

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



Kaupapataka Wātea | Open Agenda



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

Ko te rā | Date: Tuesday 19 March 2024
Wā | Time: 09:00
Wāhi | Venue: Council Chambers
35 Kenrick Street
TE AROHA

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

Waea | Phone: 07-884-0060
Wāhitau | Address: PO Box 266, Te Aroha 3342
Īmēra | Email: governance@mpdc.govt.nz
Kāinga Ipuranga | Website: www.mpdc.govt.nz



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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

An apology from Councillor Gary Thompson has been received.

4 Pānui i Ngā Take Ohore 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 5 December 2023 and 23 January 2024.

7 Pūrongo me whakatau | Decision Reports

7.1 Chair's Update

CM No.: 2822182

Te Kaupapa | Purpose

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

Rāpopotonga Matua | Executive Summary

Risk and Assurance Committee Chairperson, Jaydene Kana to present the Chair's Update report.

Tūtohunga | Recommendation

That:

1. The information be received.

Ngā Tāpiritanga | Attachments

[A](#)  RAC - 19 March 2024 - Chair Report



Ngā waitohu | Signatories

Author(s)	Kuljeet Kaur 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

MARCH 2024 – CHAIR REPORT

Kia ora koutou,

The Office of the Auditor-General has hosted 2 Audit and Risk Chair forums to date in 2024. The table below outlines some summary reflections for the Committee's consideration:

Forum	Summary Reflections
Local Government Session <i>9 February 2024</i> Assistant Auditor-General for Local Government, Office of the Auditor-General	<ul style="list-style-type: none"> Update on response of Council's to Long Term Plan (LTP) options based on 14 December Ministerial letter: <ul style="list-style-type: none"> Consultation Document (CD) audited/not audited (including impacts for Council's not having their CD's audited) LTP deferred beyond 30 June 2024 Update on Water Repeal Legislation Timing. Update on Fees Approach for LTP <ul style="list-style-type: none"> 2024: 2021 + inflation, with a cap – to understand the true cost of an LTP audit and moving toward a sustainable fee in 2027. Publication of Good Practice Guideline for Local government planning and reporting on performance.
Overview of the global environment and New Zealand's economic and fiscal context <i>23 February 2024</i> Chief Economic Adviser and Deputy Secretary, The Treasury	<ul style="list-style-type: none"> The Aotearoa New Zealand economy was booming post COVID and needed to slow to something more sustainable. The economy has now slowed and cooled to normal levels. The economy is expected to cool further in the next year. Aotearoa New Zealand has experienced the strongest net migration ever (since recording started) post-COVID. The tourism market is expected to take 5+ years to recover but uncertain if the tourist numbers will return to pre-COVID levels. In an inflationary environment, that's the time to run surpluses not deficits as it's hard to borrow to build infrastructure when the equipment is already occupied. The time to expand is during the downturns when inflation is under control. Returning central government's books to surplus given factors like interest rates to service debt levels, Aotearoa New Zealand's ageing population and climate change.

The next Forum is on the 22nd of March with a presenter from the National Cyber Security Centre, focussed on **cyber security** risks.

In March, I also had discussions with the MPDC Team

- and the Audit New Zealand Team about the progress to date on the **audit of MPDC's Consultation Document**. I understand the audit has been a resource-intensive and challenging process, with some significant issues to be addressed at the time of writing this report relating to Council's capital programme and Council's unbalanced budget. Thanks to the Team for their dedication and I look forward to the update at the March Risk and Assurance Committee.
- about **risk management**, **3 waters risks** and an isolated **privacy breach** which is currently being investigated and will be reported in more detail at the Risk and Assurance Committee hui in June.

Recommendation

That the Risk and Assurance Committee receives the report.

8 Ngā Pūrongo Whakamārama | Information Reports

8.1 Chief Executive Update

CM No.: 2822183

Te Kaupapa | Purpose

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

Rāpopotonga Matua | Executive Summary

Chief Executive, Don McLeod to present the Chief Executive Update report.

Tūtohunga | Recommendation

That:

1. The information be received.

Ngā Tāpiritanga | Attachments

There are no attachments for this report.

Ngā waitohu | Signatories

Author(s)	Kuljeet Kaur Governance Support Officer	
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Approved by	Sandra Harris Placemaking and Governance Team Leader	
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8 Ngā Pūrongo Whakamārama | Information Reports

8.2 Audit management report for the Annual report 22/23

CM No.: 2827481

Te Kaupapa | Purpose

The purpose of this report is to provide committee members with an overview of the Audit management report for the Annual report 22/23 which outlines the internal control and financial/non-financial reporting matters identified by Audit NZ during the final audit for the year ended 30 June 2023 and to outline how Council is addressing the matters.

Rāpopotonga Matua | Executive Summary

Audit New Zealand is Council's external auditor appointed by the Office of the Auditor-General to conduct the audit on their behalf. Audit NZ issues reports to the Council on how the council can enhance and improve processes, procedures and disclosures.

The Audit management report has been issued which outlines issues identified and makes recommendations for significant items that need to be addressed, and ranks them in priority. The report identifies one issue ranked urgent, eight measures ranked necessary and two issues ranked beneficial. Management have provided comment within the report as to progress made toward addressing the identified issues. The report is attached.

Tūtohunga | Recommendation

That:

1. The information be received.
2. The Committee note the matters identified by Audit New Zealand in its report to Council for the year ended 30 June 2023, and management responses to those matters.

Horopaki | Background

Audit New Zealand is Council's external auditor appointed by the Office of the Auditor-General to conduct the audit on their behalf. Audit New Zealand works with the council throughout the year reviewing internal controls, and auditing the annual report.

Audit NZ reports to the council with recommendations on how the council can enhance and improve processes, procedures and disclosures.

Audit New Zealand earlier a draft report to management on the audit for the year ended 30 June 202 in December 2023. Management reviewed this draft and provided comment. The final report has now been issued.

Ngā Take/Kōrerorero | Issues/Discussion

The report sets out Audit NZ recommendations and their priority.

A summary of the issues and their priority is as follows. Please see attached report to view full details and management comments.

	Recommendation	Reference	Priority
1	Access in the expenditure system The Finance and Business Services Managers ability to make and approve Masterfile changes should be removed. Furthermore, the District Council should consider if there are other aspects of access that could be reduced for this role to improve segregation of duties.	4.2.1	Urgent
2	Segregation of duties – Journals Consider implementing an electronic system to allow for delegations to be incorporated into the journals system (Authority) and to implement a control to ensure journals are approved before they are posted.	4.2.2	Necessary
3	Ability to self-change delegation limits Ensure that any changes in delegation limits in the system (Authority) are appropriate/approved. The District Council should investigate removing the ability, for certain individuals, from changing their own delegation limit.	4.2.3	Necessary
4	Lapses in new user onboarding process Follow due process for all new staff appointed through the completion/approval of the "Computer User Form".	4.2.4	Necessary
5	Bank Reconciliation - unreconciled items Consider upgrading the reconciliation software to ensure that it is more feasible to reconcile all unmatched items within a month.	4.2.5	Necessary
6	Broken Authority Reports (performance reporting) The District Council should resolve the issues within the system causing performance reports to be broken.	4.2.6	Necessary
7	CRM Reliability for substantiating the response time (performance reporting) We recommend that Council introduce a job card where Trello is used.	4.2.7	Necessary
8	Accounting for financial instruments – WRAL and LGFA borrower notes Consider the valuation approach for determining the fair value of the WRAL investment on an annual basis to ensure that it remains appropriate. We recommend the Council obtains independent advice about the appropriate valuation approach. Ensure the LGFA borrower notes are measured at fair value and accounted for in line with the standard.	5.2.2	Necessary
9	Expected credit loss assessment Ensure that the report for the aged trial balance is generated on balance date each year and consider whether updates to the system can be made to enable aged debtors reports to be generated at specific dates.	5.2.3	Necessary
10	PPE capitalisation - Internal costs A control should be put in place to independently review the spreadsheet that captures the time charged by staff to be capitalised to projects. The review should also consider whether the costs meet the requirements of PBE IPSAS	4.2.8	Beneficial

	Recommendation	Reference	Priority
	17: <i>Property, plant and equipment</i> to ensure that the costs are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.		
11	<p>Fraud policy and procedures improvements</p> <p>We recommend that the District Council improves the Fraud Policy or procedures with the following to be in line with the Ministry of Justice's guidance:</p> <ul style="list-style-type: none"> • The purpose of the policy should include that it is to be used to raise awareness about how to recognise fraud and corruption, as well as behaviours and circumstances known to be associated with it. • The policy should reiterate that the organisation is committed to its legal obligations to act fairly, honestly and in good faith when conducting investigations. • The policy should outline the details of how investigations will be conducted (or reference to a separate document). Details should include: <ul style="list-style-type: none"> ○ noting that those responsible for investigations should have appropriate levels of independence, objectivity and investigative skill; ○ emphasising that while employees must report incidents of fraud or corruption, they must not undertake their own investigations, unless assigned to do so by the unit or person in charge of investigations; ○ reiterating that the appropriate person within an organisation must notify law enforcement authorities wherever there is credible suspicion that fraud or corruption has occurred; ○ outlining procedures the organisation will follow to recover losses from fraudulent or corrupt activity; ○ a system for undertaking regular reviews of transactions, activities, or locations that may be susceptible to fraud; and ○ the means for ensuring that every individual suspected of committing fraud (whether they are an employee or someone external to the entity) is dealt with consistently and fairly. 	6.1.1	Beneficial

An explanation of the timeframes for council's response to the levels of priority is provided in the report as follows:

Priority	Explanation
Urgent	<p>Needs to be addressed <i>urgently</i></p> <p>These recommendations relate to a significant deficiency that exposes the District Council to significant risk or for any other reason need to be addressed without delay.</p>
Necessary	<p>Address at the earliest reasonable opportunity, <i>generally within six months</i></p> <p>These recommendations relate to deficiencies that need to be addressed to meet expected standards of best practice. These include any control weakness that could undermine the system of internal control.</p>
Beneficial	<p>Address, <i>generally within six to 12 months</i></p>

	These recommendations relate to areas where the District Council is falling short of best practice. In our view it is beneficial for management to address these, provided the benefits outweigh the costs.
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Mōrearea | Risk

There is a risk that actions undertaken by management to address internal control deficiencies may not be considered sufficient or appropriate to address Audit New Zealand's concerns. In order to mitigate this risk, the financial control and risk teams have regular open discussions with Audit New Zealand to ensure that matters are being progressed to Audit New Zealand's satisfaction.

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

There are no legal issues arising directly arising from the information contained in the report.

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

No communications is planned. Council will continue to work on resolving and clearing the outstanding issues.

Ngā take ā-lhinga | Consent issues

There are no consent issues

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

This report is covered within the budget for the Annual Report 22/23 audit.

Ngā Tāpiritanga | Attachments

- A.  Audit management report for AR 22 23 final (*Under Separate Cover*)

Ngā waitohu | Signatories

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

8 Ngā Pūrongo Whakamārama | Information Reports

8.3 Six Month Report - July to December 2023

CM No.: 2828604

Te Kaupapa | Purpose

The purpose of the Six Month Report is to provide an update on Councils financials and performance during the period July – December 2023.

The Six Month Report is circulated separately.

Rāpopotonga Matua | Executive Summary

Providing a Six Month Report to the Committee reflects the 'no surprises' approach staff endeavour to maintain. This is to ensure that the results of the Annual Report, that is required to be audited and adopted by 31 October each year, are not unexpected.

Tūtohunga | Recommendation

That:

1. The Committee receive the Six Month Report.

Horopaki | Background

The Local Government Act 2002 requires Council to adopt its audited Annual Report and Summary by 31 October each year. The Annual Report and Summary must be published within one month of adoption. The Annual Report and Summary must be audited, and an opinion on the Annual Report and Summary provided to Council and the report's readers.

As at the six month mark, 31 performance measures are on track to meet the target by the end of the year. 13 measures are not on track and 13 measures do not have information available. Some of the measures are reported on annually or biannually and are not available for reporting.

Some of the performance measures are measured through a Customer Survey (survey) that is undertaken by Versus Research (Versus). This survey asks how satisfied respondents are with a number of different services or facilities that Council provides. Respondents are asked to rate their satisfaction on a 6-point scale with 1 being very dissatisfied and 5 being very satisfied or a sixth option of don't know.

There are 400 randomly selected people surveyed annually. The results from July-December 2023 are based on the responses of 200 randomly selected people throughout the District. Versus ensure respondents are representative of the overall population of our district in regards to where they live, their sex, age, ethnicity and so forth.

The six month dashboard provided by Versus is attached.

Ngā Take/Kōrerorero | Issues/Discussion

Any feedback or discussion on the Six Month Report is being sought by the Committee.

Mōrearea | Risk

Refer to discussion above.

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

The Annual Report measures our performance against the Long Term Plan 2021-31.

Ngā Tāpiritanga | Attachments

[A↓](#). MPDC dashboard Quarter 2 2023 2024



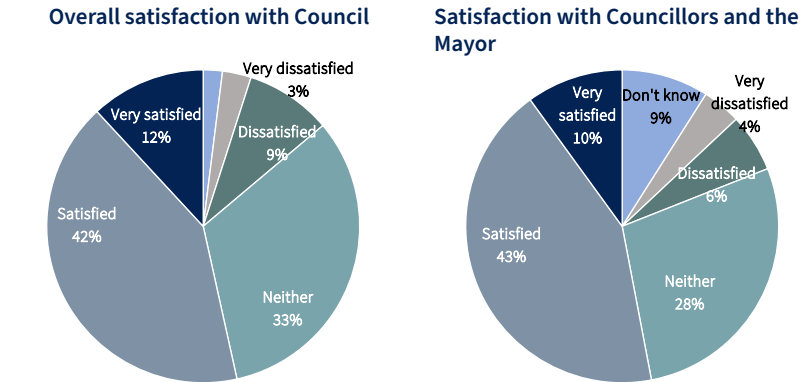
Ngā waitohu | Signatories

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

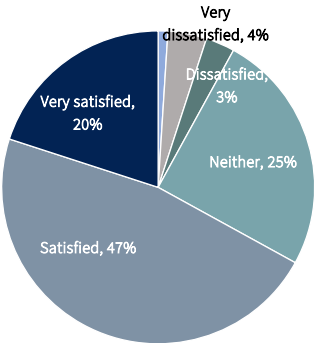
QUARTERLY DASHBOARD

(QUARTER 2 2023/24 n=200* unweighted sample)

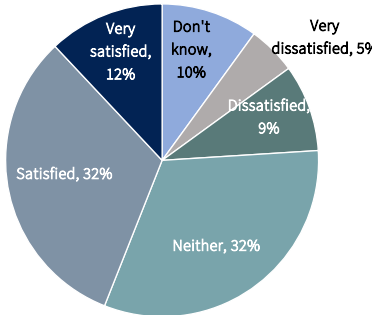
Mālamata-Piako District Council



Ease of Access to Council Information



Opportunity to be Involved in Consultation Process



Services and Facilities

Water Supply Services



User Satisfaction
2023/24 (Qtr 1-2) 2022/23 (Total)

69% 72%

Wastewater Network



87% 83%

Roading Network* community satisfaction



62% 62%

Library Services



95% 91%

Aquatic Facilities & Swimming Pools



79% 73%

Transfer Stations* community satisfaction



62% 64%

Kerbside Refuse and Recycling Services* community satisfaction



User Satisfaction
2023/24 (Qtr 1-2) 2021/22 (Total)

66% 74%

Cemeteries



86% 85%

Council's Management of Flooding within Urban Areas* community satisfaction



39% 38%

Parks and Reserves



84% 79%

Sports Fields



80% 75%

Very dissatisfied Dissatisfied Neutral Satisfied Very satisfied Don't know/don't use

8 Ngā Pūrongo Whakamārama | Information Reports

8.4 Audit engagement letter for Long Term Plan 2024-2034

CM No.: 2828173

Te Kaupapa | Purpose

This purpose of this report is to consider the Audit Engagement Letter received from Audit New Zealand covering the audit of the consultation document and Long Term Plan 2024-2034.

Rāpopotonga Matua | Executive Summary

Audit New Zealand have provided a letter outlining the terms of the engagement and the individual responsibilities for the audit of the Long Term Plan 2024-2034 and consultation document.

Audit has also provided an Audit engagement letter for the annual audits, years ending 30 June 2023 to 30 June 2025.

Letters attached.

Tūtohunga | Recommendation

That:

1. The Audit Engagement Letter for the audit of the consultation document and Long Term Plan 2024-2034 be received.

Horopaki | Background

The Office of the Auditor General has appointed Audit New Zealand as the Council's auditors for the Long Term Plan 2024-2034 and consultation document.



The letter outlines the following:

- the terms of the audit engagement and the respective responsibilities of the Council and the Appointed Auditor;
- the audit scope and objectives;
- the approach taken to complete the audit;
- the areas of audit emphasis;
- the audit logistics;
- the professional fees.

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

The Audit engagement letter sets out a fee of \$103,300 (excluding GST and disbursements). Indications are that the final cost of the audit process is likely to be higher than this.

Ngā Tāpiritanga | Attachments

- A.  Audit engagement letter for LTP 24-34 (*Under Separate Cover*)
- B.  Audit engagement letter 23J to 25J (*Under Separate Cover*)

Ngā waitohu | Signatories

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

8 Ngā Pūrongo Whakamārama | Information Reports

8.5 Review of Supporting Information and Consultation Document for the Long Term Plan 2024-2034

CM No.: 2833563

Te Kaupapa | Purpose

To present to the Committee for consideration:

1. The supporting information for the draft Long Term Plan 2024-2034 Consultation Document (supporting information)
2. Council's proposal to set an unbalanced budget for the Long Term Plan period and the reasons why this decision is considered prudent.
3. The Long Term Plan 2024-2034 Consultation Document for public consultation.
4. The Audit opinion for the Consultation Document and Audit letter of Representation.

Rāpopotonga Matua | Executive Summary

In accordance with the Local Government Act 2002 (LGA) a draft Long Term Plan for the 2024-2034 period has been prepared by Council and audited by Audit NZ.

Also in accordance with the LGA, a consultation document that enables Council to consult with its community on the information included in the LTP has been prepared and has been audited. Audit Director, René van Zyl in attendance to present the Audit opinion to the committee. A copy of the Audit opinion and letter of representation circulated separately to this report.

For the purpose of public consultation, the draft LTP becomes the supporting information for the consultation document, alongside some additional policies.

This report is organised into four parts as below:

- Part One:** Review and recommend to Council the LTP and Policies (detailed below) for adoption **as supporting information** for the Consultation Document (outlined in Table 1 below). Note: This includes policies previously adopted for other purposes (e.g. public consultation)
- Part Two:** Review Council's proposal to have an unbalanced budget for the LTP period and the reasons why Council considers this decision is prudent
- Part Three:** Review and recommend to Council the Consultation Document for adoption for public consultation
- Part Four:** Receive the audit opinion.

