

Whangarei District Council Meeting

Agenda

Date: Thursday, 14 May, 2020

Time: 9:00 am

Location: Virtual Meeting Room

Elected Members: Her Worship the Mayor Sheryl Mai
(Chairperson)

Cr Gavin Benney

Cr Vince Cocurullo

Cr Nicholas Connop

Cr Ken Couper

Cr Tricia Cutforth

Cr Shelley Deeming

Cr Jayne Golightly

Cr Phil Halse

Cr Greg Innes

Cr Greg Martin

Cr Anna Murphy

Cr Carol Peters

Cr Simon Reid

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

1. Karakia/Prayer	
2. Declarations of Interest	
3. Apologies	
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7.1 Property Acquisition for Kamo Shared Path Project	
7.2 Rent Relief for Covid 19 Response	
8. Closure of Meeting	

Recommendations contained in the Council agenda may not be the final decision of Council.

Please refer to Council minutes for final resolution.

Item 4.1
Whangarei District Council Meeting Minutes

Date: Thursday, 30 April, 2020
Time: 9:00 a.m.
Location: Virtual Meeting Room

In Attendance

Her Worship the Mayor Sheryl Mai
 (Chairperson)
 Cr Gavin Benney
 Cr Vince Cocurullo
 Cr Nicholas Connop
 Cr Ken Couper
 Cr Tricia Cutforth
 Cr Shelley Deeming
 Cr Jayne Golightly
 Cr Phil Halse
 Cr Greg Innes
 Cr Greg Martin
 Cr Anna Murphy
 Cr Carol Peters
 Cr Simon Reid

Scribe

C Brindle (Senior Democracy Adviser)

Her Worship convened the meeting at 9am and then proposed a short adjournment to enable access issues to be resolved. The meeting convened again at 9.10am.

Administrative matters

Her Worship covered the following administrative matters:

- Meeting to be live streamed
- Item withdrawn - 6.5 Northland Events Centre – Decision on future governance
- Change of order - Item 6.14 Rates Relief Fourth Instalment – to be taken after Item 6.3.
- Extra ordinary business – Item 6.14 requires council resolution to consider at today's meeting.

1. Karakia/Prayer

Her Worship the Mayor opened the meeting with a karakia/prayer.

2. Declaration of Interest

Item 6.1 - Increase Contract Award - CON17001 Parks Maintenance

3. Apologies

Crs Phil Halse and Carol Peters (late arrival)

Moved By Her Worship the Mayor

Seconded By Cr Vince Cocurullo

That the apologies be sustained.

Carried

4. Public Forum

Public forum is temporarily discontinued until Council meetings resume in Council Chambers . The responses to matters raised by speakers at the February Council meeting were presented in the agenda report.

Extra ordinary business

The resolution to accept Item 6.14 Rates Relief Fourth Instalment as extra ordinary business was taken after public forum (refer Item 6.14 for resolution).

5. Confirmation of Minutes of Previous Meetings of the Whangarei District Council

5.1 Minutes Whangarei District Council meeting held 27 February 2020

Moved By Cr Shelley Deeming

Seconded By Cr Greg Martin

That the minutes of the Whangarei District Council meeting held on Thursday 27 February 2020, including the confidential section, having been circulated, be taken as read and now confirmed and adopted as a true and correct record of proceedings of that meeting.

Carried

5.2 Minutes Extra ordinary Whangarei District Council meeting held 11 March 2020

Moved By Cr Anna Murphy

Seconded By Cr Simon Reid

That the minutes of the Extra ordinary Whangarei District Council meeting held on Wednesday 11 March 2020, having been circulated, be taken as read and now confirmed and adopted as a true and correct record of proceedings of that meeting, subject to it being noted in the apologies that Cr Martin was unable to attend the 11 March Council meeting because he was on council business representing council at the Northland Regional Transport Committee meeting.

Carried

Cr Halse joined the meeting at 9.17am following Item 5.2.

5.3 Minutes Whangarei District Council meeting held 17 March 2020**Moved By** Cr Vince Cocurullo**Seconded By** Cr Tricia Cutforth

That the minutes of the Whangarei District Council meeting held on Tuesday 17 March 2020 having been circulated, be taken as read and now confirmed and adopted as a true and correct record of proceedings of that meeting.

Carried**5.4 Minutes Emergency Whangarei District Council meeting held 19 March 2020****Moved By** Cr Greg Innes**Seconded By** Cr Vince Cocurullo

That the minutes of the Emergency meeting of the Whangarei District Council held on Thursday 19 March 2020, having been circulated, be taken as read and now confirmed and adopted as a true and correct record of proceedings of that meeting.

Carried**5.5 Minutes Emergency Whangarei District Council meeting held 24 March 2020****Moved By** Cr Nicholas Connop**Seconded By** Cr Vince Cocurullo

That the minutes of the Emergency meeting of the Whangarei District Council held on Tuesday 24 March 2020, having been circulated, be taken as read and now confirmed and adopted as a true and correct record of proceedings of that meeting.

Carried**5.6 Minutes Extra ordinary Whangarei District Council meeting held 16 April 2020****Moved By** Cr Gavin Benney**Seconded By** Cr Simon Reid

That the minutes of the Extra ordinary meeting of the Whangarei District Council held on Thursday 16 April 2020, having been circulated, be taken as read and now confirmed and adopted as a true and correct record of proceedings of that meeting.

Carried

6. Decision Reports

6.1 Increase Contract Award - Con17001 Parks Maintenance

Moved By Cr Gavin Benney

Seconded By Cr Greg Martin

That the Council approves the value of Contract 17001: Parks Maintenance being increased by \$2,291,035 (excluding GST) from \$6,153,372.00 to \$8,444,407 (excluding GST) to extend the contract from 1st August 2020 to 31 July 2021.

Carried

Declaration of interest:

Cr Connop declared an interest and abstained from discussions and voting on Item 6.1.

6.2 Tree Removal within the Coronation Scenic Reserve for Frank Holman Walking Track Upgrade

Moved By Cr Phil Halse

Seconded By Cr Shelley Deeming

That Whangarei District Council gives express written consent for the removal of selected trees within the Coronation Scenic Reserve, for the purpose of upgrading the Frank Holman Walking Track, pursuant to delegated powers under s42(1) of the Reserves Act 1977.

Carried

6.3 Approach to 2020-21 Annual Plan

Moved By Cr Vince Cocurullo

Seconded By Cr Phil Halse

That the Council:

1. Endorses Option 4, 'Zero rates increase plus natural growth in the rating base and modified sector splits', as the preferred option for the consultation on the 2020/21 Annual Plan.
2. Endorses the inclusion of funding of \$3 million specifically for relief packages.
3. Notes that the proposals above may mean that WDC does not meet the financial prudence balanced budget benchmark for 2020/2021.
4. Endorses a concise Consultation Document (along with required supporting information) being developed for adoption in early May 2020 which works through all options considered but focusses on

the material issue only – Option 4 as our preferred response to COVID-19.

5. Endorses a targeted consultation process that recognises the limitations presented during COVID-19 responses while still meeting the principles of the Local Government Act 2002 and allowing Council to adopt the Annual Plan as close as possible to 30 June.
6. Notes that the Consultation Document and consultation plan will be supported by a communications programme which will outline the predicted impact of COVID-19 on Council and the community, and Councils short term (2020-21) and longer-term Response Strategy leading into the next Long Term Plan.

Amendment

Moved By Cr Shelley Deeming

Seconded By Cr Anna Murphy

That the Council:

1. Endorses Option 3, '*Inflation Rates increase of 2.2 % (inflation) plus natural growth in the rating base and modified sector splits with Reductions to Discretionary Expenses with minimal changes to service delivery*', as the preferred option for the consultation on the 2020/21 Annual Plan.
2. Endorses the inclusion of funding of \$3 million specifically for relief packages.
3. Notes that the proposals above may mean that WDC does not meet the financial prudence balanced budget benchmark for 2020/2021.
4. Endorses a concise Consultation Document (along with required supporting information) being developed for adoption in early May 2020 which works through all options considered but focusses on the material issue only – Option 3 as our preferred response to COVID-19.
5. Endorses a targeted consultation process that recognises the limitations presented during COVID-19 responses while still meeting the principles of the Local Government Act 2002 and allowing Council to adopt the Annual Plan as close as possible to 30 June.
6. Notes that the Consultation Document and consultation plan will be supported by a communications programme which will outline the predicted impact of COVID-19 on Council and the community, and

Councils short term (2020-21) and longer-term Response Strategy leading into the next Long Term Plan.

On the amendment being put Cr Cocurullo called for a division:

Recorded	For	Against	Abstain
Her Worship the Mayor	X		
Cr Gavin Benney		X	
Cr Vince Cocurullo		X	
Cr Nicholas Connop	X		
Cr Ken Couper	X		
Cr Tricia Cutforth	X		
Cr Shelley Deeming	X		
Cr Jayne Golightly		X	
Cr Phil Halse		X	
Cr Greg Innes	X		
Cr Greg Martin	X		
Cr Anna Murphy	X		
Cr Carol Peters	X		
Cr Simon Reid	X		
Results	10	4	0

**The amendment was Carried (10 to 4)
and subsequently Carried
as the substantive Motion**

Cr Peters joined the meeting at 9.34am during Item 6.3.

Cr Peters left the meeting at 10.08am during the Right of Reply.

Item 6.14 Rates Relief 2019-2020 Fourth Instalment was taken after Item 6.3.

Item 6.4 was taken after Item 6.14.

6.4 Establishment of Commercial Property Committee

Moved By Cr Greg Innes

Seconded By Cr Gavin Benney

That Council:

1. Note the advice from the Property Group dated 10 March 2020, on the options for governance of Council's Property Policy.

2. Note the establishment of the Commercial Property Committee under Section 41A of the Local Government Act 2002, with the following membership:

Chair:

Deputy Mayor Greg Innes

Committee Members:

Councillor Gavin Benney
 Councillor Ken Couper
 Councillor Shelley Deeming
 Councillor Phil Halse.

3. Adopt the Commercial Property Committee Terms of Reference.
4. Authorise the Chief Executive to amend Section 7 (Property Governance) of Council's Property Policy to reflect the purpose, responsibilities and delegations of the Commercial Property Committee as set out in the Terms of Reference.

Amendment

Moved By Cr Shelley Deeming

Seconded By Cr Simon Reid

That the decision on the establishment of the Commercial Property Committee be deferred until such time as council meetings resume in the Council Chambers.

The amendment was Lost

The motion was Carried

A short break was taken from 10.44am to 11.02am following Item 6.4.

6.5 Northland Events Centre - Decision on future governance

Item 6.5 was withdrawn from the agenda.

6.6 Road Extension Naming and New Private JOAL Name – RMA Consents - Jessie Trust - SD1900122

Moved By Cr Vince Cocurullo

Seconded By Cr Shelley Deeming

That Council:

1. Approve the name of the road extension off Clapham Road as Clapham Road.
2. Approve the name of the road extension off Sands Road as Sands Road.

3. Approve the Jointly Owned Access Lot (JOAL) off Clapham Road as Fantail Lane.

Carried

6.7 Road Extension Naming – RMA Consents - Roberts - SD1500010

Moved By Cr Greg Innes

Seconded By Cr Vince Cocurullo

That the Whangarei District Council:

1. Approve the name of the road extension off Pepi Road as Pepi Road.

Carried

6.8 Road Extension and Private Accessway Naming – RMA Consents - Slatter - SD1800176

Moved By Cr Ken Couper

Seconded By Cr Simon Reid

That Council:

1. Approve the name of the road extension off Tironui Drive as Tironui Drive.
2. Approve the common access lot off Tironui Drive as Awanui Lane.

Carried

6.9 New Road and Private Access Names – RMA Consents – TMB Developments - SL1800010

Moved By Cr Anna Murphy

Seconded By Cr Simon Reid

That Council approve:

1. The new public road off Three Mile Bush Road as Stoney Hill Road.
2. The private accessway “C/D” as Clover Lane.
3. The private accessway “G” as John Bunion Way.

Carried

6.10 Road Extension Naming – RMA Consents - Totara Parklands - SD1900017

Moved By Cr Vince Cocurullo

Seconded By Cr Shelley Deeming

That Council approve:

1. The name of the road extension off Okaihau Place as Okaihau Place.
2. The name of the road extension off Maui Place as Maui Place.

Carried

6.11 Private Accessway Name Application – RMA Consents - Williamson - SL1600006

Moved By Cr Simon Reid

Seconded By Cr Tricia Cutforth

That Council approve the private access “A” off Hawken Road as Bob Williamson Lane.

Carried

6.12 Risk Management Framework Review

Moved By Her Worship the Mayor

Seconded By Cr Greg Innes

That Council notes:

1. That the risk management framework is due for review.
2. The recent appointment of the independent Chair of the Risk and Audit committee is an opportunity to use their expertise in a review of the risk framework.
3. That a workshop will be scheduled to review the risk management framework and risk appetite for Council.

Carried

6.13 Local Government Funding Agency Documentation Amendments

Moved By Cr Ken Couper

Seconded By Cr Gavin Benney

That the Council:

1. Receives the New Zealand Local Government Funding Agency Amendments report.
2. Authorises the Council’s entry into the documentation noted in this report.

3. Authorises any two of the Council's elected members to execute the following deeds for the purposes of recommendations (b) above:
 - (a) Amendment and Restatement Deed (Multi-issuer Deed);
 - (b) Amendment and Restatement Deed (Notes Subscription Agreement); and
 - (c) Amendment and Restatement Deed (Guarantee and Indemnity).
4. Authorises the Chief Executive to execute the Chief Executive Certificate and such other documents and take such other steps on behalf of Council as the Chief Executive considers it is necessary or desirable to execute or take to give effect to recommendation (b) above.

Carried

Item 6.14 was taken after Item 6.3.

Extra ordinary business

Item 6.14 - Rates Relief Fourth Instalment, was not circulated within the timeframe specified in LGOIMA and therefore requires a resolution for council to consider this matter at today's meeting.

The reason Item 6.14 was not on the agenda was that at the time of the agenda closure staff were waiting on legal advice on this matter to ensure legal compliance. Council are asked to consider this matter at today's meeting to enable the change to the due date for the fourth instalment of the land rates to be made before it is due.

Moved By Her Worship the Mayor

Seconded By Cr Greg Innes

That Council consider Item 6.14 Rates Relief 2019-2020 Fourth Instalment at this meeting.

Carried

6.14 Rates Relief 2019-2020 Fourth Instalment

Moved By Cr Vince Cocurullo

Seconded By Cr Jayne Golightly

That the Council:

1. Revokes the following resolution made at the Council meeting on 27 June 2019:

Instalment	Due date for payment	Date penalty will be added
Four	20 May 2020	25 May 2020

2. Resolves the due date for the fourth instalment of the 2019-2020 rates to be 20 June 2020.
3. Resolves to add penalties on unpaid rates for the fourth instalment of the 2019-2020 rates on 24 June 2020.

Carried

*Cr Peters re-joined the meeting during Item 6.14.
Item 6.4 was taken after Item 6.14.*

8. Closure of Meeting

The meeting concluded at 11.24am.

Confirmed this 14th day of May 2020

Her Worship the Mayor Sheryl Mai (Chairperson)

5.1 COVID-19 Response Strategy

Meeting:	Whangarei District Council
Date of meeting:	14 May 2020
Reporting officer:	Alison Geddes (General Manager – Planning and Development) Tony Collins (Manager – District Development) Tony Horton (Manager – Strategy)

1 Purpose

To endorse the COVID-19 Response Strategy.

