

## Finance and Corporate Committee Agenda

**Date:** Thursday, 25 July, 2019

**Time:** 9:00 am

**Location:** Council Chamber  
Forum North, Rust Avenue  
Whangarei

**Elected Members:** Cr Shelley Deeming (Chairperson)  
Her Worship the Mayor Sheryl Mai  
Cr Gavin Benney  
Cr Crichton Christie  
Cr Vince Cocurullo  
Cr Tricia Cutforth  
Cr Sue Glen  
Cr Phil Halse  
Cr Cherry Hermon  
Cr Greg Innes  
Cr Greg Martin  
Cr Sharon Morgan  
Cr Anna Murphy

For any queries regarding this meeting please contact  
the Whangarei District Council on (09) 430-4200.

<b>1. Declarations of Interest</b>	
<b>2. Apologies</b>	
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## Finance and Corporate Committee – Terms of Reference

### Membership

**Chairperson:** Councillor Shelley Deeming

**Members:** Her Worship the Mayor Sheryl Mai  
Councillors Stu Bell (Resigned 1 April 2019), Gavin Benney, Crichton Christie, Vince Cocurullo, Tricia Cutforth, Sue Glen, Phil Halse, Cherry Hermon, Greg Innes, Greg Martin, Sharon Morgan, Anna Murphy

**Meetings:** Monthly

**Quorum:** 7

### Purpose:

To oversee Council and CCO's financial management and performance, including operation of the administrative and internal support functions of council.

### Key responsibilities include:

- Progress towards achievement of the council's financial objectives as set out in the Long Term Plan.
- Preparation for recommendation to council:
  - Advising and supporting the mayor on the development of the Long Term Plan (LTP) and Annual Plan (AP)
  - Financial policy related to the LTP and AP
  - Setting of rates
  - Preparation of the consultation document and supporting information, and the consultation process for the LTP and AP
  - Annual Report
- Financial/Planning and Control
  - Corporate accounting services
  - Treasury – debt and interest risk management
  - Procurement
- CCO Monitoring and Performance
  - Monitoring the financial and non-financial performance targets, key performance indicators and other measures of each Council Controlled Organisation (CCO) to inform the committee's judgement about the performance of each organisation.
  - Advising the mayor on the content of the annual Letters of Expectations (LoE) to CCOs.
- Overseeing and making decisions relating to an ongoing programme of service delivery reviews as required under section 17A of the Local Government Act 2002

- Shared Services – investigate opportunities for Shared Services for recommendation to council.

## **Delegations**

- (i) All powers necessary to perform the committee's responsibilities, including, but not limited to:
  - (a) the approval of expenditure of less than \$5 million plus GST.
  - (b) approval of a submission to an external body.
  - (c) establishment of working parties or steering groups.
  - (d) power to establish subcommittees and to delegate their powers to that subcommittee.
  - (e) the power to adopt the Special Consultative Procedure provided for in Section 83 to 88 of the LGA in respect of matters under its jurisdiction (this allows for setting of fees and bylaw making processes up to but not including adoption).
  - (f) the power to delegate any of its powers to any joint committee established for any relevant purpose under clause 32, Schedule 7 of the Local Government Act 2002

## Finance and Corporate Committee Meeting Minutes

**Date:** Thursday, 27 June, 2019  
**Time:** 9:00 a.m.  
**Location:** Council Chamber  
 Forum North, Rust Avenue  
 Whangarei

<b>In Attendance</b>	<b>Cr Shelley Deeming (Chairperson)</b> <b>Her Worship the Mayor Sheryl Mai</b> <b>Cr Gavin Benney</b> <b>Cr Crichton Christie</b> <b>Cr Vince Cocurullo</b> <b>Cr Tricia Cutforth</b> <b>Cr Phil Halse</b> <b>Cr Cherry Hermon</b> <b>Cr Greg Innes</b> <b>Cr Greg Martin</b> <b>Cr Sharon Morgan</b> <b>Cr Anna Murphy</b>
<b>Not in Attendance</b>	<b>Cr Sue Glen</b>
<b>Scribe</b>	<b>Jennie Thomas (Democracy Adviser)</b>

### 1. **Declarations of Interest**

Item 4.1 – Northland Regional Landfill Limited Partnership – 2019/20 Statement of Intent

### 2. **Apologies**

Cr Sue Glen (absent)

**Moved By** Cr Vince Cocurullo

**Seconded By** Cr Anna Murphy

That the apology be sustained.

**Carried**

**Further Apology**

Cr Tricia Cutforth (lateness)

**Moved By** Cr Shelley Deeming

**Seconded By** Cr Greg Martin

That the apology be sustained.

**Carried**

**3. Confirmation of Minutes of Previous Finance and Corporate Committee Meeting****3.1 Minutes Finance and Corporate Committee Meeting 30 May 2019**

**Moved By** Cr Greg Innes

**Seconded By** Cr Vince Cocurullo

That the minutes of the Finance and Corporate Committee meeting held on Thursday, 30 May 2019, having been circulated, be taken as read and now confirmed and adopted as a true and correct record of proceedings of that meeting.

**Carried**

**4. Decision Reports****4.1 Northland Regional Landfill Limited Partnership - 2019-2020 Statement of Intent**

**Moved By** Her Worship the Mayor Sheryl Mai

**Seconded By** Cr Vince Cocurullo

That the Finance and Corporate Committee agrees to the Northland Regional Landfill Limited Partnership 2019/20 Statement of Intent.

**Carried**

*Declaration of Interest: Cr Martin as Council's appointed Director to Whangarei Waste Ltd.*

#### 4.2 Whangarei District Airport Statement of Intent 2019 - 2020

**Moved By** Cr Shelley Deeming

**Seconded By** Cr Vince Cocurullo

That the Finance and Corporate Committee as the Airport Authority, adopts the Statement of Intent 2019/2020 for the Whangarei District Airport.

**Carried**

*Secretarial note Page 21: Correction to schedule date – 2020-2021 replaces 2021-2022.*

#### 4.3 Whangarei Art Museum Trust - 2019-20 Statement of Intent

**Moved By** Cr Sharon Morgan

**Seconded By** Cr Greg Innes

That the Finance and Corporate Committee agrees to the Whangarei Art Museum 2019/20 Statement of Intent.

**Carried**

### 5. Information Reports

#### 5.1 Financial Report for the 11 months Ending 31 May 2019

**Moved By** Cr Phil Halse

**Seconded By** Cr Greg Innes

That the Finance and Corporate Committee notes the operating results for the eleven months ending 31 May 2019.

**Carried**

#### 5.2 Corporate Capital Projects Report for the Month Ending 31 May 2019

**Moved By** Cr Greg Martin

**Seconded By** Her Worship the Mayor Sheryl Mai

That the Finance and Corporate Committee notes the Corporate Capital Projects Report for the month ending 31 May 2019.

**Carried**

**5.3 Operational Report - Finance and Corporate - June 2019****Moved By** Cr Greg Innes**Seconded By** Cr Vince Cocurullo

That the Finance and Corporate Committee notes the operational report for June 2019.

**Carried**

*Cr Cutforth joined the meeting at 9.45am during discussion on the Operational Report. Her apology was noted.*

**6. Public Excluded Business**

There was no business conducted in public excluded.

**7. Closure of Meeting**

The meeting concluded at 9.59am

Confirmed this 25<sup>th</sup> day of July 2019

Councillor Shelley Deeming (Chairperson)



## 4.1 Local Government Funding Agency – 2019/20 Statement of Intent

**Meeting:** Finance and Corporate Committee  
**Date of meeting:** 25 July 2019  
**Reporting officer:** Tracey Schiebli (Manager Democracy and Assurance)

### 1 Purpose

To agree to the Local Government Funding Agency (LGFA) 2019/20 Statement of Intent in accordance with Section 65 of the Local Government Act 2002.

### 2 Recommendation

That the Finance and Corporate Committee agrees to the Local Government Funding Agency 2019/20 Statement of Intent.

### 3 Background

Section 64 of the Local Government Act 2002 advises that Council Controlled Organisations (CCOs) must have a Statement of Intent (SOI). Under Section 65 of the Act, Council can agree with the SOI or ask for modifications.

The Draft SOI for the LGFA was presented to this Committee at its meeting on 28 March 2019.

### 4 Discussion

The final SOI for the LGFA, of which Council has a shareholding, is included as Attachment One. It meets the obligations of Section 64, Schedule 8, Clause 9 in the Local Government Act 2002.

The LGFA covering letter to shareholders is included as Attachment Two. The letter sets out the changes made to the 2019/20 SOI after presentation of the draft to this Committee in March 2019.

### 5 Significance and engagement

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via Agenda publication on the website.

## **6 Attachments**

1. LGFA 2019/20 Statement of Intent
2. LGFA letter to shareholders dated 27 June 2019



## Statement of Intent 2019/20

### 1. Introduction

This Statement of Intent (SOI) sets out the intentions and expectations of New Zealand Local Government Funding Agency Limited (LGFA).

The LGFA is enabled under the Local Government Borrowing Act 2011 and is a council-controlled organisation (CCO) for the purposes of the Local Government Act 2002.

The SOI is prepared in accordance with section 64(1) of the Local Government Act 2002.

### 2. Nature and scope of activities

LGFA will raise debt funding either domestically and/or offshore in either NZ dollars or foreign currency and provide debt funding to New Zealand local authorities and may undertake any other activities considered by the Board of LGFA to be reasonably related or incidentally to, or in connection with, that business.

The LGFA will only lend to local authorities that enter into all the relevant arrangements with it (Participating Local Authorities) and comply with the LGFA's lending policies.

In lending to Participating Local Authorities, LGFA will:

- Operate in a manner to ensure LGFA is successful and sustainable in the long-term;
- Educate and inform Participating Local Authorities on matters within the scope of LGFA's operations;
- Provide excellent service to Participating Local Authorities;
- Ensure excellent communication exists and be professional in its dealings with all its stakeholders; and
- Ensure its products and services are delivered in a cost-effective manner.

### 3. Objectives

#### Principal Objectives

In accordance with the Local Government Act 2002, in carrying on its business, the principal objectives of LGFA will be to:

- Achieve the objectives and performance targets of the shareholders in LGFA (both commercial and non-commercial) as specified in this SOI;
- Be a good employer;
- Exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so; and
- Conduct its affairs in accordance with sound business practice.

#### Primary Objectives

LGFA will operate with the primary objective of optimising the debt funding terms and conditions for Participating Local Authorities. Among other things this includes:

- Providing savings in annual interest costs for all Participating Local Authorities on a relative basis to other sources of financing;
- Offering short and long-term borrowings with flexible lending terms;
- Enhancing the certainty of access to debt markets for Participating Local Authorities, subject always to operating in accordance with sound business practice; and
- Being the debt funder of choice for New Zealand local government.

