltham / Azam Khan											
	Sludge/Biosolids Strategy	Finalised	Jack Feltham / Azam Khan											
	Business Case													
	Reporting	Finalised (under Project Folder > Final)	Jack Feltham / Azam Khan											
	Technical Effects Assessment Reporting	Draft with Jack for review	Jack Feltham / Azam Khan	Draft - 13.11.2023 Pushed out to 15.11.2023	MPDC Review - 17.11.2023 PDP response to MPDC Review - 22.11.2023 GHD Review - 24.11.2023	Final - 30.11.2023	PDP time capacity to complete draft. PDP to confirm by 8 Nov if deadline can be met.							
	Cultural Impact Assessment	Waiting on input from MPDC and PDP	Thomas Hankinson / Tim Eldridge		MPDC Review - 30.10.2023 - Done PDP Review - 15.11.2023 (Get Thom to chase Thursday)	Final - 21.11.2023	MPDC review completed 28.10.23. PDP Review completed 29/10/23. Aaron to look at it on 14/15 - No comment							
	Water Quality Factual Report 2023	Draft circulated 31/10 by Madi on behalf of Norm Hill.	Norm Hill	Draft 30.10.2023	GHD Review - 2.11.2023	Final Draft - 24.11.2023	Norm delivering on time, Marie/Sarah to make contact with Norm.							
	Water Quality & Ecological Assessment	Finalised (not being appended in AEE)	Emma Willmore / Azam Khan											
	Groundwater Assessment	Draft circulated 3/11 by Jack	az	Draft 3.11.2023	Review - 17.11.2023	Final - 30.11.2023	try to meet to discuss Thursday							
	Public Health Assessment	Finalised	Matt Dodson / Anthony Kirk											
	Air Quality Assessment	Finalised	Grace Trudeau / Anthony Kirk											
	Greenhouse Gas Emissions	Finalised	Cameron Brown / Andrew Kurtis											
	Socio-economic Impact Assessment	Draft circulated 8/11 by Jack	Jack Feltham / Azam Khan	Draft - 8.11.2023	MPDC/GHD Review - 17.11.2023	Final - 30.11.2023	Delay due to core contributor being unwell. Push 1 day							
	Pond C Dam Assessment	Awaiting PH Assessment	Michala Lander / Thomas Hankinson	Draft - 10.11.2023 Pushed out to 14.11.23	MPDC/PDP Review - 22.11.2023	Final - 27.11.2023	Meeting required with WRC? Karl to circulate notes from chat with Karl.							
	Monitoring Framework	Digitisting bathymetry and gap analysis. - Gap analysis released 7/11. - Dam break not part of consent process. Draft can be provided by 20 Dec	Scott Galloway / Tim Gillon											
	AEE - Application	TBC and if required would sit as an appendix. Determining next week by 10/11												
	Executive Summary		Judy Tan / Helen Anderson	Draft - 8.11.2023	MPDC Review - 13.11.2023									
	Chapter 1 - Introduction	Draft circulated 8/11 by Emily Diack	Louise /Judy Tan / Helen Anderson											
	Chapter 2 - Existing Description		Sean Mooney / Helen Anderson	Draft - 19.01.2024	MPDC/PDP Review - 25.01.2024									
	Chapter 3 - Proposed Activities		Sean Mooney / Helen Anderson	Draft - 22.11.2023	MPDC Review - 1.12.2023									
	Chapter 4 - Consenting Matters	Minor updates pending biosolids strategy, updates following NES, still waiting on information on S/W	Sean Mooney / Helen Anderson		MPDC Review - 10.11.2023 (received)									
	Chapter 5 - Engagement and Consultation		Sarah Sunich / Helen Anderson	Draft - 1.11.2023	MPDC Review - 10.11.2023. Comments received from MPDC.									
	Chapter 6 - AEE	Draft circulated 1/11 by Madi Lawry	Sean Mooney / Helen Anderson	Draft - 26.01.2024	MPDC/PDP Review - 2.02.2024									
	Chapter 7 - Statutory Assessment	Draft circulated 13/11 by Emily	Judy Tan / Helen Anderson	Draft - 13.12.2023	MPDC Review - 20.12.2023									
	Chapter 8 - 10 - Notification/Conclusion Proposed Conditions	Draft circulated 13/11 by Emily	Judy Tan / Helen Anderson	Draft - 2.02.2024	MPDC Review - 9.02.2024									
		Have initial comments from MPDC - refining these in preparation for Hui. PDP memo being utilised to help draft conditions. Condition workshop with MPDC/PDP scheduled for 1st December, MPDC internal meeting planned for 27th Nov, PDP/GHD workshop scheduled for 23rd Nov	Sean Mooney / Helen Anderson	Draft - 14.11.23 Final Draft for (workshop) - 1.12.23	MPDC/PDP meeting - 17.11.23, initial comments by 30.11.23 MPDC/PDP review - 3.12.23	Final for circulation to WRC 4.12.23 Final for circulation to stakeholders - 6.12.23	Concern there is insufficient time to incorporate numbers into conditions. Sit down meeting required to talk through draft - Sarah to organised MPDC to get legal team to review							
	Lodgement													
	Peer Review	Provide responses to BECA.		Initial comment response GHD - (table 2 yellow highlighted bits) - 6.11.23										
		GHD responses to table 2 provided on 2.11		PDP - (table 1 yellow highlighted bits and add to Anthonys comments where necessary) 10.11.23										
		PDP response provided on 13/11 for table one. Additional input to table 2 outstanding												

Item 8.4

Attachment A

8 Ngā Pūrongo Whakamārama | Information Reports

8.5 Risk Update

CM No.: 2797888

Te Kaupapa | Purpose

The purpose of this report is to provide the Committee with an update on the Risk Management System activities.

Rāpopotonga Matua | Executive Summary

Good progress has been made on the Risk Appetite process.

Tūtohunga | Recommendation

That:

1. The information be received.

Horopaki | Background

Risk Appetite:

The Risk Appetite process has evolved further and is now integrated with the Project Management System. The process is based on the MPDC's Strategic Direction Priorities and the Risk Consequence Table.

A Risk Appetite workshop in relation to Drinking Water Compliance was held for the Council on the 15 November 2023. The concept was favourably received, refer attached Drinking Water Compliance and Transport Choices examples. Further work is required on setting and agreeing tolerance levels.

Risk Management System

The Risk Report format has been revised and incorporated into the Project Management system. Project Managers are required to provide Risk Reports on the status of their top risks, refer Matamata Stadium report below. Currently working with Third Tier Managers to put together their Top Risk Reports, priorities are AMP's, Infrastructure and projects reports. Risks for the LTP and Climate Change projects have been included in their reports to the RAC.

Quality Management System Process Review

Quality Coordinator has attended meetings with 8 Teams and 3* sub-groups regarding creating end to end processes to reduce the total number including removing duplication, archiving and advise on writing processes e.g. multiple process for Cash Handling, Annual leave, *Aggressive Behaviour.

Meetings to be arrange with 8 remaining Teams. Additional work will be required to reflect the new structure.

Audits

IT are progressing the Algim Self-Assessment & Management compliance audit and awaiting the latest Audit NZ report.

IANZ Building Audit timeframe to be advised, expected to take place late February/early March.

The final version of the KMPG Cash Handling report has been received. Progress against recommendations are included in the Finance standing items report.

Mōrearea | Risk

Three dedicated Risk Management Software options, out of a list of nine providers, were selected for trialling. Funds, of \$100K, were included in the F24/25 budget. This was subsequently removed as part of the Budget Review.

Rotorua Lakes District Council has developed a system in-house, based on Office 365. This approach is now being investigated in conjunction with MPDC's Digital Team and Project Lead as an alternative option is. MPDC's timeline for implementing Office 365 is F24/25.

Note: Office 365 rollout timeframe will determine the development and availability of the Risk Management system.

Top Risk Reports

Refer LTP and Climate Change Reports to RAC

Matamata Stadium Top Risk

Risk Description	Residual Rating H, VH, E	Trend	Comments (Status of control improvements actions or new controls put in place)
MOE non-compliant design	H	Decreasing	Engaged with MOE in a formal review process to flush out requirements and manage cost risk early in implementation. Control status: Effective

Te Tākoha ki ngā Hua mō te Hapori me te here ki te whakakitenga o te Kaunihera | Contribution to Community Outcomes

MPDC's Risk Management System is based on our Strategic Direction and Priorities which are aligned with our Community Outcomes.

Connected Infrastructure	Infrastructure and services are fit for purpose and affordable, now and in the future.	Quality infrastructure is provided to support community wellbeing.	We have positive partnerships with external providers of infrastructure to our communities.
Economic opportunities	We are a business friendly Council	Our future planning enables sustainable growth in our District.	We provide leadership and advocacy is provided to enable our communities to grow.

Healthy communities	Our community is safe, healthy and connected.	We encourage the use and development of our facilities.	We encourage community engagement and provide sound and visionary decision making.
Environmental Sustainability	We support environmentally friendly practices and technologies.	Development occurs in a sustainable and respectful manner considering kawa/protocol and tikanga/customs	We engage with our regional and national partners to ensure positive environmental outcomes for our community.
Vibrant Cultural values	We promote and protect our arts, culture, historic, and natural resources	We value and encourage strong relationships with Iwi and other cultures, recognising wāhi tapu and taonga/significant and treasured sites and whakapapa/ ancestral heritage.	Tangata Whenua with Mana whenua status (those with authority over the land under Māori lore) have meaningful involvement in decision making.