2 Recommendations

That the Council

1. endorses the COVID-19 Response Strategy (Attachment 1).
2. authorises the Chief Executive to make any minor amendments to the text and graphics of the COVID-19 Response Strategy as required.

3 Background

The events of COVID-19 have fundamentally changed how we operate and is expected to continue to place unprecedented pressure on communities.

In response to COVID-19, Council has moved swiftly to implement a mix of short and medium term responses, these include

1. Endorsing an initial Economic Recovery Strategy
2. Endorsing a COVID-19 Relief Package
3. Endorsing a reduction in the planned rates increase for consultation through the 2020-21 Annual Plan.

The Economic Recovery Strategy set an initial framework for Council's response to COVID-19, noting that further work would be done on the planning required to implement its actions.

Through the Annual Plan process Council has built on this, endorsing consultation on a reduction in planned rates for 2020/21, and \$3m for targeted relief. Decisions made on these responses will set the direction of Council over the next 12 months.

The medium to long term response is outlined in the COVID-19 Response Strategy. This was shared with elected members at a workshop on the 22 April 2020 and made available to the public on 24 April 2020.

Staff are seeking endorsement of the COVID-19 Response Strategy to formalise its public release and to give mandate for staff to work on the next stage which includes a more detailed action plan.

4 Discussion

COVID-19 has had dramatic and wide-ranging impacts on the global economy. In New Zealand, despite our relatively successful national response to the virus and its containment, the effects on our national and local economy will be profound.

We are still in the early stages of understand what the impacts of COVID-19 might be and how they will impact our community. The global and national response is ongoing and policy announcements are being made daily. Therefore, this draft strategy uses the most up to date information available, but will be treated as living document which can be amended to respond to new or changing information/external factors.

For the purpose of this strategy it is important to outline what is in scope:

- The interface between Council and the Business Community in the District (i.e. initiatives such as facilitating inner city residential development).
- The levers that Council can pull to enable economic recovery in the District (i.e. Capital investment in projects that will support key economic sectors).
- Focus on the medium and long term actions (i.e. Advocate for central government investment in key projects such as New Zealand Navy, Port and Highway improvements).

The following matters are considered to fall outside of the scope of this strategy:

- Health impacts of COVID-19
- Council's internal/operational transition out of lock down
- Functions or responsibilities of other agencies and organizations, such as central government.

The strategy will inform ongoing decision making by Council including the strategic direction and vision of the 2021 – 31 Long Term Plan (LTP) and that medium and longer term actions will be implemented through the LTP. The strategy will also play an important role in shaping the direction other key strategic documents such as our Whangarei Growth Strategy and Climate Change Action Plan.

4.1 Financial/budget considerations

Any financial or budget considerations will be identified and worked through the next stage of work which will include a detailed action plan to support the delivery of the Strategy.

4.2 Policy and planning implications

The key implication is that the Strategy will be incorporated into the development of key policies and strategies such as our 2021-31 Long Term Plan and Whangarei District Growth Strategy.

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 and Council News.

6 Attachment

Attachment 1: Whangarei District Council COVID-19 Response Strategy

COVID-19 *Response Strategy*

DRAFT VERSION
APRIL 2020



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Purpose of this strategy

The purpose of this strategy is to outline Whangarei District Council's response to the impacts of COVID-19. The strategy will provide an overview of the likely impacts on the Whangārei economy, and in particular sectors likely to be hardest hit and take the longest to recover. The strategy will then set out key tools which Council can use to support the recovery of our local economy. Finally, the strategy will provide a framework of actions which are integrated across the various functions and responsibilities of Council.

Scope

The impacts of COVID-19 will be wide ranging and affect our community in different ways. The severity and duration of the impacts will also be varied. We are still in the early stages of understanding what these impacts might be and how they will impact our community. Global and national response is ongoing and policy announcements are being made daily. Therefore, this strategy should be treated as a living document which can be amended to respond to new or changing external factors.

For the purpose of this strategy it is important to outline what is in scope:

- interface between Council and the business community in the District
- levers that Council can pull to enable economic recovery in the District
- medium-term and long-term actions

The scope of this strategy is focused on economic recovery and our local businesses. However, the strategy acknowledges the link between the well-being of businesses and our community well-being.

The following matters fall outside of the scope of this strategy:

- responses included the 2020-21 Annual Plan
- health impacts of COVID-19
- WDC's organisational transition out of lock-down
- functions or responsibilities of other agencies and organisations, e.g. central government

The strategy will inform ongoing decision making by Council. Medium-term and long-term actions will be implemented through the 2021 – 31 Long Term Plan (LTP). The direction of this strategy will inform the strategic direction and vision of the LTP and our other key strategies and policies.

Overview of the COVID-19 impacts on businesses in Whangārei

INTRODUCTION

COVID-19 will have severe and wide ranging impacts on our economy. Government and economic commentators acknowledge that this is a fast-moving event, with economic outlooks changing far more frequently than compared to our last economic downturn, the 2008 Global Financial Crisis.

It is also important to note at this stage that there is general consensus across government and economic commentators on the extent of the short-term impacts on our economy, but there are differences on the forecasting of how quickly (or not) the economy recovers. An example below is given by Infometrics:

By March 2022, we expect quarterly GDP to be still 6.6% below its December 2019 level. In comparison, the trading banks' forecasts for March 2022 range from BNZ's prediction of 7.0% smaller to Westpac's rosy outlook of 3.2% bigger. Forecasts of the unemployment rate also capture this spread: we are picking a 9.4% unemployment rate in March 2022, compared with a range of 8.4% (BNZ) to 5.2% (Westpac) for the trading banks.

Within this context, this strategy gives an overview of the impacts for Whangārei, based on the best available information. The identification of impacts is based on official information releases from central government, expert economic analysis provided by external resources and research undertaken of the impacts from the 2008 Global Financial Crisis. The key areas for focus in this analysis includes:

- recession and unemployment
- district growth
- tourism
- housing
- general business
- construction, manufacturing and logistics
- government reform and decision making
- local government

The New Zealand economy has experienced a consistent level of growth throughout the last 10 years. In 2018, the GDP for New Zealand increased by 3.2% while in comparison, Whangārei District experienced an increase of 2.6%.

2019 Snapshot of Whangārei prior to COVID-19

INDICATOR	WHANGĀREI	NZ
Population 2019	96,000	4,917,000
Population increase (2013 – 2018 census)	+18.1%	+10.8%
Dwellings	37,887	1,855,962
Dwellings increase (2013 – 2018 census)	7.7%	6.2%
Ethnicity (note people can identify with more than one ethnicity)	80% European/Pakeha 26% Māori 3.5% Asian 2.9% Pacific Peoples 2.0% Other	74% European/Pakeha 14.9% Māori 11.8% Asian 7.4% Pacific Peoples 1.7% Other
Age profile	21.2% 0 - 14 Years 11.4% 15 - 24 Years 47.6% 25 - 65 years 19.7% 65 years +	19.3% 0 - 14 Years 13.8% 15 - 24 Years 51.6% 25 - 65 years 15.3% 65 years +
Average household income	\$92,100	\$104,400
Median house price	\$497,438	\$585,000
Change in house price (2009 – 2019)	+55.1%	+50%
GDP by key industries	\$551M Manufacturing \$368M Healthcare \$298M Construction \$261M Forestry \$216M Retail \$195M Agriculture	\$26,976M Manufacturing \$15,844M Healthcare \$16,895M Construction \$11,338M Agriculture \$14,290M Forestry \$12,285M Retail
GDP per capita	\$48,790	\$58,807
Unemployment rate	4.5%	4.2%
Labour force participation	66.1%	70.2%
Deprivation index	6.4	5.4

IMPACT 1: RECESSION AND UNEMPLOYMENT

Economists and governments across the world and here in New Zealand have reached consensus that COVID-19 will cause a recession (commonly defined when GDP growth rate is negative for two consecutive quarters or more), particularly for countries where their economies were already contracting, such as Japan, Germany and France. Even in more buoyant economies such as China, USA and New Zealand, there are strong signs of recession.

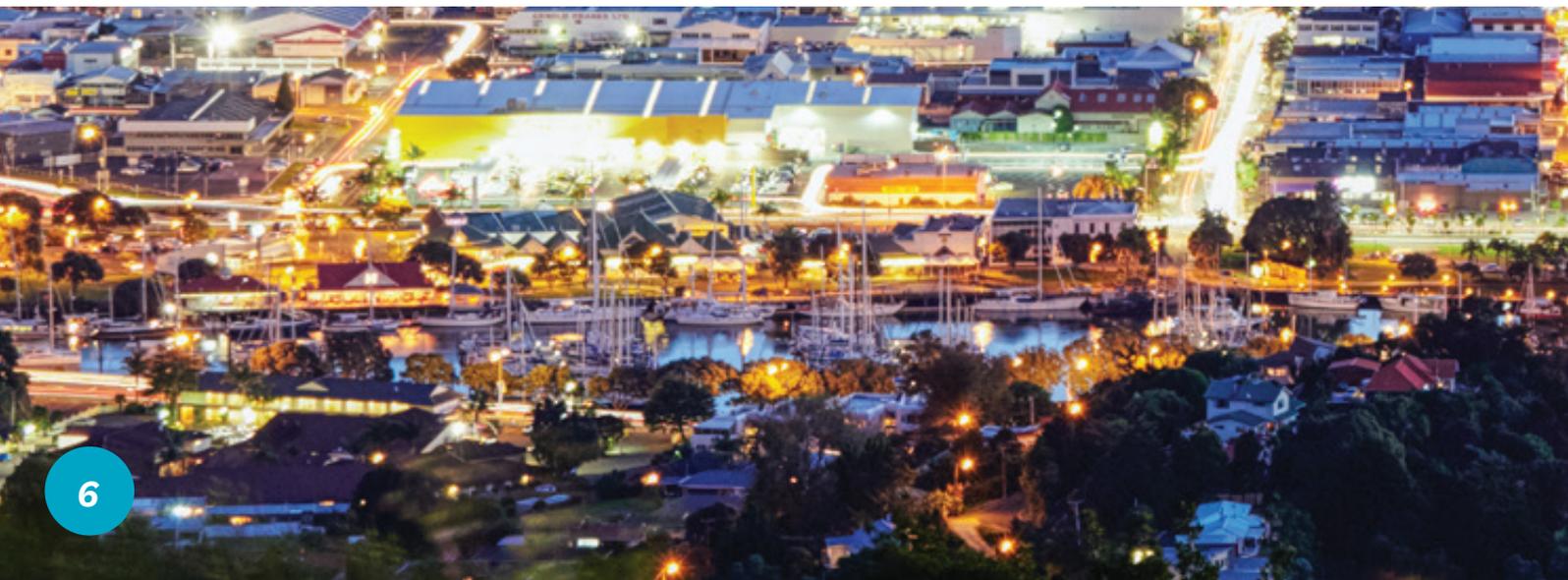
The impact of COVID-19 and related response measures on the New Zealand economy is still evolving. To support decision making, the New Zealand Treasury has developed an Economic Response Document with a range of scenarios to reflect this uncertainty. This Treasury Report provides a series of different estimations of the New Zealand economy's direction depending on the longevity of the COVID-19 response from Central Government. The report provides information on the economic outlook that will support the direction of medium-term policy. The Treasury have fully acknowledged the economic impacts of COVID-19 are still highly uncertain in the new report.

The numbers estimated in the scenarios have been based on the assumption that the \$20 billion fiscal support already announced by Central Government does not need to be extended. They also considered the economic outlook if the world economy is weaker and takes longer to recover.

Key results include:

- falls in annual GDP are greatest in the year to March 2021 and vary from a decline of around 13% in the least restrictive of the scenarios considered, to closer to one third in a scenario that involved tight restrictions throughout the year
- Scenario 1 – unemployment will peak at 13%
- Scenario 3 – unemployment will reach nearly 26%
- inflation remains below the 2% mid-point of the target range throughout the forecast period, and monetary conditions are supportive throughout.

In addition to domestic conditions, the world outlook is also highly uncertain. The international trend has been towards longer periods of public health interventions to limit physical interactions. This implies some risk not only to activity in affected countries, but also to trade and financial linkages between countries, which are critical to a global economic recovery.



Below are the GDP projections for the Treasury Scenarios (1 being best case, 3 being worst)

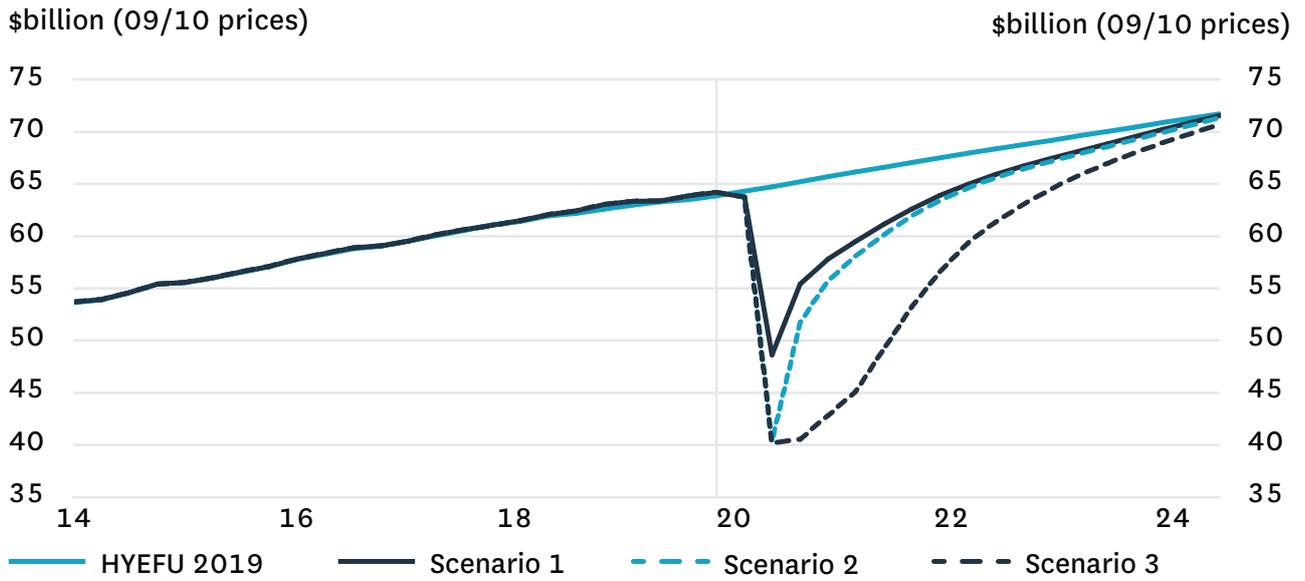


Figure 1 New Zealand Treasury Scenarios for Real GDP. <https://treasury.govt.nz/sites/default/files/2020-04/c19-4265378-t2020-973-economic-scenarios-v3.pdf>

It should be noted that Infometrics view the current repercussions for the economy to not only be significantly worse than others expect, but also to endure for longer as structural adjustments are forced on the economy:

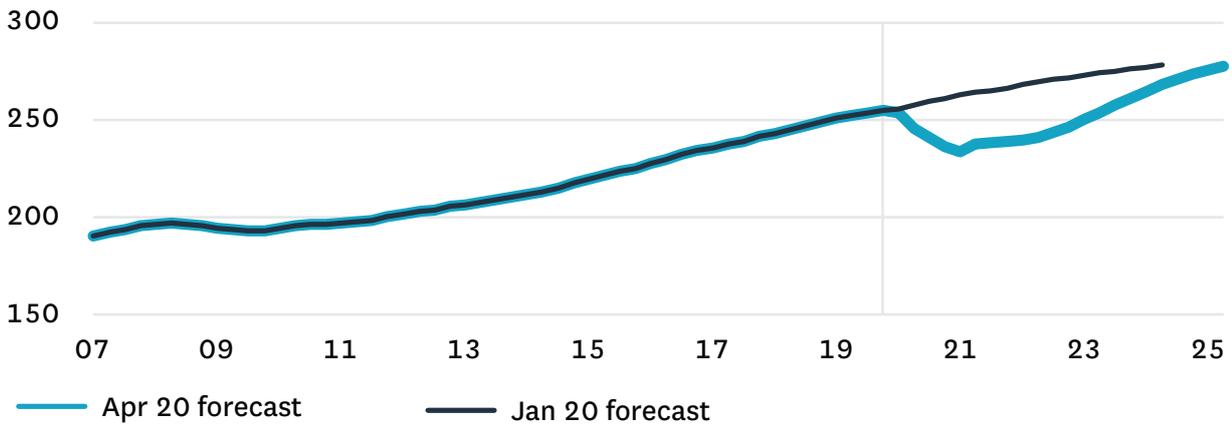


Figure 2 Infometrics GDP forecast comparison, Infometrics Macroeconomic Forecast April 2020



The economic scenarios released by Treasury on 13 April suggest that the unemployment rate may range from 13% to nearly 26% depending on the scenario. That equates to an additional 300,000 to 720,000 people unemployed across New Zealand.