LGFA will monitor the quality of the asset book so that it remains of a high standard by ensuring it understands each Participating Local Authority's financial position and the general issues confronting the Local Government sector. This includes

- LGFA will review each Participating Local Authority's financial position, its financial headroom under LGFA policies and endeavour to visit each Participating Local Authority on an annual basis;
- Implement the changes to the Foundation Policies that were approved at the November 2018 AGM to allow for lending to CCOs. Changes to operational policies and practices need to ensure that no additional risk is borne by lenders, guarantors or the Crown and
- LGFA will analyse finances at the Council group level where appropriate and report to shareholders as to which Participating Local Authorities are measured on a group basis.

LGFA will take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.

**Additional objectives**

LGFA has several additional objectives which complement the primary objectives. These objectives will be measurable and achievable and the performance of the company in achieving its objectives will be reported annually. These additional objectives are to:

- Operate with a view to making a profit sufficient to pay a dividend in accordance with its stated Dividend Policy;
- Provide at least 75% of aggregate long-term debt funding to the Local Government sector;
- Achieve the financial forecasts (excluding the impact of AIL) set out in section 4;
- Ensure its products and services are delivered at a cost that does not exceed the forecast for issuance and operating expenses set out in section 4;
- Take appropriate steps to ensure compliance with the Health and Safety at Work Act 2015;
- Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency;
- Introduce CCO lending by December 2019 and report quarterly, the volume of lending to CCOs and
- Comply with its Treasury Policy, as approved by the Board.

The measurement of the company performance regarding these additional objectives are set out as Performance Targets in Section 5 of this SOI.

#### 4. Financial forecasts

LGFA's financial forecasts for the three years to 30 June 2022 are:

<b>FINANCIAL YEAR (\$M)</b>	<b>SOI FINAL</b>		
	<b>Jun-20</b>	<b>Jun-21</b>	<b>Jun-22</b>
<b>Comprehensive income</b>			
Interest income	256.2	274.6	270.1
Interest expense	238.3	254.0	250.0
<b>Net Interest income</b>	<b>17.9</b>	<b>20.6</b>	<b>20.1</b>
Issuance and on-lending costs	2.4	2.5	2.6
Approved Issuer Levy	1.6	1.4	1.0
Operating expenses	3.9	4.1	4.2
<b>Issuance and operating expenses</b>	<b>7.9</b>	<b>8.0</b>	<b>7.7</b>
<b>P&amp;L</b>	<b>10.0</b>	<b>12.6</b>	<b>12.4</b>
<b>Financial position (\$m)</b>	<b>Jun-20</b>	<b>Jun-21</b>	<b>Jun-22</b>
Capital	25.0	25.0	25.0
Retained earnings	59.9	71.4	82.6
Total equity	84.9	96.4	107.6
Shareholder funds + borrower notes / Total assets	2.3%	2.4%	2.4%
Dividend provision	1.2	1.1	1.2
Total assets (nominal)	10,262.9	10,616.1	10,770.1
Total LG loans - short term (nominal)	460.0	460.0	460.0
Total LG loans (nominal)	9,331.7	9,622.5	9,711.3
Total bills (nominal)	425.0	425.0	425.0
Total bonds (nominal) ex treasury stock	9,594.0	9,794.0	9,984.0
Total borrower notes (nominal)	149.3	154.0	155.4

Note that there is some forecast uncertainty around the timing of Net Interest Income, Profit and Loss, Total Assets, LG Loans, Bonds and Borrower Notes depending upon council decisions regarding the amount and timing of refinancing of their April 2020, May 2021 and April 2022 loans. LGFA will work with council borrowers to reduce this uncertainty.

## 5. Performance targets

LGFA has the following performance targets:

- LGFA's net interest income for the period to:
  - 30 June 2020 will be greater than \$17.9 million.
  - 30 June 2021 will be greater than \$20.6 million.
  - 30 June 2022 will be greater than \$20.1 million.
- LGFA's annual issuance and operating expenses (excluding AIL) for the period to:
  - 30 June 2020 will be less than \$6.30 million.
  - 30 June 2021 will be less than \$6.60 million.
  - 30 June 2022 will be less than \$6.80 million.
- Total lending to Participating Local Authorities<sup>1</sup> at:
  - 30 June 2020 will be at least \$9,792 million.
  - 30 June 2021 will be at least \$10,083 million.
  - 30 June 2022 will be at least \$10,171 million.
- Conduct an annual survey of councils who borrow from LGFA and achieve at least an 80% satisfaction score as to the value added by LGFA to the council borrowing activities
- Meet all lending requests from Participating Local Authorities, where those requests meet LGFA operational and covenant requirements.
- Achieve 75% market share of all council borrowing in New Zealand
- Review each Participating Local Authority's financial position, its headroom under LGFA policies and arrange to meet each Participating Local Authority at least annually.
- No breaches of Treasury Policy, any regulatory or legislative requirements including the Health and Safety at Work Act 2015.
- Successfully refinance of existing loans to councils and LGFA bond maturities as they fall due.
- Maintain a credit rating equal to the New Zealand Government rating where both entities are rated by the same credit rating agency.

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<sup>1</sup> Subject to the forecasting uncertainty noted previously

## 6. Dividend policy

LGFA will seek to maximise benefits to Participating Local Authorities as Borrowers rather than Shareholders. Consequently, it is intended to pay a limited dividend to Shareholders.

The Board's policy is to pay a dividend that provides an annual rate of return to Shareholders equal to LGFA fixed rate bond cost of funds plus 2.00% over the medium term.

At all times payment of any dividend will be discretionary and subject to the Board's legal obligations and views on appropriate capital structure.

## 7. Governance

### Board

The Board is responsible for the strategic direction and control of LGFA's activities. The Board guides and monitors the business and affairs of LGFA, in accordance with the Companies Act 1993, the Local Government Act 2002, the Local Government Borrowing Act 2011, the Company's Constitution, the Shareholders' Agreement for LGFA and this SOI.

The Board comprises six directors with five being independent directors and one being a non-independent director.

The Board's approach to governance is to adopt best practice<sup>2</sup> with respect to:

- The operation of the Board.
- The performance of the Board.
- Managing the relationship with the Company's Chief Executive.
- Being accountable to all Shareholders.

All directors are required to comply with a formal Charter, to be reviewed from time to time in consultation with Shareholders.

The Board will meet on a regular basis and no fewer than 6 times each year.

### Shareholders' Council

The Shareholders' Council is made up of between five and ten appointees of the Shareholders (including an appointee from the Crown). The role of the Shareholders' Council is to:

- Review the performance of LGFA and the Board, and report to Shareholders on that performance on a periodic basis.
- Make recommendations to Shareholders as to the appointment, removal, replacement and remuneration of directors.
- Make recommendations to Shareholders as to any changes to policies, or the SOI, requiring their approval.

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<sup>2</sup> Best practice as per NZX and Institute of Directors guidelines



- Ensure all Shareholders are fully informed on LGFA matters and to coordinate Shareholders on governance decisions.

## **8. Information to be provided to Shareholders**

The Board aims to ensure that Shareholders are informed of all major developments affecting LGFA's state of affairs, while at the same time recognising both LGFA's obligations under NZX Listing Rules and that commercial sensitivity may preclude certain information from being made public.

### **Annual Report**

The LGFA's balance date is 30 June.

By 30 September each year, the Company will produce an Annual Report complying with Sections 67, 68 and 69 of the Local Government Act 2002, the Companies Act and Financial Reporting Act. The Annual Report will contain the information necessary to enable an informed assessment of the operations of the company, and will include the following information:

- Directors' Report.
- Financial Statements incorporating a Statement of Financial Performance, Statement of Movements in Equity, Statement of Financial Position, Statement of Cashflows, Statement of Accounting Policies and Notes to the Accounts.
- Comparison of the LGFA's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Auditor's Report on the financial statements and the performance targets.
- Any other information that the directors consider appropriate.

### **Half Yearly Report**

By 28 February each year, the Company will produce a Half Yearly Report complying with Section 66 of the Local Government Act 2002. The Half Yearly Report will include the following information:

- Directors' commentary on operations for the relevant six-month period.
- Comparison of LGFA's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Un-audited half-yearly Financial Statements incorporating a Statement of Financial Performance, Statement of Movements in Equity, Statement of Financial Position and Statement of Cashflows.

### **Quarterly Report**

By 31 January, 30 April, 31 July, and 31 October each year, the Company will produce a Quarterly Report. The Quarterly Report will include the following information:

- Commentary on operations for the relevant quarter, including a summary of borrowing margins charged to Participating Local Authorities (in credit rating bands).

- Comparison of LGFA's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Analysis of the weighted average maturity of LGFA bonds outstanding.
- In the December Quarterly Report only, commentary on the Net Debt/Total Revenue percentage for each Participating Local Authority that has borrowed from LGFA (as at the end of the preceding financial year).
- To the extent known by LGFA, details of all events of review in respect of any Participating Local Authority that occurred during the relevant quarter (including steps taken, or proposed to be taken, by LGFA in relation thereto).
- Details of any borrowing by CCOs during the quarter and the amount of CCO loans outstanding.

### **Statement of Intent**

By 1 March in each year the Company will deliver to the Shareholders its draft SOI for the following year in the form required by Clause 9(1) of Schedule 8 and Section 64(1) of the Local Government Act 2002.

Having considered any comments from the Shareholders received by 30 April, the Board will deliver the completed SOI to the Shareholders on or before 30 June each year.

### **Shareholder Meetings**

The Board will hold an Annual General Meeting between 30 September and 30 November each year to present the Annual Report to all Shareholders.

The Company will hold a meeting with the Shareholders' Council approximately every six months – prior to the Annual General Meeting and after the Half Yearly Report has been submitted. Other meetings may be held by agreement between the Board and the Shareholders' Council.

## **9. Acquisition/divestment policy**

LGFA will invest in securities in the ordinary course of business. It is expected that these securities will be debt securities. These investments will be governed by LGFA's lending and/or investment policies as approved by the Board and/or Shareholders.

Any subscription, purchase or acquisition by LGFA of shares in a company or organisation will, if not within those investment policies, require Shareholder approval other than as concerns the formation of wholly-owned subsidiaries and the subscription of shares in such wholly-owned subsidiaries.

## **10. Activities for which compensation is sought from Shareholders**

At the request of Shareholders, LGFA may (at its discretion) undertake activities that are not consistent with its normal commercial objectives. Specific financial arrangements will be entered into to meet the full cost of providing such as activities.

Currently there are no activities for which compensation will be sought from Shareholders.

## **11. Commercial value of Shareholder's investment**

LGFA will seek to maximise benefits to Participating Local Authorities as Borrowers rather than Shareholders.

Subject to the Board's views on the appropriate capital structure for LGFA, the Board's intention will be to pay a dividend that provides an annual rate of return to Principal Shareholders equal to LGFA fixed rate bond cost of funds plus 2.00% over the medium term.

As the Shareholders will have invested in the LGFA on the basis of this limited dividend, the Board considers that at establishment the commercial value of LGFA is equal to the face value of the Shareholders' paid up Principal Shares - \$25 million.