Pānga ki te pūtea, me te puna pūtea | Financial Cost and Funding Source

A funding source would need to be identified should the option of off the shelf Risk Management software be preferred.

Ngā Tāpiritanga | Attachments

[A↓](#). Project Status and Risk Reporting (under development)



[B↓](#). Risk Appetite - Project or Program Level Assessment



[C↓](#). Risk Appetite - Consequence Categories



[D↓](#). Risk Appetite - Drinking Water Example



[E↓](#). Risk Appetite - Transport Choices Example



Ngā waitohu | Signatories

Author(s)	Lesley Steeples Risk Manager	
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Approved by	Dennis Bellamy	
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	Group Manager Community Development	
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NUMBER OF PROJECTS CURRENTLY REPORTED	83	OVERALL - ALL PROJECT BUDGETS	
DATE OF LAST UPDATE	October 2023	\$ 5,361,888.00	BUDGET
		\$ 621,026.00	ACTUAL
		\$4,740,862.00	BALANCE

Overall Status Classifications:	
ACHIEVABLE	Overall Project progressing as expected or with minimal to low areas of risk that are not expected to impact one or more of the following: objectives, timeframe/schedule, scope, budget, resources.
AT RISK	Project has moderate areas of risk that if not addressed will impact on one or more of the following: objectives, timeframe/schedule, scope, budget, resources. Project requires direction, decisions, assistance or support for project to progress as expected.
ACTION REQUIRED	Project has multiple areas of risk or significant high risk that will impact any one or more of the following: objectives, timeframe/schedule, scope, budget, resources. Project may have stalled requiring direction, decisions for project to progress. If significant risk consideration may be required for project to be deferred or terminated to reduce risk to Council or failure of project.
COMPLETED	Project completed
DEFERRED	Project deferred due to conflicting priorities, capacity, or budget reassigned.
NOT STARTED	Project schedule not commenced or in initial stage of identify. The need for the project, objectives, scope, budget may not be available or determined
TERMINATED	Project objectives will not or cannot be met, or the need for the project no longer exists

Report Summary may not contain all projects, is a work in progress and currently a mixture of BAU, operational and capital projects



INFRASTRUCTURE & ASSETS								
PROJECT ID	Activity	PRIORITY	PROJECT NAME	ESTIMATED % OF PROJECT COMPLETE	OVERALL PROJECT HEALTH	PROJECT SUMMARY	Residual Risk Trend	RISK SUMMARY
229	Roading	High	Test 1	40%	ACHIEVABLE	Project Summary comments 1	Increase	Risk Summary comments 1
231	Roading	High	Test 20			Project Summary comments 20	Staying the Same	Risk Summary comments 20
226	Roading	High	Test 2	30%	ACHIEVABLE	Project Summary comments 2	Decrease	Risk Summary comments 2
237	Roading	High	Test 3	10%	ACHIEVABLE	Project Summary comments 3	Staying the Same	Risk Summary comments 3
238	Roading	High	Test 4	50%	ACHIEVABLE	Project Summary comments 4	Decrease	Risk Summary comments 4
242	Roading	High	Test 5	60%	ACHIEVABLE	Project Summary comments 5	Decrease	Risk Summary comments 5
241	Roading	High	Test 6	80%	ACHIEVABLE	Project Summary comments 6	Staying the Same	Risk Summary comments 6
243	Roading	High	Test 7	15%	ACHIEVABLE	Project Summary comments 7	Increase	Risk Summary comments 7
227	Roading	High	Test 8	90%	ACHIEVABLE	Project Summary comments 8	Increase	Risk Summary comments 8
244	Rubbish & Recycling	Low	Test 9		NOT STARTED	Project Summary comments 9	Staying the Same	Risk Summary comments 9
232	Rubbish & Recycling	High	Test 12	80%	AT RISK	Project Summary comments 12	Decrease	Risk Summary comments 12
249	Rubbish & Recycling	High	Test 19	35%	AT RISK	Project Summary comments 19	Staying the Same	Risk Summary comments 19
	Stormwater	Medium	Test 47	25%	AT RISK	Project Summary comments 47	Increase	Risk Summary comments 47
	Stormwater	High	Test 79	60%	ACHIEVABLE	Project Summary comments 79	Increase	Risk Summary comments 79
235	Wastewater	Low	Test 21		DEFERRED	Project Summary comments 21	Staying the Same	Risk Summary comments 21
	Wastewater	High	Test 62	80%	ACHIEVABLE	Project Summary comments 62	Increase	Risk Summary comments 62
	Wastewater	Medium	Test 63	60%	AT RISK	Project Summary comments 63	Increase	Risk Summary comments 63
	Wastewater	Low	Test 67	60%	AT RISK	Project Summary comments 67	Staying the Same	Risk Summary comments 67
	Wastewater	Low	Test 68	50%	AT RISK	Project Summary comments 68	Staying the Same	Risk Summary comments 68
	Wastewater	Low	Test 69	75%	AT RISK	Project Summary comments 69	Increase	Risk Summary comments 69
	Wastewater	Medium	Test 71	90%	AT RISK	Project Summary comments 71	Increase	Risk Summary comments 71
	Wastewater	Medium	Test 73	60%	AT RISK	Project Summary comments 73	Staying the Same	Risk Summary comments 73
	Wastewater	High	Test 76	10%	AT RISK	Project Summary comments 76	Increase	Risk Summary comments 76
	Wastewater	High	Test 78	20%	AT RISK	Project Summary comments 78	Decrease	Risk Summary comments 78

Komiti o te Mōrearea me te Tūmaru | Risk & Assurance Committee

5 December 2023

RISK APPETITE, PROJECT OR PROGRAM LEVEL ASSESSMENT

INITIATIVE NAME:

VERSION:

DATE:




This tool has been developed to assist with the assessment of strategic/tactical initiatives, assignment of a project manager and resource planning.

Budget Estimate		**In CM when saving into your relevant Project "Container" please also add in "Alternative Container" CM:23/1304 - Risk Appetite Assessments			
Descriptor	Likelihood	Consequence	Impact (Will pre-populate)	Risk Level (Will pre-populate)	Justification For Risk (free text field to type into)
COMPLETE THE DROP-DOWNS IN LIGHT BLUE (That's it - the rest will pre-populate for you)					
Safety & Wellness: Impacts of people's exposure to injury/illness, danger or harm. Health and Safety, including stress, injury, fire safety etc.			#N/A	0	
People & Wellness: Impacts on our people and their wellness. Human Resources, can include corruption, dismissal, harassment, loss of key staff etc.			#N/A	0	
Strategic: Impacts on the ability to deliver expected outcomes. Including achieving Annual and/or Long Term Plan objectives			#N/A	0	
Financial: Impacts on the organisation of business and investment decisions. E.g Variation / outcomes. Including cash flow, fraud, revenue loss, loss of funding etc.			#N/A	0	
Operational: Impacts on our levels of service in pursuit of our objectives. E.g. increase/decrease or interruptions to services. Including Property/Asset management compliance, liability, security, facility management, disruption of operations and/or services etc.			#N/A	0	
Environmental: Impacts on the environment for any actual or potential threat or adverse effects on living organisms and environment leading to exposure to damage, including climate change, bio-diversity, alleviation, legislation, pesticides, pollution, floods, storms etc.			#N/A	0	
Legal & Regulatory: Impacts due to any change in legislation/regulations leading to exposure of potential harm to the organisation Including non-compliance and legal proceedings			#N/A	0	
Brand & Reputation: for Impacts of threats or danger to the organisations reputation leading to exposure of character or ethics called into question e.g. community, political, staff. Including negative individual and community reactions and confidence, political and/or negative media attention, government inquiry etc.			#N/A	0	
Information & Technology: Impacts on any threats to the organisations data, critical systems, business process, leading to exposure to outages of IT Systems, loss of information, data or privacy. Including components of the IT Systems affecting critical processes and keys sites, loss of data etc.			#N/A	0	

Answer		Definition
Procurement	What percentage (%) of total cost requires external procurement?	#N/A
	How many separate contracts or internal engagements are anticipated?	#N/A
Cost	Has the initiative secured its budget to cover the initiatives life?	#N/A
	Does this initiative have external funding?	#N/A
Time	From initiative commencement to completion what is the expected duration?	#N/A
	What is the initiatives importance or criticality to commencing as currently scheduled?	#N/A
	Is the initiative susceptible to time delays? If yes how large is the possible impact?	#N/A
Scope	Has council worked on a initiative of this size, complexity, technological requirements, and or nature before?	#N/A
Quality	Do environmental factors influence the initiative? (Existing or future)	#N/A
Stakeholders	Do internal or external stakeholders including hwi, councillors and or media attention demand engagement?	#N/A
Communication	How technically complex is the initiative that could lead to communication difficulties?	#N/A
	Are there additional communication requirements for the initiative? (eg. External monthly reporting, LTP, Annual)	#N/A
Human Resources	What is the anticipated initiatives management team size (entities or bodies, not individual members)	#N/A
Relationships	Is the initiative part of a managed strategy or program?	#N/A

Your Risk level has been assessed as:	#N/A
Your Complexity has been assessed as:	#N/A
Your Project Level has been assessed at a:	#N/A