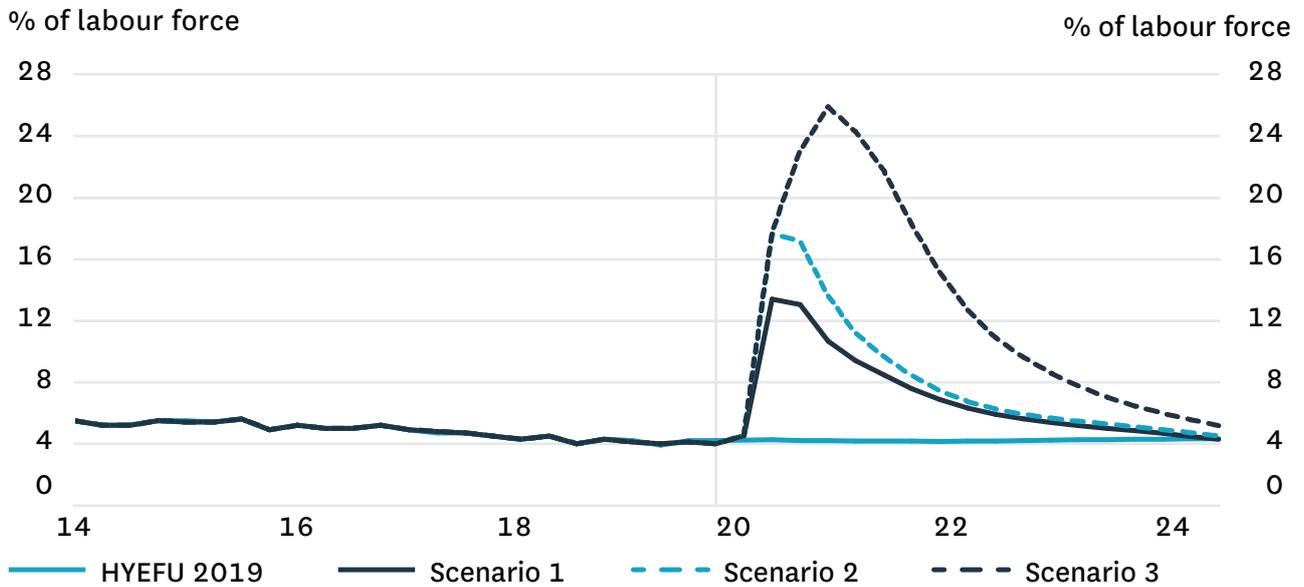


Figure 3 New Zealand Treasury Scenarios for Unemployment rate. <https://treasury.govt.nz/sites/default/files/2020-04/c19-4265378-t2020-973-economic-scenarios-v3.pdf>

Looking at Whangārei, over 20% of our filled jobs relate to the construction and manufacturing sectors (discussed in more detail later in the report), retail trade accounts for another 10%, professional services and accommodation and food services combined include 11% of filled jobs. These are likely to be sectors which will be impacted the most severely and have likely job losses.

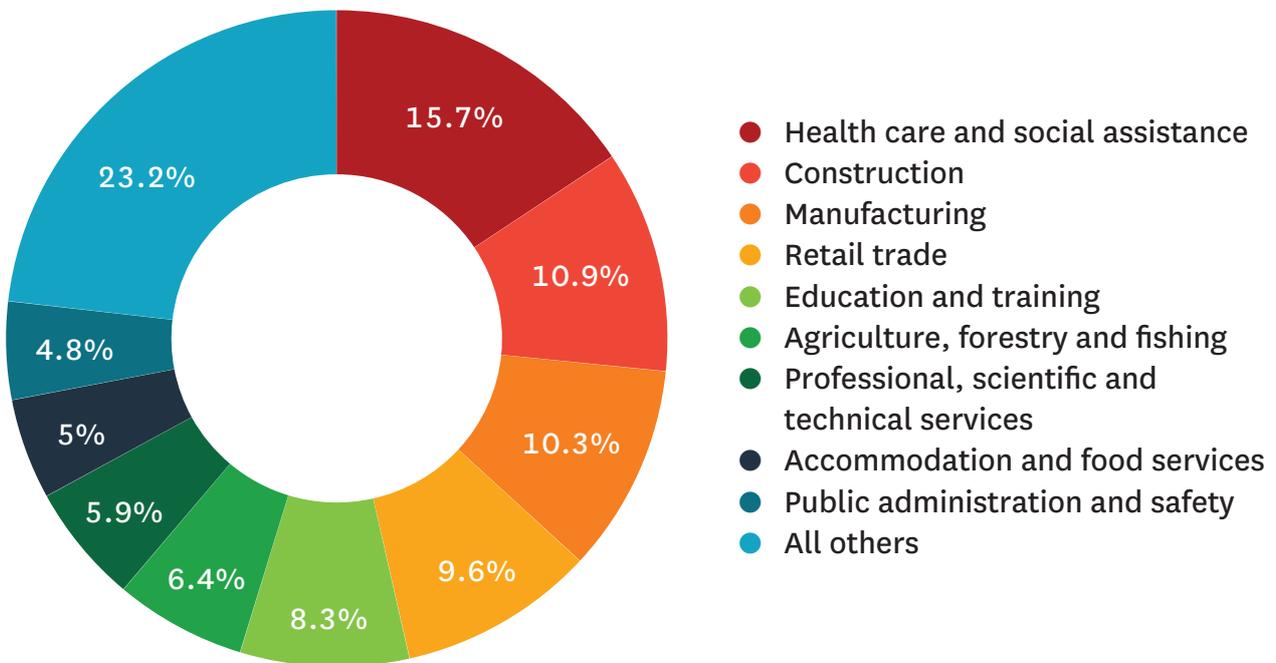


Figure 4 Infometrics Proportion of filled jobs by sector in Whangārei 2019

Infometrics have provided preliminary employment projections. These are subject to further refinement and analysis, but they show the largest percentage drop in employment to impact on:

- Retail Trade, Accommodation, Food services
- Transport, Postal and Warehousing
- Information Media and Telecommunications
- Financial and Insurance Services
- Manufacturing
- Construction

<i>High-Level Industry</i>	EMPLOYMENT		CHANGE 20-21	
	2020	2021	%	Level
A - Agriculture, Forestry and Fishing	2,588	2,467	-4.6%	-120
B - Mining	67	61	-8.9%	-6
C - Manufacturing	4,205	3,715	-11.7%	-490
D - Electricity, Gas, Water and Waste Services	224	204	-8.7%	-19
E - Construction	4,549	4,025	-11.5%	-524
F - Wholesale Trade	1,322	1,222	-7.6%	-100
G - Retail Trade, Accom+food services	5,968	4,834	-19.0%	-1,135
I -Transport, Postal and Warehousing	1,734	1,430	-17.5%	-304
J - Information Media and Telecommunications	274	215	-21.6%	-59
K - Financial and Insurance Services	484	426	-12.0%	-58
L - Rental, Hiring and Real Estate Services	935	864	-7.6%	-71
M - Professional, Scientific and Technical Services	4,163	3,917	-5.9%	-246
O - Public Administration and Safety	2,029	2,032	0.2%	4
P - Education and Training	3,436	3,310	-3.7%	-126
Q - Health Care and Social Assistance	6,512	6,497	-0.2%	-15
R - Arts and Recreation Services	2,378	2,157	-9.3%	-221
Total	40,866	37,377	-8.5%	-3,490

Figure 5 Infometrics Whangārei COVID-19 PRELIM Employment Projections

During the lockdown period feedback and insight has been sought from local businesses on their response to the economic downturn and possible recession. Their comments are summarised below:

- employers are clearly experiencing high levels of stress and anxiety
- many employers are not able to contribute financially to top up the wage subsidy to the 80% of wages target
- advice to employers has been that retention of staff should be a priority and they are not obliged to meet the gap between the subsidy and 80% and are only encouraged to pay more if they can
- growing requests from employers (and a few employees) asking about employment law, especially redundancy
- Ministry of Social Development (MSD) Work Brokers are focusing on supporting essential services with their work force
- embedding social procurement (hire local; MSD clients, Māori, youth and otherwise abled) into government investment such as the Provisional Growth Fund (PGF) and infrastructure is a significant opportunity to increase employment in Northland (this would best be instigated at ministerial level)
- wage subsidy support is a priority although handled nationally
- MSD Labour Market team assisting 'essential' Northland businesses
- applications for benefits due to cease work have been following normal trends, approx. 65 per week although cease work numbers are expected to increase significantly.

What a recession means for Whangārei

- Job losses likely across all sectors, but mainly in manufacturing, tourism and construction.
- Decline in population growth.
- Drop or hold in major investments.
- Local businesses closing particularly small firms.
- Contraction of the housing market.



IMPACT 2: DISTRICT GROWTH

Linked to both travel restrictions and a recession will be an impact to our District's growth. Over the past 5 years we have experienced some of the highest rates of population growth in New Zealand, with a 17% increase between 2013 – 2018.

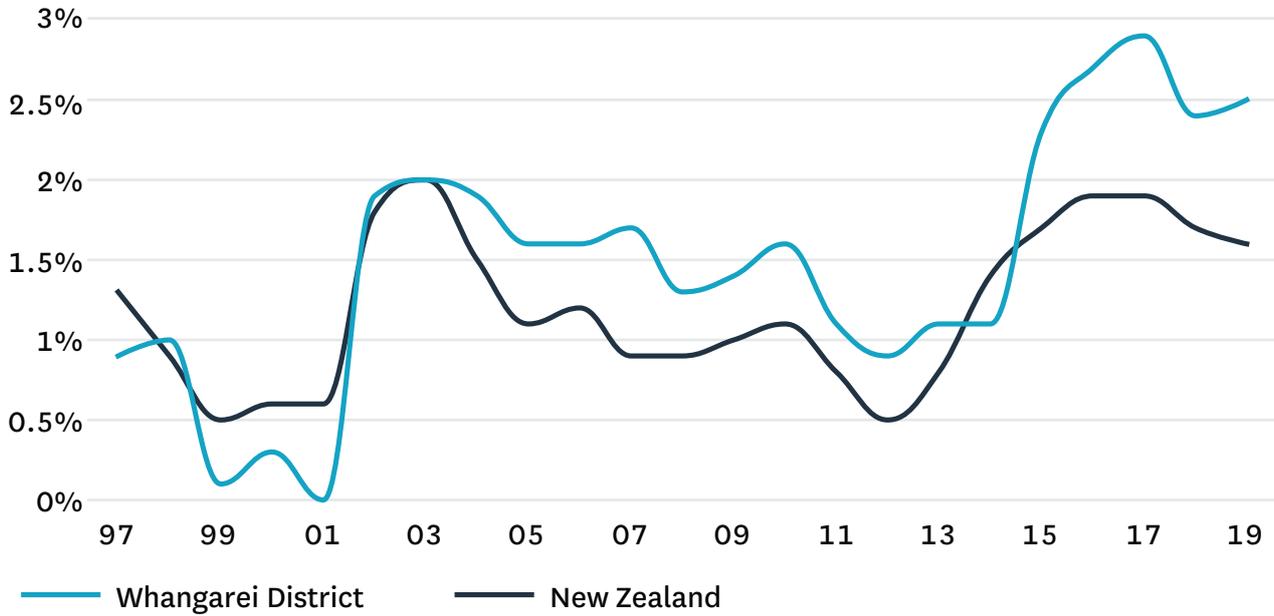


Figure 6 Infometrics Percentage Annual Population Change in Whangārei District and New Zealand, 1997 - 2019

Understanding the drivers for this growth is crucial in determining any likely impacts from COVID-19. Our growth is largely driven by people moving to Whangārei, rather than a natural increase in our existing population. Of those people moving to Whangārei, some are moving from overseas as either immigrants

or returning New Zealand citizens. Some are moving from other locations in New Zealand, primarily Auckland. People moving out of Auckland are largely moving out due to pressures (housing costs, traffic, amenity) from living in Auckland due to its population increase which is largely driven by immigration.

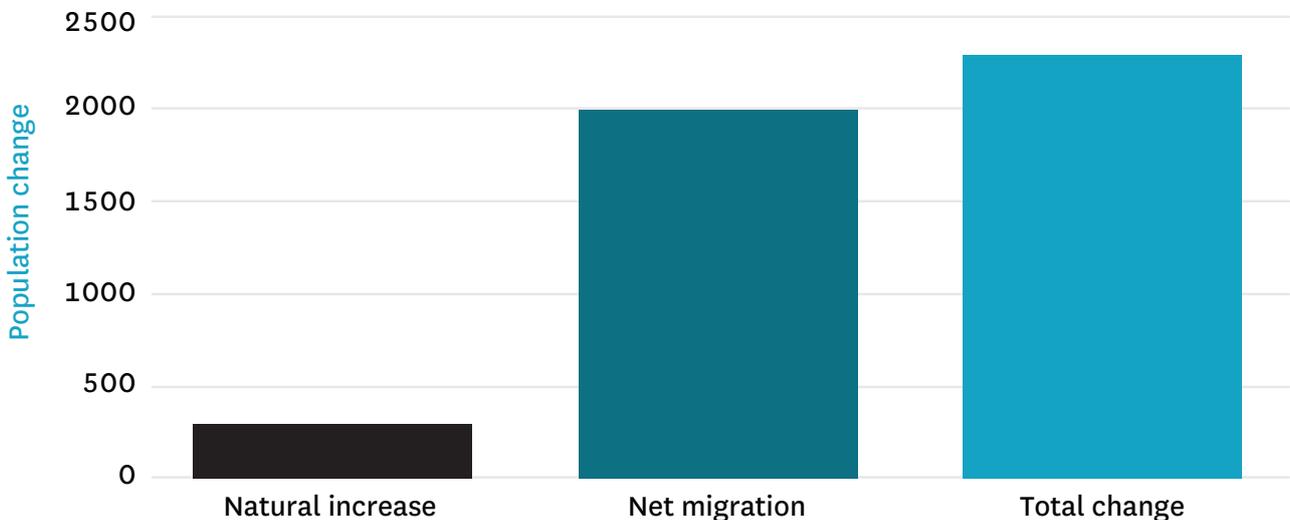


Figure 7 Infometrics Sources of population growth in Whangārei for 2019

A likely impact from COVID-19 travel restrictions and the associated recession is our national immigration numbers will decline rapidly from the current rate of about 50,000 people per year. This will slow population growth in Auckland.