Table 1: Documents to be adopted as supporting information for the Consultation Document:

Document			Notes (All documents here to be adopted as supporting information – including those adopted previously for other purposes e.g. public consultation)
Draft Long Term Plan 2024-2034	Section 1	Introduction and Overview	
	Section 2	Key Assumptions	
	Section 3	Financial Strategy	
	Section 4	Infrastructure Strategy	
	Section 5	What We Do	
	Section 6	Financials	
	Section 7	Policies	
	Section 8	Council Controlled Organisations	
	Section 9	Placeholder for Audit Opinion	
Liability Management Policy			Reviewed by Risk and Assurance Committee (RAC) 23.01.23 Adopted at Council meeting 24.01.24
Investment Policy			Reviewed by RAC 23.01.23 Adopted at Council meeting 24.01.24
Revenue and Financing Policy and Statement of Proposal			To be reviewed at RAC 19.03.24 To be adopted for public consultation at Council meeting 20.03.24
Rates Remission and Postponement Policy and Statement of Proposal			To be reviewed at RAC 19.03.24 To be adopted for public consultation at Council meeting 20.03.24
Fees and Charges and Statement of Proposal			Available on MPDC website To be adopted for public consultation at Council meeting 20.03.24
Development Contributions Policy and Statement of			To be reviewed at RAC 19.03.24 To be adopted for public consultation at Council meeting 20.03.24

Document			Notes (All documents here to be adopted as supporting information – including those adopted previously for other purposes e.g. public consultation)
Proposal			

Tūtohunga | Recommendation

Part One: Review of supporting information

That:

1. The Committee receives the report.
2. The Committee has reviewed the supporting information for the draft Long Term Plan 2024-2034 Consultation Document and recommends it to Council for adoption.

Part Two: Consideration of unbalanced budget

3. The Committee has reviewed Council's intention to set an unbalanced budget for all years of the Long Term Plan 2024-2034 and has considered the financial prudence of this decision.
4. The Committee has reviewed the reasons and implications of the proposed decision to set an unbalanced budget.

Part Three: Review of consultation document

5. The Committee has reviewed the Consultation Document for the draft Long Term Plan 2024-2034 and recommends it to Council for approval for public consultation.

Part Four: Receipt of audit opinion

6. The Committee receives the Audit opinion from Audit New Zealand, on behalf of the Auditor-General.
7. The Committee receives the Letter of representation from Audit New Zealand, on behalf of the Auditor-General.

Part One – Review of supporting information

Horopaki | Background

The Long Term Plan

A Long Term Plan 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.

Council's current Long Term Plan was adopted in June 2021 and is due to expire 1 July 2024. The draft Long Term Plan 2024-2034 has now been prepared by Council as supporting information to the Consultation Document.

Purpose

The purpose of the Long Term Plan is to describe the Council's activities and the community outcomes for its district. The Long Term Plan is also an opportunity to provide integrated decision-making and co-ordination of the Council's resources, and a long-term focus for its activities. It is a basis for accountability to the community (s93(6) LGA 2002).

Public consultation

In order to provide an effective basis for public participation in the Long Term Plan decision making process, the LGA requires a consultation document is prepared (s93B LGA 2002). For the purposes of public consultation, the draft Long Term Plan becomes supporting information to the consultation document.

Other supporting information

Alongside the draft Long Term Plan, a number of policies also constitute a part of the supporting information.

- Draft Revenue and Financing Policy (also part of the Long Term Plan, Section 7) and Statement of Proposal
- Draft Rates Remission and Postponement Policy and Statement of Proposal
- Draft Fees and Charges and Statement of Proposal
- Draft Development Contributions Policy and Statement of Proposal
- Liability Management Policy
- Investment Policy

Process for adoption of supporting information

Council must adopt the supporting information before it adopts the consultation document.

Consultation on the supporting information

The supporting documentation is made 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 itself.

Ngā Take/Kōrerorero | Issues/Discussion

Summary of supporting information documents

The table below sets out the documents that make up the supporting information to the consultation document.

Table 1: Documents to be adopted as supporting information

Document			Notes (All documents here to be adopted as supporting information – including those adopted previously for other purposes eg public consultation)
Draft Long Term Plan 2024-2034	Section 1	Introduction and Overview	
	Section 2	Key Assumptions	
	Section 3	Financial Strategy	
	Section 4	Infrastructure Strategy	
	Section 5	What We Do	
	Section 6	Financials	
	Section 7	Policies	
	Section 8	Council Controlled Organisations	
	Section 9	Placeholder for Audit Opinion	
Liability Management Policy			Reviewed by RAC 23.01.23 Adopted at Council meeting 24.01.24
Investment Policy			Reviewed by RAC 23.01.23 Adopted at Council meeting 24.01.24
Revenue and Financing Policy and Statement of Proposal			To be reviewed at RAC 19.03.24 To be adopted for public consultation at Council meeting 20.03.24
Rates Remission and Postponement Policy and Statement of			To be reviewed at RAC 19.03.24 To be adopted for public consultation at Council meeting 20.03.24

Document			Notes (All documents here to be adopted as supporting information – including those adopted previously for other purposes eg public consultation)
Proposal			
Fees and Charges and Statement of Proposal			Available on MPDC website To be adopted for public consultation at Council meeting 20.03.24
Development Contributions Policy and Statement of Proposal			To be reviewed at RAC 19.03.24 To be adopted for public consultation at Council meeting 20.03.24

Draft Long Term Plan 2024-2034 (LTP)

Content

Under the Local Government Act 2002, Council has to set out its long term plans for the community. The Long Term Plan:

- Identifies the key projects to take place over the next ten years
- Provides an overview of each activity Council will carry out and the services Council will provide for the next ten years
- Determines how much this will cost and how Council will fund it.

The Draft LTP 2024-2034 outlines Council's plan for the next ten years. It focusses on keeping rates affordable by prioritising the 'must do' projects while still making strides towards achieving its community outcomes.

Development of the LTP

The draft Long-Term Plan 2024-2034 has been developed over the last 18 months by staff, with direction provided throughout the process by the Mayor and Councillors.

A series of Council workshops were held to determine Council's overall direction and, as the LTP was developed, to fine tune specific details. Council has played an active role in reviewing the information that provides the basis for preparation of the draft LTP. The Council met regularly from February 2023 to January 2024 to review the key documentation and provide guidance to staff.

This included guidance on the overall direction and parameters to apply to the development of the draft LTP, including expectations for balancing a range of factors including:

- The ongoing impacts of challenges faced by our community such as the rising cost of living and affordability issues
- The challenge of meeting additional compliance costs across Council activities (particularly three waters), rising inflation, interest and other costs impacting Council operations and capital projects.
- Government reforms

Council also determined its approach to matters including:

- Rate levels
- Debt levels
- Financial headroom
- The capital works programme,
- Levels of service
- Cost saving options

Risk and Assurance Review

Regular updates have been provided to the Risk and Assurance Committee on both the process and draft content of the developing LTP, and the committee's comments and review incorporated into the development of the documents.

Quality Review

As part of the process of developing the draft LTP and consultation document an independent review was commissioned in January 2024 to consider the following:

- The continuity and consistency of the strategy and key messages throughout the LTP as a whole.
- Completeness against legislative requirements.
- Assessment the Local Government sector best practice guidance.

The independent quality review found that generally the draft LTP was largely compliant and consistent while pointing out some specific areas for improvement which were subsequently addressed by staff.

Audit

The consultation document is the primary document audited by Audit NZ. However, the draft LTP is also audited as supporting information to the consultation document.

At the time of writing Audit NZ is nearing completion of the audit process and will be in attendance to present their audit opinion.

Overview of the sections of the draft LTP

The LTP consists of nine sections. A discussion of the key content of each of the sections is below.

Section 1: Draft Introduction and Overview

This section contains the Mayor's Forward, the function of the Long Term Plan, Council's planning cycle, Council's strategic planning and implementation framework, and ways for the community to give feedback on the LTP. It gives a snapshot of our District now and in thirty years' time, details the Councillors, Council's governance structure and Māori engagement in decision making, and Council's purpose, vision and community outcomes. It highlights the four key drivers / challenges which are referred to throughout the LTP – Affordability, Growth and demand, Compliance, and Climate change and resilience, and how Council will respond to these. Finally, it outlines an additional challenge faced by Council – legislative change.

Section 2: Draft Key assumptions

The Key Assumptions represent the important trends and projections expected to affect the Council and the District over the next ten years, and are one of the essential building blocks in the development of the LTP, and a key focus for Audit. The key assumptions are used to provide a common set of data and direction for the organisation to use in its planning, to be used in conjunction with a wider set of corporate level assumptions and activity-specific assumptions. These assumptions have been fully revised since the last LTP and workshopped with elected members, a new structure included to improve readability, and the assumptions grouped and aligned (where applicable) with the four key drivers / challenges. The groups of assumptions are as follows: Significant assets, Policy landscape, Growth and demand, Climate change and resilience, Compliance, Affordability and Council services.

Section 3: Draft Financial strategy

The purpose of a Financial Strategy is to a) facilitate prudent financial management by Council and b) Provide a context for consultation on Council's proposals for funding and expenditure by making transparent the overall effects of those proposals on Council's services, rates, debt, and investments.

The draft Financial Strategy outlines our key drivers and responses, our goals and how we will achieve them: 1) to maintain current levels of service 2) to improve some levels of service where this complements our vision 3) to set prudent limits on rates and rates increases 4) to set prudent limits on debt, the risks, and other financial matters as required under the LGA.

More information on our rates and debt

Goal 3: To set prudent limits on rates and rate increases

Proposed rates for the next 10 years

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Proposed total rates revenue* \$000	51,129	59,162	62,903	66,567	70,267	73,229	75,531	77,329	78,756	80,755	81,897
Proposed increase in total rates revenue*	14.4%	15.7%	6.3%	5.8%	5.6%	4.2%	3.1%	2.4%	1.8%	2.5%	1.4%

*Total rates revenue includes targeted rates from metered water that is charged to large industries and extra-ordinary water users.

Increases in three waters operating expenses, capital budgets and debt have a significant impact on Council finances in the early years of this plan.

The changes are driven by the need:

- to comply with tougher regulations - particularly for drinking water and sewerage treatment.
- to have more robust systems to deliver the services we provide to the standards expected.

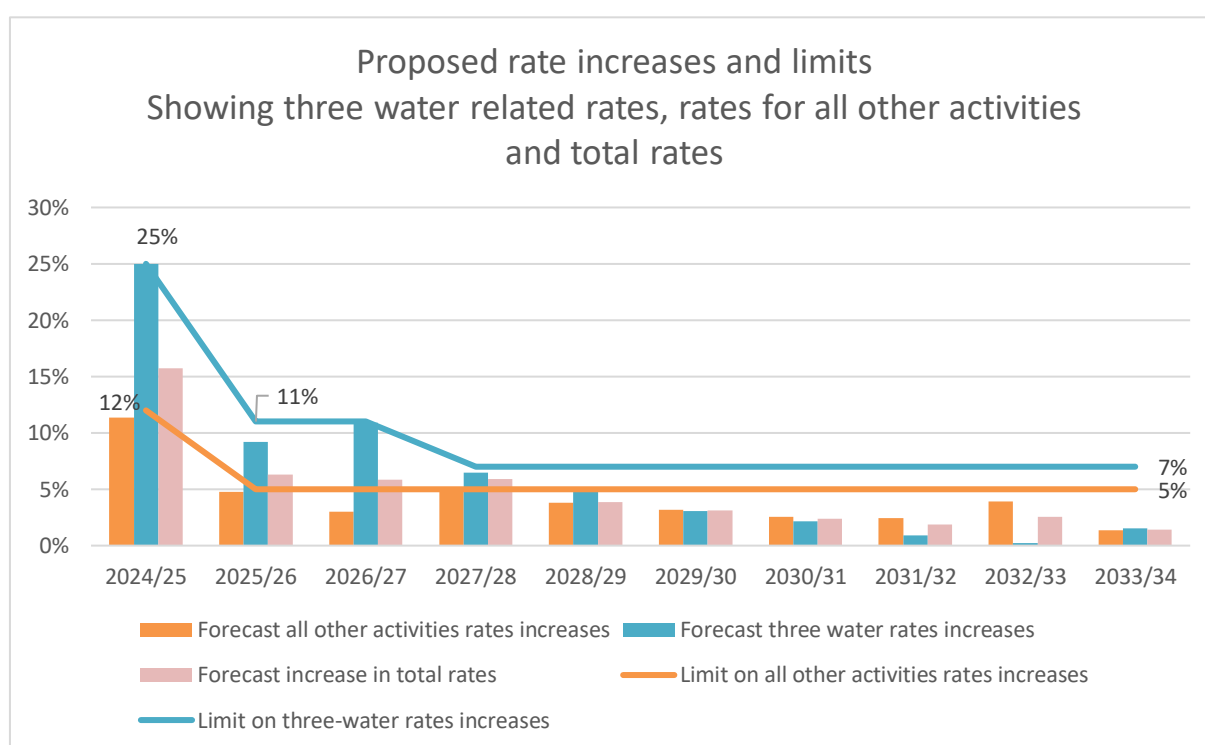
Regulators can have a major influence on the focus and timing of investments Council has to make. Council has more choice/discretion in non-three waters activities. For this reason, Council has decided to set two rating limits for the 10-year period:

Three waters activities

Rates for the three water services will not increase by more than 25% in 2024/2025, 11% in 2025/2026 and 2026/2027, and will not increase by more than 7% over the remainder of the 10-year period.

All other activities

Rates for all other rates funded activities will not increase by more than 12% in 2024/2025, and will not increase by more than 5% over the remainder of the 10-year period.



Goal 4: To set prudent limits on debt

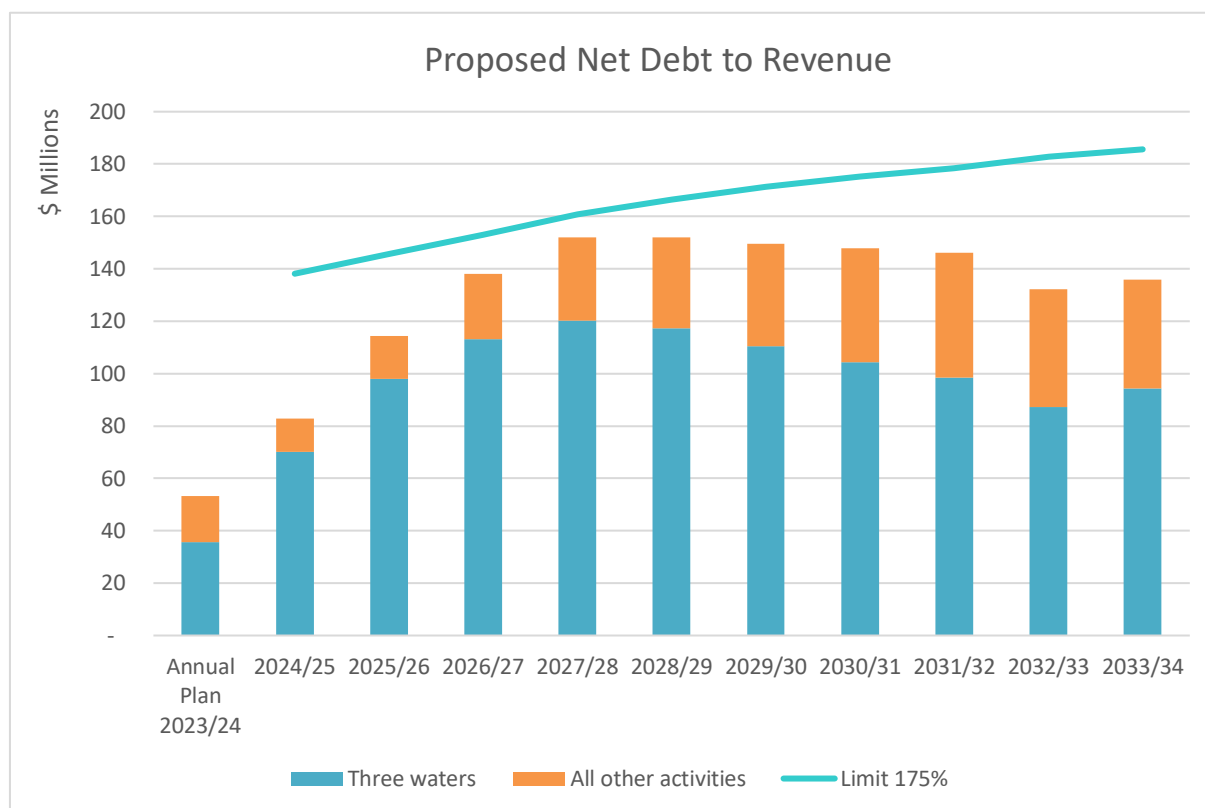
We currently borrow money to pay for new assets – for water, wastewater, roads and community buildings and facilities that will service the community over a long period of time.

Using loans to pay for these kinds of assets means we can recover the costs over time, so that both current and future ratepayers pay their fair share.

It also means that increases in rates are usually more stable/steady, as the cost of the asset is spread out over a longer period. While having a certain level of debt makes sense, it can also make us feel uncomfortable – we shouldn't borrow any more than we can comfortably afford to pay interest on, or eventually repay.

The New Zealand Local Government Funding Agency (LGFA) are one of the main lenders to New Zealand Councils. As our key lender, LGFA have set a limit on how much they believe our Council can comfortably borrow, based on our net debt compared to revenue – which is set at a ratio of 175%. (Net debt is external borrowing less cash and investments).

Up until now, Council have set our own internal limit at a more conservative level of 150%. We have only before reached as high as 47%, and have felt comforted by the extra buffer within our debt limits, which provides opportunity to the district if new things come up, and security if the worst happens.



To fund the MUST DO capital work required for our three waters activities, we're proposing to increase our debt significantly over the first 3-4 years of this plan. This would push our debt over 150%, peaking at \$152 million or 166%, meaning we would exceed our current limit and have very little-to-no headroom for much of the next 10 years. These pressures mean that we feel there is little option but to increase our limit to 175% - however this is not a target. Any borrowing adds additional interest costs to ratepayers, so all projects will continue to be carefully considered with that tension in mind.

How our actual debt tracks against this forecast will depend significantly on how well we progress with our planned capital programme. We expect our debt to be, on average, around 143% of our revenue over the next 10 years.

Risk management strategies for debt are outlined in Council's Liability Management Policy, including strategies to manage interest rate risk, limits to manage liquidity and funding exposure, counterparty credit exposure, debt repayment, borrowing limits, maintaining financial covenants and security arrangements. The full Policy can be found on the Council website. Council has an opportunity to review the impact of interest rates on its overall costs and rates with the Community at each Annual Planning round, and can look to slow and spread capital work programmes and/or levels of service accordingly and where this is acceptable to our regulators. However, should a significant event occur there is uncertainty that the headroom will be sufficient. Included within the headroom, we have a \$5.4m investment fund for emergencies and a \$6m credit facility for urgent cashflow requirements.

Section 4: Draft Infrastructure strategy

The purpose of an Infrastructure Strategy is to a) Identify significant infrastructure issues facing Council over the period of the strategy and b) Identify the principal options for managing those issues and the implications of those options.

The groups of activity included in the strategy are Water, Wastewater, Stormwater, Rooding, Rubbish and recycling, Parks and open spaces and Community facilities and property. The Strategy sets out Council's key principles for managing its assets, namely: looking after what we have, focusing on the must dos i.e. complying with legislative requirements, including only a few should dos, smoothing renewals and reducing some roading renewals. The Strategy provides a snapshot of our District and Council's assets, outlines the method used to prioritise capital projects and asset renewals, and discusses Council's approach to risk management. It sets out the most likely scenario for our District in 2054 and how Council will respond. The Strategy discusses the four key drivers / challenges that feature throughout the LTP and how Council will address these in respect of its assets. The Strategy discusses 6 key areas of work:

- 1) investment in roading renewal,
- 2) meeting water demand,
- 3) prioritising capital projects,
- 4) responding to climate change,
- 5) servicing growth,
- 6) meeting our waste minimisation targets.