Note: Operational will be automatically be selected if under \$5,000 or if no budget has been entered above

<p>HE WĀHI KAINGĀKAU KI TE MANĀWA A PLACE WITH PEOPLE AT ITS HEART</p>  <p>WHAT WE WANT</p> <p>Support the wellbeing of our community</p>	<p>HE WĀHI PUAWAITANGA A PLACE TO THRIVE AND PROSPER</p>  <p>WHAT WE WANT</p> <p>We are open for business</p>	<p>HE WĀHI E POIPOI AI TŌ TĀTOU TAIAO A PLACE THAT EMBRACES OUR ENVIRONMENT</p>  <p>WHAT WE WANT</p> <p>A clean, green, environmentally friendly district</p>	<p>HE WĀHI WHAKAPAPA, HE WĀHI HANGAHANGA A PLACE TO BELONG AND CREATE</p>  <p>WHAT WE WANT</p> <p>A district that's easy to live in, explore and connect</p>
<p>TŌ MĀTOU WHĀINGA WHAT WE ARE GOING TO DO</p> <ul style="list-style-type: none">• Prioritise community grants that enhance placemaking.• Be the connector between our community, iwi, NGOs and government agencies.• Create vibrant, welcoming town centres.• Strive for liveable, accessible, connected neighbourhoods.	<p>TŌ MĀTOU WHĀINGA WHAT WE ARE GOING TO DO</p> <ul style="list-style-type: none">• Seek opportunities to realise Matamata-Piako's economic potential.• Support and encourage quality, sustainable, varied development.• Invest in the right infrastructure at the right time.	<p>TŌ MĀTOU WHĀINGA WHAT WE ARE GOING TO DO</p> <ul style="list-style-type: none">• Educate and exemplify continuous improvement in waste minimisation.• Create and maintain green and natural and open spaces.• Demonstrate and advocate for climate friendly and community resilient initiatives.	<p>TŌ MĀTOU WHĀINGA WHAT WE ARE GOING TO DO</p> <ul style="list-style-type: none">• Genuine partnership with mana whenua.• Partner and plan for multi-purpose sporting, cultural and community hubs.• Support arts and heritage as an important part of our communities.

Activity Groups (Portfolios)			
Infrastructure/Assets	Community Facilities & Property	Strategy & Engagement	Consents & Licensing
Activities			
Water	Parks & Open Spaces	Emergency Management	Animal Control
Wastewater	Community Venues	Communications & Events	Building Consents & Monitoring
Stormwater	Pools & Spas	Community Leadership	Licensing & Enforcement
Roading	Cemetaries	Strategies & Plans	Resource Consents & Monitoring
Rubbish & Recycling	Housing & Property		
	Libraries		
	Public Toilets		

	Philosophy:	Tolerance for Uncertainty	Choice	Trade Off
Flexible	Will take justified risks	Fully anticipated	Will choose option/s with highest return; accepting possibility of failure	Willing
Justified	Will take strongly justified risks	Expects some	Will choose to put at risk but will manage impact.	Willing under the right conditions.
Measured	Preference for delivering expected outcome.	Limited	Will accept if limited and heavily out weighted by benefits.	Prefer to Avoid
Conservative	Extremely conservative	Low	Will accept only if essential and limited possibility/extent of failure	With extreme reluctance
Averse	Avoidance of risk is a core objective	Extremely Low	Will always select the lowest risk option	Never

Risk appetite is based on the established prior strategies, mission, vision and culture.

EXAMPLES ONLY



Tolerances and Measures									
To ensure progress toward the desired outcome remains within the acceptable range the following tolerances and measures will be applied:									
Safety & Wellness									
	Flexible Willing	Justified (Willing under right conditions)	Measured Prefer to avoid	Conservative With extreme reluctance	Averse Never considered				
Risk Appetite									
Risk Tolerance									
Risk Capacity									
Statement: Council demands a safe and healthy workforce that treats everyone fairly. Council expects employees to undertake duties in a manner that is consistent with the organisational values and performance commitments. Council has a Conservative Appetite, Measured Tolerance and Capacity for risk relating to any work practices, actions or inactions that compromise the wellbeing and safety of people including staff, contractors, volunteers and community or which compromise the delivery of performance commitments.									
Council will Tolerate:					Council will not tolerate				
Minor unforeseen incidents or injuries that arise from time to time while undertaking normal activities.					Actions or behaviours that are deliberate and willingly contravene the Code of Conduct and/ or Health, Safety and Wellbeing policies and procedures.				
Practices that are not in line with best practice if safety and duty of care is not compromised.					Actions and behaviours which do not align to MPDC values.				
Genuine mistakes that result in continuous improvement and learning opportunities.					Practices that knowingly compromise staff wellbeing, workplace or community safety				
Minor variations to delivery outputs, providing these are clearly communicated so that expectations continue to be met					Activities that result in reasonably foreseeable and preventable fatalities, harm, serious injuries or illnesses to our Community, Customers, Councillors or Employees.				
					Events that occur arising from deliberately reckless actions and careless behaviour.				
					Knowing about unsafe infrastructure and work environments and not acting.				

People & Wellness					
	Flexible Willing	Justified (Willing under right conditions)	Measured Prefer to avoid	Conservative With extreme reluctance	Averse Never considered

Risk Appetite										
Risk Tolerance										
Risk Capacity										
Statement: Council demands a workforce that treats everyone fairly. Council expects employees to undertake duties in a manner that is consistent with the organisational values and performance commitments. Council has a Conservative Appetite, Measured Tolerance and Justified Capacity for risk relating to any work practices, actions or inactions that compromise the wellbeing of people including staff, contractors, volunteers and community or which compromise the delivery of performance commitments.										
Council will Tolerate: Minor morale issues relating to improving workforce performance, organisational changes, or relationships Minor staff grievances that can be dealt with through normal internal Practices that are not in line with best practice if duty of care is not compromised. Genuine mistakes that result in continuous improvement and learning opportunities. Minor variations to delivery outputs, providing these are clearly communicated so that expectations continue to be met						Council will not tolerate Actions or behaviours that are deliberate and willingly contravene the Code of Conduct and/ or Health, Safety and Wellbeing policies and procedures. Actions and behaviours which do not align to MPDC values. Practices that knowingly compromise staff wellbeing, workplace or community Activities that result in reasonably foreseeable and preventable corruption, dismissal, harassment, loss of key staff, Customers, Councillors or Employees. Events that occur arising from deliberately reckless actions and careless behaviour. Knowing about unsafe work environments and not acting.				

Environment										
	Flexible (Willing)		Justified (Willing under right conditions)		Measured Prefer to avoid		Conservative With extreme reluctance		Averse Never considered	
Risk Appetite										
Risk Tolerance										
Risk Capacity										
Statement: Council recognises the importance of conserving and enhancing our environment and understands that sustainability considerations in all council decisions is important. Council has a Measured Appetite, Justified Tolerance and Capacity for any risk relating to environmental impacts arising from normal business activities, however, is open to innovative practices for the betterment of the environment.										
Council will Tolerate: Environmental impacts offset by other activity resulting in a net environmental benefit. Minor environmental impacts from uncontrollable or unforeseen events or being necessary to deliver enduring benefits to our community well-being into the future. Changes to procedures and practices to accommodate improved environmental outcomes Minor cost impacts in the selection of products, services that have a significant positive impact on the environment Minor unforeseen incidents or injuries that arise from time to time						Council will not tolerate Decisions that do not appropriately consider the principles of ecologically sustainable development or the Council value of Sustainability. Failure to minimise significant impacts on biodiversity and reduce our ecological footprint. Decisions, activities and practices that result in long term or irrevocable environmental damage or negative climate impacts, threatens biodiversity, including extinction of flora Activities and practices that knowingly compromise the environment, are reasonably foreseeable and preventable. Failure to meet environmental commitments or legal requirements resulting in EPA fines or penalties.				

Financial										
	Flexible (Willing)		Justified (Willing under right conditions)		Measured Prefer to avoid		Conservative With extreme reluctance		Averse Never considered	
Risk Appetite										
Risk Tolerance										
Risk Capacity										
Statement: Council recognises the financial risks involved in delivering a wide range of services, programs and capital projects. Council has a Measured Appetite, Justified Tolerance and Capacity for any risk relating to a variation in financial performance as long as long-term financial sustainability is not threatened.										
Council will Tolerate: Minor unforeseen and unavoidable budget variations for budgets Minor unforeseen and unavoidable cost variations in capital projects (as long as these are monitored on a holistic basis). Minor losses, or capital outlays, attributable to new processes or innovation to improve services to meet community needs (as long as they are accompanied by the appropriate reporting to Elected Members). Calculated financial risks to deliver infrastructure, improve service delivery or promote ecological sustainability. Minor cost impacts of the implementation of weighted scoring in procurement to benefit local competent suppliers.						Council will not tolerate Financial activities and/or investment practices that contravene legislated or policy requirements Failure to maintain or implement effective systems, processes and controls which adequately protect Council Fraudulent or corrupt financial transactions. Available funds being below target for an extended period of time A lack of strategy to provide/maintain a Balanced Budget and manageable debt levels.				