With a recession comes job and income uncertainties as well as a volatile housing market. This will impact decision making on whether to move to Whangārei from other parts of New Zealand. Therefore, it is likely that most people considering a move to Whangārei will wait until there is more economic certainty.

Due to the impact on migration, it is almost certain that we will see slowdown in population growth for our District over the next 3 years.

Beyond that depends largely on macro and national economic factors that are difficult to predict. The slowdown could see annual population increase drop from current 2.5% per annum to between 0.3 – 1% per annum. It is likely that this trend would continue for at least 2 years. How quickly population growth could recover to rates we have seen recently will largely be dependent on macro economic factors, immigration and border controls as well as the opportunities available for people moving into our District.

Outlined below is draft population projections (please note that these are draft figures, that require further refinement)

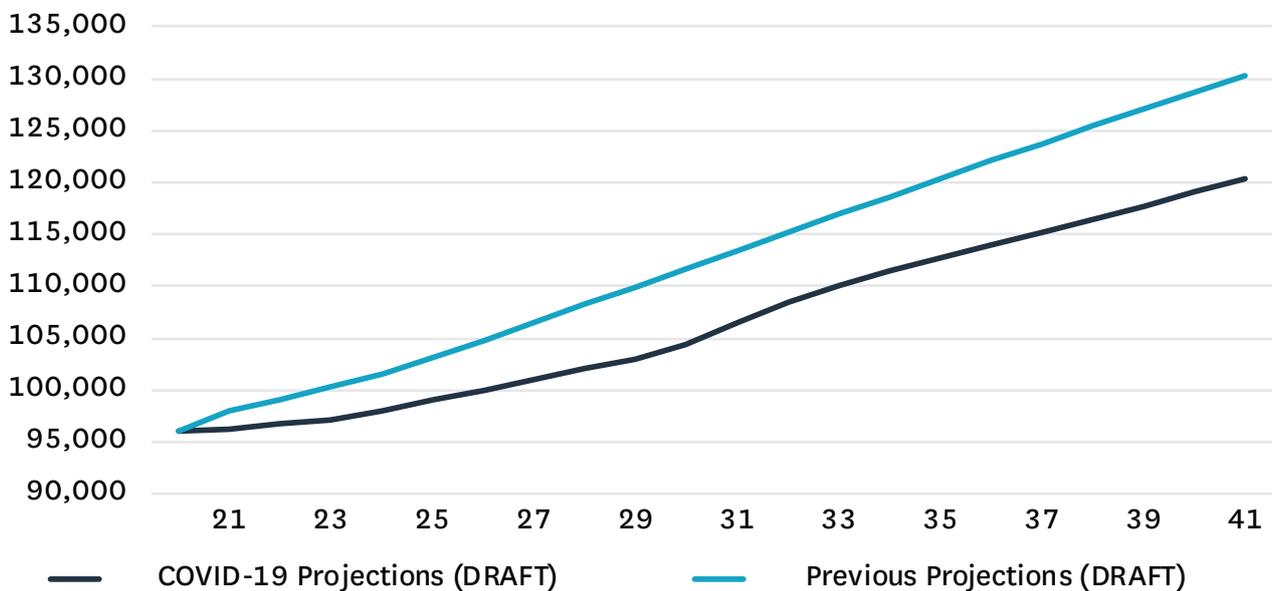


Figure 8 Whangārei District Draft Population Projections

What a decline in population growth means for Whangārei

- Lower demand for housing, development projects and infrastructure – impacting on the construction sector.
- Lower revenue and expenditure for Whangarei District Council.
- Reduced economic activity and interactions.

IMPACT 3: TOURISM AND HOSPITALITY

Nationally it is recognised that tourism and hospitality sectors will be significantly impacted by COVID-19 and the associated travel restrictions. Economic commentators, such as Infometrics, project that the sector will not recover to pre-COVID levels as quickly as other sectors of the economy.

In 2019 Whangārei received 130,191 international visitors. Tourism employs 3,189 people in the District. Tourism expenditure in Whangārei in 2019 was \$484m, comprising the following categories:

CATEGORY	WHANGĀREI DISTRICT	
	<i>Expenditure</i>	<i>% of total</i>
Accommodation services	\$23.9m	4.90%
Cultural, recreation, and gambling services	\$12.2m	2.50%
Food and beverage serving services	\$55.9m	11.50%
Other passenger transport	\$64.0m	13.20%
Other tourism products	\$61.1m	12.60%
Retail sales - alcohol, food, and beverages	\$64.9m	13.40%
Retail sales - fuel and other automotive products	\$47.1m	9.70%
Retail sales - other	\$155m	32.00%
Total	\$484m	100%

Figure 9 Tourism expenditure in 2019 for Whangārei, Source Stats NZ

With the requirement to self-isolate and travel restrictions, we expect foreign arrivals to all but cease for an extended period, closing off this spending stream. The government's closure of the borders is likely to be extended several times given the continuing acceleration of the virus' spread in Europe and the United States.

We expect the accommodation and food services sector (i.e. hospitality), some retail trade, aviation and recreational services to see significant job losses.

Provisional estimated impacts of COVID-19 could see the number of international visitors drop by 70% or more over the next 2 months. The longer-term impact is less clear and is dependent on the longevity of travel restrictions and people's willingness to travel.

However, of the \$484m, \$393m of tourism spend in Whangārei is by domestic visitors. It is yet to be seen how domestic travel will be impacted by COVID-19, but the predictions are for a significant down-turn.

Anecdotal sampling of the District's visitor industry has identified:

- as with the case with the wider business sector canvassed, it would be unwise to overly generalise as all these businesses are unique in their business age/lifecycle, financial situation, product offer and more importantly their levels of business capability
- many of our operators are small 'lifestyle' businesses with secondary income streams and while not perfect, the inability to trade over the winter months has a significantly smaller impact than if this had happened in summer
- for these smaller operators, the overseas visitors do not account for a significant portion of their markets
- large operators heavily invested in assets and staff do rely on the overseas market and the value that it drives for their products – they are in a precarious state at present but there has been a demonstrable level of collaboration across the region among these businesses and they see that they all need to be there if a new, sustainable and resilient visitor industry is to emerge
- accommodation providers expressed a range of responses with some sampled who were not experiencing any major disruption having pivoted their market offer to things such as social housing, essential health worker accommodation and the like – those at the lower value end of the market such as motor camps, have virtually no ability to access new customers
- many hospitality and food and beverage industry businesses are looking at training programmes and upskilling for staff to ensure a workforce going forward. They are experiencing high levels of stress around finance and uncertainty given they are non-essential (although many have accessed wage subsidies and business support it is likely that some will close permanently)
- most operators expressed the view that future events and destination marketing will be critical to their future sustainability.

What a decline in tourism means for Whangārei

- Reduction in international and domestic visitors to Whangārei.
- Job losses in the tourism sector from now and likely over the next 12 months.
- Tourism related business closure or reducing operational hours.
- Decline in cruise ship activity.
- Possible increase in domestic activity (subject to travel guidance from central government).



IMPACT 4: HOUSING

The housing market prior to Christmas 2019 was showing signs of growth in both the regions and the major centres such as Auckland. Predictions pre COVID-19 estimated annual house price growth of 5.3%. Although such an increase perpetuates affordability issues, it also gives confidence in investor decisions to build new homes. House building is a key component of our construction sector which is worth \$289.5m to our GDP.

The latest economic predictions show that house prices could fall between 5 – 10% over the next 12 months nationally. However, depending how long the effects of COVID-19 are felt, the housing market could bounce back relatively quickly. There are several reasons for this:

- interest rates remain at record low levels
- housing demand is still outstripping housing supply, even with a slowing population growth
- we have a relatively strong labour market
- during the 2008 Global Financial Crisis (GFC) house prices fell by an average of 6%, but bounced back with 12-18 months

In the short term however, it is likely that major housing and development projects will be put

on hold or cancelled. Home owners who have high mortgages may find themselves in negative equity situations.

From a housing market perspective, the six-month mortgage holiday scheme arranged between the government and the trading banks will only delay an inevitable downturn (although it will give a valuable respite from a household expenditure perspective). Infometrics predict the number of forced sales will increase substantially once the scheme expires in September, particularly given the projection of continued high levels of unemployment. Downward pressure on property prices will be exacerbated by an overhang of newly constructed houses that were started prior to the pandemic, which developers may struggle to sell.

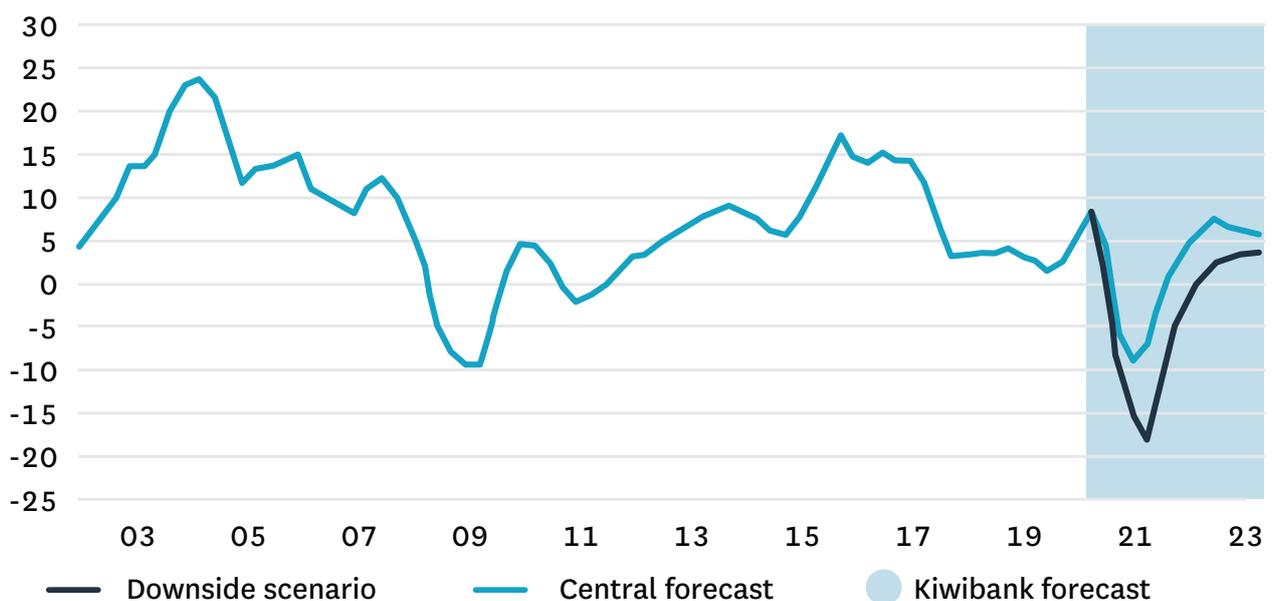


Figure 10 Forecast of house price inflation, Source Newsroom, REINZ and Kiwibank

Rents could be on their way down too. Two factors could contribute to this. More offices would likely be converted into residential space, but those conversions would take more than a year to come into play. A larger factor in the short term was former AirBnB properties that would be put onto the open rental market primarily due to houses shifting from short-term holiday rentals to longer-term rentals due to the decline in the visitor industry.

Over supply of commercial property will have an impact on Council's commercial property portfolio and Council will need to be mindful of the optics of using ratepayer funds to unduly compete with private sector landlords.

What a change in the housing market means for Whangārei

- House price and sale volumes fall over the next 12 months.
- Short-medium term reduction home building activity and investment – resulting in a drop in Resource Consents and Building Consents.



IMPACT 5: BUSINESS WELL-BEING

For our economy in general, cashflow is the key concern for business, finances are tough both for their business and for their customers. Even with only four weeks of lock-down, businesses are already feeling the pinch around the lack of income in the community (people losing their jobs and this impacts their spend/pipeline)

New businesses (opened in the last 12 months or taken over in the last 12 months) are heavily impacted as they don't have the cash build up like more experienced business owners do.

Medium to larger businesses who went through the GFC know that they may need to lose staff in order to survive (which is hard for them as they want to keep their staff). It should be noted that during the GFC many Whangārei businesses held on to workers for longer than was economically sustainable due their feelings of responsibility to their staff.

Stress is high for the business community, this includes their personal lives as well (working

from home, being a sole earner, family losing jobs etc). The unknown around the lock down timeframe is top of mind plus what will the levels look like for businesses moving forward. Mental health is a key concern, businesses are resilient but this is a type of crisis that has not been faced before and there is little they can control.

Small and Medium Sized Enterprises (SME's) need one on one tailored support, and this needs to be via a local person giving them time and guidance as skills and knowledge vary from one owner to the next.

NORTHLAND BUSINESS BY SECTOR SEEKING REGIONAL BUSINESS PARTNERS SUPPORT SINCE LOCKDOWN (99 ARE WHANGĀREI BUSINESSES) AS AT 15/4/20

Sector	No.	%
Accommodation	7	
Administrative & Support	6	
Agriculture & forestry & fishing	9	
Arts & Recreation	9	
Construction	27	13.85%
Education & Training	4	
Electricity & Gas & Water & Waste	4	
Financial & Insurance	5	
Food & Beverage	21	10.77%
Health Care & Social Assistance	5	
Information media & Telecommunications	4	

NORTHLAND BUSINESS BY SECTOR SEEKING REGIONAL BUSINESS PARTNERS SUPPORT SINCE LOCKDOWN (99 ARE WHANGĀREI BUSINESSES) AS AT 15/4/20		
Sector	No.	%
Manufacturing	14	
Other	15	
Professional & Scientific & Technical	8	
Public Admin & Safety	2	
Rental & Hiring & Real Estate	6	
Retail trade	28	14.36%
Tourism	14	7.18%
Transport & postal and warehousing	2	
Wholesale trade	4	
Grand Total	195	

Figure 11 Table of Northland business by sector seeking Regional Business Partner support as 15 April 2020

Consumer confidence will be negatively impacted by COVID-19. Confidence results from March 2020 show that it was abruptly lower compared to previous months, but there will still be further significant drops to come as the effects of the lockdown on businesses become clearer. Infometrics project that household spending activity will fall sharply in

the June quarter, primarily because consumers are unable to spend on many of the goods and services they would regularly purchase. Spending will bounce back from this negative supply shock in the September quarter, but the extent of this rebound will be limited by the job losses and reduced incomes that have transpired in the meantime.