For each it outlines a range of options, associated costs and the preferred option. It then discusses each group of activity in more detail. The Strategy concludes with a Financial Summary.

Section 5: Draft What we do

This section details Council's eight groups of activity – Community Facilities and Property, Strategy and Engagement, Rooding, Rubbish and Recycling, Stormwater, Wastewater, Water, Consents and Licensing. For each group of activity, we identify how the group contributes to our vision and community outcomes, how the key drivers / challenges impact on the group and how Council will respond, our goal in respect to levels of service for that activity, any negative impacts it may have, key legislation etc that guide the planning and operation, the funding source, our projects over the next 10 years, the performance measures and targets we will report on and the funding impact statement.

Section 6: Draft Financials

The information in this section underpins the summary financial information including rate and debt limits presented in the consultation document. The underlying financials include: a) Statement of comprehensive revenue and expense, b) Statement of changes in equity, c) Statement of financial position, d) Statement of cash flows e) Statement of accounting policies and f) other legislative disclosures including a discussion on the decision to have an unbalanced budget, Self-funding activities, Non funded depreciation, Depreciation and amortisation expense by group of activity, Reserve funds, Funding impact statement for whole of Council, Calculation of rates, Financial prudence disclosures.

Section 7: Draft Policies

The Policies section of the draft LTP includes a) Draft Revenue and Financing Policy in full and b) Significance and Engagement Policy in summary.

Section 8: Draft Council controlled organisations

This section outlines the Council Controlled Organisations we are part of, namely: Waikato Regional Airport Ltd (WRAL), Waikato Local Authority Shared Services Limited (WLASS) - trading

as Co-Lab, and the Hauraki Rail Trail Charitable Trust. For each we have provided detail on their ownership structure, the nature and scope of their activities and their key performance targets. Council has provided a reporting exemption for the Hauraki Rail Trail Charitable Trust.

Section 9: Placeholder for Audit Opinion

Currently contains a short explanation of the audit process, to be replaced by the Audit Opinion on the final LTP in due course.

Other supporting information

Alongside the draft LTP, the other documents that are part of the supporting information for the consultation document are:

Policy	Content
Revenue and Financing Policy and Statement of Proposal	Detailed in other RAC agenda item
Rates Remission and Postponement Policy and Statement of Proposal	Detailed in other RAC agenda item
Development Contributions Policy and Statement of Proposal	Detailed in other RAC agenda item
Fees and Charges and Statement of Proposal	Sets Council's schedule of fees and charges
Liability Management Policy	Council's policies in respect of the management of borrowing and other liabilities
Investment Policy	Council's policies in respect of investments

Mōrearea | Risk

The major risks to budgets as set out in the forecasting assumptions in the draft LTP include

- Capital programme delivery
- Borrowing/interest rates
- Revenue from development contributions
- Return on investments
- Inflation
- Waka Kotahi funding
- Rating unit growth

The forecasting assumptions in the LTP document outline the level of uncertainty and impact of the risks associated with these assumptions.

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

The Local Government Act 2002, the Local Government (Financial Reporting and Prudence) Regulations 2014 and the Local Government Rating Act 2002 are the key legislative documents pertaining to the Long Term Plan. The key legislative requirements are set out below.

Local Government Act 2002

Section 93 of the LGA sets out the key requirements for a Long Term Plan and the purpose namely to:

- a) describe the activities of the local authority; and
- b) describe the community outcomes of the local authority's district or region; 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.

Part 1 of Schedule 10 of the LGA sets out what information must be included namely:

- 1) Community outcomes
- 2) Groups of activities
- 3) Capital expenditure for groups of activities
- 4) Statement of service provision
- 5) Funding impact statements for groups of activities
- 6) Variation between Council's LTP and assessment of water and sanitary services and waste management plans
- 7) Council controlled organisations
- 8) Development of Māori capacity to contribute to decision-making processes
- 9) Financial Strategy and Infrastructure Strategy
- 10) Revenue and Financing Policy
- 11) Significance and Engagement Policy
- 12) Forecast financial statements
- 13) Financial statements for previous year
- 14) Statement concerning balancing of budget
- 15) Funding impact statement
- 16) Rating base information
- 17) Reserve funds
- 18) Significant forecasting assumptions

Section 96 of the LGA states that when a council adopts a LTP it is providing a formal and public statement of the council's intentions; but a resolution to adopt a LTP does not constitute a decision to act on any specific matter included within the plan. There are statutory restrictions if Council wants to deviate from the direction established in the adopted LTP.

Staff have completed detailed assessments of the draft LTP's compliance with the legislative requirements in order to ensure we have met all requirements.

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

Significance

The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.

In making this assessment, consideration has been given to the likely impact, and likely consequences for:

- a) the current and future social, economic, environmental, or cultural well-being of the district or region
- b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter

- c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.

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.	Options are addressed above in this report.
Section 78 – requires consideration of the views of Interested/affected people	Public consultation will occur
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; however Council's decision to adopt the Consultation Document and supporting information will be of higher significance.
Section 82 – this sets out principles of consultation.	Public consultation will occur in line with LGA requirements.

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.

Included in the draft LTP is identification of variations from our Waste Management and Minimisation Plans and assessment of public toilets and sanitary services, as required by legislation. We have identified no significant variations.

Part Two – Consideration of unbalanced budget

Horopaki | Background

LGA Requirement – Balanced budget

Under the Local Government Act 2002, Council must ensure each year's projected operating revenue meets each year's projected operating expenses. [Section 100(1) of the LGA 2002]

However, Council may set projected operating revenue at a different level if it resolves that it is financially prudent to do so having regard to:

- The estimated expenses of achieving and maintaining levels of service, including maintaining service capacity and assets
- The projected revenue available to maintain service capacity and assets
- The equitable allocation of responsibility for funding assets and facilities
- Council's funding and financial policies

[Section 100(2) of the LGA 2002]

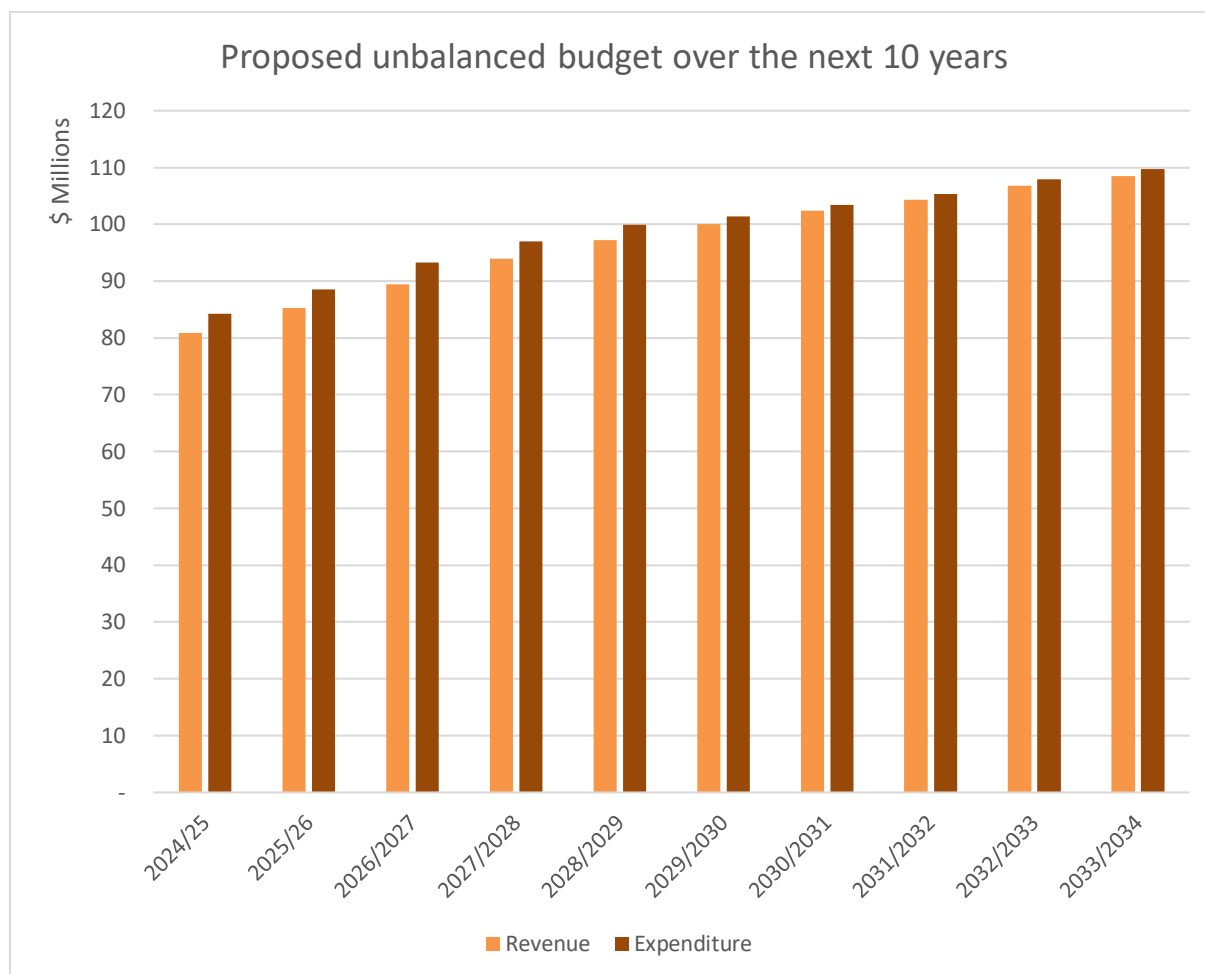
And if Council has resolved not to balance its operating budget in any year of the Long Term Plan then the Long Term Plan must include:

- A statement of the reasons for the resolution and any other matters taken into account and
- A statement of the implications of the decision

[Schedule 10(14) of the LGA 2002]

Ngā Take/Kōrerorero | Issues/Discussion

As outlined above, under the Local Government Act 2002, local authorities are required to set balanced budgets, where operating revenue is equal to expenditure. Council may operate an unbalanced budget only where this can be shown to be financially prudent. We're proposing to have an 'unbalanced budget' in all 10 years of this plan. This means that the revenue received each year will be less than the expenses for that year.



There are three reasons for this:

- To manage the level of rate increases (affordability) over the next 10 years
- We are not planning to fund the total depreciation expense each year
- We are planning to remove wastewater biosolids (sludge) for Matamata, Morrinsville and Te Aroha over a 5 year period. We are going to fund this work over a 15 year period.

In making sure this decision is prudent over the term of the LTP, Council have considered the risks and what affect they may have on the level of service we can provide, funding of the service and how it may impact both current and future ratepayers, and whether it complies with our funding and financial policies. These considerations are outlined below.

Affordability

We have a goal to manage the level of rates increases over the next 10 years by keeping them affordable and avoiding significant fluctuations. Our capital programme is heavily dominated by infrastructure projects. This is influenced by regulation, particularly around three-waters, Government funding for roading and maintaining critical assets. Non-infrastructure activities are where we have more discretion and this is where we are planning the biggest trade-off with our improvement programme to keep rates as low as possible. We are limiting our discretionary projects to those that have already been committed to. This means that we cannot progress as many improvements as we would like.

Depreciation

Depreciation is an accounting entry not an actual cash expense.

Annual depreciation, which is reflected as an expense in each year, provides a guide on the amount of money that should be collected each year to fund the replacement of assets at the end of their life. Asset replacements are funded directly from rates. Asset lives are based on estimates and in general there is a low level of uncertainty. However, there is greater uncertainty related to the asset lives of stormwater assets. We don't believe it is necessary to collect the total depreciation expense each year for assets as outlined below:

Community Facilities –

There are a number of buildings on Council land that are not owned by Council or are not essential to Council operations (including Community halls, Firth Tower museum buildings, etc.). Council has decided that it will not make provision to fund the replacement or refurbishment of these buildings, amounting to an average of \$141,000 per year that would otherwise have to be recovered from rates or from users (or a mixture of both).

Council's approach places the responsibility for building refurbishment and replacement on the users or owners of the buildings. The risk is that the different groups will not be able to raise the necessary funds to undertake this work. There may then be an expectation that Council will fund the work.

However, Council has determined that this approach is prudent as the buildings in this category are not essential. Non replacement or non-refurbishment of the buildings is a valid option. This does not prevent owners or users of the buildings from funding the work required.

Roading –

The renewal or replacement of roading assets is jointly funded by Council and Waka Kotahi/New Zealand Transport agency (NZTA).

We have ensured that we rate for Council's share and have assumed the agency will continue to meet its obligations. This amounts to an average of \$3.2 million per year which we would otherwise have to include in the rates.

As Council is funding a sufficient amount to meet its share of the planned physical works, there is not considered to be any financial risk over the term of the 10 year plan. A fundamental assumption in this approach is that NZTA will continue to fund its share of the programme.

On that basis Council is comfortable that the approach is prudent.

Stormwater –

The amount of depreciation expense over the ten years is \$12.1 million. In that period we are expecting to undertake \$4.8 million of capital work.

The 30 year projection in the infrastructure strategy show that the major portion of our asset replacement or renewals occurs in the 20 year period after this plan.

So instead of using depreciation as a guide, we have looked at how much we would have to invest each year to ensure we have sufficient funds to undertake the work. This has reduced our annual provision by an average of \$908,000 per year. Alternatively, we would need to fund this amount through annual rates.

This is considered to be a low risk strategy as there will be a number of long term plans to review the calculations before the renewals programme escalates. Council considers it is prudent as the

strategy is to ensure sufficient funding is available to meet the renewals programme. This strategy meets that test for the 10 year and 30 year planning periods.

Desludging

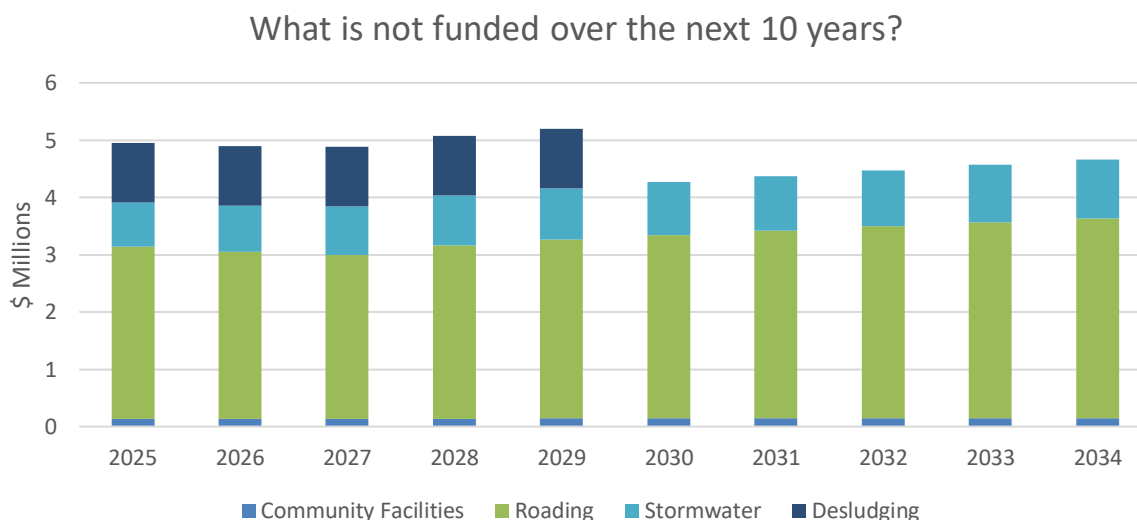
Council is planning to remove bio solids (sludge) in ponds in the Morrinsville and Te Aroha wastewater treatment plants. This is estimated to cost \$8.5m and the work will be undertaken over 5 years. The sludge has built up over many decades.

We think it would be unfair, particularly in the current environment, to load all of that cost on ratepayers over a 5 year period. Instead it will be funded over 15 years, resulting in \$1.04 million less funding from rates per year for the first 5 years.

This is considered to be a low risk strategy as Council can continue to manage within its prudent debt limits over the term of the LTP. Also funding the work for rates over 5 years would increase the risk of making rates less affordable. Council considers this strategy is prudent as it ensures the work is funded from the appropriate sources, over an extended periods, and the desludging work will also provide the benefit of increased capacity over an extended period.

Overall impact of the unbalanced budget

Together, these alternative funding decisions result in a funding gap between revenue and expenses over the 10 year plan as follows:



We are not planning to take steps to achieve a balanced budget during this 10-year period. With each LTP cycle we will re-assess our financial position. We foresee that an unbalanced budget will likely continue past the 10-year period due to similar reasons as stated above for this cycle.

Except for the wastewater sludge removal projects, there is not expected to be any impact on our borrowing as a result of the unbalanced budget beyond this 10 year period. The proposed budget is based on a number of assumptions, with the risk of uncertainty and impact of which in some cases is high. A full understanding of these assumptions and risks is presented in the Long Term Plan document.

These funding decisions are consistent with the Revenue and Financing Policy.

Mōrearea | Risk

As outlined above, Council acknowledges these alternative funding decisions are not without risk, but considers them to be prudent considering that projected funding will ensure levels of service will be maintained and that intergenerational equity will be achieved by ensuring that the current generation does not fund replacement of assets significantly in advance of when their replacement will occur, or fund assets that are not considered essential to the desired levels of service. Council have noted that it will need to closely monitor and review risks related to the unbalanced budget throughout the period.

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

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

As set out above, the LGA requirements in respect to an unbalanced budget are the following:

Under the Local Government Act 2002, Council must ensure each year's projected operating revenue meets each year's projected operating expenses. [Section 100(1) of the LGA 2002] However, Council may set projected operating revenue at a different level if it resolves that it is financially prudent to do so having regard to:

- The estimated expenses of achieving and maintaining levels of service, including maintaining service capacity and assets
- The projected revenue available to maintain service capacity and assets
- The equitable allocation of responsibility for funding assets and facilities
- Council's funding and financial policies

[Section 100(2) of the LGA 2002]

And if Council has resolved not to balance its operating budget in any year of the Long Term Plan then the Long Term Plan must include:

- A statement of the reasons for the resolution and any other matters taken into account and
- A statement of the implications of the decision

[Schedule 10(14) of the LGA 2002]

Part Three – Review of consultation document

Horopaki | Background

Purpose

The purpose of a consultation document is to provide an effective basis for public participation in Council decision making processes relating to the content of the Long Term Plan.

[Section 93B of the LGA 2002]

Content

The consultation document must:

- Fairly represent the content in the LTP
- Explain the LTP's objectives and how rates, debt and levels of service may be affected

- Be easily understood
- Explain issues and choices and the consequences of these
- Facilitate discussion between Council and its communities

[Section 93B of the LGA 2002]

Ngā Take/Kōrerorero | Issues/Discussion

Key issues

The key issue that Council seeks to address is affordability – aiming to keep costs as low as possible for the community. Council proposes to prioritise a) looking after what we have, b) maintaining levels of service, c) smoothing costs, d) focusing on the must do projects, e) changing how we manage the roading budget, f) changing how we fund depreciation, g) increasing fees and charges.

The other key considerations are responding to compliance, growth and climate change.

Topics

The topics in the consultation document are as follows.