Minor cost impacts of the implementation of sustainable procurement to benefit the community and future generations.	A capital budget that does not reflect the needs of maintaining/developing Council's infrastructure
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Operational									
	Flexible (Willing)		Justified (Willing under right conditions)		Measured Prefer to avoid		Conservative With extreme reluctance		Averse Never considered
Risk Appetite									
Risk Tolerance									
Risk Capacity									
Statement: Council delivers a range of community services, events and facilities which contribute to our District. Council is open to creativity and innovation and is willing to take some level of risk to deliver efficiencies, enhance capabilities and provide a service to be proud of to our community. Council takes a Measured Appetite, Measured Tolerance and Justified Capacity for risk related to enhancing service delivery in some circumstances.									
Council will Tolerate: Unforeseen interruptions of up to 2 days to critical business functions from uncontrollable events where Council responds and communicates promptly to impacted stakeholders. Unforeseen interruptions to less-critical business functions of up to 7 days from uncontrollable events where Council responds and communicates promptly to impacted stakeholders. Unforeseen interruptions of up to 2 days to critical infrastructure from uncontrollable events where Council responds and communicates promptly to impacted stakeholders. Moderate reputational impact from community complaints relating to service quality or new initiatives to deliver enduring benefits to our community. Moderate impacts to service delivery due to implementation of new technology, innovation initiatives or projects. Moderate impacts arising from innovations and ideas that contribute to the continual improvement of the delivery of Council services.					Council will not tolerate Failure to significantly meet our service commitments and community expectations Failure to demonstrate a commitment to delivering quality services to our Community, Councillors, Customers and Employees/ Failure to document and follow policies and procedures that impairs the quality of service delivery or results in service interruptions. Failure to develop plans to respond to a disruption and ensure continuity of critical business functions. Failure to escalate to a member of the Executive Leadership Team a critical business function outage within 2 hours. Failure to escalate critical infrastructure damage or issue within 2 hours. Failure to develop plans to respond to a disruption and ensure continuity of operational infrastructure. Failure to develop plans to respond to a disruption and ensure continuity of operational infrastructure. Activities that result in reasonably foreseeable and preventable fatalities, harm, serious injuries or illnesses to our Community, Customers, Councillors or Employees. Activities that result in reasonably foreseeable and preventable fatalities, harm, serious injuries or illnesses to our Community, Customers, Councillors or Employees.				

Legal & Regulatory									
	Flexible (Willing)		Justified (Willing under right conditions)		Measured Prefer to avoid		Conservative With extreme reluctance		Averse Never considered
Risk Appetite									
Risk Tolerance									
Risk Capacity									
Statement: Council is committed to a high standard of governance and meeting legislated and regulatory requirements in a consistent and fair manner. Council has a Conservative Appetite, Measured Tolerance and Justified Capacity for any risk relating to significant breaches of legal obligations or contractual agreements that result in fines, penalties or reputational damage. Council will seek innovative approaches to governance practices subject to compliance with legislation and protection of our interests									
Council will Tolerate: Decisions made on merit in accordance with Council values that are not in line with professional advice. Minor technical breaches that have been considered by Council. Temporary non-compliance due to unrealistic regulatory timeframes and/or other extenuating factors. Risks which may give rise to isolated complaints that are incidental to normal business activities despite best efforts to avoid or mitigate Streamlined governance processes subject to effective controls remaining in place					Council will not tolerate Corrupt or fraudulent conduct by staff, councillors or contractors Unreasonable delays when reporting, investigating or correcting any fraudulent, improper, unethical or corrupt conduct. Any instances where Council Officials knowingly break the law, fail to comply with legal obligations or recklessly breach internal policies and/or recognised 'best practice'. Material breaches of legislation or the Code of Conduct Failure to consider expert/professional legal advice.				

Accidental breaches which do not result in serious harm	Unauthorised release of confidential information. Any behaviour which gives rise to extensive litigation and indictable offences. Failure to comply with Government Directions or orders Reckless or deliberate breaches of legislation whether or not these result in serious harm
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Reputation									
	Flexible (Willing)		Justified (Willing under right conditions)		Measured Prefer to avoid		Conservative With extreme reluctance		Averse Never considered
Risk Appetite									
Risk Tolerance									
Risk Capacity									
Statement: Council recognises the importance of protecting and proactively enhancing its reputation. Council does however understand that negative publicity may occur where there is competing priorities and interests in the Community. Council has a Measured Appetite, Justified Tolerance and Justified Capacity for any risk relating to significant impacts on Council's reputation.									
Council will Tolerate: Moderate adverse local media and social media scrutiny or a number of complaints relating to action which delivers longer term benefits to the community. Isolated minor incidents, concerns and complaints that can be resolved by management.					Council will not tolerate Improper, unethical, corrupt, unprofessional behaviour or failure to exercise respect and duty of care in accordance with our Council values and policies. Material breaches of the Code of Conduct. Failure to uphold the probity of council decision-making. Any failure to avoid or appropriately manage conflicts of interest. Failure to act in a fair, honest, transparent and accountable manner. Decision-making that is not open, honest and transparent and reflects the long-term interests of the community. Failure to notify members of the Executive Leadership Team of significant incidents that may impact Council reputation within 24hrs of the incident occurring. Complaints that are not responded to in a prompt and professional manner within 10 working days				

Strategic/Annual/Long Term									
	Flexible (Willing)		Justified (Willing under right conditions)		Measured Prefer to avoid		Conservative With extreme reluctance		Averse Never considered
Risk Appetite									
Risk Tolerance									
Risk Capacity									
Statement: Council is committed to continuous improvement in order to provide good-performing, reliable services that provide benefits to our Community. Council has a Measured Appetite, Justified Tolerance and Capacity for any risk related activities to enhance our District's services.									
Council will Tolerate: Moderate financial and reputational impacts arising from the implementation of new of innovative technologies. Moderate impacts leading to short term disruption to community due to implementation of construction or operational procedures which provide value for money provided community has been informed					Council will not tolerate Asset failure significantly earlier than the projected lifespan of the asset				

Procurement									
	Flexible (Willing)		Justified (Willing under right conditions)		Measured Prefer to avoid		Conservative With extreme reluctance		Averse Never considered
Risk Appetite									
Risk Tolerance									
Risk Capacity									



Statement: Council is committed to carry out procurement in a transparent, accountable, impartial, and equitable way, any declared conflicts of interest are managed appropriately. Council will seek innovative approaches using procurement and contracting arrangements innovatively and creatively to maximise savings									
Council will Tolerate: Minor cost impacts of the implementation of weighted scoring in procurement to benefit local competent suppliers. Minor cost impacts of the implementation of sustainable procurement to benefit the community and future generations.					Council will not tolerate Failure to administer and manage contracts appropriately Improper, unethical, corrupt, unprofessional or Fraudulent behaviour or corrupt procurement practices				

Information & Technology									
	Flexible (Willing)		Justified (Willing under right conditions)		Measured Prefer to avoid		Conservative With extreme reluctance		Averse Never considered
Risk Appetite									
Risk Tolerance									
Risk Capacity									
Statement: Council is committed to improving Information systems to support the delivery of our core functions with sufficient capability, capacity, resiliency, and security from internal and external threats, unauthorised access to or use of systems and confidential data and maintain strong controls to mitigate threats against its technology infrastructure and to protect confidential information held.									
Council will Tolerate: Minor interruptions to systems due to unforeseen circumstances					Council will not tolerate				

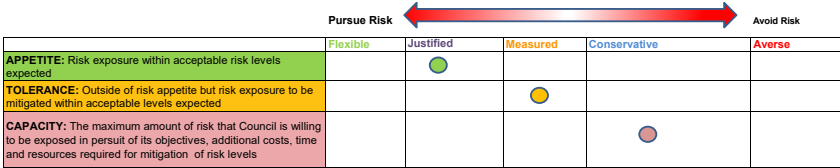
Projects									
	Flexible (Willing)		Justified (Willing under right conditions)		Measured Prefer to avoid		Conservative With extreme reluctance		Averse Never considered
Risk Appetite									
Risk Tolerance									
Risk Capacity									
Statement: Council is committed to continuous improvement in order to provide services and good-performing, reliable infrastructure that provide benefits to our Community.									
Council will Tolerate: Moderate impacts to infrastructure due to implementation of new technology, innovation initiatives or projects. Minor unforeseen and unavoidable cost variations in capital or operational projects within the established contingency allocated to each project Moderate short-term financial impact on capital or operational costs of projects where there are demonstrated long term sustainable gains. Moderate impacts leading to short term disruption to community due to implementation of construction procedures which provide value for money provided Minor variations to project objectives, providing these are clearly communicated so that expectations continue to be met					Council will not tolerate Failure of third-party contractors to provide services within budget and agreed timeframes. Non-completion of a significant portion of new or renewal infrastructure projects beyond financial year (or scheduled completion period if project runs across multiple years). Significant delays to projects that are considered within Council control Significant foreseeable variations in contract price due to aspects of the project within the control of Council Asset failure significantly earlier than the projected lifespan of the asset				

Introduction: Risk Management is an essential component of Council's governance framework and supports the achievement of Council's goals and objectives. Effective risk management increases the probability of successful outcomes whilst protecting the reputation and sustainability of Council. The risk appetite is the amount of risk an organisation is willing to accept in pursuit of its strategic goals. The Risk Appetite Statement (RAS) considers the most significant categories of potential risks to Council and provides an outline as to how much risk Council is willing to accept in this area.