In the absence of any subsequent share transfers to the observed share transfers on 30 November 2012, the Board considers the current commercial value of LGFA is at least equal to the face value of the Shareholders' paid up Principal Shares of \$25 million. This equates to a value per share of \$1.00.

## **12. Accounting policies**

LGFA has adopted accounting policies that are in accordance with the New Zealand International Financial Reporting Standards and generally accepted accounting practice. A Statement of accounting policies is attached to this SOI.

**The following statement is taken from the Financial Statements presented as part of LGFA's Annual Report 2018 (updated where necessary).**

### **ATTACHMENT: Statement of accounting policies**

#### **a. Reporting Entity**

The New Zealand Local Government Funding Agency Limited (LGFA) is a company registered under the Companies Act 1993 and is subject to the requirements of the Local Government Act 2002.

LGFA is controlled by participating local authorities and is a council-controlled organisation as defined under section 6 of the Local Government Act 2002. LGFA is a limited liability company incorporated and domiciled in New Zealand.

The primary objective of LGFA is to optimise the debt funding terms and conditions for participating local authorities.

The registered address of LGFA is Level 8, City Chambers, 142 Featherston Street, Wellington Central, Wellington 6011.

#### **b. Statement of Compliance**

LGFA is an FMC reporting entity under the Financial Markets Conduct Act 2013 (FMCA). These financial statements have been prepared in accordance with that Act and the Financial Reporting Act 2013. LGFA's bonds are quoted on the NZX Debt Market.

LGFA is a profit orientated entity as defined under the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and they comply with NZ IFRS and other applicable Financial Reporting Standard, as appropriate for Tier 1 for-profit entities. The financial statements also comply with International Financial Reporting Standards (IFRS).

### **c. Basis of Preparation**

#### **Measurement base**

The financial statements have been prepared on a historical cost basis modified by the revaluation of certain assets and liabilities.

The financial statements are prepared on an accrual basis.

#### **Functional and presentation currency**

The financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless separately identified. The functional currency of LGFA is New Zealand dollars.

#### **Foreign currency conversions**

Transactions denominated in foreign currency are translated into New Zealand dollars using exchange rates applied on the trade date of the transaction.

#### **Changes in accounting policies**

There have been no changes in accounting policies.

#### **Early adoption standards and interpretations**

NZ IFRS 9: Financial Instruments. The first two phases of this new standard were approved by the Accounting Standards Review Board in November 2009 and November 2010. These phases address the issues of classification and measurement of financial assets and financial liabilities.

#### **Standards not yet adopted**

LGFA does not consider any standards or interpretations in issue but not yet effective to have a significant impact on its financial statements. Those which may be relevant to LGFA are as follows:

NZ IFRS 9: Financial Instruments (2014) – Effective for periods beginning on or after 1 January 2018. This standard aligns hedge accounting more closely with the risk management activities of the entity and adds requirements relating to the accounting for an entity's expected credit losses on its financial assets and commitments to extend credit.

### **d. Financial instruments**

#### **Financial assets**

Financial assets, other than derivatives, are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents include cash on hand; cash in transit, bank accounts and deposits with an original maturity of no more than three months.

Purchases and sales of all financial assets are accounted for at trade date.

At each balance date an assessment is made whether a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s), and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably.

### **Financial liabilities**

Financial liabilities, other than derivatives, are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method.

### **Derivatives**

Derivative financial instruments are recognised both initially and subsequently at fair value. They are reported as either assets or liabilities depending on whether the derivative is in a net gain or net loss position respectively.

### **Fair value hedge**

Where a derivative qualifies as a hedge of the exposure to changes in fair value of an asset or liability (fair value hedge) any gain or loss on the derivative is recognised in profit and loss together with any changes in the fair value of the hedged asset or liability.

The carrying amount of the hedged item is adjusted by the fair value gain or loss on the hedged item in respect of the risk being hedged. Effective parts of the hedge are recognised in the same area of profit and loss as the hedged item.

## **e. Other assets**

### **Property, plant and equipment (PPE)**

Items of property, plant and equipment are initially recorded at cost.

Depreciation is charged on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant and equipment, less any estimated residual value, over its remaining useful life.

### **Intangible Assets**

Intangible assets comprise software and project costs incurred for the implementation of the treasury management system. Capitalised computer software costs are amortised on a straight-line basis over the estimated useful life of the software (three to seven years). Costs associated with maintaining computer software are recognised as expenses.

## **f) Other liabilities**

### **Employee entitlements**

Employee entitlements to salaries and wages, annual leave and other similar benefits are recognised in the profit and loss when they accrue to employees.

**g) Revenue and expenses****Revenue****Interest income**

Interest income is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this rate to the principal outstanding to determine interest income each period.

**Expenses**

Expenses are recognised in the period to which they relate.

**Interest expense**

Interest expense is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to determine interest expense each period.

**Income tax**

LGFA is exempt from income tax under Section 14 of the Local Government Borrowing Act 2011.

**Goods and services tax**

All items in the financial statements are presented exclusive of goods and service tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

**h. Lease payments**

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

**i. Segment reporting**

LGFA operates in one segment being funding of participating local authorities in New Zealand.

**j. Judgements and estimations**

The preparation of these financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and income and expenses. For example, the present value of large cash flows that are predicted to occur a long time into the future depends critically on judgements regarding future cash flows, including inflation assumptions and the risk-free discount rate used to calculate present values. Refer note 2b for fair value determination for financial instruments.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Where these judgements significantly affect the amounts recognised in the financial statements they are described below and in the following notes.





27 June 2019

Dear Shareholder

### **Statement of Intent 2019/20**

Please find attached the Statement of Intent (SOI) for the 2018/19 year.

LGFA remains focused on delivering strong results for our council borrowers and shareholders.

For our borrowing councils we seek to optimize funding terms and conditions by

- Achieving savings in borrowing costs
- Provide longer dated funding and
- Provide certainty of access to markets.

For our shareholders we are focused on

- Delivering a strong financial performance
- Monitoring asset quality and
- Enhancing our approach to treasury and risk management.

The following points regarding the 2019/20 SOI are worth noting

- The SOI performance targets are similar to the previous year's targets except we have replaced the interest cost savings targets for councils (given the difficulty to measure this accurately) with a satisfaction survey.
- There remains some uncertainty within the SOI forecasts relating to the amount of both council loans and LGFA bonds outstanding as this depends upon the timing of council borrowing. We are uncertain what impact the other infrastructure initiatives announced by Central Government will have on those eligible council's borrowing requirements over the forecast period. A move also towards utilising off balance sheet financing may impact on council borrowing. Because of these uncertainties, we have adopted a conservative approach to forecasting council borrowing demand.
- The timing and amount of refinancing of council loans maturing in April 2020 and the associated repayment of the LGFA April 2020 bonds might also have an impact on the SOI forecasts.

The changes made to the Final SOI compared to the Draft SOI that you received in February 2019 for comment have been

- Net interest income has reduced by \$500,000 in the 2019/20 year reflecting lower interest rates (approximately 0.40% lower) but has increased by \$1.6 million and \$1.3 million in the subsequent years because of the higher level of assets (\$600 million) compared to the starting position.
- Expenses have increased by between \$200,000 and \$300,000 across the forecast period due to higher fees relating to a greater utilisation amount expected under the Standby Facility and increased IT and consultancy costs relating to our transition to the SWIFT payments system and a greater focus on cyber security.

We can provide you with a tracked change version of the Draft and Final SOI documents if you wish.

Please feel free to contact me if you have any questions or require further clarification on anything relating to the SOI or LGFA in general.

Yours sincerely



Mark Butcher  
Chief Executive

## 5.1 Financial Report for the 12 months ending 30 June 2019

**Meeting:** Finance and Corporate Committee  
**Date of meeting:** 25 July 2019  
**Reporting officer:** Alan Adcock (General Manager – Corporate/CFO)

### 1 Purpose

To provide the external net debt position and treasury report as at 30 June 2019.

### 2 Recommendation

That the Finance and Corporate Committee notes the external net debt position and treasury report as at 30 June 2019.

### 3 Background

#### 3.1 Operating Result

The usual monthly financial report for the period ending 30 June 2019 has not been prepared.

Following the end of the financial year on 30 June a number of non-cash and year end adjustments need to be made which are still being worked on. These will be completed as part of the year end process and an updated full year operating financial report will be provided to Council as part of the August 2019 Finance and Corporate Committee agenda.

#### 3.2 Capital Project Expenditure

Capital expenditure has not been included in this agenda. Year end accruals are currently being prepared. Accruals are required in order to accurately capture all capital expenditure relating to the year ended 30 June 2019.

A final capital projects report, including revised carry forwards will be provided as part of the July 2019 Council meeting agenda as a supplementary item.

#### 3.3 External Net Debt and Treasury

Total net external debt at the end of June 2019 was \$102.8m compared to year to date budgeted net debt of \$137.6m, resulting in net debt being \$34.8m under budget.

This favourable variance is due to assumptions made regarding the opening net debt balance of the 2018-28 Long Term Plan, the favourable operating surplus and the year to date favourable variance in capital expenditure.

As at 30 June 2019 cash and term deposits held of \$39.2m was comprised of:

- \$10.0 million of term deposits relating to prefunding undertaken
- \$10.0 million of term deposits relating to short term borrowings not yet required
- \$13.0 million of term deposits relating to excess cash not currently required
- \$6.2 million cash on hand

Council is currently receiving slightly higher interest rates than the borrowing rate on a portion of these deposits.

### **3.4 Economic Outlook**

As expected by most commentators, The Reserve Bank of New Zealand kept the Official Cash Rate (OCR) at 1.50% in June. A further 0.25% OCR cut in August is now pretty well priced in by the market, with potential for further cuts to follow.

Long term rates are still under pressure with global interest rate markets forecasted to trend lower. The NZ 10-year swap rate has continued to drop, falling to a fresh record low recently of 1.72%.

## **4 Accounts receivable and arrears**

Total arrears as at 30 June 2019 was \$4.3 million compared to \$3.7 million in the previous year. The increased arrears are mainly due to a sundry debtor and two ratepayers in discussion with council on rating and property valuations.

## **5 Significance and engagement**

The decisions or matters of this agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via agenda publication on the website.