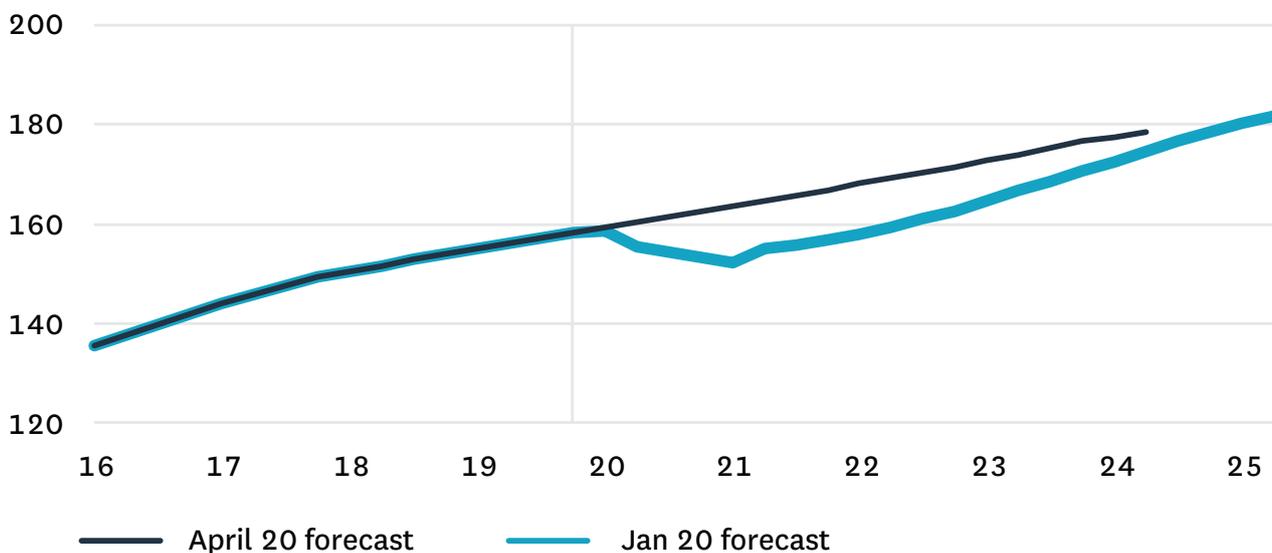


Figure 12 Infometrics discretionary spending forecasts, Infometrics Macroeconomic Forecast April 2020

However, the lock down period under Level 4 and more so under Levels 3 and 2, presents opportunities for e-commerce as more businesses operate online. This is applicable to the selling of goods and the provision of certain services which don't require face to face contact. Challenges exist for companies that do not currently have adequate online resources or skill sets, however this may be an opportunity for support from NorthChamber and/or Northland Inc.

As our community gets more and more familiar with virtual interactions, larger scale economic opportunities arise such as a 'virtual farmers market'. This also has the advantage of creating an online portal for smaller businesses who do not have the resources themselves to develop an online presence.

IMPACT 6: CONSTRUCTION, MANUFACTURING AND LOGISTICS

As noted above, our construction sector is a major contributor to our economy. Manufacturing is Whangārei's biggest economic sector contributing \$960.4m to our GDP and employing 4,177 people.

These sectors are likely to be severely impacted by the economic downturn associated with COVID-19. This will be felt through the cancellation or postponement of major projects and reduced demand for goods manufactured in the District.

Any associated unemployment will impact on workers with specific skills, who may find it challenging to find employment elsewhere. Furthermore, although there are large firms in our District, most businesses are small, employing an average of 4 people. As with the 2008 GFC, these small businesses will find it difficult to survive through a longer-term recession.

Anecdotal sampling from the construction and manufacturing sector:

- increase in companies looking to make staff redundant
- bonds for this industry a concern
- concerns that some clients may enter into bankruptcy, taking the contractors with them
- most in trade are non-essential except emergency work
- there has been a high percentage of pre-contract work cancelled already
- cashflow crisis has been compounded by customers not paying progress-payments
- huge uncertainty about what future workloads might look like post-lockdown.

A down-turn in the construction sector will result in a reduction in the number of building and resource consents being lodged and processed by Whangārei District Council. This will shift the current trend of an increase in consents reflecting a buoyant construction sector. Below are three scenarios showing a 20%, 30% and 50% reduction in building consents:

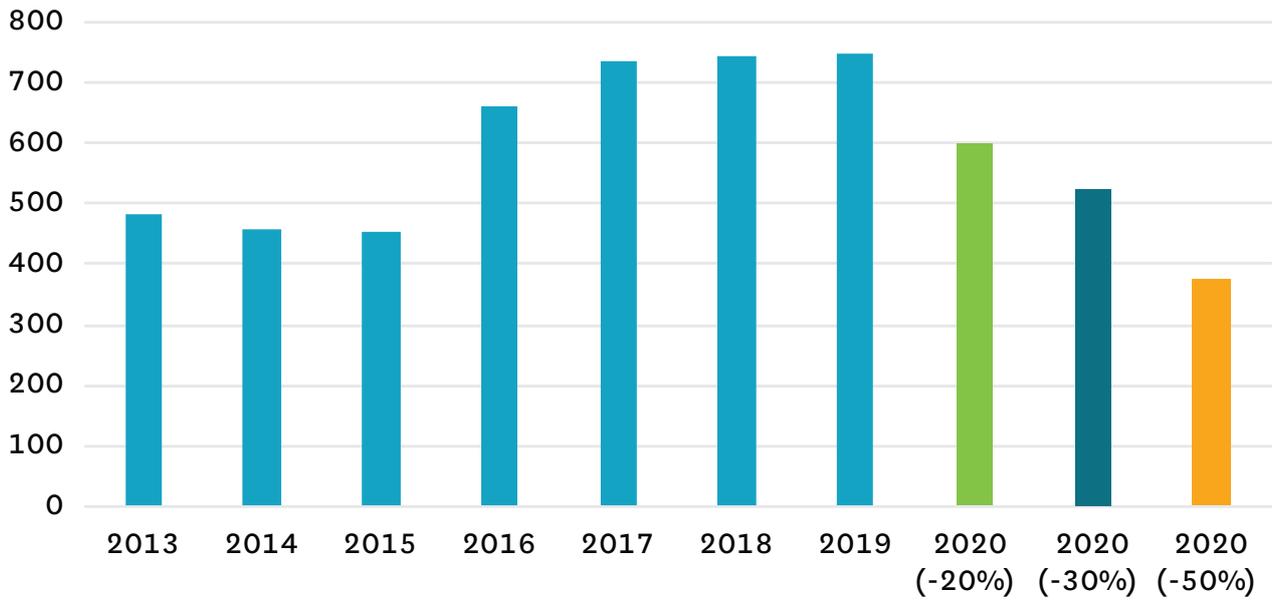


Figure 13 Whangārei District Total Building Consents Draft Projections

What changes in the construction, manufacturing and logistics mean for Whangārei

- Lack of material, equipment and parts for infrastructure and development projects.
- Job losses and business closure.
- Reduced imports/exports through Northport and corresponding reduction in traffic movements.
- Reduction in building and resource consents.



IMPACT 7: GOVERNMENT FUNDING, REFORM AND DECISION MAKING

COVID-19 is the government's top priority and will remain so for the foreseeable future.

The shift in government priorities will likely result in the following:

- deferring significant decisions – such as the Navy base, Port expansion, Three waters reform
- deferring reform programmes that could be perceived to negatively impact on our economy – such as National Policy Statements on Urban Development, Highly Productive Land, Biodiversity and Freshwater
- reprioritisation of funding – government have announced a \$12.1b dollar relief programme and there may be further announcements dependent on the severity of the recession and the longevity of COVID-19
- delay in treaty settlement negotiations for Kaipara Moana.

Ultimately this may also impact on the election and government's long-term programme. Delays in decision making will impact on Council programmes and decision making, such as planning decisions (e.g. District Plan rolling review).

It is recognised that government fiscal policy has the biggest role to play in cushioning the economy's downturn and then generating momentum heading into the recovery. In broad terms, this support and stimulus can happen via three channels.

- increased government spending on purchasing goods and services (government consumption)
- transfers of money to individuals or businesses (which shows up in private consumption or business investment)
- increased government spending on assets such as infrastructure (government investment).

\$12.1b COVID-19 package

- Worth 4% of New Zealand's GDP.
- \$8.7b in support for businesses and jobs.
- \$2.8b for income support and boosting consumer spending.
- \$500m boost for health.

The more recent extension to the package includes the following:

- the government, retail banks and the Reserve Bank have announced a six-monthly principal and interest payment holiday for mortgage holders and SME customers whose incomes have been affected by COVID-19
- the government and the banks will implement a \$6.25b Business Finance Guarantee Scheme for small and medium-sized businesses. This is to provide short-term credit to cushion the financial distress of SMEs. The scheme will include a limit of \$500,000 per loan and will apply to firms with a turnover of between \$250,000 and \$80m per annum. The loans will be for a maximum of three years and expected to be provided by the banks at competitive rates. The Government will carry 80% of the credit risk, with the other 20% to be carried by the banks
- the government has agreed to freeze all rent increases and to look to extend no-cause terminations.

\$900m loan to Air New Zealand

- The facility comes under a number of conditions including the possibility of the government expanding their 52% stake in the airline.
- \$600m of the loan will come with an interest rate of between 7-8%.
- \$300m of the loan will come with an expected interest rate of 9%.

\$56m expenditure to support Māori communities and businesses

- \$30m has been made available for targeted health funding for Māori.
- \$10m is available for whanau Māori community outreach.
- \$15m will go towards Whanau Ora to reach Māori communities.
- \$1m has been made available to provide Māori businesses with advice and planning tools to tackle the economic impacts of COVID-19. Te Puni Kokiri (TPK) are supporting the activities of Te Kahu o Taonui-National Iwi Chairs Forum. TPK is reaching out to Māori businesses with support of NZ Māori Tourism, Federation of Māori Authorities (FOMA) and Poutama Trust.
- TPK are also working alongside Northland Inc to support Māori Businesses regionally and supported KPMG to develop an online survey.

Tax schemes

- \$3.1b tax loss carry-back scheme (estimated cost over the next two years). Essentially this means a forecast loss in the current financial year can be offset against the tax paid on a profit from last year
- \$60m estimated annual savings to business each year from changes to the tax loss continuity rules
- \$25m in the next 12 months for further business consultancy support
- Greater flexibility for affected businesses affected to meet their tax obligations
- Measures to support commercial tenants and landlords. To this end the Government will extend the current 10 working day timeframe that commercial landlords may cancel the lease to 30 working days. This will be for both the period the tenant is in arrears before the notice is given, and for the period to remedy the breach. The Government will also extend the timeframes for lenders from 20 to 40 working days for mortgaged land, and from 10 to 20 working days for mortgaged goods. This will apply to commercial mortgages and home loans. However, the already announced mortgage deferrals are likely to be the first port of call for residential borrowers.

Further government support policy and stimulus for the economy is likely over the next few months. Of note will be the 2020 Budget, which is likely to contain the biggest initiatives and perhaps a focus on the medium and longer term. Other significant announcements could be made at December's Half-Year Economic Update or the 2021 Budget, as the shape and magnitude of the required response from the government becomes clearer.

It is clear that government will seek to inject financial stimulus into the economy. However, its capability to do that is not limitless and we may find that it is able to inject less money into the economy than we would hope.

IMPACT 8: LOCAL GOVERNMENT SECTOR

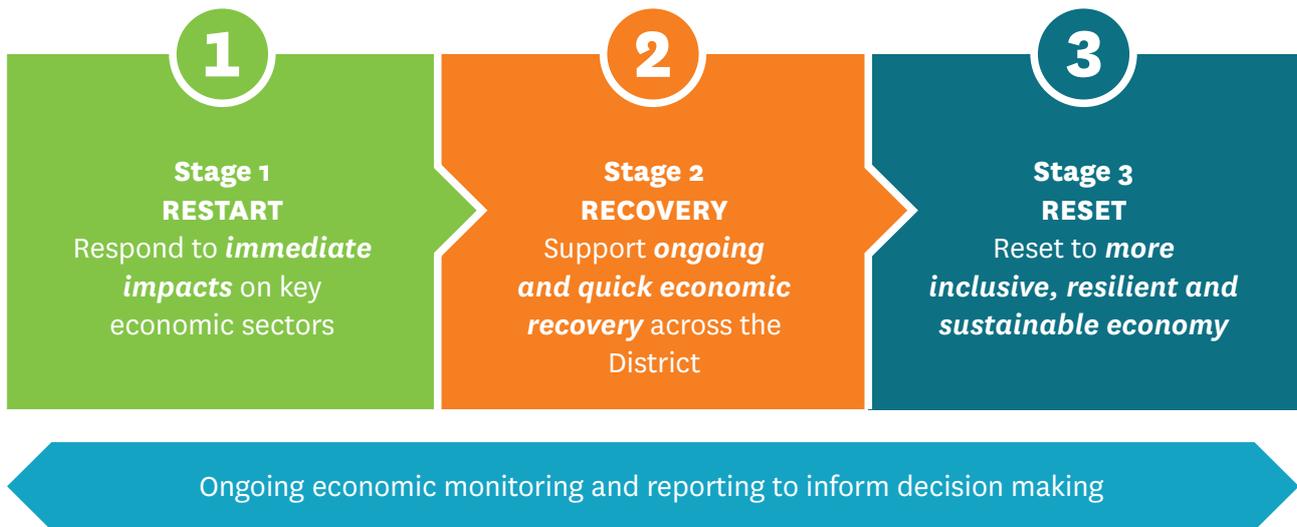
The COVID-19 Local Government Response Unit has provided an initial assessment of the likely economic impacts on the local government sector.

A summary of the key findings include:

- it appears that all councils expect a significant reduction in non-rate revenue in the fourth-quarter of 2019/20 and well into 2020/21
- the sudden onset of COVID-19 means that the impact on the business sector is more pronounced than in a conventional recession. Councils with a high proportion of business rates are likely, in the short-term, to face greater collection difficulties than others
- in districts with a high degree of non-essential service industries, the impacts of COVID-19 mean that a greater proportion of households and businesses may face financial hardship. These councils will likely see greater reductions in revenue from fees and charges and rate collections
- districts heavily reliant on revenue derived from tourism activities are expected to be under significant financial stress for an extended period
- many councils were planning significant rate rises in 2020/21 and beyond to fund essential infrastructure upgrades, and expansions to meet growth demands. These rate rises are being reconsidered due to potential ratepayer hardship arising from COVID-19
- any reduction in planned rates revenue will have long-term or multi-year implications such as large future rate increases and/or further reduced spending to balance the books and catch up.
- lower-than-planned rates and other revenue reductions means councils are likely to reduce operational and capital expenditure. This will create job losses directly or indirectly. Longer-term, reduced investment in infrastructure is likely to lower productivity and reduce the availability of serviced land needed for housing
- councils typically spend twice as much on suppliers (including contractors) as staff and will likely look to reduce this expenditure. This will have both direct and indirect impacts on their communities
- most councils are unlikely to meet the 30 percent revenue reduction criteria for the Government wage subsidy themselves, but some council subsidiaries may. This income may not offset all of the costs of retaining affected staff during the period of the subsidy
- our very limited analysis of councils' borrowing capacity is that the majority of councils have sufficient debt headroom to respond to COVID-19 impacts through to the end of the 2020/21 financial year. However, revenue reductions will reduce the headroom for all councils. Most significantly, there are several councils already managing higher debt that have very little spare borrowing capacity and may reduce borrowings to mitigate the risk of breaching LGFA debt covenants.

For Whangarei District Council we can expect reductions in most if not all of our income streams. This includes income streams such as the NZTA subsidies. NZTA will have had a significant reduction in their income as a result of COVID-19 and may struggle to meet their funding commitments to councils.

Framework for recovery



The initial focus will be highly impacted sectors in Whangārei. This stage will look at actions we can implement now and may only be temporary. The sectors we will focus on include: tourism, construction, hospitality and manufacturing.

e.g. rent relief for commercial tenants in council property.