For consultation

The following topics are the ones for which Council is seeking public feedback:

- 1) Te Aroha Spa
- 2) Roothing renewals
- 3) Walking and cycling improvements
- 4) Town centre upgrades
- 5) Additional playgrounds
- 6) Stage for Matamata Civic Centre
- 7) The services we provide
- 8) Te Aroha library
- 9) Rates or borrowing options

For information

The following topics are ones that are important matters that Council wants to inform our community about, but for which we are not currently asking for public feedback:

- 1) Resource recovery centre
- 2) Morrinsville stormwater upgrades
- 3) Wastewater treatment plant upgrades
- 4) Matamata Stadium
- 5) Waitoa water supply
- 6) Swimzone Morrinsville
- 7) Water Meters

Public consultation

The topics as outlined above in the consultation document (and supporting Information) are open to public submission.

The communications and engagement section below outlines in more detail the consultation process and timeframes.

Supporting information

The following table outlines where the supporting information for the topics in the consultation document can be found.

Consultation document topic	Supporting information					
	Section 1 Overview	Section 2 Key Assumptions	Section 3 Financial Strategy	Section 4 Infrastructure Strategy	Section 5 What We Do	Other
Affordability	✓	✓	✓	✓		
Compliance	✓	✓	✓	✓		
Growth	✓	✓	✓	✓		
Climate change	✓	✓	✓	✓		
Te Aroha Spa				✓	✓	MPDC website link
Roading renewal		✓		✓	✓	
Walking and cycling improvements				✓		MPDC LTP 2021-2031 link
Town centre infrastructure					✓	MPDC LTP 2021-2031 link
Additional playgrounds				✓		MPDC LTP 2021-2031 link
Stage for Matamata Civic Centre					✓	MPDC LTP 2021-2031 link
The services we provide		✓	✓	✓	✓	
Te Aroha library				✓	✓	
Our approach to rates and debt		✓	✓			Section 6 Financials
Resource recovery centre				✓	✓	
Morrinsville stormwater				✓	✓	
Wastewater treatment upgrades				✓	✓	
Matamata Stadium				✓		
Waitoa water supply				✓		
Swimzone Morrinsville				✓	✓	
Water meters				✓	✓	
Capital delivery		✓	✓	✓		
Unbalanced budget			✓			Section 6 Financials

Consultation document topic	Supporting information					
	Section 1 Overview	Section 2 Key Assumptions	Section 3 Financial Strategy	Section 4 Infrastructure Strategy	Section 5 What We Do	Other
						Revenue and Financing Policy
Managing debt			✓			Section 6 Financials Liability Management Policy

Part four – Receipt of audit opinion

Horopaki | Background

Audit engagement letter

The Audit engagement letter is sent to Council on behalf of the Office of the Auditor General. It sets out the scope and objectives of the audit by Audit NZ, the areas of audit emphasis and the fees. The audit engagement letter is attached in a separate agenda item.

Audit process

The consultation document has been subject to an independent audit by Audit NZ and also a Hot Review Audit (by the Office of the Auditor General). The Hot Review audit is undertaken by a separate review panel and is designed to ensure there is consistency between the audits being undertaken across New Zealand.

As the audit process has progressed, several issues have emerged that audit have placed particular focus on – Council’s proposal to have an unbalanced budget, the do-ability of Council’s capital programme and Council’s planning and assumptions around three waters reform. At the time of writing, Council were still in discussion with audit on these matters.

Audit opinion

When Audit issue their audit opinion there are several options as to how this can be framed. There is potential for Council to receive an audit opinion including an “emphasis of matter” if the auditor wishes to draw reader/community attention to the risks in a particular area or a “qualified audit opinion” if they disagree with the assumption in an area (or any other aspect).

This website provides an overview of the language used in audit opinions:

[Explainer: The language of audit opinions — Audit New Zealand \(auditzn.parliament.nz\)](https://auditzn.parliament.nz/)

The audit opinion is intended to be presented to the committee at this meeting and to Council at its meeting on 20th March 2024 and will be included in the consultation document (a legislative requirement s93C(4) LGA) before the document is printed and released for public submission.

A copy of the draft Audit opinion will be circulated separately to this report when available.

Letter of representation

A letter of representation is required to be signed by the Mayor and Chief Executive to confirm all requirements have been met in the preparation of the Consultation Document and underlying information.

A copy of the draft Letter of Representation will be circulated separately to this report when available.

Mōrearea | Risk

Three of the key risks highlighted in the consultation document are:

Capital programme delivery

There is a risk of Council not being able to deliver on 10-25% of its capital programme.

The implications of this are that a) Council would need to extend its programme and costs would likely increase, b) borrowing could be less over the 10-year period, c) work programme would be reprioritised to respond to any asset failures, d) planned improvements would not be undertaken, e) there would be impacts on levels of service, f) improvements would not be achieved.

Unbalanced budget

Council have proposed to have an unbalanced budget. Council have noted that it will need to closely monitor and review related risks throughout the period.

Managing debt

Council is proposing to increase its debt limit to 175%. Any borrowing adds additional interest costs to ratepayers, so all projects will continue to be carefully considered with that tension in mind. Risk management strategies for debt are outlined in Council's Liability Management Policy. If a significant event occurs, there is uncertainty as to whether the available emergency funds would be sufficient.

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

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

Preparing and adopting a LTP is a matter of high significance. For this reason the LGA 2002 requires the Council to use the special consultative procedure when consulting with its community on adoption of the Plan (s 93(2) LGA 2002).

Ngā Pāpāhonga me ngā Whakawhitiwhitinga | Communications and engagement

Council is required to use the special consultative procedure as detailed in section 83 of the Local Government Act 2002 which states that the period of consultation must be not less than one month and we must provide an opportunity for persons to present their views in a manner that enables spoken (or New Zealand sign language) interaction between the person and elected members.

A Communications Plan has been developed and includes the following key phases

- 1) **Awareness campaign** Dec 2023-Feb 2024 – Purpose: raise community awareness of the issues Council faces in a relatable way
- 2) **Education – Speaker series** Feb-Mar 2024 – Purpose: key note speakers used to explore complex issues that directly and indirectly relate to Council's challenges
- 3) **Consultation period** – Mar-Apr 2024 – Purpose: consult with the community in accordance with the LGA 2002

Timeframes

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

Key Task	Dates
Risk and Assurance review of the Consultation Document	19 March 2024
Consultation Document approved (and supporting information) - Council meeting	20 March 2024
Public consultation/engagement period	21 March to 21 April 2024
LTP hearings of submitters - Council meeting	8 May 2024 9 May 2024 (if required)
LTP deliberations/decision making - Council meeting	29 May 2024
Final LTP audit - Draft LTP Available for audit	6 June to 13 June 2024 <i>(to be confirmed)</i>
LTP Adoption Rates struck for 2024/25 - Council meeting	26 June 2024
LTP in force	1 July 2024

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

In May 2023, after a period of development, Council adopted its new Strategic Direction setting out its vision and community outcomes for the district. The draft LTP 2024-2034 uses this new strategic direction as its foundation.





Council's vision is:

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.'

Council's community outcomes are:

- 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.

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

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

The LTP Budget is \$45,000 which is used primarily for external communications in support of the public consultation period. There is a separate budget for LTP Audit Fees.

The Audit engagement letter has outlined a base fee of \$103,300. Subsequently Audit have indicated that the expected final cost is likely to be higher due to additional time being spent on the audit of the Consultation Document.

Ngā Tāpiritanga | Attachments

There are no attachments for this report.

Ngā waitohu | Signatories

Author(s)	Anne Gummer Policy Advisor	
Approved by	Niall Baker Policy Team Leader	
	Kelly Reith Group Manager People, Governance & Relationships	

8 Ngā Pūrongo Whakamārama | Information Reports

8.6 Draft Revenue and Financing Policy 2024

CM No.: 2829961

Te Kaupapa | Purpose

The purpose of this report is to present the Draft Revenue and Finance Policy that has been developed with 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 LTP.

Council will be requested to approve the Draft RFP and corresponding Statement of Proposal for public consultation on 20 March 2024, along with the Draft LTP and related documents. The Draft Policy is being presented to the Committee for review and feedback.

Tūtohunga | Recommendation

That:

1. The Committee receives the report
2. The Committee reviews the Draft Revenue and Finance Policy 2024 and the corresponding Statement of Proposal.

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).

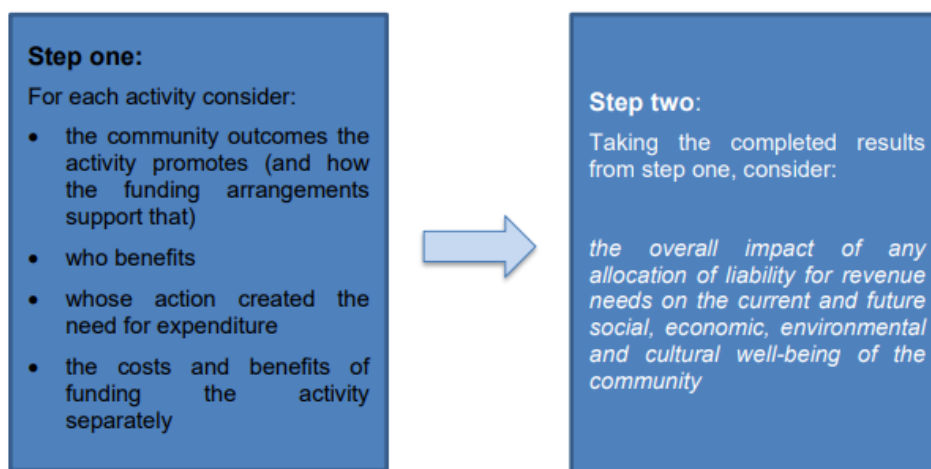
The RFP sets out how Council plans to fund each of its activities and outlines how it has made these decisions.

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 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 wellbeing.

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 chose 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 devices 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

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

Rate	Description
Wastewater Targeted Rates	<p>Differential targeted rates for Wastewater disposal under Section 16 of the LGRA:</p> <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	<p>Targeted rates for Rural Halls under Section 16 of the LGRA based on:</p> <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 Pāpāhonga me ngā Whakawhitiwhitinga | Communications and engagement

Council is required to have a LTP and RFP under Section 93 of the LGA and utilise the Special Consultative Procedure.

Timeframes





Key Task	Dates
Risk and Assurance Committee	19 March 2024
Council adopt Draft RFP for public consultation	20 March 2024
Consultation Period	21 March – 21 April
Hearing	8 May (9 May if needed) 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 District Council's 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 preparation of the Revenue and Financing Policy can be met within existing budgets.

Ngā Tāpiritanga | Attachments

- A.  Statement of Proposal_Draft - Revenue and Financing Policy 2024_For Consultation
(Under Separate Cover)
- B.  Revenue and Financing Policy DRAFT for Consultation - Copy of Policy in Section 7 - for adoption (Under Separate Cover)

Ngā waitohu | Signatories

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Approved by	Niall Baker Policy Team Leader	
	Erin Bates Strategic Partnerships and Governance Manager	
	Larnia Rushbrooke Finance and Business Services Manager	

8 Ngā Pūrongo Whakamārama | Information Reports

8.7 Review of draft Development Contributions Policy

CM No.: 2833501

Te Kaupapa | Purpose

The purpose of this report is to present the draft Development Contributions Policy and Statement of Proposal to the committee for their consideration and recommendation ahead of adoption by Council for public consultation.

Rāpopotonga Matua | Executive Summary

The Development Contributions Policy (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 Statement of Proposal summarise the Policy, the changes and the consultation process.

The Policy and Statement of Proposal is circulated separately.

Tūtohunga | Recommendation

That:

1. The committee receives the report
2. The committee considers the draft Development Contributions Policy and Statement of Proposal and recommends them to Council for adoption for public consultation.

Horopaki | Background

As new development occurs throughout the Matamata-Piako district it places demands on Council to provide a range of new and upgraded infrastructure. It is important to ensure that the potentially high costs of providing new assets for development are adequately and sustainably accounted for.

Councils are required by law to provide details about how they will fund capital expenditure – the costs of providing new assets or increasing their capacity. As the cost of growth is driven by development, we consider that it is equitable that a development should meet its share of the resulting costs.

Development Contributions are the funds received from people or organisations when they develop property. They are used to fund capital works that are driven by the need to provide services to our growing communities.

We are required under legislation to review our existing policy every three years and to consult with the community on any changes we have proposed.

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 principles:

- 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 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;

Main changes to the policy

Schedule of Development Contributions and Projects

The schedule of development contributions is included in Section 6 of the Policy, these calculations are based on the forecast growth and funding required for projects funded from growth. We are required to include information on the projects that are funded from development contributions. These are set out in Schedule 1 of the Policy and referred to in Section 3.2 and Section 4.3 of the Policy.

The Schedule has been updated and projects completed have been removed and any additional works identified through our planning has been included in the Schedule of works. The Schedule of works aligns with the funding identified in Council's Draft Long Term Plan 2024-2034.

Updated Growth projections

Council has adopted some updated growth projections, based on Te Ngira figures. These have been incorporated into the policy and development contribution model to calculate the applicable contributions per ward.

Mōrearea | Risk

The Local Government Act 2002 sets the requirements for preparation of the Long Term Plan.

The major risks to budgets and policies as set out in the forecasting assumptions in the draft Long Term Plan include

- Capital programme delivery
- Borrowing/interest rates
- Revenue from development contributions
- Return on investments
- Inflation
- Waka Kotahi funding
- Rating unit growth

The forecasting assumptions in the Long Term Plan document outline the level of uncertainty and impact of the risks associated with these assumptions.

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

The Development Contributions Policy has been reviewed and will be consulted on in accordance with Section 102 and Section 106 of the Local Government Act 2002.

Council review and consult on the Development Contributions Policy every three years and align this with the Long Term Plan process.

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.	Options are addressed above in this report.
Section 78 – requires consideration of the views of Interested/affected people	The policy will be open for public consultation
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.	The policy will be open for public consultation for one month in line with the LTP consultation period.

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

The consultation of the draft Policy will take place as part of the public consultation on the draft Long Term Plan 2024-2034

Timeframes

Risk and Assurance Review of the Policy	19 March 2024
Council approval of policy for community consultation	20 March 2024
Submission period	21 March – 21 April 2024
Community present submissions to Council	8 May (9 May if needed) 2024
Proposal is adopted	26 June 2024
New policy applies	1 July 2024





Ngā take ā-lhinga | Consent issues

There are no consent issues identified.

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

Matamata Piako District Council's 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 community outcomes relevant to this report are as follows:

- A place with people at its heart
- A place to thrive

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)	Susanne Kampshof Asset Manager Strategy and Policy	
	Anne Gummer Policy Advisor	

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

8 Ngā Pūrongo Whakamārama | Information Reports

8.8 Draft Rates Remission and Postponement Policy

CM No.: 2830645

Te Kaupapa | Purpose

The purpose of this report is for the Risk and Assurance Committee (the Committee) to review and provide feedback to staff on the draft 2024-34 Rates Remission and Postponement Policy and associated Statement of Proposal for consultation alongside the Long Term Plan.

Rāpopotonga Matua | Executive Summary

Council's Rates Remission and Postponement Policy (Policy) sets out how and when Council can remit or postpone payment on rates. Council can only remit rates if they have adopted a rates remission policy under section 85 of the Local Government (Rating) Act 2002.

Remission of rates involves reducing the amount owing or waiving collection of rates altogether. Postponement of rates means that the payment of rates is not waived in the first instance but delayed for a certain time, or until certain events occur. The overall objective being to provide rates relief in situations to support both the fairness and equity of the rating system, and the overall wellbeing of the community.

This report provides the Committee with the draft 2024-34 Policy on the Remission and Postponement of Rates and associated Statement of Proposal for community consultation. Council are not proposing any major changes to the Policy apart from the removal of the policy on the remission of 2023/2024 targeted rates for kerbside collection. The objective of this policy was to ensure that the targeted rate for the 2023/2024 year was (in effect) charged to the rating units for the period that the service is available to them. This policy is no longer required and has been removed.

Additionally, minor amendments have been proposed to assist in clarity. These are noted in the tracked changes version of the policy.

Tūtohunga | Recommendation

That:

1. **The Risk and Assurance Committee receive the Statement of Proposal for the draft 2024-34 Rates Remission and Postponement Policy for consultation alongside the Long Term Plan.**
2. **The Risk and Assurance Committee receive the draft 2024-34 Rates Remission and Postponement Policy (tracked change and clean copy version) for consultation alongside the Long Term Plan.**

Horopaki | Background

Council's Rates Remission and Postponement Policy (Policy) sets out how and when Council can remit or postpone payment on rates. Council can only remit rates if they have adopted a rates remission policy under section 85 of the Local Government (Rating) Act 2002.

Remission of rates involves reducing the amount owing or waiving collection of rates altogether. Postponement of rates means that the payment of rates is not waived in the first instance but delayed for a certain time, or until certain events occur. The overall objective of remissions is to

provide rates relief in situations to support both the fairness and equity of the rating system, and the overall wellbeing of the community.

In general, all ratepayers are expected to pay rates. However, rates postponement and remission policies allow Council to recognise financial or other special circumstances where ratepayers may require support to manage their rates payments. While there are some exceptions outlined in legislation, in general, all land is rateable. However, there may be circumstances where ratepayers need support to manage their rates. Councils can choose to provide for rates postponement or remit rates through policies stating the objectives and criteria for postponement or remission.

In setting and granting remissions, it is important to remember that any amount remitted then needs to be recovered from, or shared across other ratepayers.

In order to allow rates relief where it is considered fair and reasonable to do so, Council is required to adopt policies specifying the circumstances under which rates will be considered for remission. There are various types of remission, and the circumstances under which a remission will be considered for each type may be different. The conditions and criteria relating to each type of remission are set out in the various remissions policies.

Ngā Take/Kōrerorero | Issues/Discussion

Policy Content

1. Policy on the remission of rates on land protected for conservation purposes
2. Policy on the remission of penalties on unpaid rates
3. Policy on the remission of rates: other categories
4. Policy on remission of small rates balance
5. Policy on the remission of rates on Maori freehold land
6. Policy on the postponement of rates on Maori freehold land
7. Policy on remissions for metered water leaks
8. Policy on remissions of pan charge targeted rates based on water use
9. Policy on remissions of pan charge targeted rates for educational establishments
10. Policy on the remission of rates on abandoned land
11. Policy on the remission and postponement of rates for natural disasters and emergencies
12. ~~Policy on the remission of 2023/2024 targeted rates for kerbside collection (no longer required)~~

Policy Review

Policies on the Remission and Postponement of Rates must be reviewed at least every six years. Council can only remit rates if they have adopted a rates remission policy under section 85 of the Local Government (Rating) Act 2002.

Council last reviewed its Policy in 2023, and some changes were made to align with Council's kerbside collection service. Further minor amendments aligned the Policy with other Council documents in respect to deemed average household water consumption, and some further changes of a housekeeping nature.

In adopting the 2024-34 Long Term Plan, Council staff have completed a further review of Council policies on the remission and postponement of rates.

Council are not proposing any major changes to the Policy apart from the removal of the policy on the remission of 2023/2024 targeted rates for kerbside collection. The objective of this policy was to ensure that the targeted rate for the 2023/2024 year was (in effect) charged to the rating units

for the period that the service is available to them. This policy is no longer required and has been removed.

Additionally, minor amendments have been proposed to assist in clarity. These are noted in the tracked changes version of the policy with red text and deletions are struck through.

This report recommends that the Committee receive the draft Policy prior to Council approval to consult on the draft Policy with the community.

Mōrearea | Risk

No specific risks have been identified relating to the recommendations contained in this report.

Ngā Whiringa | Options

In order to be able to provide for the remission and/or postponement of rates, Council must adopt a policy under section 85 of the Local Government (Rating) Act 2002.