## **6 Attachment**

Treasury report

**TREASURY REPORT**  
**30 JUNE 2019**

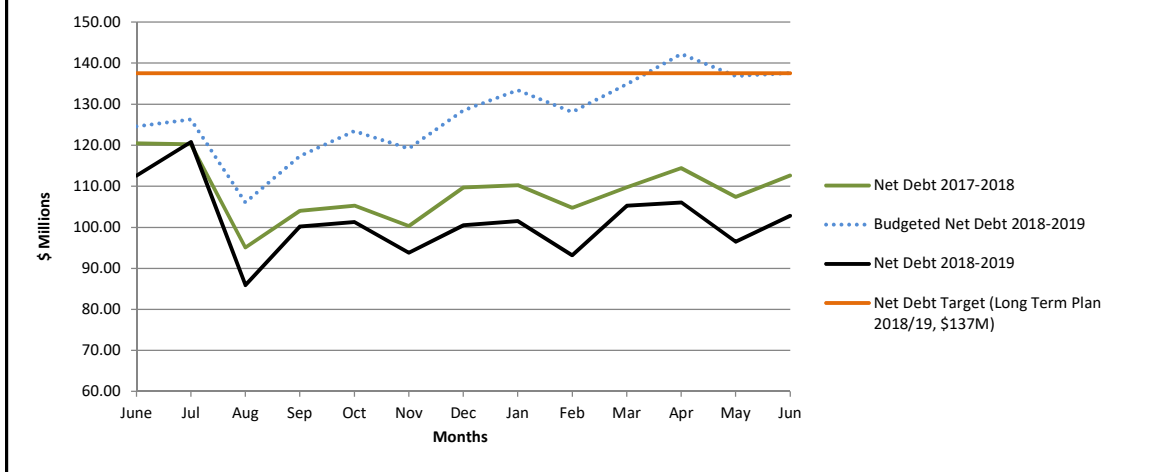


**STANDARD AND POORS CREDIT RATING: AA** Outlook: Positive

**DEBT SUMMARY:**

As at 30 June 2019		
<b>External Debt</b>		
Opening public debt as at 1 June 2019		142,000,000
Plus loans raised during month	5,000,000	
Less loan repayments made during month (Note: Facility movement has been netted)	(5,000,000)	
Net movement in external debt		-
<b>Total External Debt</b>		<b>142,000,000</b>
Less: Cash balances (excluding funds held on behalf)	6,229,497	
Term deposits (Funds held on deposit until required for project funding)	33,000,000	
Total cash and term deposits		39,229,497
<b>Total Net External Debt</b>		<b>102,770,503</b>
<i>Note: Council also holds \$2.0m of LGFA borrower notes. These are not included in net external debt as per Council's Treasury Risk Management Policy.</i>		
<b>External debt is represented by:</b>		
Less than 1 Year		30,000,000
1-3 Years		33,000,000
3-5 Years		28,000,000
Greater than 5 Years		51,000,000
<b>Total</b>		<b>142,000,000</b>

**NET EXTERNAL DEBT COMPARED TO BUDGET:**



Internal Funding*		
Community Development Funds		10,219,859
Property Reinvestment Reserve - Available for Reinvestment	4,236,768	
Property Reinvestment Reserve - Accumulated	29,358,349	
		33,595,117
Water Reserve - to be updated as part of the Annual Report process		30,255,000
<b>Total</b>		<b>74,069,976</b>

Note: Reserves Funding is disclosed to ensure transparency of Council's use of cashflow management to fund capital works. Where funds are raised through property sales or targeted rates for Water, but they are not required for immediate investment in that asset category, Council's Revenue and Financing policy allows them to be used for other purposes, rather than being held on deposit. To ensure total transparency of this we create Reserve Accounts so that the appropriate funding can be made available and transferred back when it is required. The timing of projects requiring these funds is set out in our Long Term Plan (LTP) and/or Annual Plan (AP). These Reserves are not a liability to an external party, and are not part of Council's debt obligations.

The Property Reinvestment Reserve is split to record funds that were used specifically for capital works in previous years; and a smaller amount representing recent unbudgeted sales where the funds received have offset external debt.

The only situation where our Net Debt would increase as a result of these Reserves is if major expenditure on Water Assets or property purchases is brought forward from the dates set out in the LTP/AP.



## 5.2 Operational Report – Finance and Corporate – July 2019

**Meeting:** Finance and Corporate Committee  
**Date of meeting:** 25 July 2019  
**Reporting officer:** Alan Adcock (General Manager – Corporate/CFO)

### 1 Purpose

To provide a brief overview of work across services that the Finance and Corporate Committee is responsible for.

### 2 Recommendation

That the Finance and Corporate Committee notes the operational report for July 2019.

### 3 Background

The purpose of the Finance and Corporate Committee is to oversee Council and CCOs financial management and performance, including operation of the administrative and internal support functions of Council.

This report provides a brief overview of some of the operational highlights for July 2019 and provides some further comment on future planned activities.

### 4 Significance and engagement

The decisions or matters of this agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via agenda publication on the website.

### 5 Attachment

Operational Report – Finance and Corporate – July 2019





# Operational Report – Finance and Corporate – July 2019

## Information Communications Technology (ICT)

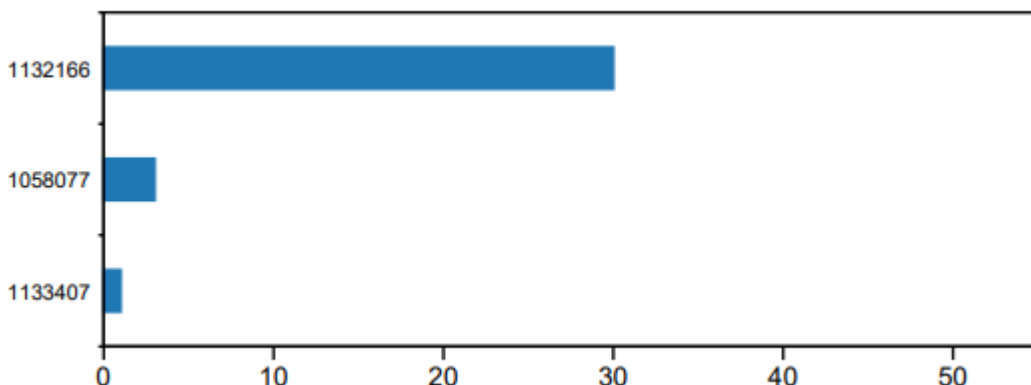
ICT Teams are supporting the organisation with business as usual (BAU) requests. Project work is not without challenges but overall progressing well.

### ICT Operations

The switch to the new financial year proceeded without any issues and subsequent activities are still in progress. The external review of the ICT Operations processes and procedures is planned for 23 July and report expected at the end of August.

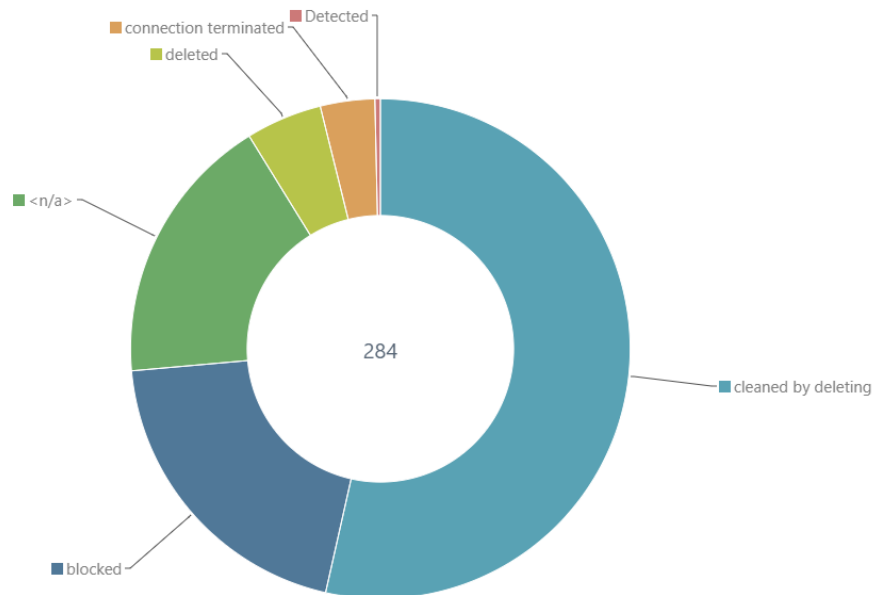
Other operational activities include:

- Updating of our website environment – majority of this work has been completed with minimal impact to our rate payers.
- Cyber training – There are still over 100 staff and councillors who have not completed their training.
- Investigation of Multi-factor authentication – admin accounts only.
- Currently planning:
  - Assisting Spectrum with the review of ICT Operations processes
  - Replacement of end-of-service routers
  - Security Monitoring and Updating
  - Investigate a replacement for Direct Access – remote access tool for staff
  - Scheduling of minor works.
- Intrusions blocked by our main firewall – 10-day reporting period (26/06/2019 – 5/07/2019)



NAME	ALLOWED HITS	DENIED HITS
EXPLOIT Arbitrary Code Injection -1	0	30
WEB SQL injection attempt -1.b	0	3
WEB Brute Force Login -1.1021	0	1
	0	34

- Viruses cleaned off desktop devices – June



- Attempts to access unauthorised URL's – 24
- Operational projects including ICT Project Manager:
  - Remediating** critical Disaster Recovery (DR) recommendations – Implementation of changes into Production and DR environment are completed. Archives (excluding 4 BackScan databases) are now available at DR site (Albany). All is ready for Annual DR exercise August – October 2019.
  - Box Office** – Moving of ICT hardware to the Forum North Kiosk Office (old Café) is all that is required to be completed. This is scheduled for completion by 12 July along with the setup of Rate Rebate Office.
  - As a Service Roadmap** – Undertaking the initial planning for applications handed over from Enterprise Architect. Further researching proposed recommendation for application for feasibility and costs.

**ICT Disaster Recovery Exercise** – Second annual exercise re-scheduled to begin in late August due to timing conflicts with the vendor archive changes, Finance and Revenue commitments.

**As a Service Roadmap** – Roadmap developed to identify ICT systems and applications that need to migrate to other service based offerings. The roadmap shows the initial three stages of migration, and will be a “living document”.

## ICT Projects

Delivery of Trilogy Phase 2 projects continue to progress well. However, progress on the projects that needed business analysis rework has been slower than expected.

- **Upgrade of Technology One Ci to CiAnywhere – next software upgrade for Core Council system.**
  - Training and testing – round 1 is complete with our subject matter experts.
  - Implementation of Mobility Infringements (Parking) has been added to scope of CiA Project after consultation and sign off by Steering Committee.
  - Subsequent to an escalation from WDC Project sponsor to TechOne executives, it has now been determined that the November 2019 go-live date will not be met due to various delays with product and data migration tool development.
  - Go-live is now scheduled for March 2020, the next available window for an implementation of this magnitude.
- **Corporate Performance Management** – Business Improvement department is continuing to work through analysis and requirements gathering phase. There has been significant input from the business and the recommendations are still being awaited.
- **Website Platform Redevelopment (Digital Platform)** – Review and re-development of our existing WDC websites.
  - Procurement process has commenced and is underway.
  - The goal of this procurement is to identify the new platform for our website(s) and a suitable vendor that WDC can partner with to deliver this solution.
- **Asset Management and GIS upgrade/replacement** – review, upgrade and/or replacement of the existing Asset Management system including a GIS (Spatial System) upgrade (necessary due to the dependencies between the software products).
  - Configuration design document was not satisfactory, so was rejected by Project Team.
  - A revised Configuration design document is being developed by TechOne that will clearly articulate proposed solution.
  - GIS integration design continues to make progress.
- **Digitisation of Property Files** – Execution Phase
  - Back scanning of files is 99% complete.
  - A decision on the ‘Day Forward’ solution is imminent.