How risk appetite fits within Council: The risk appetite of Council informs the strategic decision-making process. The Risk Appetite will set the tone for risk taking in general, whilst the tolerance informs:

- Expectations for mitigating, accepting and pursuing certain types of risk
- Boundaries and thresholds for acceptable risk taking
- Actions to be taken or consequence for acting beyond appropriate tolerances

RISK APPETITE, TOLERANCE & CAPACITY
This tool has been developed to assist with the assessment of strategic objectives.



Compliance with NZ Drinking Water Standards		NZ Drinking Water Standards	
Risk Statement: High risk of illness due to water quality not meeting Drinking Water Standards. Council is required to provide safe drinking water to its community to support the health and wellbeing of its residents. We strive for reliable and safe water collection and treatment that does not pose a risk to public health and the environment and expects staff and contractors to undertake all duties associated with NZ Drinking Water Standards in a manner that is consistent with organisational values, procedures, legislation and performance commitments as outlined in the Infrastructure Strategy. Our Water service consists of seven water supply schemes, including nine water treatment plants, 10 pump stations and 383 km of reticulated water supply to our towns and rural settlements. Council has a Justified Appetite (Expects Some) to take strongly justified risks and will manage any impacts to achieve compliance objectives and willing to put at risk under the right conditions and manage the impact. A Measured Tolerance (Limited Risk) to accept limited non compliance only if heavily outweighed by the benefits and a Conservative Capacity (Low) to accept only if essential and limited possibility/extent of failure. Consequence: Adverse media, Reduced levels of service related to poor quality of incoming reservoir supply due to heavy rainfall impacting on running of the Water Treatment Plant. Legal, regulatory, abatement notice. Resource consent non-compliance \$60K DWS \$1.5 - \$3 M fines. LTP re Queenstown lakes issue. No UV on Morrinsville or TA plants. Controls for major barriers? Reporting periods decreased Budgets variances +/- 15 minutes of data loss Increased Testing frequency			
Water Restrictions for 1 week. Stopping Water Supply for 1 week, water provided by Tankers Supplying water under a boil water notice. Reduced Levels of Service		Resource Consent non compliance Legal, regulatory, abatement notice?	
Council will Tolerate: Limited negative impacts on delivery of services and financial impacts resulting from uncontrollable or unforeseen weather events or infrastructure failure resulting in non compliance of NZ Drinking Water Standards Minor public health or environmental impacts from uncontrollable or unforeseen events resulting in non compliance of NZ Drinking Water Standards Anticipates reputational impacts from community and complaints relating to disruption of services or quality of water following uncontrollable or unforeseen weather events or infrastructure failure Genuine mistakes that result in non compliance with NZ Drinking Water Standards and prompts continuous improvement and learning opportunities Risks that lead to isolated incidents or complaints for public health due to normal business activities despite best efforts to avoid or mitigate Calculated financial risks for non compliance, non delivery or deferral of infrastructure or initiatives that would otherwise improve compliance relating to NZ Drinking Water Standards as long as not detrimental to public health. Extended non compliance with NZ Drinking Water Standards to meet public health, environmental commitments or legal requirements which may result in fines or penalties following any changes in legislation/regulation requirements as long as not detrimental to public health Minor cost impacts in the selection of products, services that have a significant positive impact on compliance for NZ Drinking Water Standards and the environment		Council will not tolerate: Actions, behaviours or decisions that are deliberate and willingly contravene the NZ Drinking Water Standards, or gives rise to extensive litigation and indictable offences for public health including events occurring from deliberately reckless actions or careless behaviour resulting in serious risk impacts that are detrimental to public health. Failure to plan, implement, administer and monitor effective strategies, plans, systems, processes and controls which adequately and appropriately protect the Community and Council from any activity that poses a risk to public health for NZ drinking water standards or consider expert/professional legal advice Decision-making that is not open, honest and transparent and reflects the long-term interests of the community for activities and practices that knowingly compromise public health and the environment that are reasonably foreseeable, preventable and achievable Failure to plan, implement, administer and monitor a budget that does not reflect the needs of maintaining/developing Council's infrastructure and services that affect public health Failure to document and follow policies and procedures that aligns with NZ Drinking Water Standards and impairs the quality of service delivery or results in service disruptions. Failure to demonstrate a commitment to provide safe drinking water to its community, reliable and safe water collection, treatment that does not pose a risk to public health or to significantly meet our service commitments and community expectations Failure to develop plans to respond to a disruption and ensure continuity of critical business functions or escalate critical infrastructure damage or water quality issues within 2 hours that could affect public health. Reckless or deliberate breaches of legislation whether or not these result in serious harm or unreasonable delays when reporting, investigating, mitigating or correcting any risks relating to NZ Drinking Water Standards essential to public health requirements	

COMPLETE THIS DROP-DOWN (That's it - the rest will pre-populate for you)		For Any Risk outside of Appetite/Tolerance/Capacity: NOT ACCEPTABLE: Appetite and tolerance unacceptable, severe risk exposure, financial loss, reputational damage or breakdown in systems or processes.				
NZ Drinking Water Standards		Tolerance for Uncertainty	Trade Off	Philosophy & Choice	Risk Appetite	Tolerance, Capacity, Not Acceptable
APPETITE For impacts on public health and environmental due to unsuccessful delivery of Infrastructure Strategy and/or legislation/regulation requirements or any future change in requirements leading to exposure of potential harm to the community and/or organisation including non-compliance and legal proceedings		Expect Some	Willing under the right conditions	Philosophy: Will take strongly justified risks Choice: Will choose to put at risk but will manage impact	Justified	APPETITE: Risk exposure within acceptable risk levels expected
TOLERANCE For impacts on public health and environmental due to unsuccessful delivery of Infrastructure Strategy and/or legislation/regulation requirements or any future change in requirements leading to exposure of potential harm to the community and/or organisation including non-compliance and legal proceedings		Limited	Prefer to avoid	Philosophy: Preference for delivering expected outcome. Will accept if limited and heavily out weighted by benefits.	Measured	TOLERANCE: Outside of risk appetite but risk exposure to be mitigated within acceptable levels expected
CAPACITY For impacts on public health and environmental due to unsuccessful delivery of Infrastructure Strategy and/or legislation/regulation requirements or any future change in requirements leading to exposure of potential harm to the community and/or organisation including non-compliance and legal proceedings		Low	With extreme reluctance	Philosophy: Extremely conservative Choice: Will accept only if essential and limited possibility/extent of failure.	Conservative	CAPACITY: The maximum amount of risk that Council is willing to be exposed in pursuit of its objectives, additional costs, time and resources required for mitigation of risk levels

RISK APPETITE, TOLERANCE & CAPACITY - TRANSPORT CHOICES PROGRAM
This tool has been developed to assist with the assessment of strategic objectives.



	<div>Pursue Risk ←————→ Avoid Risk</div>				
Transport Choices Program	Flexible	Justified	Measured	Conservative	Averse
APPETITE: Risk exposure within acceptable risk levels expected					
TOLERANCE: Outside of risk appetite but risk exposure to be mitigated within acceptable levels expected					
CAPACITY: The maximum amount of risk that Council is willing to be exposed in pursuit of its objectives, additional costs, time and resources required for mitigation of risk levels					

Compliance with Drinking Water Standards Risk Statement: Council demands a safe and healthy environment for the community and expects staff, contractors, volunteers to undertake all duties associated with the Transport Choices Programme in a manner that is consistent with organisational values, procedures, legislation and performance commitments. and together collaboratively working with Waka Kotahi contributing to reduce land transport emissions through its delivery the Transport Choices Program consisting of: * Strategic cycling / micro-mobility networks, * Creating walkable neighbourhoods, * Supporting safe green and healthy school travel, * Making public transport more reliable and easier to use Council has a Conservative Appetite (Low Risk) and seeks to decrease risk that could lead to circumstances and exposure negatively impacting time, cost and/or scope requirements for the Transport Choices Program. A Measured Tolerance (Limited Risk) to accept variations of time, cost and scope requirements and only if heavily outweighed by the benefits, and a Justified Capacity (Expects Some) to take strongly justified risks and will manage any impacts to achieve the Transport Choices Program objectives.	
Council will Tolerate: * Limited unforeseen impacts that arise while undertaking requirements for the program for time, cost and scope requirements or short term disruption to community due to implementation of projects provided community has been informed. * Limited unforeseen and unavoidable cost variations for projects within the established contingency allocated to each project * To deliver enduring benefits to our community expect some reputational impact from community complaints relating to service quality or new initiatives * Expect some morale and capacity issues relating to resources for program that can be dealt with through normal internal mechanisms. * Limited practices that are not in line with best practice if safety, duty of care or due diligence is not compromised in pursuit of programme objectives * Genuine mistakes that result in continuous improvement and learning opportunities. * Limited variations to time, cost and scope for delivery outputs, providing these are clearly communicated and approved so expectations and funding agreement conditions continue to be met.	Council will not tolerate: * Actions or activities that result in reasonably foreseeable and preventable fatalities, harm, serious injuries or illnesses to our Community, Customers, Councillors or Employees while undertaking the program. * Practices that knowingly compromise staff wellbeing, workplace or community safety * Knowing about unsafe infrastructure and work environments and not acting. * Actions, behaviours that do not align to MPDC values and are deliberate and willingly contravene the Code of Conduct, WHS, policies, procedures or legislation requirements for the program * Significant foreseeable variations to cost, scope or delays of time due to aspects of the program within the control of Council or failure of third-party contractors to provide services within budget and agreed timeframes. * Impacts that occur arising from deliberately reckless actions and careless behaviour for time, cost and scope failing to demonstrate a commitment to delivering quality services or significantly meet our service commitments and community expectations

COMPLETE THIS DROP-DOWN (That's it - the rest will pre-populate for you)

For Any Risk outside of Appetite/Tolerance/Capacity:
NOT ACCEPTABLE: Appetite and tolerance unacceptable, severe risk exposure, financial loss, reputational damage or breakdown in systems or processes.