The Committee are invited to provide feedback to Council prior to the adoption of the draft Policy for consultation.

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

Council can only remit rates if they have adopted a rates remission policy under section 85 of the Local Government (Rating) Act 2002. Other legislation that applies is:

Section 102 provides for Council to consult on a draft policy or amend an existing policy in accordance with section 82 of the Local Government Act 2002. Consultation is required a manner that gives effect to the requirements of section 82.

- Policy on the remission of rates: other categories - *Section 20 of the Local Government (Rating) Act 2002 states that Council must treat two or more rating units as one if they are owned by the same person(s), used as one unit, are contiguous or separated only by road, rail, drain, water race, river, or stream.*
- Policy on the remission of rates on Maori freehold land - *Statutory requirement under section 114 of the Local Government (Rating) Act 2002.*
- Policy on the postponement of rates on Maori freehold land - *Statutory requirement under section 115 of the Local Government (Rating) Act 2002.*

The Local Government (Rating of Whenua Māori) Amendment Act 2021

The Local Government (Rating of Whenua Māori) Amendment Act 2021 came into force in 2021. Among other things it:

- a) expanded the purpose of the Local Government (Rating) Act 2002 to include facilitating the administration of rates in a manner that supports the principles set out in the Preamble to Te Ture Whenua Māori Act 1993;
- b) expanded non-rateability to unused rating units of Māori freehold land;
- c) introduced a statutory remission for Māori freehold land under development;
- d) requires a council's policy on the remission and postponement of rates on Māori freehold land to support the principles set out in the Preamble to Te Ture Whenua Māori Act 1993, by 1 July 2022.

The principles in the preamble are wide ranging. The most relevant to local government are:

“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 that land in the hands of its owners, their whanau, and their hapu, 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 hapu”.

The inclusion of a policy on the remission and postponement of rates on Māori freehold land was included in Council’s Rates Remission and Postponement Policy following consultation undertaken in May 2023.

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

Having regard to the decision making provisions in the Local Government Act 2002 and Councils Significance and Engagement Policy, a decision in accordance with the recommendations is assessed as having a medium-low level of significance.

Whilst the Policy forms a critical part of Council’s rating system and supports the Council’s overall purpose and the achievement of community outcomes, previous submissions have demonstrated a low level of interest in the Policy. 11 submissions were received when the Council last consulted on its Policy in 2023. There was a mix of views received, many of which related to the new kerbside collection service.

As minimal changes are proposed following this review, it is determined that the Policy will attract a low level of public interest. However, the Policy directly affects those people/properties for which will have their rates remitted and a targeted approach to consultation is planned. Out of District ratepayers will also need to be considered, as both occupiers and owners are affected by the Policy.

It is considered that the Policy may be of interest to Māori/iwi organisations as a policy is included that addresses the remission and postponement of rates on Māori freehold land (this policy was included following consultation in May 2023).

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 Local Government Act 2002. This includes any decision not to take any action.

Section 102 of the Local Government Act 2002 provides for Council to consult on a draft policy or amend an existing policy in accordance with section 82 of the Local Government Act 2002. Consultation will be conducted in a manner that gives effect to the requirements of section 82.

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	Council will share the draft Policy with groups/individuals that it considers will be affected or who may have an interest in the relevant issues and will give due consideration to the views and preferences received through the consultation process.
Section 79 – how to achieve compliance	The Significance and Engagement Policy is

with sections 77 and 78 is in proportion to the significance of the issue	considered above. This issue is assessed as having a medium-low level of significance.
Section 82 – this sets out principles of consultation.	<p>Consultation will give effect to section 82 of the LGA which includes the following principles:</p> <ul style="list-style-type: none"> (a) Persons who will or may be affected by, or have an interest in, the decision or matter should be provided with reasonable access to relevant information in a manner and format that is appropriate to their preferences and needs. (b) Persons who will or may be affected by, or have an interest in, the decision or matter should be encouraged to present their views to Council. (c) Persons who are invited or encouraged to present their views to Council should be given clear information concerning the purpose of the consultation and the scope of the decisions to be taken following the consideration of views presented. (d) Persons who wish to have their views on the decision or matter considered by Council should be provided with a reasonable opportunity to present those views to the local authority in a manner and format that is appropriate to their preferences and needs. (e) Views presented to Council should be received with an open mind and should be given due consideration. (f) Persons who present views to the Council should have access to a clear record or description of relevant decisions made by Council and explanatory material relating to the decisions.

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

Pursuant to section 82 of the Local Government Act 2002, consultation that Council undertakes in relation to any decision or other matter must be undertaken in accordance with certain principles in mind. This includes allowing those have an interest in, or are affected by a decision to be given the relevant information and encouraged to present their views to Council.

Where Council is required to consult in accordance with section 82 it must make the following publicly available:

- the proposal and reasons for the Policy.
- an analysis of the reasonably practicable options identified,
- a draft document of the Policy.

Refer to attachments for the Statement of Proposal and the draft Policies which addresses these requirements.

It is proposed to use a range of communication tools to encourage the community to take part in the consultative process. Māori/iwi organisations and those who have submitted on the Policies previously will be contacted to inform them of the opportunity to provide feedback.

Timeframes

The below table sets out key dates for the consultation process:

Key Task	Dates
Draft Policy and Statement of Proposal approved for consultation - Council meeting	13 March 2024
Public consultation/engagement period	20 March to 21 April 2024
Hearings of submitters - Council meeting	8 May 2024 9 May 2024 (if required)
Deliberations/decision making - Council meeting	29 May 2024
Adoption of Policy - Council meeting	26 June 2024
New Policy applicable	1 July 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 District Council's 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 community outcome relevant to this report are as follows:




- He wāhi puawaitanga | A place to thrive

The Policy supports economic wellbeing of communities by providing opportunities for rates remissions and postponement in certain circumstances. The overall objective is to provide rates relief in situations to support both the fairness and equity of the rating system, and the overall wellbeing of the community.

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

A consultation process to amend the Policy is required. The associated costs of this include the placement of public notices and staff costs in supporting the submissions and hearings process.

Ngā Tāpiritanga | Attachments

-  Draft Statement of Proposal Rates Remission and Postponement Policy for approval for consultation (*Under Separate Cover*)
-  Draft Rates Remission and Postponement Policy for approval for consultation (Tracked changes) (*Under Separate Cover*)
-  Draft Rates Remission and Postponement Policy (Clean Copy) (*Under Separate Cover*)

Ngā waitohu | Signatories

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

8 Ngā Pūrongo Whakamārama | Information Reports

8.9 Policy Register Update

CM No.: 2827806

Te Kaupapa | Purpose

The purpose of this report is to inform the Risk and Assurance Committee of the status of Council's policy reviews.

Rāpopotonga Matua | Executive Summary

In September 2023, the Risk and Assurance Committee requested staff report to the Committee on a bi-annual basis on the status of Council's policy reviews. This will facilitate an organisational view of the policy work programme and demonstrate regular reviews of both internal and external policies, including policies that are required to be reviewed within stated legislative timeframes.

Council staff have created a Policy Register in our corporate system to assist in the above. The Policy Register report is attached. Council staff to provide an update on the status of Council's policy reviews.

Tūtohunga | Recommendation

That:

1. The information be received.

Horopaki | Background

In September 2023, the Risk and Assurance Committee (the Committee) requested staff to provide a bi-annual update on the status of Council's policy reviews. The purpose of this is to provide oversight of this process and to ensure that regular reviews of both internal and external policies, and policies that are required to be reviewed within stated legislative timeframes are being carried out.

Ngā Take/Kōrerorero | Issues/Discussion

The policies due for review in 2024 are:

- Smokefree Policy
- Legal Highs Policy
- Dangerous, Affected and Insanitary Buildings Policy
- Board Appointments and Remuneration Policy

The external facing policies due for review in 2024 are:

- Smokefree Outdoor Spaces Policy
- Legal Highs Policy (Local Approved Products Policy)
- Dangerous, Affected and Insanitary Buildings Policy
- Board Appointments and Remuneration Policy

The draft Smokefree Outdoor Spaces Policy, Legal Highs Policy (Local Approved Products Policy) and Dangerous, Affected and Insanitary Buildings Policy are scheduled to be approved for consultation at the Council meeting on 13 March 2024. Council are consulting on these policies alongside the Long Term Plan.

The below table sets out key dates for the consultation process:

Key Task	Dates
Draft Policies and Statements of Proposal approved for consultation - Council meeting	13 March 2024
Public consultation/engagement period	21 March to 21 April 2024
Hearings of submitters - Council meeting	8 May 2024 9 May 2024 (if required)
Deliberations/decision making - Council meeting	29 May 2024
Adoption of Policies - Council meeting	26 June 2024
New Policies applicable	1 July 2024

The Board Appointments and Remuneration Policy is required under section 57(1) of the Local Government Act 2002 (LGA). This policy currently in development and will be workshopped with Council shortly.

The Committee are invited to provide feedback to staff on the policy register, including feedback on the format of the information presented, noting that this is a new process and is still being refined/in development to ensure maximum usefulness for staff, Council and its Committees.

Mōrearea | Risk

The policy register has been developed to assist in oversight of policy reviews to ensure that regular review is undertaken and statutory timeframes for review are complied with. The risk of not reviewing the policies could result in policies not reflecting best practice and they may fail to comply with new legislation/regulations.

Council is required to review certain policies within stated statutory timeframes. If Council does not review within the timeframes as stated, Council risks non-compliance with the relevant legislation.

Ngā Tāpiritanga | Attachments

[A↓](#). Policy register update for RAC - 19 March 2024



Ngā waitohu | Signatories

Author(s)	Samantha Oosthoek Project and Engagements Administrator	
	Laura Hopkins Policy Advisor	

Approved by	Niall Baker Policy Team Leader	
	Erin Bates Strategic Partnerships and Governance Manager	

		INDE - In development ACT - Active HIST - Historical		EX - External IN - Internal BY - Bylaw REG - Regional REP - Report STR - Strategy			SPAG - Strategies Partnership and Governance ASS - Assets & Strategy PSW - People Safety and Wellness COMM - Communications FIN - Finance IT - Information technology and mangement CS - Customer services PL - Planning			
Policy name	Description	Status	Review cycle	Policy type	Adopted date	Review date	Team in charge	Council approve	Eteam approve	Required by law
EXTERNAL POLICIES										
Strategic Direction	Council sets its strategic direction to inform its priorities and work programme moving forward. The strategic direction aligns with the four community wellbeing's-social, environmental, cultural and economic which are core pillars of local governments mandate.	ACT	As Required	EX	24/05/2023	01/05/2026	SPAG	Y	N	N
Long Term Plan 2021-2031	This plan outlines Council's activities and budget for the next ten years, providing a long-term focus for decision-making. It includes: Financial Strategy, Infrastructure Strategy, Revenue and Financing Policy and a summary of the Significance & Engagement policy.	ACT	3 Yearly - LTP	EX	01/06/2021	01/06/2024	SPAG	Y	N	Y
Long Term Plan 2024-2034	This plan outlines Council's activities and budget for the next ten years, providing a long-term focus for decision-making. It includes: Financial Strategy, Infrastructure Strategy, Revenue and Financing Policy and a summary of the Significance & Engagement policy.	INDE	3 Yearly - LTP	EX			SPAG	Y	N	Y
Annual Plan	The Annual Plan sets out our budget, any changes to service information and sources of funding for 12 months from 1 July to 30 June each year, along with other relevant financial and policy information from what is in the Long-Term Plan (i.e. it explains variances). The Annual Plan has historically been consulted upon but recent changes in legislation means that Council does not have to consult on the Annual Plan if there are no significant or material changes from the Long-Term Plan.	INDE	Annually	EX	n/a		SPAG	Y	N	Y
Annual Report	Each year we produce an Annual Report which compares what we did against what we said we were going to do in our Long Term Plan and distribute a summary to the community. This gives a formal report on the financial and non-financial performance of Council. For the non-financial performance, this includes reporting on annual customer survey, which is undertaken by an external research company who contacts a sample of approx. 400 residents to ask their views on council services and facilities. The results measure our performance and most of these are included in the annual report, as they are part of council's performance measures/targets.	INDE	Annually	EX	n/a		SPAG	Y	N	Y
Revenue and Financing Policy 24-34	Revenue and Financing Policy 24-34 - This Policy describes how we will fund operating expenses and capital expenditure from the funding sources specified in section 103 of the Local Government Act 2002.	INDE	3 Yearly - LTP	EX			FIN	Y	N	Y
Financial Strategy	The Financial Strategy is prepared in conjunction with the Long Term Plan, and is a tool to help guide the decisions made in the LTP process - to ensure they are prudent and to ensure that Council and the community fully understand the effect of these decisions on our services, our rates and our debt.	INDE	3 Yearly - LTP	EX	01/06/2021	01/06/2024	FIN	N	N	Y
Infrastructure Strategy	Ssets out the requirements for long-term management of our assets to ensure that they continue to deliver on levels of service over the next 30 years. It has been prepared based on the assumptions identified in Section 4 and should be read in conjunction with the Financial Strategy in Section 2.	INDE	3 Yearly - LTP	EX	01/06/2021	01/06/2024	SPAG	N	N	Y
Policies on the Remission and Postponement of Rates	The Policies outline the situations in which one can qualify for a remission or postponement in rates.	INDE	3 Yearly - LTP	EX	01/07/2022	01/06/2024	FIN	N	N	N
Fees and Charges	Outlines all of Council's Fees and Charges.	INDE	Annually	EX	29/05/2021	30/06/2023	SPAG	N	N	N
Liability Management Policy	To minimise the cost of borrowing used to fund the capital development of the Community's assets.	ACT	Annually	EX	28/09/2022	01/09/2023	FIN	N	N	N
Investment Policy	The LGA 2002 requires Council to adopt a policy for the management of investments.	ACT	Annually	EX	28/09/2022	01/09/2023	FIN	N	N	N
Significance and Engagement Policy	This policy helps Council to determine what the really important ('significant') issues are to the community, and how we will go about involving the community in making those decisions ('engagement').	ACT	3 Yearly - LTP	EX	23/08/2023	01/08/2026	SPAG	Y	N	Y
Sustainability Policy 2012	Council's previous statutory purpose was to promote the social, economic, environmental and cultural well-being of communities, in the present and for the future. The policy sets out our responsibility to act, operate and develop in a sustainable way & outlines how we will do this. This is not a statutory (required) policy and has not been implemented.	ACT	3 Yearly - LTP	EX	22/02/2012	01/02/2015	SPAG	Y	N	N
Development Contributions Policy 2021-2031	Development contributions (DCs) are charged to people who are developing property in the district. These payments ensure we can continue to provide assets and services to meet the demand created by growth. How much DC's will cost depends on the type of development and the area that it is in - the policy sets out how this works.	ACT	3 Yearly - LTP	EX	30/06/2021	01/06/2024	SPAG	N	N	N
Board Appointments and Remuneration Policy	The Policy sets out the process for appointing board members to CCOs.	INDE	3 Yearly				SPAG	Y	N	Y
Elected Member Remuneration Policy	To set out the provision of remuneration and allowances for elected members	INDE	3 Yearly				SPAG	Y	N	Y
Governance Statement	Council's Local Governance Statement is a collection of information about the processes through which Council engages with the community, how decisions are made, and how the community can influence these processes. It helps support the purposes of local government by promoting local democracy. It does this by providing the community with information on the ways to influence the local democratic processes.	ACT	3 Yearly- Elections	EX	01/12/2019	01/12/2022	SPAG	N	N	N
Code of Conduct	- Sets out the values, understandings and expectations agreed on by the Mayor and Councillors about how they will conduct themselves while acting as Elected Members.	ACT	3 Yearly- Elections	EX	09/11/2022	01/11/2025	SPAG	N	N	N
Delegation Policy and Policy Register 2023	- This document sets out the policy for the Matamata-Piako District Council for delegations of responsibilities, powers and duties to a range of different parties as provided for in the Local Government Act 2002 (the Act) and other legislation.	ACT	As Required	IN	22/11/2023		SPAG	Y	N	N
Pre-Election Report	This document is designed to draw attention to the key issues over the coming years, and to the Council's performance against the adopted financial strategy. It also covers the forecast financial position for the incoming Council.	ACT	3 Yearly- Elections	EX	26/07/2022	26/07/2024	SPAG	N	N	Y
Gambling Venue Policy	This policy outlines Council's responsibility and role in sustain dealing with standalone TAB Board venues within the District.	ACT	3 yearly	EX	11/05/2022	11/05/2025	SPAG	N	N	N
TAB Venue Policy	This policy outlines Council's responsibility and role in dealing with standalone TAB Board venues within the District.	ACT	3 yearly	EX	11/05/2022	01/05/2025	SPAG	Y	N	Y
Local Alcohol Policy	Outlines Council's policy for on, off, club and special licences. Sets maximum trading hours, location restrictions, how many licences can be issued etc. Considered by the district licensing committee when making liquor licensing decisions.	ACT	6 Yearly	EX	23/08/2023	01/08/2029	SPAG	Y	N	N
Smoke Free Outdoor Spaces Policy 2019	The purpose of this policy is to establish smoke free areas that promote the health and wellbeing of our communities through reducing the presence of smoking and de-normalising smoking behaviour.	INDE	3 yearly	EX	24/06/2019	01/06/2022	SPAG	Y	N	N