## Finance

### *End of Financial Year*

June 30 brings the end of another financial year. The Finance team in conjunction with ICT have performed the necessary processes to ‘roll over’ and set-up the system ready for a smooth transition into the new financial year.

## ***2018-19 Annual Report***

Preparation of the 2018-19 Annual Report is now in full swing. The preparation of financial statements for Council Controlled Organisations including Whangarei District Airport, Northland Events Centre Trust and Whangarei Art Museum Trust are also underway.

A number of year-end adjustments will be completed in order to provide a draft operating result as part of the August 2019 Finance and Corporate Committee meeting.

As in previous years our Annual Report timeline is very tight. We will continue to work with Audit NZ and provide them with information ahead of the final audit where practical. The final audit will begin 26 August.

## ***2019-20 Annual Plan***

Following the adoption of the 2019-20 Annual Plan, various tasks are currently underway to allow for the reporting of the new financial years' operating results against budget and forecast. Tasks include:

- finalising project accruals and carry forwards
- revising budgets
- finalising budget packs for department managers
- phasing of the budget.

## ***Finance Team Initiatives***

The Finance team are currently undertaking various improvement initiatives including:

- Reviewing and streamlining our chart of accounts. This will increase accuracy of coding resulting in improved financial reporting and budgeting. This will come into effect for the 2019-20 financial year.
- Condensing our process to confirm end of year accruals and carry forwards earlier than previous years. This will allow us to provide revised budgets to the business sooner and enable us to produce 2019/20 actual vs budget financial reporting to Finance and Corporate Committee a month earlier.

## ***Property Tax Review***

Council applies PricewaterhouseCoopers Tax Risk Governance Framework as a pro-active step towards identifying and managing tax risks to maintain Council's low risk profile. Our 2018 tax risk management strategy proposed a tax compliance review of GST on property transactions. This review has been progressing over number of months and has included both internal and external stakeholders.

Elected members will be taken through a brief presentation to explain the work performed as part of this review, the outcome of it, and future actions for improvement.

## Revenue

June has been a busy month for the whole team ensuring that all tasks are completed before the end of the financial year. Ensuring the integrity of the rating information database and its alignment to the district's valuation roll is required before the rates can be set.

### Land Rates

The 3,069 property sales in 2018-19 were 28 (1%) less than 2017-18.

### Water Rates

Water rates revenue in June is summarised below:

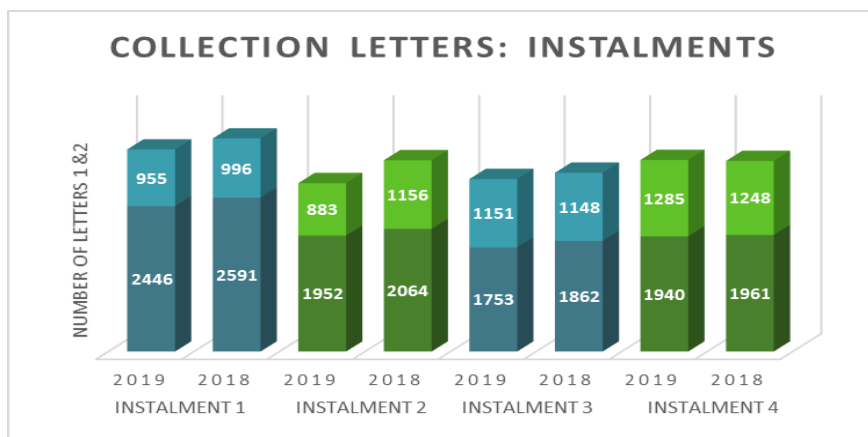
Water Rates Summary - June 2019							
	Consumption	Supply Charge	Backflow	Special Reading Fee	Penalties	Excess Water Remission	Arrears
Amount(\$)	1,009,895	54,331	3,605	7,817	18,285	- 24,734	315,669
Transactions (Number)	3,821	3,807	117	155	853	25	1,517

## Collection and Recovery

The way our customers pay their invoices is changing. We continue to promote direct debit as our preferred method of payment, and note the number of cheques received is decreasing and counter visits are decreasing as a percentage of the total.

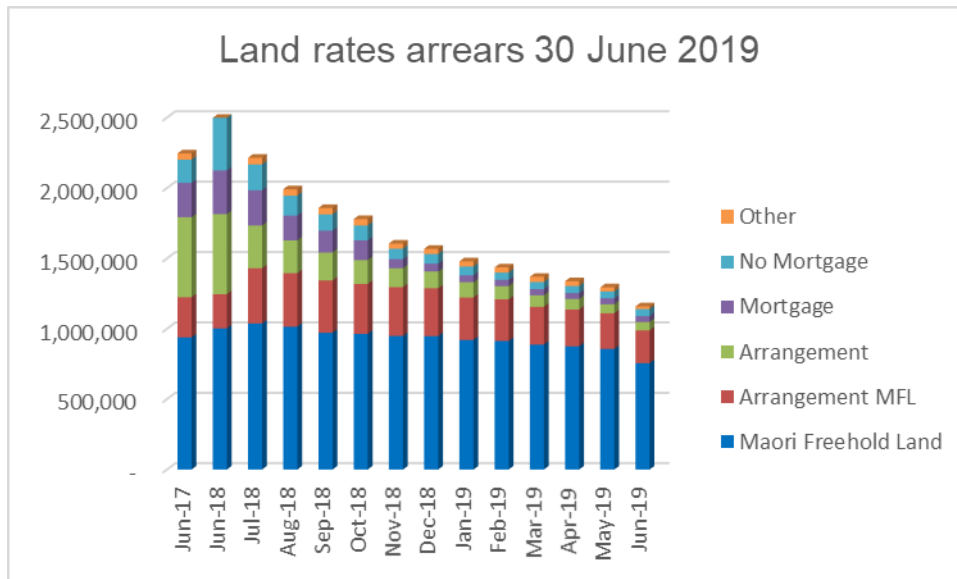
Number of payments received				
Method	2018-19	% Total	2017-18	% Change
Direct Debit	284,100	55%	243,100	17%
Direct Credit	165,000	32%	150,800	9%
Cheque	3,800	1%	5,400	-30%
Credit Card	26,700	5%	22,500	19%
Counter	41,400	8%	41,000	1%
<b>Total</b>	<b>521,000</b>	<b>100%</b>	<b>462,800</b>	<b>15%</b>

Our collection actions aided in reducing the instalment penalties added from \$396,000 in 2017-18 (9,100 4 instalments) to \$376,000 in 2018-19 (8,500). The below graph compares the number of letters sent each instalment for 2018-19 and 2017-18. A first letter is sent after the penalty is added and 3 weeks later a second letter is sent if the instalment remains unpaid. As at late June 974 letters were sent to ratepayers for which recovery action will start in July – August. We also added arrears penalties in September. This was \$66,000 (145) compared to 108,000 last year (393).



Land rate arrears at 30 June 2019 are:

- \$1,159,000 (May \$1,294,000)
- Māori Freehold Land comprises \$988,000 (May \$1,111,000) of arrears.



## Business Improvement

The Business Improvement Department is heavily involved in several ICT Strategic Projects, high priority business initiatives, as well as having responsibility for delivering certain LTP specific Projects.

### *Project Management Initiative*

Description – To create a virtual cross-functional Project Management group to review, agree and implement a standard Project Management approach across the organisation including processes and system.

Timeframe – completed by June 2020

Status – on track

Progress Made:

- No progress – planning delayed.

Next Steps:

- Planning to now occur in July.

## ***Continuous Improvement Idea Project***

Description – This initiative is a system and process for capturing and processing innovative Improvement ideas so that in the future there is an agreed organisational process for funnelling, prioritising process and system improvement initiatives from ideas to fruition.

Timeframe – completed by June 2020

Status – on track

Progress Made:

- Awaiting revised Statement of Work.
- Business Rules workshops underway.

Next Steps:

- Workshop with Information Leadership on requirements.

## ***Workflows Systems Development***

Description – the objective of this project is to identify and deliver efficiencies to Council processes. The project has been broken into two phases:

- 1) Identifying high value processes in Council that are candidates for workflow enhancement based on their risk, the amount of time/effort saved through automation, future impacts/links to strategic outcomes and the degree of complexity to support the automation. This body of work is incorporated within the Promapp Initiative.
- 2) identifying options for improving processes and implementing preferred options.

Timeframe – Was planned to be completed by June 2019 (see notes below on delay)

Progress Made:

- Champions nominated by first participating departments
- Workshops booked in calendars
- Training for Business Analysts (Expert training and Champion Workshop delivery)
- Training for Business Improvement (Expert training and WDC Promapp Standards)

Next Steps:

- Workshops for first participating departments to occur.
- Supporting the delivery of the mapping process for initial departments.
- Next group of departments to select start dates.

## ***Business Improvement Projects (Updates, Delays or Deferrals)***

### **Workflow Systems Development**

Status – Delayed

Reasons:

Phase 1 will be delayed six months due to priorities of other projects impacting on resource availability for this project, along with the amount of planning required for the entire project.

Phase 2 will be delayed 24 months due to the dependency on the TechnologyOne CIA Upgrade Project to be implemented and bedded in before any automation activities can occur in the new TechnologyOne CIA environment.

## Business Support

### Information Management (IM)

#### Information Management Plan 2019 – 2020 (IM Plan)

The IM Plan has been approved by the executive sponsor. This approval marks a milestone with actions now underway to plan the approach to the work ahead.

As noted in last month's report the key themes of this plan are:

- Archives management
- Policy development
- Retention and disposal process development
- Public Records Act 2005 audit
- Training
- Information asset register work

#### Information and Data Governance

The early Information and Data Governance Group are working towards the development of an overarching information and data strategy. The work is being achieved with the Strategy Department providing input and facilitation of the development process, while also working to the strengths of members of the group to ensure positive customer experience (internal and external) as well as sound practice is at the heart of the strategy. A great example of kotahitanga in action.

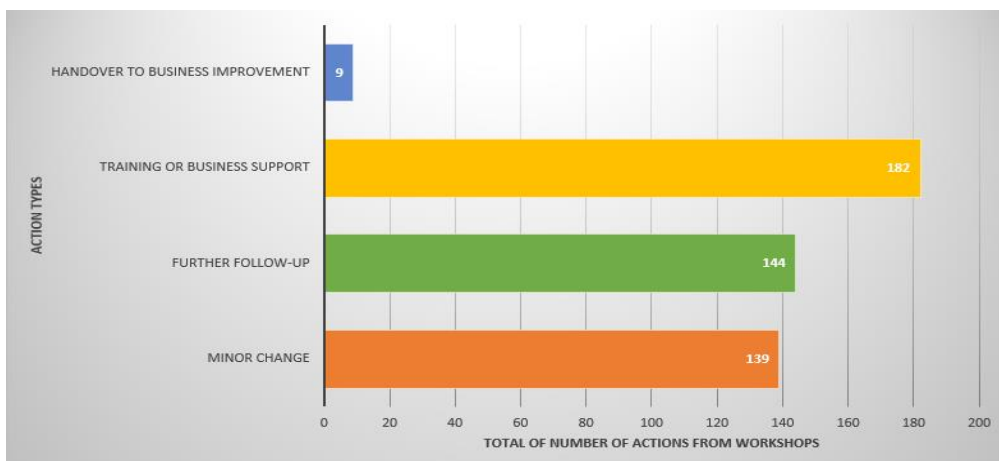
Sitting at the heart of the strategy will also be the organisational tikanga of atawhaitanga - extended to the protection, stewardship and trust in our information and data assets.