Projects	Tolerance for Uncertainty	Trade Off	Philosophy & Choice	Risk Appetite	Tolerance, Capacity, Not Acceptable	Risk Appetite Justification (free text field to type into)
Impact on the % of value of project for the potential set of circumstance that could arise which alters the outcome of a project, for better or worse leading to exposure of time, cost and scope requirements						
APPETITE for impacts on the % of value of project for the potential set of circumstance that could arise which alters the outcome of a project, for better or worse leading to exposure of time, cost and scope requirements	Low	With extreme reluctance	Philosophy: Extremely conservative Choice: Will accept only if essential and limited possibility/extent of failure.	Conservative	APPETITE: Risk exposure within acceptable risk levels expected	
TOLERANCE for impacts on the % of value of project for the potential set of circumstance that could arise which alters the outcome of a project, for better or worse leading to exposure of time, cost and scope requirements	Limited	Prefer to avoid	Philosophy: Preference for delivering expected outcome. Will accept if limited and heavily out weighted by benefits.	Measured	TOLERANCE: Outside of risk appetite but risk exposure to be mitigated within acceptable levels expected	
CAPACITY for impacts on the % of value of project for the potential set of circumstance that could arise which alters the outcome of a project, for better or worse leading to exposure of time, cost and scope requirements	Expect Some	Willing under the right conditions	Philosophy: Will take strongly justified risks Choice: Will choose to put at risk but will manage impact	Justified	CAPACITY: The maximum amount of risk that Council is willing to be exposed in pursuit of its objectives, additional costs, time and resources required for mitigation of risk levels	

8 Ngā Pūrongo Whakamārama | Information Reports

8.6 Review of progress with external and internal audit recommendations

CM No.: 2797482

Te Kaupapa | Purpose

To update the Committee on progress with recent external and internal audit recommendations

Rāpopotonga Matua | Executive Summary

There have been no additional internal or external audit reports received since the last update to this committee. Audit New Zealand expect to deliver their Management report on the 2023 audit early in 2024.

Progress is reviewed against the following reports;

- Audit New Zealand's Report to the Council on the audit of Matamata-Piako District Council for the year ended 30 June 2022 (issued August 2023), and
- KPMG's internal audit report on cash handling and non-cash refund processes (issued May 2023).



Progress with the recommendations made in these reports is presented in the attached document. Changes since the last report are updated in blue. Items previously noted to the committee as resolved have been appended to the end of the list.

Tūtohunga | Recommendation

That:

The information is received.

Ngā Tāpiritanga | Attachments

  Update on progress with recommendations made by external and internal audit reviews – as at 22 November 2023

Ngā waitohu | Signatories

Author(s)	Larnia Rushbrooke Finance and Business Services Manager	
Approved by	Manaia Te Wiata Group Manager Business Support	

Update on progress with recommendations made by external and internal audit reviews – as at 22 November 2023

NOTE: Changes since the last update to the Risk and Assurance Committee are shown in blue. Matters that have been noted as resolved in previous updates or that are 'parked' (because we do not agree with the recommendation), are shown at the bottom of the tables.

Focus area/issue	Reference to report	Recommendations	Priority	Status	Comments
Unresolved matters raised in Audit NZ Management report for the year ended 30 June 2022					
Quality of performance information and financial statements	2.8.1 2.8.2	That a quality review process of the performance reporting and the financial statements be undertaken prior to submission for audit.	Urgent – due to the imminent commencement of the 2023 audit	In progress	The 2023 Annual Report is complete and at the time of writing we are awaiting the final management report and comments on progress in this respect from Audit NZ. We expect their comments to reflect an improved process this year, although note that extra time and effort was required from both sides in relation to the new accounting standards for performance measures. The new standard was challenging in that there was initially little guidance or working examples available within the sector to demonstrate what was expected from the new standard. We should be in a better position in this respect for 2024.
Fraud risk assessment	3.1	That Council updates its fraud risk assessment, which was last reviewed in 2018, to gain a better understanding of the fraud risks that may impact the District Council.	Necessary	Not yet progressed	Some work has been undertaken during 2023 in the area of assessing the fraud risks associated with cash-handling in preparation for the internal audit that was completed over cash-handling in May 2023. It is unlikely that we will be able to complete a full review of the fraud risk assessment in 2023/24 due to other priorities. This will be placed on the schedule of corporate priorities to be timetabled.
Payroll Controls - Timely review of Masterfile changes	3.2	Management should ensure that the Masterfile changes are reviewed on a regular basis or at least once every month to	Urgent - Due to the risk that the Council should mitigate.	In progress	As set out in the management comments to the Audit Report, we have a differing opinion on the potential for risk in ur existing procedures, and are comfortable that our processes are robust. We have however

		prevent any unauthorised changes to the Masterfile not being detected and corrected in a timely manner. This should be an independent review by someone who does not have access to make Masterfile changes.			identified opportunities to further refine our process and will implement these going forward from now .
Impairment assessment	4	That management completes a formal impairment assessment which considers property, plant and equipment and intangible assets.	Urgent – due to the imminent commencement of the 2023 audit	Resolved	A formal impairment assessment was completed for the year ended 30 June 2023 and accepted by Audit NZ.
Detailed asset registers and reconciliation	5.2.1	That other than the continuity schedule, the District Council should have up to date asset registers available for audit. The District Council should also perform a reconciliation between the asset registers and the general ledger.	Urgent – due to the imminent commencement of the 2023 audit	Resolved	Up to date asset registers were available for audit and staff worked to ensure that our auditors' requests for information were understood and the correct information provided. Monthly reconciliations between the asset registers and the general ledger were prepared for 2023 (although were delayed due to the late completion of the 2022 valuations). The final reconciliation for June 2023 was delayed until completion of the 2023 valuation.
Variances in PPE WIP and additions listings	5.2.2	That management perform reconciliations of the PPE WIP and additions listings to the general ledgers on a regular basis. Variances should be investigated and resolved timeously.	Urgent – due to the imminent commencement of the 2023 audit	In progress	Reconciliations between the final listing of WIP and the general ledger were prepared for 30 June 2023. We are currently working on making the capital spreadsheets more comprehensive as a single source of information for the Finance, Strategy and Delivery teams, rather than each team relying on their own version for different purposes. Once this is bedded down we will ensure regular monthly reconciliations are undertaken between spending in capital work orders and the general ledger. We have

					planned to implement a detailed quarterly review of capital work orders for 2023/24 to improve the financial monitoring of capital projects and timeliness of capitalisations. This has been delayed at this point due largely to staff commitments with the LTP project but will be a focus for the six month reporting. We've also updated the process for employee exits to ensure that when an employee leaves that there is a formal process to ensure any capital work orders they have been managing are either capitalised or transferred to an appropriate person to take-over.
Assets under construction	5.2.3	That Assets under construction should be reviewed at year end and be reflected within the appropriate Property, Plant and Equipment line item to the financial statements when it is available for use	Urgent – due to the imminent commencement of the 2023 audit	Resolved	It is most efficient for asset staff to capitalise assets in the asset management systems when they are finally complete with all costs captured, which may come after the point at which the asset is actually in use. We reviewed any such projects for 30 June 2023 and capitalised these 'on the books' to ensure that they are accounted for in the correct line of the PPE note to the financial statements, and depreciated from the correct date. Their formal capitalisation is in progress.
Status of previous recommendations (from Audit NZ Management report 30 June 2022)					
Valuation of property, plant, and equipment – valuers' recommendations for improvement	Appendix 1	The District Council should: <ul style="list-style-type: none"> • Implement the external roading valuer's recommendations to improve the overall completeness and accuracy of data used for valuations. • Consider the recommendations included in the peer review of Three Waters infrastructure and 	Necessary	In progress	For the 2023 valuations, staff ensured that the importance of the recommendations made by the valuers was confirmed before the valuation is finalised. Work on the recommendations is on-going as time and resources allow.

		implement an action plan to address these. Consider applying these recommendations to other asset classes held on a revaluation basis.			
Capital works programme	Appendix 1	Continuous monitoring should be carried out to ensure levels of service are maintained.	Necessary	In progress	Historically Council achieves around 73% of the annual capital programme, which is in line with the LG sector in NZ. Council completed 69% of the capital works programme for the year ended 30 June 2023. This included spending of \$28.2m on capital work (our highest level of annual spend to date) against a budget of \$41m.
Suspense account reconciliations not prepared and reviewed monthly	Appendix 1	Monthly reconciliations of suspense accounts should be prepared and independently reviewed.	Necessary	In progress	Significant progress has been made during 2022/23. This has included significant work to resolve a backlog of unreconciled transactions, and there has been improved control and follow-up of items put to suspense throughout the year. A formalised reconciliation and independent review process will commence from October 2023.
Test organisational business continuity and disaster recovery plans	Appendix 1	The District Council should document and test its organisational business continuity and IT disaster recovery plans. IT has developed an IT Disaster Recovery Plan (DRP) and we understand that Council has started work to develop a (BCP). Neither the BCP nor DRP have been tested.	Necessary	In progress	Major IT infrastructure upgrades are underway with other improvements planned for 2023/24. We expect that this will allow us to be in a position to more thoroughly\fully test the IT disaster recovery plan in 2024/25.