Legal Highs Policy (Local Approved Products Policy) 2019	This Policy determines where licensed legal high (Psychoactive Substances) retail outlets can be located in the district (essentially the main shopping streets in Morrinsville, Matamata and Te Aroha). This policy is considered by the Psychoactive Substances Regulatory Authority when making decisions on applications for retail licenses.	INDE	5 Yearly	EX	01/07/2019	01/07/2024	SPAG	N	N	N
Easter Trading Policy	- Enable shops to trade on Easter Sunday if they wish to. The Policy neither requires shops to open, or individuals to shop on Easter Sunday.	ACT	5 Yearly	EX	11/05/2022	11/05/2027	SPAG	N	N	N
Growth Strategy 2009	This strategy guides the future development of our district in an integrated way, taking advantage of our location and resources. The strategy looks at what the district has today and where we are heading, taking into account factors such as population, the economy and environment, and offering suggestions as to how we can achieve the future we all want for our district.	ACT	Not Applicable	EX	01/09/2009		SPAG	N	N	N
Growth Projections	Growth Projections	ACT	3 Yearly - LTP	EX	01/11/2021	01/11/2024	SPAG	N	N	N
Development Manual 2010	This is directly linked to the District Plan and includes the Engineering aspects for development and our own physical works for all infrastructures in MPDC.	ACT	As Required	EX	21/10/2015	31/01/2023	PL	N	N	N
Transportation Procurement Strategy	Transportation Procurement Strategy - The TPS demonstrates Council's procurement of its transportation programme whilst continuing to meet the requirements of the Land Transport Management Act 2003 (LTMA). The LTMA requires approved organisations (AOs) as recipients of WK/NZTA funding to use procurement procedures designed to obtain best value for money; enable fair competition and encourage competitive and efficient markets. This document is the third review of what was earlier a Roading Procurement Strategy – first adopted by Council and endorsed by the NZ Transport Agency back in 2011. Council's earlier procurement strategies focussed on risk minimisation whereas this strategy continues to be more aligned to meeting the market – recognising a more balanced risk profile.	ACT	3 Yearly - LTP	EX	12/09/2022	01/09/2025	ASS	N	Y	N
Roading Procurement Strategy	Roading Procurement Strategy - The purpose of this strategy is to show how the Council will continue to meet the requirements of the Land Transport Management Act 2003 (of obtaining best value for money, enabling fair competition and encouraging competitive and efficient markets), through its procurement of roading works and services.	ACT	3 Yearly - LTP	EX	08/09/2010	01/09/2013	ASS	N	N	N
Numbering of Properties, Naming of Roads, Access Ways and Open Spaces	The Council is responsible for the naming of roads and the numbering of land and buildings under the relevant sections of the Local Government Act.	ACT	As Required	EX	11/09/2019		SPAG	Y	N	N
Safer Travel - A Road Safety Strategy	This Road Safety Strategy gives the direction Council and other stakeholders will take in addressing the road safety issues within the District so that it achieves one of the community outcomes of having "Safe and Healthy Communities" as outlined in the Long	ACT	3 yearly	EX	01/05/2012	01/05/2015	ASS	N	N	N
Stormwater Requirements	Summarises the Stormwater requirements from the relevant policies and bylaws for stormwater infrastructure in our district.	ACT	As Required	EX	01/03/2016		ASS	N	N	N
District Tree Strategy	To ensure that existing trees are managed appropriately and to avoid the adverse effects of trees for new plantings. Contains policies on tree management, tree removal etc.	INDE	As Required	EX	n/a		ASS	N	N	N
Parks and Open Spaces Strategy 2021-2051	Parks and Open Spaces Strategy 2021-2051 - Sets a 20 year vision for Parks and Open Spaces. Adopts park management categories. Provides framework for service delivery for the different Parks Categories. Provides development guidelines for each park category. Provide guidelines for decision making regarding land acquisition and disposal.	ACT	3 Yearly - LTP	EX	30/06/2021	01/06/2024	ASS	Y	N	N
Signage Strategy	Outlines Council's long term vision for signage at Council's parks, open spaces, community facilities and buildings. It includes objectives and key actions towards achieving the vision. Strategy is referenced in District Plan. A companion document, the Signage Manual, is under development. It contains more detailed rules and guidelines for Council signage.	ACT	As Required	EX	13/07/2016		ASS	N	N	N
General Policies Reserve Management Plan 2009	- Guides the use and development of a Reserve. Statutory requirement under Reserves Act 1977 for several classes of Reserves. This particular RMP sets the 'default policies' for Reserves, specific RMPs may deviate from this where there is a specific reason e.g. due to the history, purpose of the site etc.	ACT	10 Yearly	EX	15/05/2019		ASS	N	N	N
Track Strategy	Track Strategy	ACT	6 Yearly	EX	01/07/2008		ASS	Y	N	N
Town Strategies 2013-2033	The town strategies give further consideration to the urban component of the District's growth strategy. They will guide the planning and future development of the three main towns in the Matamata-Piako District: Morrinsville, Matamata, and Te Aroha.	ACT	10 Yearly	EX	09/10/2013	01/10/2023	ASS	Y	N	Y
Te Aroha Domain Management Plan 2006	Guides the use and development of a Reserve. Statutory requirement under Reserves Act 1977 for several classes of Reserves. This particular RMP applies to the historic Te Aroha Domain a premier park.	ACT	10 Yearly	EX	01/05/2006	01/05/2016	SPAG	Y	N	Y
Matamata Aerodrome Management Plan 2010	Guides the use and development of a Reserve. Not a statutory requirement for this Reserve under Reserves Act as it is a Local Purpose Reserve however it is considered appropriate to have a management plan due to the specialised use of the Reserve. Ngati Haua Claims Settlement Act 2014 also referenced the management plan and introduces a joint governance structure for the Reserve.	ACT	10 Yearly	EX	10/11/2010		ASS	N	N	N
Firth Tower and Stanley Landing Managemnet Plan	Guides the use and development of a Reserve. Statutory requirement under Reserves Act 1977 for several classes of Reserves. This particular RMP applies to the historic Firth Tower Reserve a premier park and Stanley Landing a historic reserve.	ACT	As Required	EX			ASS	N	N	N
Active Reserves Management Plan	Guides the use and development of a Reserve. Statutory requirement under Reserves Act 1977 for several classes of Reserves. This particular RMP applies to Reserves used predominantly as Sports Parks.	ACT	As Required	EX			ASS	N	N	N
Passive Reserves Management Plan 2009	Guides the use and development of a Reserve. Statutory requirement under Reserves Act 1977 for several classes of Reserves. This particular RMP applies to Reserves not used predominantly as Sports Parks. Following adoption of Park Management Categories in the Open Spaces Strategy, the Passive RMP is to be replaced by RMPs that align to the new park categories e.g. Neighbourhood Parks, Amenity Parks, Nature Parks, Outdoor Adventure Parks etc.	ACT	As Required	EX			ASS	N	N	Y
Open Spaces Strategy 2013	Open Spaces Strategy 2013	ACT	5 Yearly	EX	01/10/2013		ASS	N	N	N
Community Leisure Provision Strategy 2009	Community Leisure Provision Strategy 2009	ACT	As Required	EX			ASS	N	N	N
Community Group Leases and Licences Policy	- To support community groups whose activities contribute to Council's priorities and long-term outcomes by enabling them to enter into occupation agreements for the use of suitable land and/or buildings owned, or controlled by Council.	ACT	3 yearly	EX	09/07/2023		ASS	N	N	N
Cemeteries Policies and Procedures	- Sets out general cemetery information such as locations, hours, maps, photos, opening hours, hours of interments, contact details, complaint processes, application forms etc.	ACT	3 yearly	EX	14/07/2010		ASS	N	N	N
Dangerous Insanitary Buildings Policy 2019	- This policy exists to ensure that earthquake-prone, dangerous and insanitary buildings meet the requirements and intent of the Building Act 2004 and ensure that buildings in Matamata-Piako District do not compromise people's health and safety. Has partly been superseded by changes to the Building Act 2004 (relating to earthquake prone policies).	INDE	5 Yearly	EX	11/09/2019	02/09/2024	SPAG	N	N	Y
Policy on Dogs	Policy on Dogs - Council have identified five objectives for dog control in the Matamata-Piako District and developed policies to help achieve them. Relates to the Dog Control Bylaw.	ACT	10 Yearly	EX	14/09/2016	14/09/2026	SPAG	N	N	N

Matamata-Piako BCA Complaints Policy	- The Matamata-Piako BCA value our customer's feedback and are committed to ensuring customers, citizens, ratepayers and visitors have the best possible experience. All complaints are taken seriously and every effort will be made to resolve the issue. All comments will be used as an opportunity to learn and improve services.	ACT	As Required	EX				ASS	N	N	N
Māori Language Policy Ko te Kaupapahere Reo Māori	- The purpose of this Policy is to ensure consistency in when and how te reo Māori is used across all of council departments, both internally and externally. The Policy sets out how we plan to support and encourage the correct and appropriate use of te reo Māori in Council's key strategic documents and correspondence.	ACT	2 Yearly	EX		11/09/2019	01/09/2021	SPAG	N	N	N
Digital Enablement Plan 2016-2018	- The Digital Enablement Plan was submitted to central government as part of our bid for broadband and mobile coverage investment in our area. It outlines how we will support broadband/mobile usage and uptake if our bid is successful.	ACT	3 yearly	EX		01/09/2015	01/09/2018	SPAG	N	N	N
Matamata Place Plan	Place Plans are developed through Council's Pride of Place project. Working directly with the community to develop aspirational goals for their towns and then supports community-led initiatives and traditional Council projects to realise those goals.	ACT				10/08/2022		SPAG	Y	N	N
Morrinsville Place Plan	Place Plans are developed through Council's Pride of Place project. Working directly with the community to develop aspirational goals for their towns and then supports community-led initiatives and traditional Council projects to realise those goals.	ACT				26/04/2023		SPAG	Y	N	N
Te Aroha Place Plan	Place Plans are developed through Council's Pride of Place project. Working directly with the community to develop aspirational goals for their towns and then supports community-led initiatives and traditional Council projects to realise those goals.	ACT				13/12/2023		SPAG	Y	N	N
Multi-Year Community Grant	Multi-Year Community Grant - MPDC'S Multi-Year Community Grant supports the operational management of community infrastructure and community gathering spaces, to deliver services, programmes and activities that benefit the social, cultural and environmental wellbeing of communities in Matamata-Piako. Events criteria from the District Events Grant will be combined into one grant which will remove the stand-alone District Events Grant.	ACT	3 Yearly - LTP	EX		27/09/2023	01/09/2026	SPAG	Y	N	N
Single-Year Community Grant	Single-Year Community Grant - MPDC'S Single-Year Community Grant supports not-for-profit community organisations that deliver services, programmes and activities that benefit the social, cultural and environmental wellbeing of communities in Matamata-Piako.	ACT	3 Yearly - LTP	EX		27/09/2023	01/09/2026	SPAG	Y	N	N
Natural, Cultural and Built Heritage Grant Policy 2024	Natural, Cultural and Built Heritage Grant Policy 2024 - This fund provides grants for plans, reports and one-off projects that will protect, conserve and promote New Zealand's natural, cultural and physical heritage and also support community groups with resource consents costs.	ACT	3 yearly	EX		27/09/2023	01/09/2026	SPAG	Y	N	N
Mayoral Fund Policy	This policy provides guidance on the management of the Mayoral Fund.	ACT	3 yearly	EX		27/09/2023	27/09/2026	SPAG	Y	N	N
Pride of Place - Community-led Initiatives Grant Policy	This policy supports Pride of Place Community-led initiatives allowing flexibility to support small scale, community-led initiatives as they emerge	ACT	Annually	EX		24/01/2024	24/01/2025	SPAG	Y	N	N
Waste Minimisation Grants Policy 2021	This Policy supports the Council's Community Outcomes and the well-being's (Environmental, Economic, Cultural and Social). It also gives effect to the requirements of the Waste Minimisation Act 2008 to allocate waste levy funding received from the Ministry for the Environment for waste minimisation projects.	ACT	3 yearly	EX				SPAG	Y	N	N
Creative Communities Funding	Council administers the Creative Communities Scheme that provides funding for arts and cultural projects in our district. The funding comes from Creative NZ.	ACT	3 Yearly - LTP	EX				SPAG	Y	N	N
Waste Management and Minimisation Plan 2021-2027	In 2019/20, Matamata Piako District sent 12,710 tonnes of waste to landfill. This waste comes from household kerbside waste collections (bags and bins), industrial or commercial activities, and includes commercial, residential and rural residents taking loads to our three transfer stations and, waste taken directly to landfill by private operators. It also includes the tonnage taken out of the district for disposal.	ACT	6 Yearly	EX		01/06/2021	01/06/2027	ASS	Y	N	Y
Solid Waste Management and Minimisation Bylaw	Supports the promotion and delivery of effective and efficient waste management and minimisation as required under the Waste Minimisation Act 2008. Covers collection, transportation, processing and disposal of waste.	ACT	5 Yearly	BY		14/02/2024	01/02/2029	SPAG	Y	N	N
Freedom Camping Bylaw	Freedom Camping Bylaw - The purpose of this Bylaw is to control Freedom Camping in the District in order to: protect Local Authority Areas; protect the health and safety of people who may visit Local Authority Areas; or protect access to Local Authority Areas.	ACT	As Required	EX		08/11/2023		SPAG	Y	N	N
Water Supply Bylaw	Manages the supply of potable Water to residents and commercial users. Cover protection of the water supply system, conditions of supply, breaches & infringement offences.	ACT	10 Yearly	BY		17/05/2017	17/05/2027	SPAG	Y	N	N
Wastewater Bylaw	Manages Wastewater so as to protect people, property and the environment by minimising the impact of the disposal of Wastewater drainage from domestic and Trade Premises by the Sewerage System or Private On Site Wastewater Disposal Systems.	ACT	10 Yearly	BY		17/05/2017	17/05/2027	SPAG	Y	N	N
Trade Waste Bylaw	Controls a long-term, intermittent, or Temporary Discharge of Trade Waste to the Council Sewerage System.	ACT	10 Yearly	BY		24/06/2020	24/06/2030	SPAG	Y	N	N
Stormwater Management Bylaw	The intention of this Bylaw is to manage Stormwater within the Matamata-Piako District so as to protect people, property and the environment by minimising the impact of flooding, erosion and environmental pollution.	ACT	10 Yearly	BY		17/05/2017	17/05/2027	SPAG	Y	N	N
Public Safety Bylaw	Public Safety Bylaw	ACT	10 Yearly	BY		14/09/2016	14/09/2026	SPAG	Y	N	N
Public Amenities Bylaw	Public Amenities Bylaw	ACT	10 Yearly	BY		09/07/2014	09/07/2024	SPAG	Y	N	N
Land Transport Bylaw	Land Transport Bylaw	ACT	10 Yearly	BY		17/05/2017	17/05/2027	SPAG	Y	N	N
Introductory Bylaw	Introductory Bylaw	ACT	10 Yearly	BY		24/06/2020	01/06/2030	SPAG	Y	N	N
Dog Control Bylaw	Dog Control Bylaw	ACT	10 Yearly	BY		14/09/2016	14/09/2026	SPAG	Y	N	N
INTERNAL POLICIES											
Media Policy	Media Policy	ACT	3 yearly	IN		30/06/2021	30/06/2024	COMM	N	N	N
Fatigue Management Policy	The purpose of this policy is to ensure that the risks associated with fatigue are recognised, understood and managed in order to minimise the risk of injury or harm to employees.	INDE	3 yearly	IN		15/10/2019	01/10/2022	PSW	N	N	N
Fraud and Corruption Policy	This policy sets out the Council's principles in respect of safeguarding the community's assets, and identifying specific areas/processes of identified risk and ways/processes in place to ensure these risks are mitigated to an acceptable level.	ACT	3 yearly	IN		07/02/2023	01/02/2026	PSW	N	N	N
Gift Policy 2023	The policy reinforces the expectations of you if you are offered a gift or win a prize due to your position at MPDC.	ACT	3 yearly	IN		01/07/2023	01/07/2026	PSW	N	N	N
Delegation Policy and Delegation Register 2023	Delegation Policy and Delegation Register 2023 - This document sets out the policy for the Matamata-Piako District Council for delegations of responsibilities, powers and duties to a range of different parties as provided for in the Local Government Act 2002 (the Act) and other legislation.	ACT	Annually	IN		22/11/2023		SPAG	N	N	N
Workplace Support Policy	This policy outlines how we will support employees to deal with issues affecting their wellbeing. This policy will form part of our broader mental health strategy.	ACT	3 yearly	IN		30/04/2019	01/04/2022	PSW	N	N	N
Voicemail Policy	To inform Staff of the correct way to answer their desk phone and mobile phone. This policy also covers the use of voicemail and the rules around this.	ACT	Not Applicable	IN			01/10/2022	PSW	N	N	N
Visitors Policy	It is a requirement of Council and Section 15 of te Health and Safety in Employment Act (1992) that "all practicable steps" are taken with visitor and the general public to safeguard them from harm resulting from any hazards identified.	ACT	3 yearly	IN				PSW	N	N	N

Training and Development	Employees shall be encouraged to undertake training to carry out the essential accountability as defined in their job description. On-going evaluation, based on the requirements of the organisation and the individual employee, shall occur through the Council's Performance Development and Training system.	ACT	As Required	IN			PSW	N	N	N
Substandard Performance, Misconduct and Disciplinary Policy	The purpose of this policy is to ensure that Council has a staff disciplinary and performance management process that is fair and reasonable, and clear to everyone.	ACT	3 yearly	IN	10/03/2015	01/03/2018	PSW	N	N	N
Stress Management Policy	This policy focuses on the management of workplace stress within Council and covers all employees, contractors and volunteers.	ACT	As Required	IN	24/05/2012	01/08/2013	PSW	N	N	N
Storage of Employee Records Policy	MPDC's storage of Employee Records Policy is as per Archives New Zealand- General Disposal Authority guide for Human Resources and Personnel Records.	ACT	3 yearly	IN	20/03/2015	01/03/2018	PSW	N	N	N
Staff Making Subissions Policy	The purpose of this policy is to provide guidance to employees wanting to make a submission to a public consultation process undertaken by MPDC.	ACT	3 yearly	IN	08/03/2016	01/03/2019	PSW	N	N	N
Staff Expenses Policy	The purpose of this policy is to outline what expenses incurred by staff attending training courses, conferences or traveling on Council business will be reimbursed and how they will be reimbursed. Staff should also be aware of this policy before incurring expenses.	ACT	3 yearly	IN	01/03/2015	01/03/2018	PSW	N	N	N
Social Media Policy	To inform staff of why we use social media and to inform them of the standards and expectations for employees when using social media.	ACT	3 yearly	IN	01/06/2019	01/06/2022	COMM	N	N	N
Sensitive Expenditure 2019	Sensitive Expenditure is any expenditure where there may be a perceived personal benefit to an employee or elected member, or expenditure that could be considered unusual for Matamata-Piako District Council (Council). This policy applies to all employees and elected members of Council, as well as any other individuals who may incur expenditure on Council's behalf or seek reimbursement from Council for expenditure incurred.	ACT	3 yearly	IN	24/07/2019	01/07/2022	PSW	N	N	N
Remuneration Policy	This policy is to provide guidelines for remuneration setting for all staff that are covered by this policy as per their individual or collective employment agreement.	ACT	3 yearly	IN	13/08/2021	01/08/2024	PSW	N	N	N
Relocation Expenses Policy	Council may assist new employees who are moving to the district to relocate as conveniently and economically as possible. This policy outlines how Council may assist a new employee.	ACT	3 yearly	IN	20/03/2015	01/03/2018	PSW	N	N	N
Recruitment and Selection Policy	It is Council's policy to recruit the most suitably qualified applicant to meet its business requirements.	ACT	3 yearly	IN	20/03/2015	01/03/2018	PSW	N	N	N
Providing References for Staff Policy	The purpose of this policy is to provide clear guidelines around the issuing of references and certificates of service. Please contact the HR Manager for further advice or guidance.	ACT	3 yearly	IN	20/03/2015	01/03/2018	PSW	N	N	N
Protected Disclosure-Whistle-Blower Policy	This policy reinforces our core values and covers what an employee should do if they suspect serious wrongdoing, how their identity will be protected and how Council will deal with the disclosure.	ACT	Annually	IN	01/06/2018	01/06/2019	PSW	N	N	N
Procurement Policy	Council purchases a variety of goods and services ranging in scope from major contracts for civil works, large maintenance contracts, land, buildings and small items such as office supplies and minor equipment. The following policy must be to help assess the most appropriate method of procuring for such projects or purchases.		3 yearly	IN	13/12/2016	01/12/2019	SPAG	N	N	N
Privacy Policy	Council shall ensure that Council processes and employees comply with the Privacy Act 1993.	ACT	Not Applicable	IN			PSW	N	N	N
Payment of Professional Fees Policy	The objective of this policy is to make it clear to you what the policy is when applying to become a member of a professional body.	ACT	2 Yearly	IN	20/03/2015	01/03/2017	PSW	N	N	N
Overtime Policy	Council is required to provide an effective and efficient service to our ratepayers and community. In order to deliver this service, this may require an employee to work more than the agreed hours of work from time to time. Council shall ensure that fair arrangements are available for employees who are required to work additional hours.	ACT	3 yearly	IN	20/03/2015	01/03/2018	PSW	N	N	N
Mobile Phone Policy	This policy covers the use of council owned mobile phones.	ACT	3 yearly	IN		01/11/2022	PSW	N	N	N
Media Policy	It is important for Council to maintain a good relationship with local media to ensure we make the most of this communication channel. This means understanding that they want and the best wat to get our messages across. It is the role of the communications team to deal with the media on behalf of Council.	ACT	3 yearly	IN	30/06/2021	01/06/2024	COMM	N	N	N
Managing Conflict of Interest	This policy outlines MPDC's expectations for you to declare conflicts of interest and what is considered a potential or actual conflict of interest.	ACT	3 yearly	IN	14/08/2018	01/08/2021	PSW	N	N	N
Leave Policy	The purpose of this policy is to outline how we manage leave. MPDC recognises the importance of taking leave to promote physical and mental wellbeing in the workplace, and improve work life balance.	ACT	3 yearly	IN	13/08/2021	01/08/2024	PSW	N	N	N
Hours of Work Policy	This policy outlines the hours of work for employees including how ordinary hours can be changed.	ACT	3 yearly	IN	20/03/2015	01/03/2018	PSW	N	N	N
Healthy Work - Managing Stress and Fatigue in the Workplace	OSH has developed this new guideline for employers and employees, to promote the concept of 'healthy work' and thus avoid 'occupational stress'. Healthy work promotes personal health, and is more fulfilling for employees and more productive for organisations than badly designed work.	ACT	Not Applicable	IN	06/06/2003		PSW	N	N	N
Health and Safety Policy	This policy outlines MPDC's commitment to managing work environments to prevent injuries and promote the safety and health of all staff, visitors' contractors and volunteers.	ACT	2 Yearly	IN	13/12/2019	01/12/2021	PSW	N	N	N
Harrasment (including bullying and discrimination) Policy	MPDC is committed to the provision of a healthy and safe working environment for all employees. ALL employees are expected to treat everyone fairly, with dignity and respect.	ACT	3 yearly	IN	01/12/2020	01/12/2023	PSW	N	N	N
Gift Policy	The policy reinforces the expectations of you if you are offered a gift or win a prize due to your position at MPDC.	HIST	3 yearly	IN	28/08/2018	01/08/2021	PSW	N	N	N
Flexible Ways of Working Policy	This policy outlines MPDC's approach to flexible ways of working and is based on striking a balance between your individual needs, the needs of your team and our needs (the organisation) and the community we serve.	ACT	3 yearly	IN	22/08/2022	01/08/2024	PSW	N	N	N
Fraud and Corruption Policy	A policy setting out the Council's principles in respect of safeguarding the community's assets, and identifying specific areas/processes of identified risk and ways/processes in place to ensure these risks are mitigated to an acceptable level.	HIST	Annually	IN	01/06/2018	01/06/2019	PSW	N	N	N
Fatigue Management Policy	The purpose of this policy is to ensure that the risks associated with fatigue are recognised, understood and managed in order to minimise the risk of injury or harm to employees.	ACT	3 yearly	IN	15/10/2019	14/07/2022	PSW	N	N	N
Equal Opportunities Policy	It is Council's policy to encourage and accommodate difference in the workplace, not only as a means of ensuring compliance with the Human Rights Act 1993, but also as a means to attract a broad base of skills and talent from all sectors of society.	ACT	3 yearly	IN	20/03/2015	01/03/2018	PSW	N	N	N
Ending of Employment Policy	This policy applies to all staff and has been developed so staff are aware of the processes that may be undertaken at the end of their employment with Council.	ACT	3 yearly	IN	20/03/2015	01/03/2018	PSW	N	N	N
Employment Relations Policy	This policy is to ensure employees are aware of their employment relationship, and how to resolve any employment relationship problems.	ACT	3 yearly	IN	20/03/2015	01/03/2018	PSW	N	N	N
Electronic Recordings Policy	This Policy sets out the purpose for collecting video footage, other visual media and audio recordings by the Council. The Policy follows best practice to ensure that any media captured, collected and stored is handled in an appropriate manner and in accordance with the Privacy Act 1993 (the Act).	ACT	3 yearly	IN	01/01/2020	01/01/2023	SPAG	N	N	N
Drug and Alcohol Policy	The purpose of this procedure is to support MPDC'S drug and alcohol policy in maintaining a safe and healthy workplace free from the adverse effects of drugs and alcohol.	ACT	2 Yearly	IN	05/04/2017	01/04/2019	PSW	N	N	N
Domestic Violence Policy	If an employee is affected by domestic violence, they will not be discriminated against or treated unfairly. We will protect the privacy of employees who are experiencing domestic violence unless extenuating circumstances prevent us from being able to do so.	ACT	3 yearly	IN	30/04/2019	01/04/2022	PSW	N	N	N
Digital Strategy	The strategy sets out where technology heading, and how can we manage it in a way that means we continue to meet customers' expectations.	ACT	As Required	IN	01/10/2018		COMM	N	N	N