#### Kete Review

With only two workshops to complete in July we are all but complete with the delivery of the Kete review workshops.

Feedback on these workshops has been very positive and already the team are seeing positive changes in the way information is being saved.

The project team have been collecting actions and it is apparent that there is a mix of training, minor changes and further investigation into business process that will see this tool being used at full potential, as tabled below. This affirms that on balance, the investment made in Kete as our enterprise content management system has been successful.





## Procurement

### All Staff Meeting

Staff took the opportunity to speak at the June All Staff meeting about procurement and it's connections across the organisation. We emphasised how much of what we do as staff is reliant on good procurement, and what is available to assist staff in their procurement activities. We are also in the process of reviewing our procurement guidelines and contract management to ensure we acknowledge the recommendations of the recent audit.

### Government Procurement Rules

The Government Rules of Sourcing were updated recently, and have been renamed as the Government Procurement Rules (the Rules).

Work is ongoing to review our Procurement Policy to ensure Council remains aligned to Government expectations, to be locally focused, and to be sustainable.

There are two sections of the Rules that all agencies (including Council) must apply while the other sections we must just have regard to. Those which we must apply are:

- The Five Principles of Government Procurement (the Five Principles)

The Five Principles are already reflected in the current Council Procurement Policy and include:

1. Plan and manage for great results;
2. Be fair to all suppliers;
3. Get the right supplier;
4. Get the best deal for everyone; and
5. Play by the rules.

- The Government Procurement Charter (the Charter)

The Charter is new to this edition of the Rules and includes seven points:

1. Seek opportunities to include New Zealand businesses;
2. Undertake initiatives to contribute to a low emissions economy and promote greater environmental sustainability;
3. Look for new and innovative solutions;
4. Engage with businesses with good employment practices;
5. Promote inclusive economic development within New Zealand;
6. Manage risk appropriately; and
7. Encourage collaboration for collective impact.

### Workstreams

Major work streams in procurement this month have included:

- *Pensioner Housing Management – Community Services Department*  
To select a local supplier to provide Tenancy Management services for the Pensioner Housing portfolio
- *Civic Centre project*  
To assist the Civic Centre team with requirements around procurement aspects of the Civic Centre project.

- *Smoke Detection System (Forum North) – Venues and Events WHANGAREI*  
To consider options for smoke detection in Forum North, in particular the public spaces.
- *Digital Platform project - ICT*  
To find a supplier to provide a digital platform (website) and related services
- *Plumbing Services – Business Support*  
To find a panel of local suppliers to provide plumbing services to multiple departments across Council.
- *Litter Control and CBD Custodial Duties – Parks Department*  
To find a supplier to provide, empty and service rubbish bins, pick up loose litter and fly tipping and scrub CBD pavers.
- *Book Sorter – Central Library*  
To assist Business Improvement and the library to find a suitable book sorter

General procurement support and advice continues to be available across the business and at the weekly Procurement Clinic.

## **Property Assets**

All assets continue to be maintained as is required and there are a couple of changes being planned for some of our existing spaces to address capacity issues and health and safety concerns.

## **Business Support**

### **Vehicle Fleet**

We are currently reviewing all of our fleet related policies – Vehicle Procurement Policy/Fleet Management Policy etc. What vehicles we use, and how we use them, will change as we move to becoming a more sustainable organisation and as our infrastructure changes with the new Civic Centre. While we are not in a position currently to support a fully electric fleet, we are in a position to make some smart decisions around purchasing replacement vehicles that will have a significant positive impact on our emissions and carbon footprint.

### **Business Support Projects (Updates, Delays or Deferrals)**

<b>Project</b>	<b>Current Status</b>	<b>Comment</b>
Kete Review	On Track	Workshop sessions are nearing completion. Once all sessions are complete next steps will be to develop a plan and timeline for actions including training.
Emergency Evacuation Schemes for WDC owned buildings	Quotes received. Talking to Contractor to find best practice in rolling it out	Working across the different Departments (Civic/Commercial/Community) to roll out in a streamlined manner.
Forum North Carpark	Ongoing	Working with Roading to look at lighting options in the Carpark, following lumen testing. Business Support awaiting quotes for lighting to be attached to FN Building.

		Business Support awaiting quotes to have selected trees removed from the carpark to allow lighting to come through. Replacement planting will be done to address loss.
Fleet Update	Recommendations made on fleet replacement.	All replacement recommendations have an EV component. There are no pure combustion engine vehicles recommended.

## Communications

### *Digital Platform*

The Communications Department is active in supporting digital activities across the business. Key staff are assigned to Council's Digital Platform Project as either Project Team Members or Key Business Users.

### *Civic Centre project*

The Communications Department is managing the communications across the life of the Civic Centre project, including external, internal and engagement messages. We are also handling the visual and descriptive identifiers for this project, while providing communications advice and support to the project team.

### *Graphics and Communications*

We handled weekly Council News production together with general communications and marketing, content production, and design service requests from within Council.

Large design projects included:

- Completion of WDC Brand guidelines
- Civic honours (rebrand)
- Rates letter newsletter insert
- Pre-election report
- Laboratory rebrand signage
- WDC signage (Walton Plaza)
- Getting out there publication Accessibility map and advert
- Finalised:
  - Annual Plan
  - Fees and Charges document
  - Speed limits bylaw document

Communications team members are also working on Election 2019 as part of a shared services arrangement with other Northland local/regional government organisations.

### *Internal communications*

Internal communications included compiling the monthly All Staff PowerPoint presentation and collaborating with various departments to produce banners and news stories for Kete.

## ***Mayoral communications***

We researched and wrote speeches for the Mayor and Deputy Mayor, plus crafted the fortnightly Northern Advocate column. We also managed communications for the Mayor's office including letters of complaint, congratulations, thanks, requests for mayoral media statements, articles for local publications and forewords for event publications and Council documents such as the Annual Plan.



## ***Media and public relations***


The following stories relating to Council were covered in local media in June:

- Tree planting at A H Reed park
- Dog footprints seen in Pukenui Western Hills forest
- Gardening club uses library for Lonely Bouquet Day
- Council submission to Government on climate change
- Low rainfall in north could cause problems next summer
- Hihiaua Cultural Centre opened in conjunction with Matariki Festival
- Event to celebrate signing-off of funding and the building contract for Camera Obscura project
- Cr Hermon not standing again so at least two new Councillors to be elected
- Parua Bay transfer station
- Residents rally to oppose Housing NZ plans for Puriri Park Road
- Writer not happy about proposed changes to Waimahanga Track
- Fatal accident on Kamo Road
- No tsunami threat to NZ following earthquake near Kermadec Islands
- Tree planting at AH Reed park
- Shortfall leads to Northland roading projects unlikely to receiving funding
- Park benches for Otangarei community
- Investigation by Ombudsman into Reti complaint over Puriri Park housing information discontinued
- Hundertwasser Art Centre CEO appointed
- Waipu development delayed due to costs
- New shops in Waipu to replace those destroyed by fire
- Regional Councillor's use of Ruakaka service centre
- Need for younger Councillors
- One Tree Point walkway
- Waipu Cove cycleway
- Free native plants available to residents
- Love Whangarei monthly clean-up carried out by volunteers
- Inaugural chief executive appointed for arts centre
- Stray cattle run rampant on Hora school grounds
- Rubbish clean-up for Parihaka
- New retirement village proposed for site next to Whangarei Golf Club at Mt Denby
- Three Bream Bay councillors to stand in October election
- Waipu to get \$100,000 of WDC's Community Led Fund
- Public access to One Tree Point esplanade reserves to be improved
- RSA site confirmed for new civic centre
- Prescott Road no longer used for farming although it is zoned Rural Production
- Rubbish clean-up on Parihaka
- Powhiri to welcome new CE to Hundertwasser Wairau Art Museum
- Tony Savage to stand for mayor
- Kaipara District Council to end animal control contract with Armourguard.

## Social media

Top three highest posts reach on Facebook in June 2019:

Post	Engagement																											
<div data-bbox="167 414 758 1131"> <p><b>Whangarei District Council</b> Published by Yolandi Theron [?] · June 6 ·</p> <p>Council's Infrastructure Group Manager was welcoming the rain on Friday last week, but a lot more will be needed before the dam is up to its usual water level.</p> <p>It has been a dry autumn and we want to remind everyone to be sensible with water. With only 181mm of rain over the past five months and the historical average for this time of year would be 611mm.</p> <p>Follow the link below in the comments to read our full story.</p>  <p><b>Usual water level</b></p> <p>Get More Likes, Comments and Shares Boost this post for \$50 to reach up to 4,800 people.</p> <p>10,871 People Reached      1,345 Engagements      <a href="#">Boost Post</a></p> <p>Delyse Henwood, Clare Davies-Colley and 48 others · 7 Comments · 30 Shares</p> </div> <div data-bbox="766 414 1165 1131"> <p><b>Performance for Your Post</b></p> <p>10,871 People Reached</p> <p>135 Reactions, Comments &amp; Shares</p> <table border="1"> <tr> <td>72 Like</td> <td>43 On Post</td> <td>29 On Shares</td> </tr> <tr> <td>2 Love</td> <td>0 On Post</td> <td>2 On Shares</td> </tr> <tr> <td>2 Haha</td> <td>0 On Post</td> <td>2 On Shares</td> </tr> <tr> <td>9 Wow</td> <td>4 On Post</td> <td>5 On Shares</td> </tr> <tr> <td>5 Sad</td> <td>4 On Post</td> <td>1 On Shares</td> </tr> <tr> <td>1 Angry</td> <td>1 On Post</td> <td>0 On Shares</td> </tr> <tr> <td>15 Comments</td> <td>7 On Post</td> <td>8 On Shares</td> </tr> <tr> <td>30 Shares</td> <td>30 On Post</td> <td>0 On Shares</td> </tr> </table> <p>1,210 Post Clicks</p> <table border="1"> <tr> <td>104 Photo Views</td> <td>0 Link Clicks</td> <td>1,106 Other Clicks</td> </tr> </table> </div>	72 Like	43 On Post	29 On Shares	2 Love	0 On Post	2 On Shares	2 Haha	0 On Post	2 On Shares	9 Wow	4 On Post	5 On Shares	5 Sad	4 On Post	1 On Shares	1 Angry	1 On Post	0 On Shares	15 Comments	7 On Post	8 On Shares	30 Shares	30 On Post	0 On Shares	104 Photo Views	0 Link Clicks	1,106 Other Clicks	<ul style="list-style-type: none"> <li>• <b>10,871 people reached.</b></li> <li>• <b>135 engagement by either post clicks and/or comments/reactions/shares</b></li> </ul>
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<div data-bbox="167 1164 758 1890"> <p><b>Whangarei District Council</b> Published by Yolandi Theron [?] · June 11 at 4:07 PM ·</p> <p>*** Maunu Rd/ Porowini Ave Bridge Widening and Intersection Improvements ***</p> <p>For safety reasons for workers and traffic we are restricting this turn movement out of Porowini Ave.</p> <p>As from tomorrow, 12 June 2019, there will be no right hand turn from Porowini Ave into Maunu Road. ... <a href="#">See More</a></p>  <p><b>Maunu Road/Porowini Ave intersection works</b></p> <p>Maunu Rd</p> <p>Porowini Ave</p> <p>Maunu Rd</p> <p>Get More Likes, Comments and Shares Boost this post for \$50 to reach up to 4,800 people.</p> <p>8,173 People Reached      1,487 Engagements      <a href="#">Boost Post</a></p> </div> <div data-bbox="766 1164 1165 1890"> <p><b>Performance for Your Post</b></p> <p>8,173 People Reached</p> <p>196 Reactions, Comments &amp; Shares</p> <table border="1"> <tr> <td>94 Like</td> <td>56 On Post</td> <td>38 On Shares</td> </tr> <tr> <td>1 Love</td> <td>0 On Post</td> <td>1 On Shares</td> </tr> <tr> <td>2 Wow</td> <td>1 On Post</td> <td>1 On Shares</td> </tr> <tr> <td>1 Angry</td> <td>0 On Post</td> <td>1 On Shares</td> </tr> <tr> <td>45 Comments</td> <td>36 On Post</td> <td>9 On Shares</td> </tr> <tr> <td>53 Shares</td> <td>53 On Post</td> <td>0 On Shares</td> </tr> </table> <p>1,291 Post Clicks</p> <table border="1"> <tr> <td>102 Photo Views</td> <td>51 Link Clicks</td> <td>1,138 Other Clicks</td> </tr> </table> <p><b>NEGATIVE FEEDBACK</b></p> <table border="1"> <tr> <td>1 Hide Post</td> <td>0 Hide All Posts</td> </tr> <tr> <td>0 Report as Spam</td> <td>0 Unlike Page</td> </tr> </table> <p>Reported stats may be delayed from what appears on posts</p> </div>	94 Like	56 On Post	38 On Shares	1 Love	0 On Post	1 On Shares	2 Wow	1 On Post	1 On Shares	1 Angry	0 On Post	1 On Shares	45 Comments	36 On Post	9 On Shares	53 Shares	53 On Post	0 On Shares	102 Photo Views	51 Link Clicks	1,138 Other Clicks	1 Hide Post	0 Hide All Posts	0 Report as Spam	0 Unlike Page	<ul style="list-style-type: none"> <li>• <b>8,173 people reached.</b></li> <li>• <b>196 engagement by either post clicks and/or comments/reactions/shares</b></li> </ul>		
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**Whangarei District Council**  
Published by Yolandi Theron [?] · June 12 at 3:11 PM · 🌐

**\*\* TE MATAU A POHE BRIDGE CLOSURE - SUNDAY 16 JUNE \*\***

We are planning on carrying out some daytime works to the Te Matau a Pohe Bridge this Sunday (16 June), subject to weather.

• Te Matau a Pohe – will be closed to road traffic and pedestrians from 8am until 8pm Sunday 16 June 2019 • ... See More

**Performance for Your Post**

**14,241** People Reached

**170** Reactions, Comments & Shares

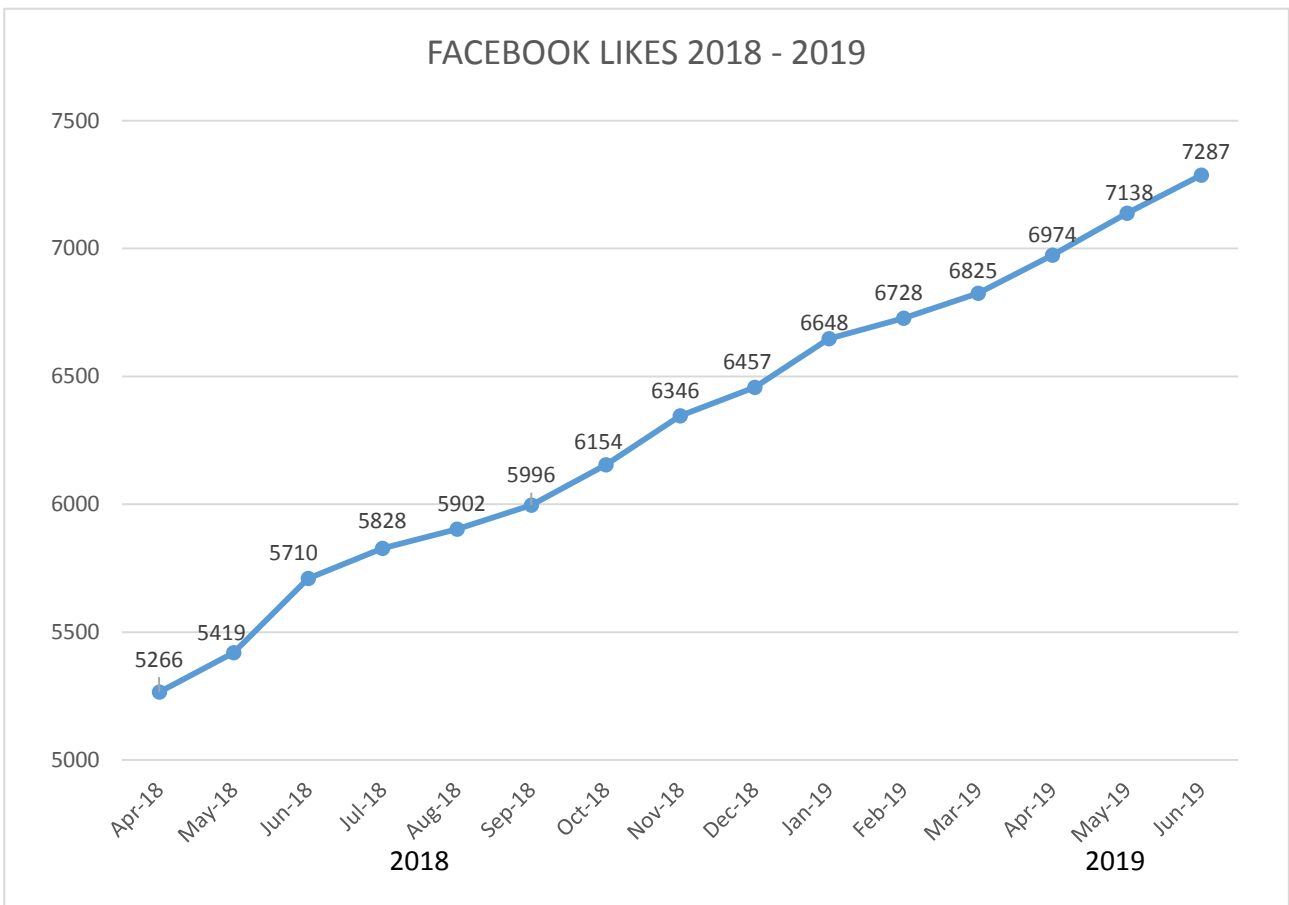
48	18	30
Like	On Post	On Shares
3	0	3
Love	On Post	On Shares
2	0	2
Haha	On Post	On Shares
3	1	2
Wow	On Post	On Shares
1	1	0
Sad	On Post	On Shares
1	0	1
Angry	On Post	On Shares
35	20	15
Comments	On Post	On Shares
77	72	5
Shares	On Post	On Shares
<b>1,154</b> Post Clicks		
114	0	1,040
Photo Views	Link Clicks	Other Clicks

- **14,241** people reached.
- **170** engagement by either post clicks and/or comments/reactions/shares

**Facebook audience/followers**

Facebook page 'Likes' have been increasing organically and steadily for this month. Likes for June (as at 30 June 2019) = 7,287 (149 more likes since May 2019).

Below is a graph showing the steady increase in Facebook followers for the last 12 months.



## Website

Website traffic continues to grow from last year, while following similar trends in days-of-week.

Top 5 pages visited - June 2019s

<i>Last month – MAY 2019</i>	<b>JUNE</b>
1. <i>Building and Property / GIS Maps</i>	<b>1. Building and Property / GIS Maps</b>
2. <i>Facilities and Recreation / Cemetery Database Search</i>	<b>2. Facilities and Recreation / Cemeteries Database Search</b>
3. <i>Newsroom / Pohutukawa Coast Programme</i>	<b>3. Plans Policies and Bylaws / District Plan</b>
4. <i>Plans Policies and Bylaws / District Plan</i>	<b>4. Rates and Payments / Rates</b>
5. <i>Rates and Payments / Rates</i>	<b>5. Your Council / Contact Us</b>

Customers are more actively engaging with more pages on our website. Mobile and tablet users show the most increases as more and more people use these devices to surf the internet and use our website.

Upcoming consultations for July 2019:

- Vehicle on Beaches (open for submissions – 15 July 2019)

## Branding refresh update

The Communications Team has worked with Big Fish to finalise the brand architecture of Council's stable of brands at a strategic level, as well as completing the brand book, brand guidelines and new publishing process. The brand book, new brand illustrations, brand architecture, and brand video are now complete and have been handed over to Council. We are now finalising use of refreshed Love It Here! brand and how it fits with the parent Council brand.

The roll out of the new logo is progressing well with external signs, event branding and street flags our current focus.

## People and Capability

### *Promoting Youth Opportunities and Local Government Careers*

Over the past month, we have attended a number of youth focused events promoting the opportunities Council has for youth and the career pathways available not only at Whangarei District Council but within local government in general. The first of these was a Future Leaders Day at Te Wananga o Aotearoa which was also attended by our Youth Advisory Group. This was closely followed by an Education to Employment Day at Whangarei Boys High School. We presented to educators from across Northland in an attempt to increase their understanding of how WDC's youth programmes such as scholarships, cadetships and trainee opportunities can be accessed and what these can lead on to in our work environment.

In preparation for this we worked with a number staff who started their careers at Council through one of these initiatives and produced a series of videos illustrating their experiences and the value they had gained from being part of one of our youth programmes.

We are scheduled to attend an industry exposure day at Whangarei Boys High School in August to present to young people and their parents from across the region during the day then taking part in a panel discussion/question time in the evening.