Sensitive expenditure policies	Appendix 1	We recommend management update sensitive expenditure policies to include recent guidance	Necessary	Not yet progressed	The review of the Sensitive Expenditure Policy has been delayed due to competing priorities. With the LTP and other projects currently underway, the most realistic timing for the work to undertake this review is April-May 2024, unless other resourcing options are identified.
Asset, project, and contract management	Appendix 1	The District Council should review processes and controls to align with good practice.	Beneficial	In progress	The new Project Management framework is being rolled out across the organisation. It will take time to bed in.
Policies to update	Appendix 1	• Capitalisation Policy (updated in 2012).	Beneficial	Not yet progressed	The review of the Capitalisation Policy has not progressed due to competing priorities. We have not yet earmarked a date for this review.
Resolved matters raised in Audit NZ Management report for the year ended 30 June 2022					
Local Government Members Determination	6.1	We recommend that the District Council ensure that processes are put in place to ensure the limits stated in the Local Government Members (2021/22) Determination 2021 are complied with in a financial year.	Necessary	Resolved	The issue described was a result of incorrect advice provided by the Remuneration Authority. The ambiguity was resolved by clarification provided in the subsequent determination issued. Our process has also been strengthened with additional approval for claims being sought from the Governance Team Leader or Governance Manager.
Timing of revaluations	Appendix 1	Council reconsider the timing of the District Council's valuations. If the District Council decide to continue with the current	Necessary	Resolved	All valuations are now undertaken with an effective date of 30 June

		practice of carrying out valuations effective 1 July, it is important that fair value assessments carried out as at balance date are robust, completed early, and do not rely solely on indices.			
Fraud policy recommendations and Bribery and corruption	Appendix 1	The fraud policy should be updated to align with guidance points set out by the Ministry of Justice and to align with policy review timelines.	Necessary	Resolved	The Fraud Policy was updated in 2023, and aligned with the Ministry of Justice guidelines.
Policies to update	Appendix 1	The following policies should be updated to ensure they align with current practice: • Council Vehicle Policy (updated in June 2014).	Beneficial	Resolved	The Council Vehicle Policy was updated in December 2022.
Fair value assessments	Appendix 1	Management should consider factors beyond national cost indices when completing fair value assessments. For example, information from recent construction contracts and construction estimates should be used to understand whether there could be a significant change in the base unit rates used in the previous valuation.	Necessary	Resolved	Staff have utilised publicly available market information on property sales and applied it in the assessment of the fair value of our land assets for 30 June 2023. Roading, utilities and buildings are being revalued.

Parked matters raised in Audit NZ Management report for the year ended 30 June 2022					
Sensitive expenditure - approval delegations	6.2	We recommend the District Council ensures it has evidence to support one up approval for sensitive expenditure as required by its policy.	Necessary	Disagree with recommendation	<p>While our policy has not been reviewed for some time, staff are confident that the existing policy, it's principles and overriding intent, and processes are sufficiently robust to prevent the mis-management of sensitive expenditure.</p> <p>We may have some differing views from Audit NZ on the practical application of the policy. For example, one of the principles of our policy is that 'expenditure incurred should be reviewed and approved on a 'one-up' basis. At the same time, our policy sets some very specific limits on what is an acceptable level of expenditure for specific situations – eg amount that can be spent on catering for internal meetings, including Council meetings.</p> <p>Our current process is that Governance staff responsible for organising catering for Council meetings, do so within the policy limits. Approval of this expenditure follows our purchasing system rules, and goes to the Governance Team leader for approval. In approving the purchase, they check that the purchase is in line with policy limits, and within overall budget limits. As a secondary control, Accounts Payable staff also check catering costs to ensure policy limits are not breached at the time of entering invoices. Staff feel that this is an appropriate level of control.</p> <p>Audit NZ's expectation is that there is still one-up approval for this expenditure– ie that the Mayor</p>

					<p>approve the expenditure for catering of Council meetings (noting that this could be retrospective).</p> <p>Staff will of course take instruction from Risk and Assurance Committee and/or Council to implement the controls as recommended by Audit NZ if they feel this additional step is necessary. They should be guided by the expectation that all Council expenditure should be reasonable and subject to a standard that would be expected of a local authority and be able to withstand public scrutiny, (the “front page of the newspaper” test).</p> <p>In the future review of Council’s Sensitive Expenditure Policy, we may wish to be more explicit about the expected lines of approval for specific items of expenditure, so that we are striking a balance between policy that is practical to administer and leads to appropriate safe-guards and outcomes.</p>
Roading valuation process	Appendix 1	The District Council should review the data within the RAMM database before each valuation to provide greater assurance over assumptions used for the asset revaluation. Various assets in the Council’s RAMM database did not have construction dates. The valuer stated in their report that where asset age is unknown and engineering judgement and	Necessary	Disagree with recommendation	We are confident that the extensive condition rating process for our roading assets negates any risk to the valuation from missing construction data.

Item 8.6

		local knowledge had to be used to assign a construction date. The data supporting valuations needs to be improved by MPDC.			
Property, plant, and equipment – Depreciation	Appendix 1	We recommend management consult with other local authority users of AssetFinda, or the software company itself, to better understand the rationale for the AssetFinda approach to depreciation and confirm this remains appropriate.	Necessary	Disagree with recommendation	We do not agree that the current calculation would result in a material error in the financial statements.

Attachment A

Unresolved matters raised in KMPG's Internal audit of Cash-handling report May 2023					
Physical security of cash	3	Increase the frequency the Morrinsville library deposits cash into the office safe to reduce cash held in the locked cupboard	High	Resolved	We've marked this matter as resolved, but the reality is that after balancing the risks of staff safety and financial loss at these sites, the Library Manager has resolved that no further action is considered necessary. Cash received in libraries has declined significantly as a number of library fees were dropped in 2023/24. Cash at each of the libraries is typically less than \$100 per week and likely to continue to decline.
Physical security of cash	4	Investigate opportunity to install a security camera in the Swim Zone Te Aroha office	High	In progress	We expect our supplier to install the cameras at all Swimzone facilities is expected within the next few weeks.

Point of sale transaction processing	1	Investigate the opportunity and costs for an updated POS system like the one in use at Swim Zone Te Aroha to be installed and used across sites.	High	Not yet progressed	The Customer Service offices receipt directly into Authority. Camera footage is available over all tills. There is currently not a function in Authority to have an integrated till, however we will keep a watch for any future updates to Authority that may offer this functionality.
				Resolved	Again we've marked this matter as resolved for the libraries, as the significant decline in cash means that the cost of any improvements would outweigh any benefits. The cash drawers are currently operated through the Library Management System, WorkFlows. Due to the length of time it takes to log into the MPDC system, and then into WorkFlows, individual sign-ons for each transaction are not practical, as staff are often moving around the library and are not stationed at a single desk for extended periods of time. All of the libraries have self-service kiosks which are utilised for the majority of transactions using Eftpos. The majority of cash-handling at the library counters is for printing, and is very low value.
Increase monitoring of cash handling processes	1	Develop a formal QA methodology which provides guidance and clarity on responsibilities, coverage, reporting and other expectations regarding the 'Cash Handling Audit'.	Medium	Not yet progressed	An initial focus for the Finance team will be to work with the offices and facilities to standardise the cash-handling processes across Council. Once this is established, we will look to develop the QA methodology as recommended, and implement the QA framework across the offices and facilities. As the process will be standardised across facilities, we will

Increase monitoring of cash handling processes	2	Implement the updated 'Cash Handling Audit' QA framework across sites ensuring adequate reporting and action completion to address issues which arise.	Medium		look to use facility staff to undertake the QA review of other facilities. Reviewing, reporting and monitoring of progress with matters raised would be assigned to a central overseeing role, most likely with in the Finance team.
Cash-handling process inefficiencies	1	Update cash up processes and process guidance across sites to incorporate the following: - All sites are to use the same cash up form and clarifying which form this is to be. - Provide direction for what is to be saved on CM, where, and how.	Medium	Not yet progressed	The Finance team will work with the offices and facilities to standardise the cash-handling processes and forms across Council. This will include guidance on where and how to store required information. As discussed earlier, we will also look to make improvements in how staff are trained in these processes, both initially and possibly including an induction for new staff with the Finance team focussed on the cash up and receipting process.
Cash-handling process inefficiencies	2	For sites which do not currently use CM, provide training on how to use CM based on updated guidance as a point of reference.	Medium		
Resolved matters raised in KMPG's Internal audit of Cash-handling report May 2023					
Physical security of cash	1	Restrict access to safe/keys to authorised personnel, and store keys in secure locations only known to authorised personnel.	High	Resolved	Immediate action was taken to implement the recommendations on the physical security of cash at these sites where possible:

Physical security of cash	2	Ensure staff understand safes are required to be locked at all times, when not in use.	High	Resolved	<ul style="list-style-type: none"> Morrinsville Office – staff have been instructed to keep the safe locked at all times, and access to the room where the safe is kept has been restricted to necessary staff. Te Aroha Mineral Spas – the key to the safe has been relocated to a secure spot in a different room.
Point of sale transaction processing	1	Investigate the opportunity and costs for an updated POS system like the one in use at Swim Zone Te Aroha to be installed and used across sites.	High	Resolved	Te Aroha Mineral Spas have implemented a new POS system (IBIS) that also incorporates the recommended capabilities
Armourguard cash hand off process	1	Update the Armourguard cash hand off process to ensure all sites are evidencing Armourguard collecting the cash from their sites as the Morrinsville Office do.	High	Resolved	Immediate action was taken to implement the recommendations on the Armourguard cash hand off processes across all sites. The process is now working well except we've noticed variation between sites in the standard of training provided in this process when new staff begin. We will look to make improvements, possibly including an induction for new staff with the Finance team focussed on the cash up and receipting process.
Armourguard cash hand off process	2	Update processes to include guidance for what staff are required to do when the Armourguard automatic scanners are not working, ensure it includes what information is required to be retained by the site and for how long.	High		

8 Ngā Pūrongo Whakamārama | Information Reports

8.7 Risk and Assurance Work Programme 2023 - Update December 2023

CM No.: 2797881

Te Kaupapa | Purpose

The purpose of this report is to provide an update to the committee on the work programme as confirmed for 2023.