Delegation Policy and Delegation Register 2021	This document sets out the policy for the Matamata-Piako District Council for delegations of responsibilities, powers and duties to a range of different parties as provided for in the Local Government Act 2002 (the Act) and other legislation.	HIST	As Required	IN	01/11/2021		SPAG	N	N	N
Customer Services Policy	Our aim is to effectively operate our One Stop Shop ensuring our customers receive professional and efficient service at all times. Delivering outstanding customer service ensures we continue to value our customers' needs and meet their expectations. As customer service advisors, we need to demonstrate appropriate behaviour to ensure the interaction with Matamata-Piako District Council and their customers internal and external is positive and satisfying experience.	ACT	Not Applicable	IN			CS	N	N	N
COVID-19 Vaccination Policy	This policy outlines MPDC's position and requirements in relation to COVID-19 vaccinations. MPDC is committed to keeping you safe while working at or visiting MPDC buildings, facilities and worksites. This includes all employees, public, contractors, and volunteers. MPDC also respects every individual and their personal choices.	ACT	6 monthly	IN	06/05/2022	06/11/2022	PSW	N	N	N
Council Vehicle Policy	This document outlines the policy use of Council vehicles. Council vehicles have a high profile in our community and it is important to ensure you use them appropriately. This policy applies to all staff and has been developed to ensure you are aware of your obligations when using a Council vehicle and to reinforce appropriate behaviour.	ACT	3 yearly	IN	09/12/2022	01/12/2025	PSW	N	N	N
Child Protection Policy	Child Protection Policy	INDE	Not Applicable	IN			PSW	N	N	N
Capitalisation Policy	To ensure consistency across the three groups of Community Facilities, Utilities and Rooding. To ensure that all capitalisation costs are captured to enable planning for future asset replacement.	ACT	Not Applicable	IN	15/05/2012		ASS	N	N	N
Asset Management Policy	The purpose of this report is to outline the methodology used by Matamata-Piako District Council to select an Appropriate AM Level for each of the District's asset groups. This methodology is required to be logical and robust, and able to be used by Council to adopt a position or policy on the appropriate level of asset management sophistication for each asset group.		3 Yearly - LTP	IN	01/07/2019	01/07/2022	ASS	N	N	N
Attending Emergency Response Callouts	Attending Emergency Response Callouts	ACT	3 yearly	IN	05/04/2016	01/04/2019	PSW	N	N	N
REGIONAL POLICIES										
Waikato Triennial Agreement 2019-2022	Waikato Triennial Agreement 2019-2022		3 yearly	REG			SPAG	N	N	N
Waikato Plan	Waikato Plan		3 yearly	REG			SPAG	N	N	N
Waikato Regional Active Housing Initiative 2021	Waikato Regional Active Housing Initiative 2021		3 yearly	REG			ASS	N	N	N
Waikato Plan Regional Housing Initiative	Waikato Plan Regional Housing Initiative		Annually	REG			SPAG	N	N	N
Te Waka Reports	Te Waka Reports		3 yearly	REG			SPAG	N	N	N
Moving Waikato 2025	Moving Waikato 2025		9 Yearly	REG			ASS	N	N	N
Local Government Excellence Programme - Independent assessment report	Local Government Excellence Programme - Independent assessment report		3 yearly	REG			SPAG	N	N	N
Hamilton and Waikato Tourism Reports	Hamilton and Waikato Tourism Reports		Annually	REG			SPAG	N	N	N
Future Proof Strategy	Future Proof Strategy		As Required	REG			SPAG	N	N	N
District Sports Facilities and Development	District Sports Facilities and Development Plan 2018-2028		3 yearly	REG			ASS	N	N	N
Future Proof	Future Proof		Not Applicable	STR			SPAG	N	N	N
District Sports Facilities and Development Plan 2018-2028	District Sports Facilities and Development Plan 2018-2028		3 yearly	REG	01/07/2018		ASS	N	N	N

8 Ngā Pūrongo Whakamārama | Information Reports

8.10 Safety and Wellness Reports

CM No.: 2822494

Te Kaupapa | Purpose

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

Rāpopotonga Matua | Executive Summary

The October - December 2023 Quarterly Safety & Wellness Report, and the January 2024 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  October - December 2023 Safety and Wellness Quarterly Report

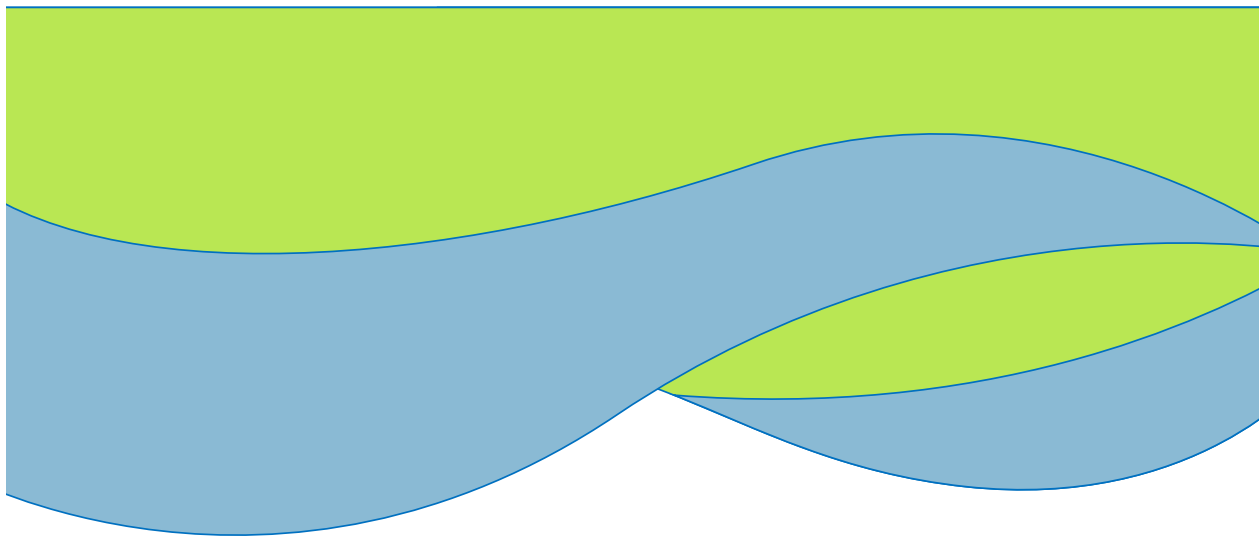


B  January 2024 Safety and Wellness Update



Ngā waitohu | Signatories

Author(s)	Kate Stevens Safety and Wellness Team Leader	
Approved by	Kelly Reith Group Manager People, Governance & Relationships	



Safety & Wellness

Quarterly report:

October - December 2023

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

Executive summary

This quarter we said farewell to Laine Dinsdale, our Site Safety Coordinator who has been providing safety and wellness support to contract managers and the Three Waters team. We appointed George Konusi to this role and he started in November, focussing on Three Waters team support initially. George comes to us from the Customer Services Team and has good knowledge of our organisation and systems.

Managing aggressive behaviour towards staff continues to be an area of focus across many of our teams, with work underway to create consistency and further improve the effectiveness of our risk controls. This work will continue into 2024.

The Safety and Wellness Team are completing regular site visits which provide a great opportunity to see first-hand whether the controls we have in place are working effectively, and also to engage with staff.

A notifiable injury occurred at one of our SwimZone facilities when a chemical splashed into a staff member's eye (see below).

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
45	8	5	47	0	1	0

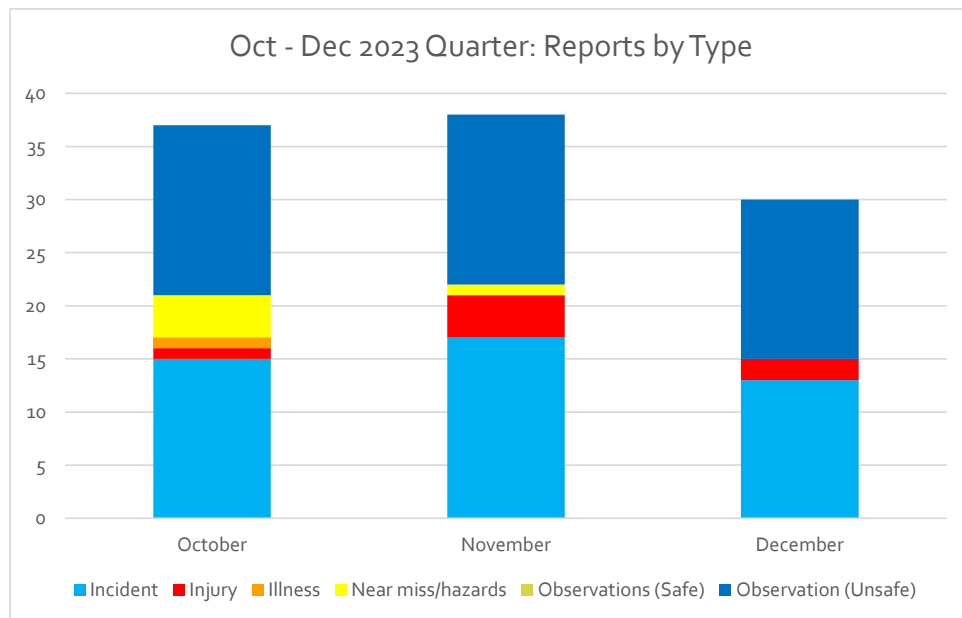
Notifiable Events:

There was one notifiable event this quarter: some sodium bisulphate splashed up into a staff member's eye during pool water treatment. The event was reported to WorkSafe as this chemical is corrosive to eye tissue and medical attention was required. They were able to access prompt first aid and medical treatment and there was no permanent damage. The team are reviewing the operating procedures for the equipment, including personal protective equipment requirements.

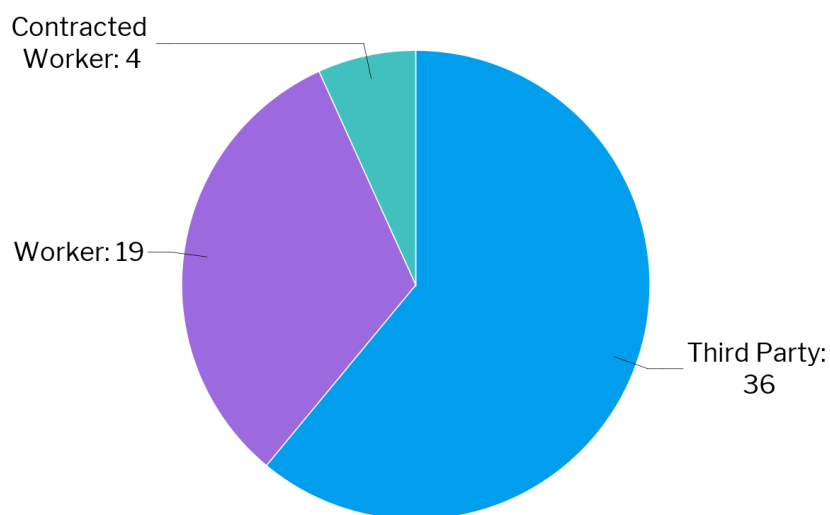
Lost time injuries:

There were no lost time injuries (i.e. injuries requiring more than a full shift of time of work) this quarter.

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

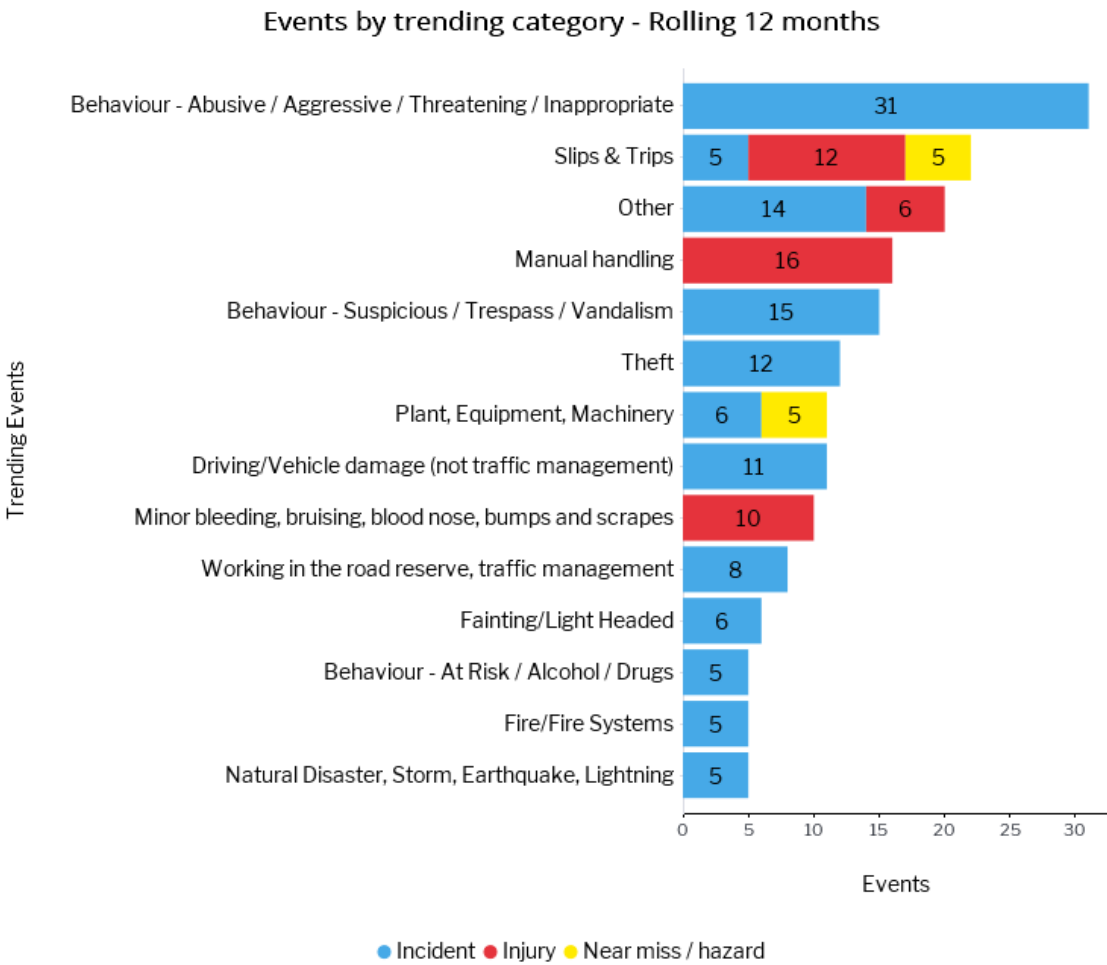


Events: Person Involved



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 suspicious behaviour, trespass and vandalism. This may be related in part to increased reporting of this type of event.

Over the last four years there has been a gradual decline in the number of reports of lifeguard rescue/assistance at SwimZone facilities – the SwimZone team will be reviewing this trend further in January 2024.