This stage will have a broader focus to look at recovery of all sectors. The actions may take longer to implement but will be informed by ongoing monitoring and reporting.

e.g. boosting current and future capital programme to support the construction sector.

We acknowledge that our economy will not go back to the way it was before COVID-19. We take this opportunity to make our economy better. As our economy resets, we will work to maximise existing strengths and ensure we are more resilient to future shocks through a broader economic base. We want to be sustainable for our environment and communities and more inclusive to ensure our whole community sees the benefits.

e.g. Support a circular economic model through our procurement processes.

WHY IS THIS FRAMEWORK BEING USED?

This framework will be used to structure our response to COVID-19. The progression from responding to immediate impacts, through to economic recovery and then economic rebuild broadly aligns with the approach set out by central government. It also aligns with response strategies being adopted by central and local governments globally.

THE NEED FOR FLEXIBILITY AS WELL AS COLLABORATION

However, within this framework there needs to be flexibility. The progression through the stages will not be linear and the application of the framework may look quite different depending on the economic sector.

Delivery of the framework will require a culture of collaboration underpinned by our existing organisational strategy. Many of the actions will require a number of parties to deliver them successfully. Collaboration and partnership must also exist between Council and key stakeholder such as our hapu partners, iwi, central government and local businesses.

Key to the delivery of this strategy will be partnership. The focus will be on partnering with the following:

- local businesses
- central government
- hapu

WHAT DO WE WANT THE ECONOMIC RESET TO LOOK LIKE?

The economic reset for Whangārei will be based on our already diverse economy. Pre COVID-19, Whangārei had a relatively balanced economy that was not overly reliant on a single sector. This should be strengthened as well as looking at new opportunities in the technology sector, green/sustainable businesses and land-based industries, value-added primary production, aquaculture and marine engineering. Focusing integrated supply chains as well as clustering of economic activity.

As noted by a number of local commentators and business owners, within the recovery and rebuild of our local economy there are opportunities to maximise benefit for our community and capitalising government support for the regions and provincial centres:

- greater collaboration and partnership across the economy
- reinvigorate and better utilisation of local businesses
- investment that will be game changers for the Whangārei, such as the Drydock facilities
- education and re-training programmes to support people to get back into work
- less reliance on imported manufacture goods, greater priority on New Zealand goods.

Ultimately, we want a reset of our economy to produce an inclusive, productive and sustainable business ecosystem.

What tools can we use?

To ensure that this strategy focuses on what we can influence the most, we will use the tools set out below. These tools focus on the levers which we can pull and how we can deliver them. For example, an increase in our capital infrastructure programme could be delivered through our next 10-year Long Term Plan which is due next year.

TOOL	DETAIL	HOW
Finance	<ul style="list-style-type: none"> • Development Contributions • Rates • Commercial rents (Council property) • Fees and charges • Grants • Procurement 	<ul style="list-style-type: none"> • Annual Plan 2020 – 21 • Long Term Plan 2021 – 31 • Long Term Plan 2024 - 34
Regulatory processes	<ul style="list-style-type: none"> • Building consents • Resource consents • Enforcement 	<ul style="list-style-type: none"> • District Plan • Bylaw reviews
Support and partnership	<ul style="list-style-type: none"> • Expert advice and support • Facilitation and help through council process • Partnership with hapu • Partnership with local business 	<ul style="list-style-type: none"> • Operational - Technical staff and resources • Governance and decision making
Infrastructure	<ul style="list-style-type: none"> • Infrastructure projects to enable economic activity • Levels of service to support a well functioning economic sector/ attractive investor environment 	<ul style="list-style-type: none"> • Capital programme set through the Long Term Plan/Asset Management Plans
Future planning	<ul style="list-style-type: none"> • Location for future growth and infrastructure • Alignment with government planning and investment 	<ul style="list-style-type: none"> • Whangārei District Growth Strategy • Spatial Planning/Placemaking
Advocacy	<ul style="list-style-type: none"> • Political advocacy to central government for policy change/key decision making • Political advocacy to promote the District 	<ul style="list-style-type: none"> • Elected Members and Strategic Leadership Team

TOOL	DETAIL	HOW
Communication	<ul style="list-style-type: none"> • District promotion (locally, nationally and internationally) • Communication to our key stakeholders and businesses • Wider community communication 	<ul style="list-style-type: none"> • Key messages • Communication tools such as social media • Communication and promotion tools
Organisational culture	<ul style="list-style-type: none"> • Whanaungatanga - Collaboration and partnership through the delivery of COVID-19 actions • Manaakitanga - Care and respect for other, particularly those who have been hardest hit by the impacts of COVID-19 • Kotahitanga – working together to the single goal of recovery from COVID-19 • Atawhaitanga – Focus on our role of stewardship and responsibility as a willingness to contribute what is needed to move through this crisis 	<ul style="list-style-type: none"> • Strategic Leadership Team • Department Managers and Team Leaders

Actions

This section of the strategy contains specific actions we will take, using the tools available to us as a local authority and aligned with our proposed response framework:

STAGE 1 | RESTART: RESPOND TO IMMEDIATE IMPACTS ON KEY ECONOMIC SECTORS

	ACTION	COUNCIL TOOL	HOW
1.1	Review our planned rates increase through 2020-21 Annual Plan process (as per Whangārei Economic Recovery Package – endorsed by Council 16/04/20)	Finance Rates	2020-21 Annual Plan
1.2	Operational budget review for savings through 2020-21 Annual Plan process (as per Whangārei Economic Recovery Package – endorsed by Council 16/04/20)	Finance	Operational 2020 -21 Annual Plan
1.3	Support for those struggling to pay rates, fees and charges (as per Whangārei Economic Recovery Package – endorsed by Council 16/04/20)	Finance Rates	Operational
1.4	Community support through welfare networks support for vulnerable groups (as per Whangārei Economic Recovery Package – endorsed by Council 16/04/20)	Support and Partnership	Operational
1.5	More frequent payments to Council suppliers (as per Whangārei Economic Recovery Package – endorsed by Council 16/04/20)	Finance	Operational
1.6	Rent relief for commercial tenants (as per Whangārei Economic Recovery Package – endorsed by Council 16/04/20)	Finance	Operational 2020 -21 Annual Plan
1.7	Support for businesses through partnership with Northland Inc and NorthChamber (as per Whangārei Economic Recovery Package – endorsed by Council 16/04/20)	Support and Partnership	Operational
1.8	Northland's Civil Defence Emergency Management response (as per Whangārei Economic Recovery Package – endorsed by Council 16/04/20)	Support and Partnership	Operational

	ACTION	COUNCIL TOOL	HOW
1.9	<p>Continue to provide essential services through the lock down period:</p> <ul style="list-style-type: none"> • drinking water • wastewater • solid waste • cemeteries • animal services • road repairs/maintenance • urgent consenting requirements associated with essential services. 	<p>Infrastructure</p> <p>Regulatory processes</p>	Operational
1.10	<p>Prioritise processing building and resource consents. Where possible reduce processing timeframes. Continue to work with the construction industry and where practicable respond to their needs to enable construction projects to take place.</p>	<p>Regulatory processes</p> <p>Building consents</p>	Operational
1.11	<p>Engage with our hapu and iwi partners to identify opportunities for partnership in the immediate response to COVID-19 and ongoing economic recovery projects.</p>	<p>Support and Partnership</p>	Operational
1.12	<p>Seek support/advice from the COVID-19 Local Government Response Group, to inform our processes and decision making.</p>	<p>Support and Partnership</p>	Operational

STAGE 2 | RECOVERY: SUPPORT ONGOING ECONOMIC RECOVERY ACROSS THE DISTRICT

	ACTION	COUNCIL TOOL	HOW
2.1	Boost our capital programme and prioritise projects which will play a key part in Whangārei's economic recovery. (as per Whangārei Economic Recovery Package – endorsed by Council 16/04/20).	Finance Infrastructure	2020-21 Annual Plan 2021-31 Long Term Plan
2.2	Plan for the longer term impacts of COVID-19 in our growth strategy and other key strategic planning documents (as per Whangārei Economic Recovery Package – endorsed by Council 16/04/20).	Future Planning	Growth Strategy 2021- 31 Long Term Plan
2.3	<p>Prioritise central government funding opportunities for projects that will assist in the ongoing recovery of our District. This includes:</p> <ul style="list-style-type: none"> • Crown Infrastructure Partners “Shovel Ready” Projects • NZTA subsidy for local road upgrades, safety improvements and placemaking projects • subsidy/support for active and public transport modes. <p>New or amended funding opportunities may arise, which Council should be prepared to respond to with a strategically prioritised list of projects which will support economic recovery.</p>	Infrastructure Future Planning	Growth Strategy 2021-31 Long Term Plan
2.4	Prioritise levels of service which will provide safe and clean public spaces for our community. This could include more regular street/footpath cleaning.	Infrastructure - Level of service	2021-31 Long Term Plan
2.5	<p>Support economic recovery of the city centre through investment in quality design of public spaces (City Core Precinct Plan/New Town Basin Park etc) and partnering with central government, NorthChamber and key local businesses and landowners to advocate and enable city centre investment.</p> <p>Promoting the City Centre as a focus for cultural institutions and develop a diverse supporting network of cultural programmes across the District.</p>	Infrastructure – Capital works Partnerships Advocacy	2021-31 Long Term Plan City Centre Plan

	ACTION	COUNCIL TOOL	HOW
2.6	<p>Support economic recovery of retail and hospitality sectors across the District. Focusing on retail centres in Whangārei Urban Area, Ruakaka and in coastal and rural areas.</p> <p>Support could involve:</p> <ul style="list-style-type: none"> • partnership with central government on project delivery • support through key institutions such as NorthChamber and Northland Inc • focus on levels of service for key retail and hospitality areas. 	<p>Infrastructure – Capital works Partnerships Advocacy</p>	2021-31 Long Term Plan
2.7	<p>Continue to maintain core infrastructure so business have access to safe water, wastewater networks and transport options and car parking.</p>	Infrastructure - Level of service	Operation (more funding may be required)
2.8	<p>Partner with hapu and iwi to investigate opportunities to support projects which will be of benefit to our Māori economy.</p> <p>This could include advocating to central government for resources to support Hihiaua Cultural Centre and operational support for Papakianga development (e.g. consent processes).</p>	Support and Partnership	Operation (more funding may be required)
2.9	<p>Investigate opportunities to support our ethnic groups in economic recovery through agencies such as Multicultural Whangārei.</p>	Support and Partnership	Operation (more funding may be required)
2.10	<p>Support local or central government driven housing projects through:</p> <ul style="list-style-type: none"> • Kāinga Ora • local accommodation businesses • community housing providers/shelters • Papakianga. <p>Prioritise projects that focus on inner city living and housing needs within our community.</p>	Support and Partnership Regulatory	Operational 2021-31 Long Term Plan
2.11	<p>Through Northland Inc, work with Te Puni Kokiri investigate opportunities to support Māori Businesses in Whangārei.</p>	Support and Partnership	Operational

	ACTION	COUNCIL TOOL	HOW
2.12	<p>Continue to prioritise, where practicable, local contractors in our procurement processes and/ or contractors that can provide employment and training opportunities to the more vulnerable sectors of our community.</p> <p>This could include social procurement policy similar to Auckland Council to help offset estimate imbalance of the employment impact of young Māori/Pasifika.</p>	Finance – Procurement Infrastructure	Operational
2.13	Strategically identify development opportunities and plan and prepare the ground to attract private investment. This could also include opportunities to leverage off the commercial property.	Support and Partnership	Operational
2.14	<p>Continue to foster a customer focused approach, to support our community through:</p> <ul style="list-style-type: none"> • customer service support • information and advice • facilitation with other agencies. 	Support and Partnership	Operational
2.15	Ensure new or reviewed policies, strategies and decision making take into account, and where practicable, prioritise economic recovery.	Future Planning	Operational
2.16	Undertake fact-based research to dispel negative perceptions and ensure that within the organisation we “push back” on negative perceptions.	Support and Partnership	Operational
2.17	<p>Through prioritisation of decision making, focus on projects and plans that can fast track de-carbonisation of our economy. Look at tools such as our:</p> <ul style="list-style-type: none"> • procurement processes • partnerships • Growth Strategy and place-making. 	Finance – Procurement Infrastructure	Operational
2.18	Partner with the tourism and hospitality sector as well as NorthChamber and Northland Inc, to explore what the future of tourism looks like and identify how Council activities might need to respond.	Support and Partnership	Operational

STAGE 3 | RESET: RESET TO A MORE INCLUSIVE, RESILIENT AND SUSTAINABLE ECONOMY

	ACTION	COUNCIL TOOL	HOW
3.1	Advocate to central government for improved transport connections from Whangārei to Auckland by rail and road.	Advocate	Elected Members and Strategic Leadership Team
3.2	Advocate for a decision and funding to move the New Zealand Navy Base and Port functions from Auckland to Whangārei with a focus on the support industries and training opportunity for our local community. Advocate for the proposed drydock development to support our marine sector.	Advocate	Elected Members and Strategic Leadership Team
3.3	Advocate for investment in Northbase Hospital redevelopment and ensure our planning regime and infrastructure investments are enabling of a rebuild.	Advocate Regulatory Partnership Infrastructure	Elected Members and Strategic Leadership Team
3.4	Advocate and support for investment in projects which will diversify and broaden our economic base, as well as supporting industries which have been hardest hit. These projects could include: <ul style="list-style-type: none"> • food production – incorporating Growers Market and perhaps the development of something similar to the Manukau Food Hub • manufacturing and engineering – including our marine industry • tourism attractions and accommodation • education and training • technology and communications. 	Advocate	Elected Members and Strategic Leadership Team
3.5	Prioritise the implementation of Corporate Sustainability Strategy and the Climate Change Action Plan, with a focus on actions which will support rebuilding a sustainable economy.	Support and Partnership	Operation (more funding may be required)

	ACTION	COUNCIL TOOL	HOW
3.6	<p>Ensure our projects and support of external projects supports ongoing resilience. This should be achieved through strategic partnerships with:</p> <ul style="list-style-type: none"> • Hapu • Government agencies • Key industries and developers. <p>This should be informed by assessments of our vulnerability of climatic risks and changing economic cycles.</p>	Future Planning	2021-31 Long Term Plan
3.7	<p>Foster partnerships to develop and implement spatial planning which supports economic recovery and responds to our communities needs. This includes:</p> <ul style="list-style-type: none"> • Whangārei to Auckland Spatial Plan • Growth Strategy • City Centre Plan • Placemaking programme <p>Partnerships include with our hapu, central government and key businesses and land owners</p>	Advocate Support and Partnerships Future Planning	Elected Members and Strategic Leadership Team
3.8	To create greater diversity, provide support for industry clusters, niche producers.	Advocate Support and Partnerships Regulatory	Operational
3.9	<p>Investigate opportunities for smart city approach, technology and digital connectivity to rebuild our economy and build greater resilience.</p> <p>Future proof projects so that, as far as practical, they can adapt/respond to new technology</p> <p>Identify in infrastructure plan and business plans how new technology could improve our service delivery</p>	Infrastructure Future Planning	Operational
3.10	Partnering with our tourism sector and hapu, continue to develop our unique authentic cultural point of difference, to support continue economic development	Advocate Support and Partnerships	Operational

ONGOING ECONOMIC MONITORING TO INFLUENCE DECISION MAKING

	ACTION	COUNCIL TOOL	HOW
1.1	<p>Ongoing monitoring of local economic indicators, such as employment rates, GDP, tourism spend, building consents.</p> <p>Create a COVID-19 Recovery dashboard to enable indicators to be reported easily to the public and Elected Members.</p> <p>Ensure we have robust sources of information from our banking sector, central government, local government networks and expert economists.</p>	Future Planning	Operational
1.2	Establish a network of local businesses through NorthChamber and Northland Inc to provide information and commentary on economic recovery.	Support and Partnership	Operational
1.3	Ongoing monitoring of local government response/central government response as well as expert commentary to inform our decision making.	Support and Partnership	Operational
1.4	Information gathered to support and guide our visitor industry decision making at a strategic level.	Advocate Support and Partnerships	Operational



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5.2 COVID-19 Relief Package

Meeting: Whangarei District Council
Date of meeting: 14 May 2020
Reporting officer: Alan Adcock (General Manager – Corporate/CFO)

1 Purpose

To seek approval for the establishment of a \$ 3 million COVID-19 relief package for inclusion in the proposed 2020-21 Annual Plan.