### ***New Employees, Transfers, Vacant Positions and Leavers***

<b>New Employees/Transfers</b>	<b>Name</b>	<b>Start Date</b>
Venues & Events Coordinator	Anna Moreton	4-Jun-19
ICT Administrator (Fixed Term)	Andrea Schmuck	10-Jun-19
Systems Accountant*	Ketan Panchal	10-Jun-19
Non-Fiction Librarian*	Sally Penwarden	17-Jun-19
Librarian - Central & Outreach Services	Wendy Bertholet	24-Jun-19
Support Assistant - Building Inspections	Jessica Tyler-Whiteman	24-Jun-19

\*Internal promotion

<b>Roles filled and waiting to start</b>	<b>Name</b>	<b>Start Date</b>
Data Warehouse Administrator	Edward Nolan	1-Jul-19
Environmental Health Officer	David Golding	1-Jul-19
Wastewater Treatment Technician	Zac Galpin	1-Jul-19
Senior Planner (RMA Consents)	Yvonne Masefield	2-Jul-19
Manager - Waste & Drainage	Simon Charles	8-Jul-19
Team Leader – Service Centres	Scott Sutherland	11-Jul-19
Property Assessment Officer	Ellen Taylor	22-Jul-19
Intermediate Planner (RMA Consents)	Ben Clearwater	29-Jul-19
Project Engineer	Jason Nair	26-Aug-19

<b>Roles not yet filled</b>	<b>Status</b>
Senior Projects Engineer - Pavements (NTA)	Hold
Roading Project Engineer	Hold
Calling all Planners (RMA Consents)	Offered 2/Interviewing
Building Control Officer	Referencing
Senior Building Control Officer	Referencing
Team Leader – Infrastructure Support & Contract Payments	Referencing
Strategic Planner	Shortlisting
Team Leader – RMA Support	Shortlisting
Management Accountant	Shortlisting
Economic Development Facilitator	Shortlisting
Development Engineer	Shortlisting
Team Leader - Major Event Planning & Admin	Shortlisting
Support Assistant - District Plan (Fixed Term/Part Time)	Shortlisting
Graduate Strategic Planner	To be readvertised
Business Partner (People & Capability)	To be readvertised
Environmental Health Officer/Environmental Health Technical Officer	Advertising
Librarian - Central & Outreach Services	Advertising
Distribution Engineer (Water)	Advertising
Web and Social Media Content Adviser	Advertising
Team Leader - RMA Consents	Readvertising

<b>Leavers</b>	
Royalene Whittaker	Support Assistant – Building Inspections
Elizabeth Bradshaw	Property Assessment Officer
Jessica Berridge	Building Control Officer
Kerryn Ryan	Team Leader – Infrastructure Support & Contract Payments



<b>Leavers</b>	
Laura Atiga-Denham	Strategic Planner
Matthew de Boer	Waste & Drainage Asset Engineer

## Democracy and Assurance

### Projects

External facing projects on the Democracy and Assurance team work programme include:

#### Elections 2019

Planning for the 2019 Elections, including pre-election and post-election activities is progressing well. The 2019 triennial elections are due to be held on Saturday 12 October 2019. Council's Electoral Officer for the election is Dale Ofoske from Election Services.

The pre-election period begins on 12 July 2019 until Election Day and staff have been briefed on staff protocols during this period. Nominations for candidates will open on 19 July 2019 and close on 16 August 2019. Candidate Information briefings will be held during July.

### Democracy

The Democracy Team supported four Council and Committee meetings and five Council workshops and briefings as well as a hearing on submissions to the Class 4 Gambling Policy and deliberation on this. Sixty-four liquor licence applications were processed for determination by the Chair of the District Licensing Committee. The Democracy Team also supported a Resource Consent Hearing.

### Official Information requests

20 official information requests have been received by Council since the last operational report in June 2019. Council received 248 requests during 2018 and with 120 requests having been received during the year to date we are on track to receive a similar number during 2019. The following is a summary of the requests received during June/July 2019:

- Request for payments made to an individual and associated companies since October 2017;
- Request for information relating to a cat nuisance complaint;
- Various questions and request for information relating to the sale of former Ministry of Education land in Puriri Park;
- Various questions and requests for information regarding the Bike Northland contract;
- Various questions and requests for information on the subsidy received by council to help fund the Bike Northland contract, the Auditor General's limits on elected member contracting, removal of parking outside shops and recruitment in relation to the Civic Project;
- Request for information regarding the construction of the handrail on the walkway between Pentland Road and Hatea Drive;
- 3 x separate requests for information on noise complaints in relation to specific addresses.
- Various questions and requests for information regarding earthquake strengthening of council buildings.
- Various questions and requests for information regarding future fluoridation capacity in the new Whau Valley Water Treatment Plant;

- Various questions and requests for information regarding the withdrawn Parua Bay Transfer Station resource consent application and mana whenua consultation;
- Various questions regarding pedestrian crossings and roading issues in Kensington;
- Various questions regarding diversity amongst council employees;
- Request for copy of complaint regarding a 2009 dog attack;
- Request for building consent file and all correspondence relating to a complaint in relation to a specified address;
- Further request for information relating to roading issues in Kensington;
- Request for details of internal review of a council report and the names of staff who have considered the report;
- Request for compliance related information regarding a drainage complaint for a specific address;
- Follow-up request regarding rating data for the 2016/17 and 2017/18 financial years.

### ***Council Controlled Organisations***

Good progress is being made on the development of a CCO framework, this will inform how we handle and interact with our CCO's in the future. As part of this review staff have developed a working paper looking at roles and responsibilities and a best practice road map. This will align with the upcoming update of the "Appointment to Council Organisation Policy" which is due later this year.

### ***Audit and Risk***

Staff have completed work on the updates to the delegations register, including the review of all items raised during the roll out training. These updated will be shared with Council during the July meeting.

The annual insurance renewal programme has now been initiated and staff are working with across departments to gather the information to share with our brokers. The brokers will then take the data to the insurance markets in the hope of gaining good value for Council for the 2019-20 renewal year. Progress in this space will be provided to the Audit and Risk Committee at the September meeting.

Business Continuity remains an important task for council to work on. Staff are currently looking at ways to ensure that Council develops robust contingency plans for back office staff across our corporate sites. To date, an initial template has been developed to trial this with various departments.

### ***Consultation and Engagement***

Consultation on He Rautaki Toi ā Rohe ō Whangārei – Arts, Culture and Heritage Strategy is now complete. The strategy will now be further updated to incorporate useful feedback from submissions and will be re-presented to the Community Development Committee later in the year.

The Vehicles on Beaches Bylaw consultation is currently active and closes on 11 August.

The responses to Annual Plan submitters are being completed and were sent out on 11 July.

## Māori Relationships

### Tutukaka Reserve Management Plan

Local hapū Ngati Takapari and Council staff met on site to discuss the reserve management plan for Tutukaka Reserve and to seek any hapū stories and input in terms to the name for the reserve.

### TUIA 250

Hihiaua Cultural Centre and Council staff are continuing to make progress with relevant hapū, community groups, kaumatua and kapa haka fraternity with their engagement processes and planning.

### Toilet Facilities at Whangaumu Bay

On 6 June, a site visit was held between Council staff and local Ngati Takapari hapū reps at the Whangaumu Bay toilet facilities. The visit provided an opportunity to work through problems associated with visitor use during peak periods.

While the timing of temporary facilities is still being worked through, with facilities confirmed in the peak months of December – February and monitoring proposed to determine requirements on shoulder months, the meeting provided a way forward on this matter.

### Heritage Stories

Discussions were had with Taipari Munro to determine hapū input to heritage stories for Bank St. Pihoi pa located near the St Andrews Presbyterian Church was identified as a significant site for Māori within the Bank St roading corridor.

### Candidate Evening for 2019 Elections

Terenga Paraoa marae is hosting the first hui for candidate briefings, which is specific to those potential candidates interested in this year's Local Government Elections. A series of hui throughout the district will be held during July and August 2019.

### Tai Tokerau Māori in Local Government Symposium

An initiative supported by Te Huinga to present pathways for Māori who may have an interest in local government politics. Excellent speakers from various Māori models and structures within local government throughout Aotearoa, which included the Minister for Local Government Nanaia Mahuta.

### Tree Planting at Otuihau Falls

Whangarei District Council in collaboration with Child Flight Charitable Trust planted trees to commemorate the tragedy in Christchurch. Pehiaweri Marae reps were in attendance to provide a Māori cultural context to the event. The initiative for this project was an idea from students at Kamo and Whangarei Intermediate Schools, a strong representation of students from each school were present to participate.

### Hihiaua Cultural Centre Opening

Dignitaries, hapū members, kaumatua, kuia, artists and carvers were invited to the dawn blessing of the Hihiaua Cultural Centre on Friday 14 June 2019. Te Parawhau kaumatua led the karakia for stage one of the new build. Official opening was held at the Matariki Festival on Saturday 22 June 2019.

**Matariki at Hihiaua**

A new approach to the Matariki Whanau Festival this year coincided with the official opening of the Hihiaua Cultural Centre building and was re-launched as “Matariki @ Hihiaua”. This concept bodes well for the launch and the Matariki festival. Discussions will be ongoing as to the long-term location for this event.

**Te Huinga RMA101 with Ministry for the Environment**

Ministry for the Environment reps attended a hui hosted by Te Huinga earlier this month at Terenga Paraoa marae. For Te Huinga, this hui is a compromise for their original priority of Māori Commissioner training.

**Powhiri for new Kaiarahi Māori at NRC**

Welcome for new Kaiarahi Māori Arama Morunga at Northland Regional Council. A pivotal role for their organisation and more importantly another Māori resource for our territorial authority Māori networks for Te Tai Tokerau.

**RESOLUTION TO EXCLUDE THE PUBLIC**

That the public be excluded from the following parts of proceedings of this meeting.

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

1.	The making available of information would be likely to unreasonably prejudice the commercial position of persons who are the subject of the information. {Section 7(2)(c)}
2.	To enable the council (the committee) to carry on without prejudice or disadvantage commercial negotiations. {(Section 7(2)(i))}.
3.	To protect the privacy of natural persons. {Section 7(2)(a)}.
4.	Publicity prior to successful prosecution of the individuals named would be contrary to the laws of natural justice and may constitute contempt of court. {Section 48(1)(b)}.
5.	To protect information which is the subject to an obligation of confidence, the publication of such information would be likely to prejudice the supply of information from the same source and it is in the public interest that such information should continue to be supplied. {Section7(2)(c)(i)}.
6.	In order to maintain legal professional privilege. {Section 2(g)}.
7.	To enable the council to carry on without prejudice or disadvantage, negotiations {Section 7(2)(i)}.

**Resolution to allow members of the public to remain**

If the council/committee wishes members of the public to remain during discussion of confidential items the following additional recommendation will need to be passed:

**Move/Second**

"That \_\_\_\_\_ be permitted to remain at this meeting, after the public has been excluded, because of his/her/their knowledge of Item \_\_\_\_\_.

This knowledge, which will be of assistance in relation to the matter to be discussed, is relevant to that matter because \_\_\_\_\_.

*Note:*

*Every resolution to exclude the public shall be put at a time when the meeting is open to the public.*