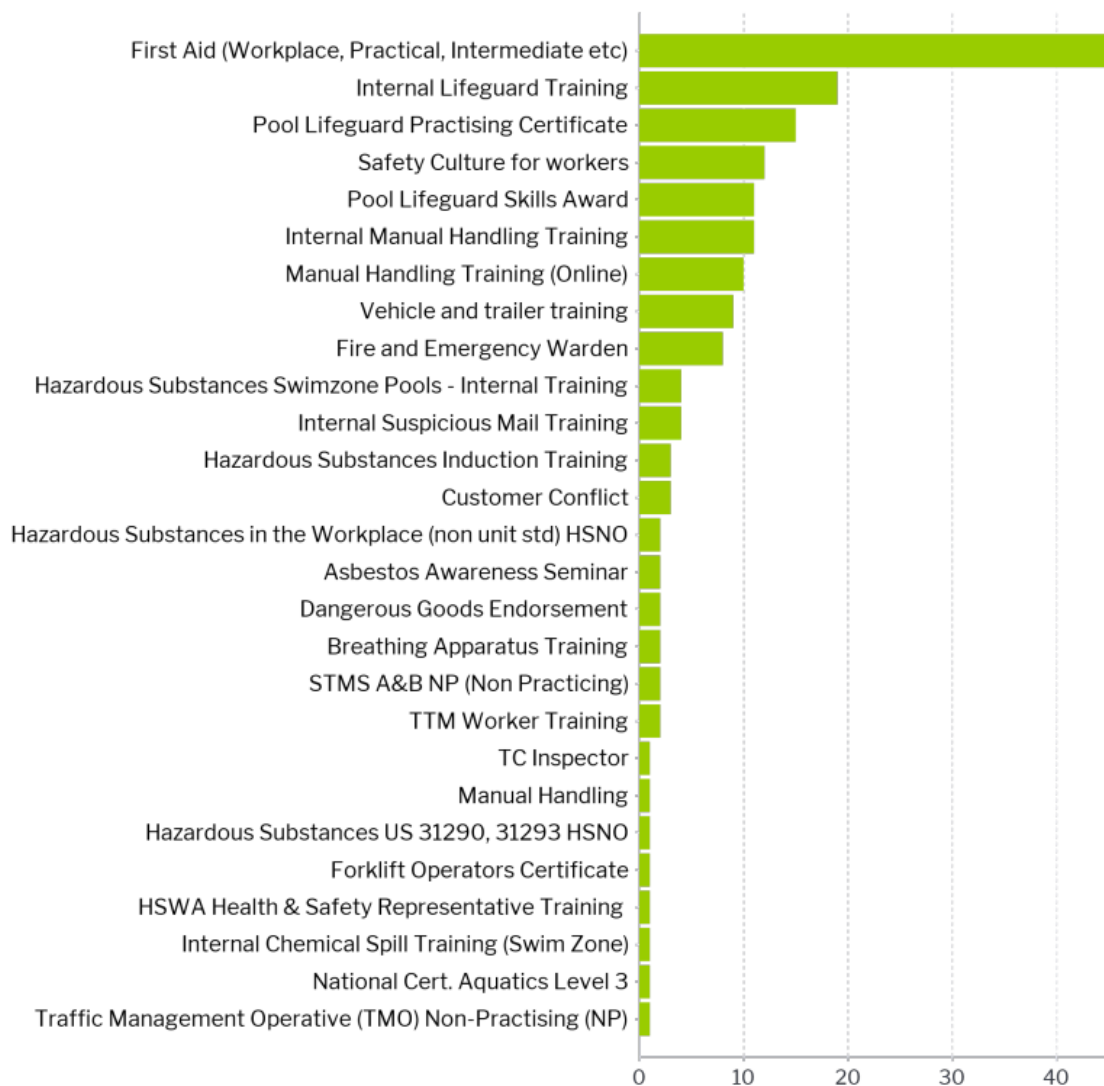


Event Investigations completed this quarter	79	Overdue Investigations at end of quarter	8
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Learning & Development

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

Training Completed this Quarter



Risk management

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



Critical risk updates:



Hazardous Substances:

- Several staff attended a training session run by a 3M representative, covering the different types of respiratory protection.
- The SwimZone team are reviewing their equipment and procedures as a result of the sodium bisulphate exposure.



Work at Height:

- A site visit at SwimZone Matamata identified some safety concerns when two subcontractors were seen working at height without appropriate harness use. The immediate concerns were addressed at the time but this has prompted us to review how effectively our work at height permit system is working in practice.
- One critical risk audit was completed for work at height relating to tree felling and no major concerns were raised. We had intended to complete more audits this quarter; however, it was difficult to determine in advance when work at height was being undertaken. We will look at a different way of completing these audits in the next quarter.
- Review of height access risks with our contractor who works on radio and aerial equipment is underway.



Plant, Machinery, equipment:

- We engaged an occupational hygienist to complete a noise exposure assessment with five KVS staff: a gardener, sweep truck operator, reticulation operator, tractor mower operator and ride-on mower operator. Recommendations included reducing the class of protection for the operators, and moving to a ‘buy quiet’ scheme to ensure that new equipment purchased is less noisy.



Psychological factors:

- The customer services, facilities and libraries teams have worked together to create a framework for managing aggressive or violent customers.
- Security measures have been improved at the Te Aroha office to reduce the risk of unauthorised access to staff areas. This included installation of an additional swipe card access point and activation of several other existing swipe access points during office hours.
- 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.
- After facing high levels of abusive customer behaviour this year, our Customer Services team had a debrief session and customer conflict refresher training with a trainer from Fear Free.
- Our Legal Advisor and Privacy Officer are working with our customer facing teams to determine how best we can share information relating to persons of concern.
- Communications and Strategic Partnerships and Governance teams continue to develop their processes for security planning for public meetings.
- This quarter we established a monthly meeting with local Police to build relationships and improve communication. The first meeting held in November was well attended.
- Bin auditing for the kerbside collection contract has been identified as a higher risk activity and the contractor has reviewed their personal safety measures for this task.
- Psychosocial risk training was attended by 33 managers and team leaders: this was one of the actions arising from the Mental Health Strategy.

Other key risks:

Fatigue:

A high proportion (28 of 47) of the Observations reported relate to fatigue management. When a water or wastewater operator works more than 56 hours without a night off, this is reported as an observation. In many cases fatigue is managed by providing some stand down time during the day for the operator to sleep.

We will commence review of the Fatigue Policy in January 2024, including the threshold for reporting hours worked.

Tourism bookings:

Our Te Aroha iSite team have been reviewing their process for taking bookings for adventure activities in light of the Whakaari-White Island court case outcome. The team ensure that adventure activity operators are registered with WorkSafe, and at this stage it seems that no changes to our operations are required as a result of this case. The amendments to the [Adventure Activities Regulations](#), which come into force on 1 April 2024, place increased responsibility on adventure activity operators.

The team are also reviewing their processes for advertising accommodation providers.

Corrective actions:

Completed this quarter	Overdue end of this quarter	Trend for overdue actions
112	35	↓ From 51 last quarter

Risk reviews:

Completed this quarter	Overdue end of this quarter	Trend for overdue reviews
219	42	↑ From 15 last quarter

Health Monitoring

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

Annual health monitoring completed	31	Exit health monitoring completed	2
Overdue health monitoring	8	Respirator Fit Testing completed	16
Pre-employment health monitoring	7	Respirator Fit Testing Overdue	3

Emergency management

The S&W Team Leader attended two meetings of the newly-formed Health and Safety Community of Practice under the Waikato Civil Defence Emergency Management Group. We aim to collaborate and share learnings so that we can be better prepared for civil defence emergencies.

The Safety and Wellness Coordinator attended a two-day Civil Defence Emergency Management training course so that he can assist with the Health and Safety role in future events.

Contractor management

Three Annual Safety and Wellness Contractor reviews were completed this quarter, and 14 site visits completed and documented in Vault Check.

Celebrating success

E-team approved a one-year trial of reimbursing staff for the ACC surcharge on up to three medical appointments for workplace injuries, as well as providing time off work to attend the appointment. This was a suggestion raised by the H&S Committee to encourage staff to attend rehabilitation appointments, ensure a better recovery and assist them to return to work sooner, as cost had been indicated as a barrier for some staff.

Employee Engagement & Participation

The Safety and Wellness themes for October were workstation set up and personal protective (PPE) equipment. This provided an opportunity for teams to check their workstation set up and make sure their PPE was in good condition. We also provided quizzes for staff to complete to test their knowledge.

Sixteen people attended the H&S Committee meeting in November. The meeting included a 'sun smart' quiz, corresponding to the safety and wellness theme for November.

The theme for December was Looking out for your Workmates. We promoted the '12 days of Kindmas' with a range of activities providing an opportunity for teams to have some fun and care for others.

The Drug and Alcohol Policy was sent out for employee consultation in December.

Governance

Safety and wellness due diligence workshops were held for Council, focussing on public meeting safety, kerbside solid waste collection, and the monthly and quarterly Safety and Wellness updates.

Assurance activities

This quarter we completed three critical risk assurance audits: two at SwimZone relating to working over/near water, and one relating to work at height.

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 audits are underway.	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 completed. Further work required to ensure that emergency exercises are completed.	Underway
Create a guide for lone work at MPDC and optimise use of lone worker devices.	Lone work device issued to Roading team Surveyor for trial. Guide for lone work completed. Ongoing monitoring of lone work devices.	Underway
Hauora mental health and wellbeing strategy implementation.	Strategy finalised and action plan underway. Psychosocial risk training provided for 33 team leaders and managers.	Underway
Update and standardise rescue equipment and signage at water and waste water treatment plants. Create working over/near water guidelines.	Good progress with installation of rescue equipment and signage at first three sites identified as highest risk. Working over/near water guidelines completed.	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 have updated the Drug and Alcohol Policy, with the aim of making it easier to read and understand. It went out for consultation in December.	Underway
Fatigue Policy review	To commence in January 2024	Not started
Health Monitoring Policy review	To commence in January 2024	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. To start trialling it in January 2024.	Underway
Build staff capability in Damstra so we use the system effectively. Reduce the number of overdue corrective actions to below 50.	Reduced to 35 at the end of this quarter.	Underway

Safety & Wellness Update January 2024

Critical risk assurance

We continued with the critical risk assurance programme, with five audits completed in January.

The audits relating to work in the road reserve showed good temporary traffic management controls in place at all three sites.



The other two audits related to work at height: there were good controls in place for the work underway, but we identified some opportunities for improvement to our permit to work at height process. We will be doing further work on this over the coming months.



We have also started creating the templates for critical risk audits on excavation and mobile plant (both of which include a focus on the energy risk), with further audits planned for the rest of this quarter.



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

Safety & Wellness Update January 2024

Chemical dosing

The SwimZone team are reviewing their method for pool water dosing with sodium bisulphate after a small amount of the chemical splashed up into a staff member's eye.

The team are working with the supplier of the mixing tank to improve the way the vacuum system works and reduce the risk for this task.

The staff member said, "I was really lucky that my eye wasn't permanently damaged. This has been a reminder for me and my team about the importance of wearing eye protection when handling chemicals."



Mowing

The summer is a really busy time of year for our mowing team and this year the grass just keeps on growing! Listed below are some of the risks they manage.



Obstacles and overhanging branches

Fatigue

Noise

Debris e.g. glass

UV & heat exposure

Sharp blades and moving parts

Pedestrians (including children playing)

Uneven/muddy surfaces causing the mower to slip or roll



A tractor mower with an enclosed cab is great for sports fields, but many of our sites require a smaller mower like the one below. The operator for this type of mower wears eye protection and hearing protection, as well as a hat to provide sun protection.



8 Ngā Pūrongo Whakamārama | Information Reports

8.11 Update on Insurances renewed November 2023

CM No.: 2805692

Te Kaupapa | Purpose

The purpose of this report is to provide an update on Council placed insurance policies following the direction given by the Committee at the October 2023 meeting.

Rāpopotonga Matua | Executive Summary

Following the direction given at the October Risk & Assurance Meeting the current policies were renewed on a like for like basis.

Underwriters increased the deductible for Material Damage cover from \$10k to \$25k. Based on the history of the last 10 years of claims this would equate to approximately \$140k additional operational funding requirement over 10 years or \$14k /year.

Options to reduce material damage and business interruption (MDBI) cover are an ongoing consideration.

It is intended to place Public Liability and Professional Indemnity cover through the Waikato Colab Broker (AON) from 1 July 2024.

The total value of insurance premiums for the 2023/24 year are \$1,136,569.92 + gst. This includes an historic 'Call' by Riskpool for additional contributions.

Tūtohunga | Recommendation

That:

1. The information be received

Horopaki | Background

At the Risk and Assurance meeting of 24 October 2023 the following Resolution was approved.

Tūtohunga | Recommendation

That:

1. The information be received
 2. Maintain current Material Damage Insurance Cover
- or
3. Remove Material Damage Insurance cover for all MPDC owned buildings whose value is less than \$1.0mill or close to but is of similar use to those that are under the suggested threshold

WHAKATAUNGA Ā-KOMITI | COMMITTEE RESOLUTION

That:

1. The information be received.
2. The committee to maintain current Material Damage Insurance Cover and request staff to return with updated information at the next committee meeting on 5 December 2023.

Resolution number YV/2023/00001

Moved by: Cr B Dewhurst
Seconded by: Cr G Thompson

KUA MANA | CARRIED

Ngā Take/Kōrerorero | Issues/Discussion

Formal information was not available to meet the agenda deadline for the 5 December meeting. The majority of Council's current policies were renewed from 1 November 2023 through AON NZ (Broker). (Two were renewed from 1 July 2023 through Marsh Ltd (Broker))

All Council owned buildings were retained on the insurance schedule. The only change is that deductibles (excess) has been increased from \$10k to \$25k for Material Damage cover. This applies across all Councils in the Waikato Colab agreement.

Staff have been working through a proposed option that if MPDC elected to have a \$100,000 MDBI deductible for any one event, what reduction in premium could be achieved.

In addition, could exposure be mitigated by considering if there were more than two "events" in an insurance year then the deductible could revert to a \$25,000 deductible for the rest of the insurance year?

AON response follows:

"When we are looking at increasing deductibles under the policy, there are a couple of considerations that the insurers will take into account. Firstly, we need to understand that the part of the premium that will have any reduction applied is the portion of the premium that is charged for the NON Natural Disaster risks."

Whilst the premiums we present to Council are just one premium, and this is how we get them from the insurers, the insurers effectively take into account two separate premiums to make up the total premium pool.

The first portion of the premium will be for the Natural Disaster cover. A Natural Disaster is defined as Earthquake, Tsunami, Subterranean fire, Hydrothermal Activity, geothermal Activity and Volcanic activity. This portion of the premium would normally account for approx. 60% of the total premium pool.

The deductible for Natural Disaster losses is fixed and cannot be changed. Under the current placement these are

- *Property 1935 or later 2.5% of the Material Damage sum insured location but not less than \$10,000*
- *Property pre 1935 10% of the Material Damage sum insured but not less than \$10,000*

The remaining 40% of the premium is therefore in relation to all other losses, such as Fire, flood etc. The premium pool for this 40% is \$240,768. To increase the deductible from the current level to the \$100,000 would give a return premium in the region of \$35,000. We would have to get the insurers support on this but that is our best guess.

Unfortunately they would not consider the option of dropping down the excess to a lower level if there were two claims."

Based on the last 10 years of claims history there appears to be little merit in adopting a higher deductible

The Policy renewals from 1 November 2023 are tabulated below with the premiums paid.

Policy	Premium (net)
Cyber	\$25,070.00
Employers Liability	\$1,414.70
Infrastructure	\$89,010.83
Material Damage/Business Interruption	\$660,975.35
Statutory Liability	\$7,168.95
Unmanned Aerial Vehicle (Drone)	\$1,697.66
Commercial Vehicles (Fleet)	\$82,680.43
Crime (Fidelity)	\$25,590.00
Sub Total	\$893,607.92
Public Liability/ Professional Indemnity (PL/PI)	\$148,782.00
Riskpool 'Call'	\$94,180.00
Gross Total for year	\$1,136,569.92

Note: The Riskpool 'call' was advised to Council at the 13 December 2023 meeting

There is an intention to carry out further work on options to remove some categories of buildings from the insured asset list.

For historic reasons Professional Indemnity and Public Liability cover (PI/PL) is placed through Marsh with QBE.

In July 2022 MPDC had no other option but to sign a new agreement which then excluded any claim that was associated with a leaky building. Due to a potential claim at the time, it was considered unwise to move this cover to an alternative provider.

This potential claim has been resolved and in line with most Councils in the Waikato Colab agreement this cover will be placed through the AON brokerage agreement from 1 July 2024.

Mōrearea | Risk

At this stage there is no identifiable risk. Any proposed changes to current policies will be the subject of further reports, risk analysis and resolution.

Ngā Pāpāhonga me ngā Whakawhitiwhitinga | Communications and engagement

Insurances are an operational internal decision. Issues of significance will be elevated through this Committee.

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

Insurance premium costs are charged to a corporate GL code and journalled proportionally to each department.

MPDC is part of the Waikato Collab bulk purchasing of insurance cover.

Ngā Tāpiritanga | Attachments

There are no attachments for this report.

Ngā waitohu | Signatories

Author(s)	Roger Lamberth Property and Community Projects Manager	
Approved by	Manaia Te Wiata Group Manager Business Support	

8 Ngā Pūrongo Whakamārama | Information Reports

8.12 Risk and Assurance Work Programme 2024 - Update March 2024

CM No.: 2830103

Te Kaupapa | Purpose

The purpose of this report is to provide an update to the committee on the work programme as confirmed.

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 - Update March 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	Frequency	Date of previous report	Status – included in agenda	Comment / Expected reporting dates
12 March 2024	Long Term Plan – project update	Every meeting until June 2024	23 January 2024	✓	Covered in other reports – refer audit engagement letter and Consultation Document report.
	Annual Report – review of the Audit Engagement Letters (<i>if available</i>)	Annual	12 September 2023	X	Report to June or September 2024 meeting - when available from Audit NZ.
	Long Term Plan – review of the Audit Engagement Letters (<i>if available</i>)	Triennial	N/A	✓	Audit Engagement Letter for Long Term Plan 2024-2034 included.
	Annual Report – review of the six-month report	Annual	24 October 2023	✓	July – December 2023 included.
	IT Security Audit	Annual	13 June 2023	X	Information not received – to be addressed next meeting.
	LGOIMA requests annual summary	Annual	6 December 2022	X	Information not received – to be addressed next meeting.
	Audit management report	Annual		✓	Audit Management Report for Annual Report 2022/23 is included. Audit Management Report for Annual Report 2023/2024 will be addressed in December 2024.
	Strategic Risk Review	Every meeting	N/A	X	Deferred to June.
	Policy register	Bi-annual	12 September 2023	✓	
	Standing Items				
	Chair's Update	Every meeting	5 December 2023	✓	

Risk and Assurance Committee Work Programme 2024



	Procurement report	Biannual	12 September 2023	X	Information not received – to be addressed next meeting.
	Review of Work Programme 2024	Every meeting	23 January 2024	✓	
	Specific Project Risk Management Review – high/very/extreme project risks	<i>(if required)</i>	N/A	X	No information received.
	Review of any audit reports that have been completed	<i>(if required)</i>		X	No information received.
	Policy review	<i>(if required)</i>		X	No information received.
	Safety and wellness	Every meeting	5 December 2023	✓	
	Review of progress with Internal/External audit recommendations	<i>(if required)</i> Every second meeting			No information received.