2 Recommendations

That the Council:

1. Endorses a Council Relief Package totalling \$3,000,000 for inclusion in the proposed 2020-21 Annual Plan. The total amount will be allocated to:
 - a. Community groups \$900,000
 - b. Business Support (District development) \$1,350,000
 - c. Ratepayer support \$750,000.

3 Background

COVID-19 has had dramatic and wide-ranging impacts on the global economy. In New Zealand, despite our relatively successful national response to the virus and its containment, the effects on our national and local economy will be profound. The epidemic is expected to continue to place unprecedented pressure on communities.

Council has acted swiftly to develop an Economic Recovery Package to provide short term relief (in the 2019-20 financial year) from some of the stress and financial hardship faced by businesses and households and is working at pace to develop a Response Strategy with a medium to long term focus.

The 2020-21 Annual Plan provides an opportunity to provide further tangible and targeted support as Council work to reset and revitalise our economy. At a Council Briefing on 29 April 2020 proposed relief packages were presented (see Attachment 1), including options for proposed categories and how funding could be allocated. The total amount of \$3 million is proposed to be allocated to:

- | | | |
|---|-------------|-----|
| • Community groups | \$900,000 | 30% |
| • Support for Businesses (District development) | \$1,350,000 | 45% |
| • Ratepayer support | \$750,000 | 20% |

4 Discussion

The impacts of COVID19 are clearly being felt now and Council has already announced various measures to support our community. However, there is now clear evidence that recovery will take place over an extended period, with ongoing adverse effects.

While Central Government is taking a lead role in funding and delivering support through a number of its agencies, Council can play a role in this as well.

Council are somewhat constrained by the fact that any financial support provided is funded by the same community that would receive that support i.e. the process is circular. However, some operational funding could be used for targeted support; either to supplement government support packages or to fill gaps in their program.

Given the forecast financial environment, funding allocated for relief packages may push Council into an operating deficit next year (i.e. Council would fail the balanced budget measure in the Financial Prudence Benchmarks). However, on balance, and given our responsibility to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future, this would be an acceptable and prudent decision.

Funding of relief package

The source of funding the \$3 million relief package is:

- the repurposing of uncommitted community funds \$655,000
 - Partnership Fund \$600,000
 - Annual Events Fund \$30,000
 - Performing Arts Fund \$25,000
- Additional budget item - \$2,345,000

Allocation of relief packages

Consideration has been given to how the relief package should be targeted to deliver the most benefit to our community i.e. how much should be directed to providing forms of hardship relief, available by application (reactive), or via incentives to encourage particular outcomes (proactive). The overall target weightings and the amounts allocated for each element are shown below:

	Reactive 40%	Proactive 60%
Incentives 33%	15% \$450k	18% \$540k
Relief 67%	25% 750K	42% \$1,260k

It should be noted that the target amounts for reactive measures are based on assumptions about the number of applicants and it is therefore difficult to estimate the actual cost.

Weightings will also vary between each category and were used as a general guide to help establish appropriate funds for each element.

Community groups

The general principles applied in establishing the relief program for community groups are consistent with Council's usual approach, which is to support projects and activities that:

- align with Council's vision, strategic direction and role
- contribute to Council's Long Term Plan (LTP) and Community Outcomes
- contribute to one or more of the Funding Priorities
- align with the Community Development Framework
- benefit the wider community or a sector of the community
- respond to a current or future community need
- demonstrate good financial management, planning and governance.

Support will be targeted towards entities that:

- are a not for profit legal entity (or working under a suitable umbrella organisation that meet this requirement)
- have appropriate financial management, planning and governance, and demonstrate "readiness" for the receipt of funding and its appropriate use
- have a positive track record of use of Council funding and are up to date with required reporting (if previously funded)
- are not applying for funding for an activity that Council is already providing the organisation financial support for.

The proposed relief program comprises:

Community Response (\$225,000)

Funding in response to specific exceptional community requests. WDC responds to requests instigated by eligible community organisations or council partners for support outside of normal community funding in response to COVID-19.

Enhanced Operational Funding (\$270,000)

Funding allocated to a request for support received that can be managed through our normal funding round processes and time frames, most appropriately, but that goes beyond the normal levels of support normally provided for that fund.

Directed Support (\$315,000)

Funding instigated by WDC having proactively identified entities delivering community support benefits. Council identifies and approaches a group with a specific offer of support in response to COVID-19.

Unallocated/Special Projects (\$90,000)

Operational reserve to allocate to the above mechanisms or for specific projects as need/opportunity arises.

COMMUNITY \$900k	Reactive 55%	Proactive 45%
Incentives 35%	Community Response 25% - \$225k	Unallocated / Special Projects 10% - \$90k
Relief 65%	Enhanced Operational Funding 30% - \$270k	Directed Support 35% - \$315k

Note: The allocations to each element reflect changes following discussion at the 29 April Briefing.

Support for Business (District development)

The proposed relief program comprises:

Partnership and support through Northland Inc, NorthChamber - \$300,000

- Support for Northland Inc with the 239 businesses that have come through the Business Helpline to date. This is a Growth Advisor role to support Northland Inc's team with capacity. Working across both WDC and Northland Inc to provide solid Whangarei business intel and develop cross collaboration projects.
- Discovery calls with businesses and supporting them through the process as well as emotional/lending an ear support. There are 25 clients that our own staff are already providing support to through Regional Business Partners with approximately \$15,500 worth of support to date.
- Contributing to business sector intelligence for Civil Defence updates
- Working with Northland Inc as the Regional Tourism Organisation to identify and develop from local government.

Inner city living and city centre redevelopment – feasibility work and contribution to costs - \$420,000

- Work with land owners, developers to look at a feasibility report for an exemplar development to outline how inner city living can be achieved and then share the learnings and information with the development community
- Advocate and partner with the Ministry of Housing and Urban Development and Kāinga Ora to deliver affordable housing in the city centre/city centre fringe
- Support implementation of the City Core Precinct Plan / Complete Streets Master Plan. The implementation will also provide opportunities for local contractors with leverage of government infrastructure funding and subsidies to implement quickly.

Support for district promotion - \$50,000

- Hosting a website and using Whangarei Love It Here! social channels
- Using the existing District promotion budget to promote the District and our businesses in a new way
- Graphic design / comms input to branding and promotional material.

Grant to offset 25% of licence fees for the Hospitality sector - \$53,000

This proposal focusses on providing relief for

- Food premises, takeaways, cafes, restaurants, food carts
- Commercial caterers
- Some alcohol licensed businesses, such as restaurants, liquor outlets and bars
- Hairdressers
- Commercial camp sites

It excludes premises such as supermarkets, grocery stores, dairies, food producers and some off-licensed outlets, who were able to trade during the lockdown.

Because the licence fees for these businesses are set through prescribed statutory consultation processes and/or by-laws, it is not practical to adjust the fees themselves in the time available. It is therefore proposed to provide a separate grant to offset 25% of the relevant fees.

This part of the relief program was developed following feedback at the 29 April Briefing. A report providing more detail is included at Attachment 2. Note that implementation issues, including the GST treatment for both WDC and grant recipients will be worked through if approval is given for this proposal

Rental relief for council property tenants - \$527,000

This package delivers rent relief for tenants of Council property who cannot access their premises for trading for an additional 6-month period (if needed) over and above concessions already made while in Level 4.

Business support \$1,350k	Reactive 30%	Proactive 70%
Incentives 53%	Partnership with Northland Inc, NorthChamber 22% - \$300k	Inner City Living / Redevelopment 31% - \$420k
Relief 47%	District Promotion - \$50k Grants for License offset – \$53k 8% - \$103k	Rental Relief – Council Tenants 39% - \$527k

Ratepayer support

As a general principle ratepayer support is targeted exclusively towards providing relief for ratepayers who have problems paying their rates by offering flexibility with their cashflow. Initiatives are split between policy changes that benefit all ratepayers, as well as funding to support the cost of payment plans established for individual ratepayers.

This approach maintains equity across the entire rating base, and also recognises that the party using a property (e.g. a business) is not always the one paying the rates.

It is proposed to:

- Extend the date for paying the first instalment by one month to 20 September 2020
- Let people defer paying any rates at all for three to six months
- Reduce the penalties for those who fall behind in their payments from 10% to 5%
- Extend the date for adding penalties on prior years arrears by one month to 5 October 2020
- Promote the option of a regular payment plan

It was also considered, but decided not to propose:

- Waiving penalties altogether (as this could be extremely detrimental to WDC cashflow)
- Increasing the Early Payment Discount from 2% to 4% (as this would probably be taken up by those who don't need relief and already pay up-front, so this would not improve WDC cashflow to offset other initiatives)
- Remitting rates for vacant rental property (which would be almost impossible to administer accurately)
- Initiatives that rely on information that Council doesn't already hold, such as tax returns or cashflow projections (as this may introduce subjective elements and may impose extra costs on ratepayers).

Financial impacts to Council will arise through the timing of cashflow receipts. While it is difficult to assess how many ratepayers will take advantage of the payment extension

facilities, Council hold adequate liquid assets to cover the delayed receipts but will see our net debt increase with added interest costs.

Ratepayer Support \$750k	Reactive 30%	Proactive 70%
Incentives 0%	-	-
Relief 100%	6 Mth Rates "Holiday" - \$120k 3 Mth Rates "Holiday" - \$60k Payment Plans - \$170k 47% - \$350k	1 st Instalment deferred - \$150k Penalties reduced to 5% - \$250k 53% - \$400k

General cashflow assistance for ratepayers

Council will continue to offer our long-standing arrangements to establish a payment plan backed by a direct debit that will clear the outstanding amount over a mutually agreed timeframe. In these instances, any penalties can be remitted under existing policies.

Direct debit programs can be tailored to meet individual circumstances; for example, Council can match weekly, fortnightly or monthly payment cycles, or an agreed date each month to allow for any other cash receipts the ratepayer expects.

While staff proactively contact ratepayers who are in arrears, Council also welcome direct contact initiated by any ratepayer before the due date for penalties.

COVID-19 Statement

The impacts of COVID-19 on this decision have been considered. The relief package is part of our overall response to the pandemic and necessary budget adjustments and consultation requirements will be incorporated into the 2020-21 Annual Plan process.

The table below shows the final allocation of the total relief package to each category. While these differ slightly from the target allocations once initiatives proposed under each element are compiled, they still reflect the general objectives sought.

	Reactive 41.5%	Proactive 58.5%
Incentives 35%	Community \$225k Business Support \$300k Ratepayers \$0 17.5% - \$525k	Community \$90k Business Support \$420k Ratepayers \$0 17.5% - \$510k
Relief 65%	Community \$270k Business Support \$103k Ratepayers \$350k 24% - \$723k	Community \$315k Business Support \$527k Ratepayers \$400k 41% - \$1,242k

5 Significance and engagement

If the recommendation in the agenda is adopted, any decisions or matters arising will be incorporated into the consultation program for the 2020-21 Annual Plan

6 Attachments

1. Presentation for 29 April Briefing – Relief Packages
2. Proposal for Fees and Charges Hardship Relief

Relief Packages

Responding to impacts of COVID-19

29 April 2020

We require clear direction by the end of this briefing on the following topics:

- The amount allocated to relief packages for 2020/21 (provisionally \$3 million)
- How that is allocated into relevant categories
- The split of initiatives between:
 - Relief vs. Incentives
 - Reactive vs. Proactive
- Suggested initiatives/programs
- Approach to consultation (if needed)

Local government **does not** create financial **wealth**.

It receives a portion of our community's wealth, **transforms** it into **value** and **returns** it to them.



This is a circular process – the more we get in, the more we can give back – and vice versa....

⁶⁵ *The proposed Annual Plan includes provision for \$3 million of funding for “relief packages”*

It is proposed to split this into three categories:

	Suggested splits	
• Community Groups (including rural communities)	30%	\$ 900k
• District Development	45%	\$1,350k
• Ratepayer Support	25%	\$ 750k

The suggested splits are based on an initial discussion among staff and have been used as the basis for formulating a potential relief program.

Elected Members may wish to allocate the amounts differently or establish different categories.

We should also establish **how** we allocate it...

We have developed this matrix, which allocates total funding by whether it is:

- Targeted by WDC, or by individual application
- Intended to be hardship relief or an incentive to encourage particular outcomes

Again, these are simply suggestions and are subject to any changes Elected Members agree to make in terms of the approach or allocations.

After each initiatives and estimated costings have been determined for each category, allocations can be assessed against this matrix to check the overall fit.

Incentives 33%	15%	18%
	25%	42%
	Reactive – 40% <i>On Application</i>	Proactive – 60% <i>Targeted</i>

Ratepayer Support

Ratepayer Support Packages⁶⁸ \$750k - 25% of total

Incentives 0%	0%	0%
Relief 100%	<i>Initiatives for individual ratepayers on application</i> 50%	<i>Policy changes to provide specific benefits</i> 50%
	Reactive – 50% <i>On Application</i>	Proactive – 50% <i>Targeted</i>

Ratepayer Support Packages⁶⁹ \$750k - 25% of total

As a general principle the relief program is targeted at helping any ratepayers who have problems paying their rates by offering **flexibility with their cashflow**, rather than writing rates off through discounts (remissions) of rates for individuals or targeted groups.

This maintains equity across the entire rating base, and also recognises that the party using a property (e.g. a business) is not always the party paying the rates.