Rāpopotonga Matua | Executive Summary

Staff have developed an update on the Work Programme for the Committee using reports previously scheduled and standing items. It is intended this is a standing item for each Committee meeting.

Tūtohunga | Recommendation

That:

1. The information be received.

Horopaki | Background

Prior to the commencement of each calendar year the Committee sets a work programme.

While priorities can shift during the year as unexpected issues arise, the work programme is a useful tool to enable Committee members to set their direction and to allow staff to understand the work priorities that need to be achieved.

Ngā Tāpiritanga | Attachments

[A↓](#). Risk and Assurance Committee Work Programme 2023 - Update December



Ngā waitohu | Signatories

Author(s)	Stephanie Hutchins Governance Support Officer	
Approved by	Sandra Harris Placemaking and Governance Team Leader	

Risk and Assurance Committee Work Programme 2023 - December Update

Meeting Date	Scheduled Reports	Status – included in agenda	Comment
5 December 2023	<ul style="list-style-type: none"> Review of the Risk and Assurance Committee Charter 	X	Charter adopted early 2023 – review due next year
	<ul style="list-style-type: none"> Schedule of Meetings 2025 	X	Addressed at previous meeting
	<ul style="list-style-type: none"> Draft Work Programme 2025 	✓	Included in agenda
	<ul style="list-style-type: none"> Annual Report – review of the final Annual Report, Summary, Audit Opinion and letter of representation <i>(if not addressed at September meeting)</i> 	X	Addressed at previous meeting
	<ul style="list-style-type: none"> Annual update of External Audit being undertaken by Council 	X	Addressed at previous meeting
	<ul style="list-style-type: none"> Annual Risk Policy review 	X	To be addressed next meeting
	<ul style="list-style-type: none"> Self-assessment of committee completed and chair comments <i>(Survey Monkey)</i> 	✓	Included in agenda
	<ul style="list-style-type: none"> LGOIMA requests summary for 2024 	X	To be addressed at the next meeting
	<ul style="list-style-type: none"> Local Government Reform update 	X	No update
	<u>Standing Items</u>		
	<ul style="list-style-type: none"> Review of progress with external and internal audit recommendations 	✓	Included in agenda
	<ul style="list-style-type: none"> Specific Project Risk Management Review <i>(if required)</i> 	X	Not required
	<ul style="list-style-type: none"> Review of any audit reports that have been completed <i>(if required)</i> 	X	No update
	<ul style="list-style-type: none"> Policy Review (if Required) 	✓	Included in agenda
	<ul style="list-style-type: none"> Quarterly procurement report 	X	Addressed at previous meeting

8 Ngā Pūrongo Whakamārama | Information Reports

8.8 Risk and Assurance Committee Work Programme 2024

CM No.: 2797863

Te Kaupapa | Purpose

The purpose of this report is to set the Committee's Work Programme for the 2024 calendar year.

Rāpopotonga Matua | Executive Summary

This report outlines the 2024 draft work programme for the Risk and Assurance Committee. The Committee may wish to suggest amendments or additions to the programme.

Tūtohunga | Recommendation

That:

- 1) The information be received.
- 2) The Committee approve the draft 2024 Work Programme.

Horopaki | Background

Prior to the commencement of each calendar year the Committee sets a work programme. While priorities can shift during the year as unexpected issues arise, the work programme is a useful tool to enable Committee members to set their direction and to allow staff to understand the work priorities that need to be achieved.

The Committee will also need to consider whether its draft work programme is consistent with its Charter (see separate agenda item).

Ngā Take/Kōrerorero | Issues/Discussion

The attached draft work programme is proposed for discussion by the Committee. The work programme has been developed and reviewed on an annual basis as a suggested base work programme. There may be other matters that the Committee may wish to consider for inclusion or replacement in the work programme.

Ngā Tāpiritanga | Attachments

 Draft Risk and Assurance Committee Work Programme 2024

Ngā waitohu | Signatories

Author(s)	Stephanie Hutchins Governance Support Officer	
Approved by	Sandra Harris Placemaking and Governance Team Leader	

Risk and Assurance Committee Work Programme 2024



Meeting Date	Scheduled Reports
23 January 2024 (additional meeting for LTP 2024-34)	<ul style="list-style-type: none"> Review of supporting documentation to be adopted for the Long Term Plan 2024-34 Treasury Policy Review <p><u>Standing Items</u></p> <ul style="list-style-type: none"> Chair's Update Review of work programme Specific Project Risk Management Review <i>(if required)</i> Review of any audit reports that have been completed <i>(if required)</i> Policy review <i>(if required)</i> Safety and wellness <i>(if required)</i> Review of progress with Internal/External audit recommendations <i>(if required)</i>
5 March 2024	<ul style="list-style-type: none"> Takatū Anamata Future Ready Long Term Plan – project update Annual Report – review of the Audit Arrangements Letters <i>(if available)</i> Annual Report – review of the six-month report IT Security Audit <p><u>Standing Items</u></p> <ul style="list-style-type: none"> Chair's Update Quarterly procurement report Review of work programme Specific Project Risk Management Review <i>(if required)</i> Review of any audit reports that have been completed <i>(if required)</i> Policy review <i>(if required)</i> Safety and wellness <i>(if required)</i> Review of progress with Internal/External audit recommendations <i>(if required)</i>
18 June 2024	<ul style="list-style-type: none"> Annual update on organisational culture - vision and values - Kelly Annual Report – review of the report on the interim audit Annual Insurance Programme Review (TBC) Long Term Plan – project update Annual risk management framework/analysis review and Risk Management Policy Accounting Policies <p><u>Standing Items</u></p> <ul style="list-style-type: none"> Chair's Update Quarterly procurement report Review of work programme Specific Project Risk Management Review <i>(if required)</i> Review of any audit reports that have been completed <i>(if required)</i>

Risk and Assurance Committee Work Programme 2024



	<ul style="list-style-type: none"> Policy review <i>(if required)</i> Safety and wellness <i>(if required)</i> Review of progress with Internal/External audit recommendations <i>(if required)</i>
10 September 2024	<ul style="list-style-type: none"> Annual Report – review of the draft Annual Report and Summary Annual review of delegations Annual review of legislative compliance assessment Self-assessment of committee circulated (<i>Survey Monkey</i>) Policies raised in interim management report Long Term Plan – project update Web Security Audit <p><u>Standing Items</u></p> <ul style="list-style-type: none"> Chair's Update Quarterly procurement report Review of work programme Specific Project Risk Management Review <i>(if required)</i> Review of any audit reports that have been completed <i>(if required)</i> Policy review <i>(if required)</i> Safety and wellness <i>(if required)</i> Review of progress with Internal/External audit recommendations <i>(if required)</i>
29 October 2024	<ul style="list-style-type: none"> Annual Report review of the final Annual Report, Audit Opinion and letter of representation <i>(if available)</i> Annual financial warrant of fitness assessment <p><u>Standing Items</u></p> <ul style="list-style-type: none"> Chair's Update Review of work programme Specific Project Risk Management Review <i>(if required)</i> Review of any audit reports that have been completed <i>(if required)</i> Policy review <i>(if required)</i> Safety and wellness <i>(if required)</i> Review of progress with Internal/External audit recommendations <i>(if required)</i>
10 December 2024	<ul style="list-style-type: none"> Review of the Risk and Assurance Committee Charter Schedule of Meetings 2025 Draft Work Programme 2025 Annual Plan – project update Annual update of External Audits being undertaken by Council Annual Risk Policy review Self-assessment of committee completed and chair comments (<i>Survey Monkey</i>) LGOIMA requests summary for 2024

Risk and Assurance Committee Work Programme 2024



	<p><u>Standing Items</u></p> <ul style="list-style-type: none">• Chair's Update• Quarterly procurement report• Review of work programme• Specific Project Risk Management Review <i>(if required)</i>• Review of any audit reports that have been completed <i>(if required)</i>• Policy review <i>(if required)</i>• Safety and wellness <i>(if required)</i> <p>Review of progress with Internal/External audit recommendations <i>(if required)</i></p>
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