We propose to:

- Extend the date for paying the first instalment
- Let people defer paying any rates at all for one or two instalments
- Reduce the penalties for those who fall behind in their payments

The estimated cost of these initiatives is based on forecast additional interest costs due to reduced cashflows to WDC

We considered, but decided not to propose:

- Waiving penalties altogether (as this could be extremely detrimental to WDC cashflow)
- Increasing the Early Payment Discount from 2% to 4% (as this would probably be taken up by those who don't need relief and pay up-front anyway, so this would not improve WDC cashflow to offset other initiatives)
- Remitting (say 50%) of rates for vacant rental property (which would be almost impossible to administer)
- Have any new initiatives that rely on information that we don't already hold e.g. tax returns, cashflow projections (as this introduces subjective elements and may impose extra costs on ratepayers)

Ratepayer Support Packages⁷⁰ \$750k - 25% of total

Proactive policy changes proposed are:

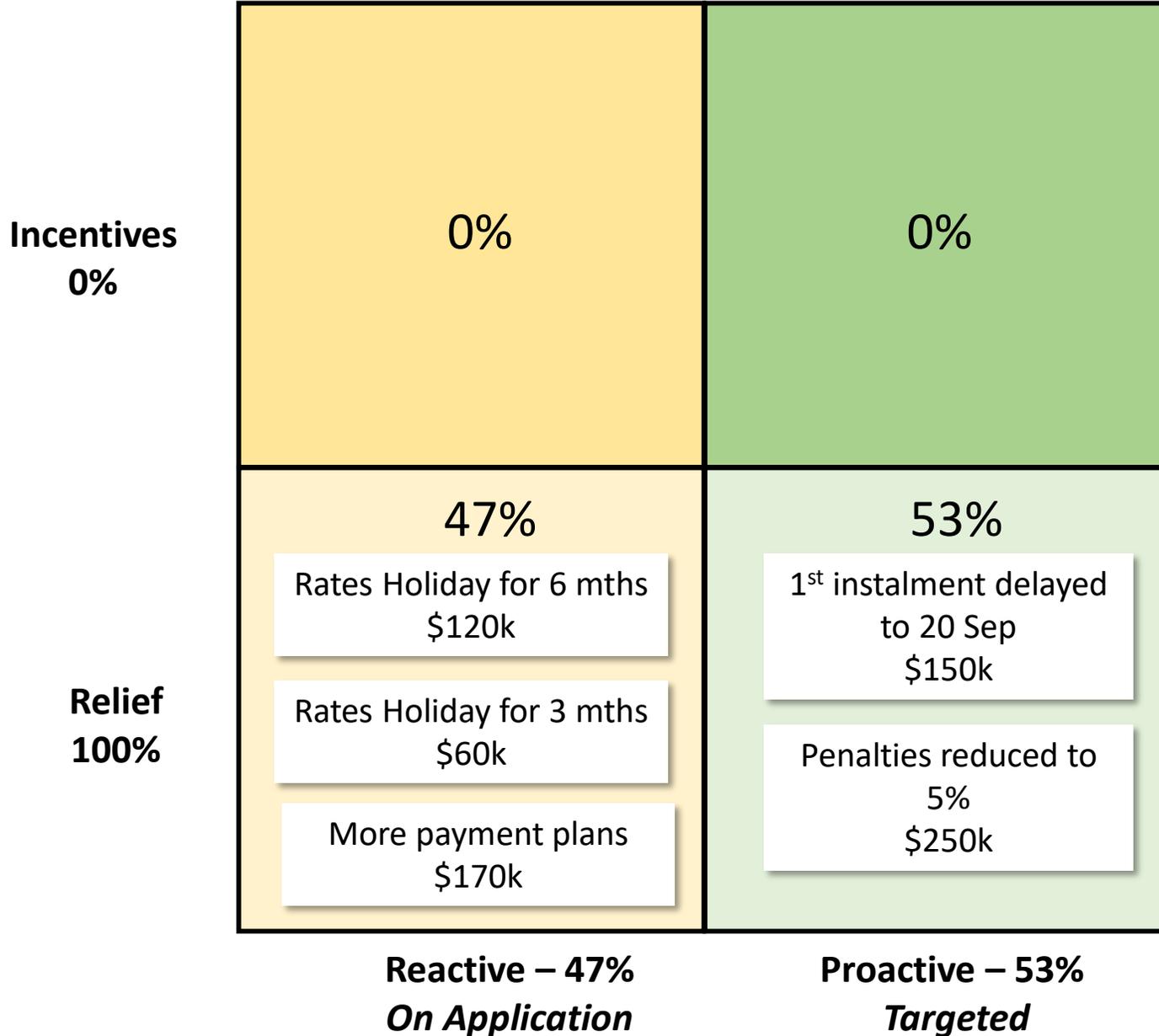
- | | Estimated Cost |
|---|-----------------------|
| • Changing the date the first instalment is due from 20 August to 20 September | \$150k |
| • Reducing the Arrears Penalty from 10% to 5% | \$250K |

Reactive responses to ratepayer applications (with estimated costs are)

- | | |
|---|--------|
| • Continuing to promote payment plans , with any penalties remitted if Direct Debits are honored to clear rates by June 20 2021 | \$170k |
| • 3 month Rates Holiday – No payments until October 2020, then a Direct Debit program established to clear rates over nine months to June 2020 without penalties | \$ 60k |
| • 6 month Rates Holiday - No Payments until January 2020, then a Direct Debit program established to clear rates over six months to June 2020 without penalties | \$120k |

While we would promote the 3/6 month Rates Holidays, in practice we would offer flexibility as long as there is a credible payment plan established.

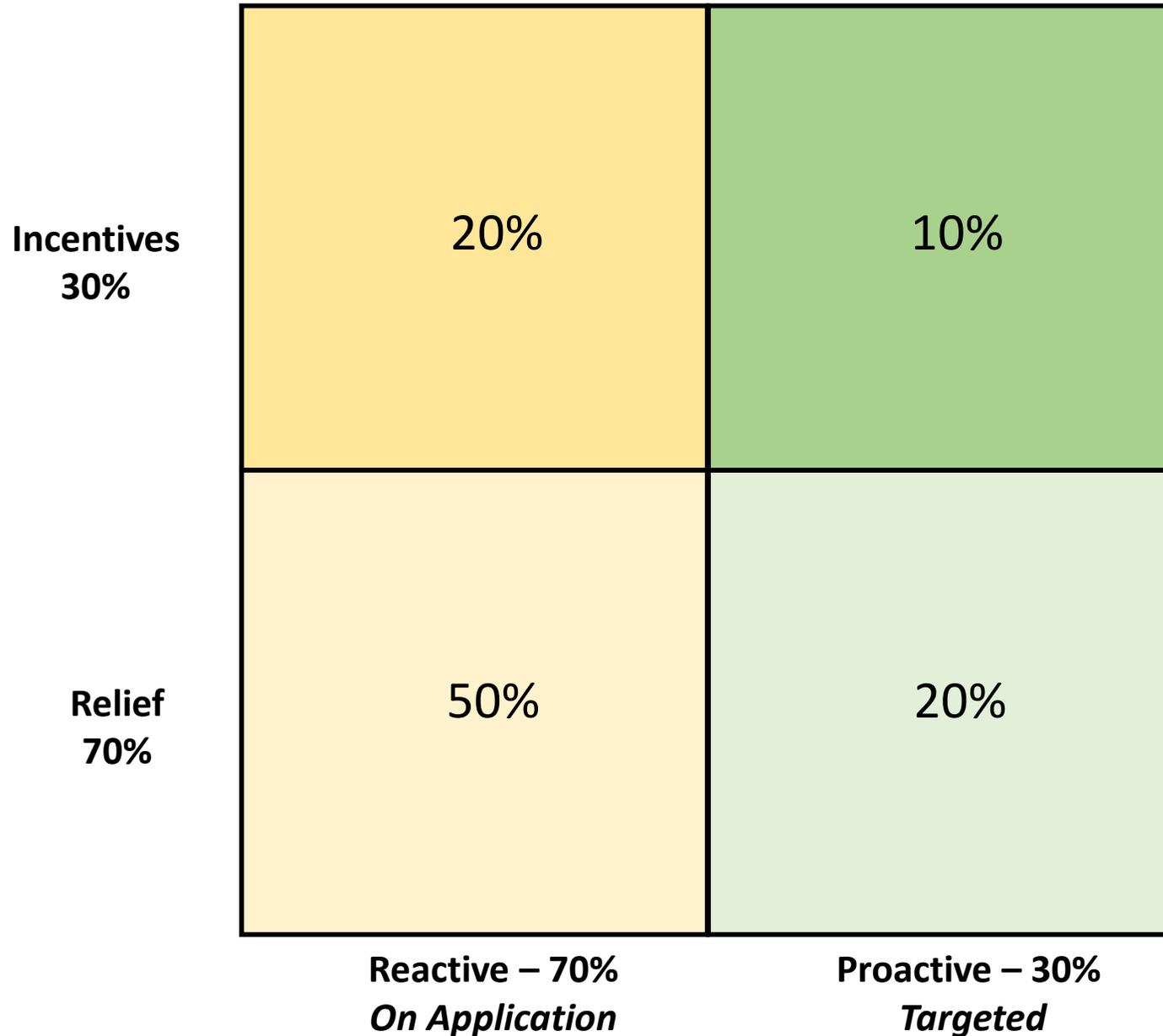
Ratepayer Support Packages ⁷¹ \$750k - 25% of total



COMMUNITY

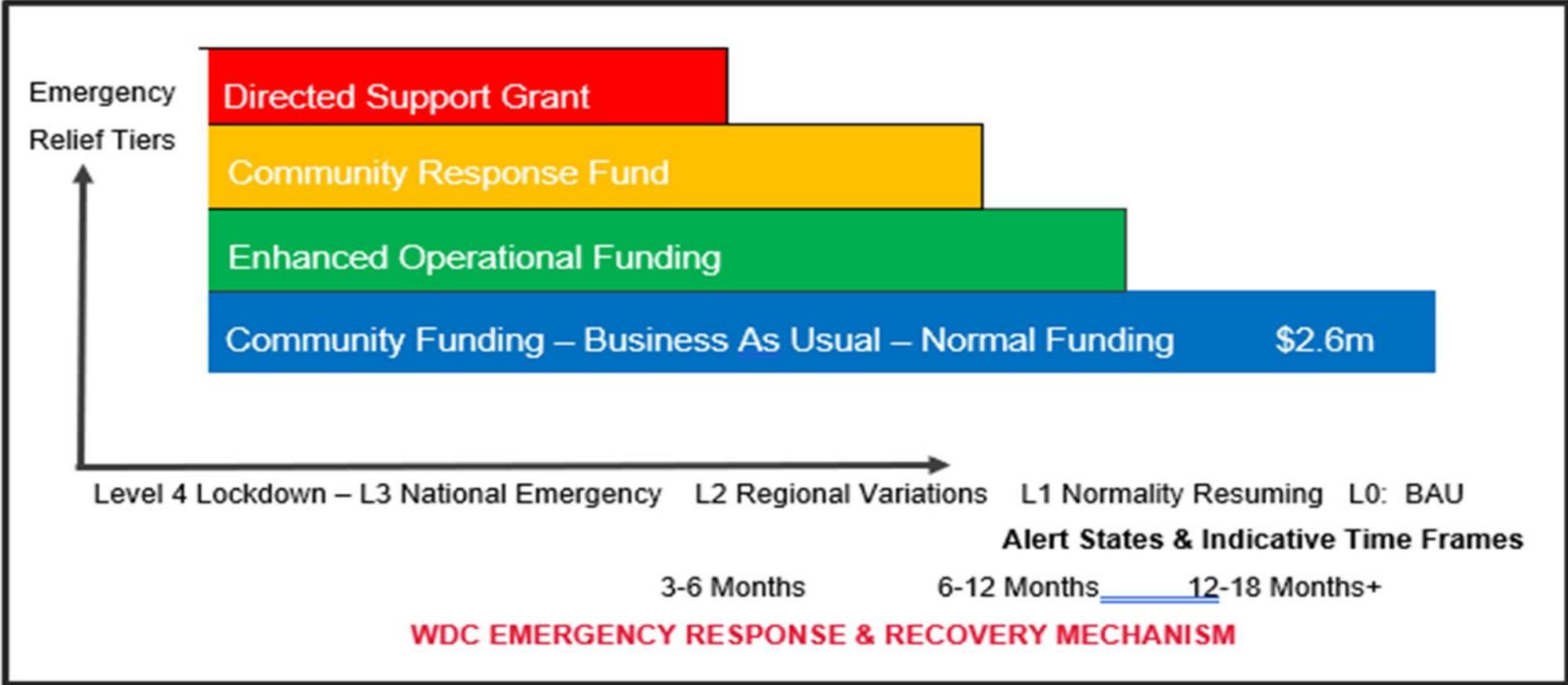


Community Relief Packages⁷³ \$900k - 30% of total



Community Relief Approach: COVID-19 ⁷⁴

Emergency Response & Recovery Mechanism



⁷⁵ *The Emergency Response & Recovery Mechanism combines three key elements:*

Directed Support

- Funding instigated by WDC having proactively identified entities delivering community support benefits. Council identifies and approaches a group with a specific offer of support in response to COVID-19.

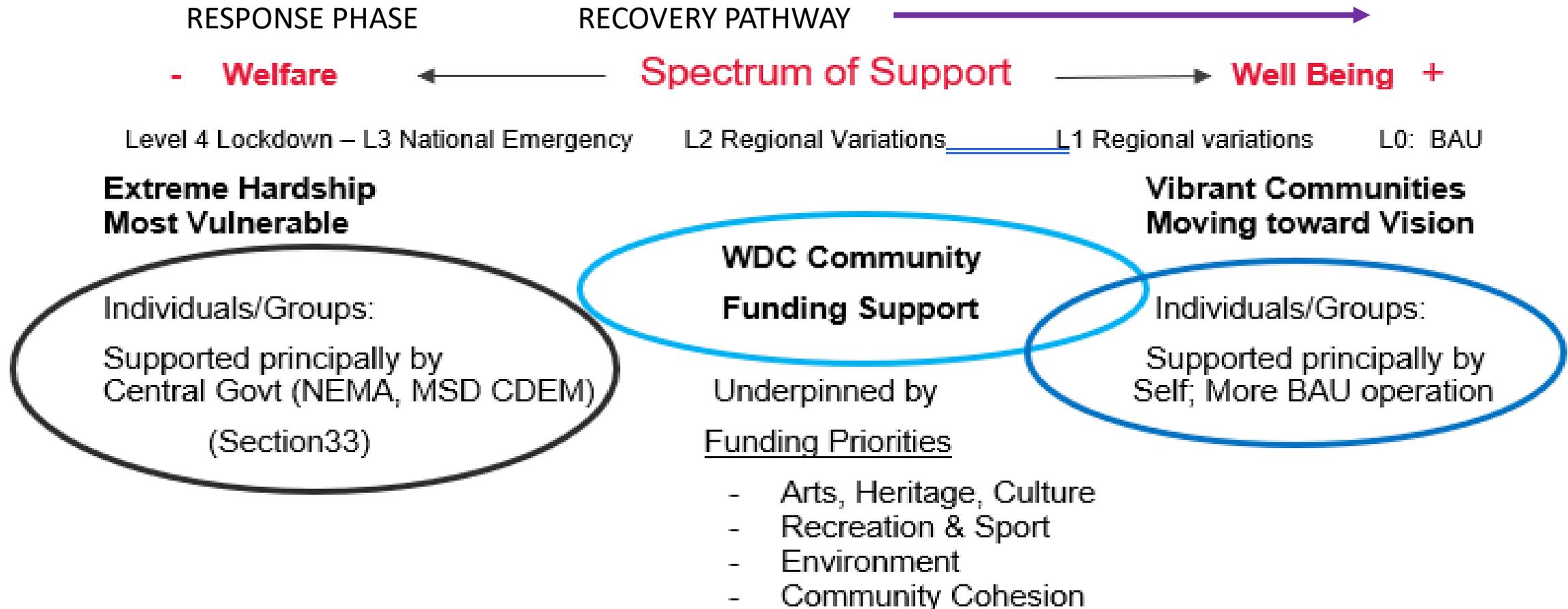
Community Response

- Funding in response to specific exceptional community requests. WDC responds to requests instigated by eligible community organisations or council partners for support outside of normal community funding in response to COVID-19.

Enhanced Operational

- Funding allocated to a request for support that we receive that can be managed through our normal funding round processes and time frames, most appropriately, but that goes beyond the normal levels of support normally provided for that fund.

WDC is a Key Link in the Chain to Recovery



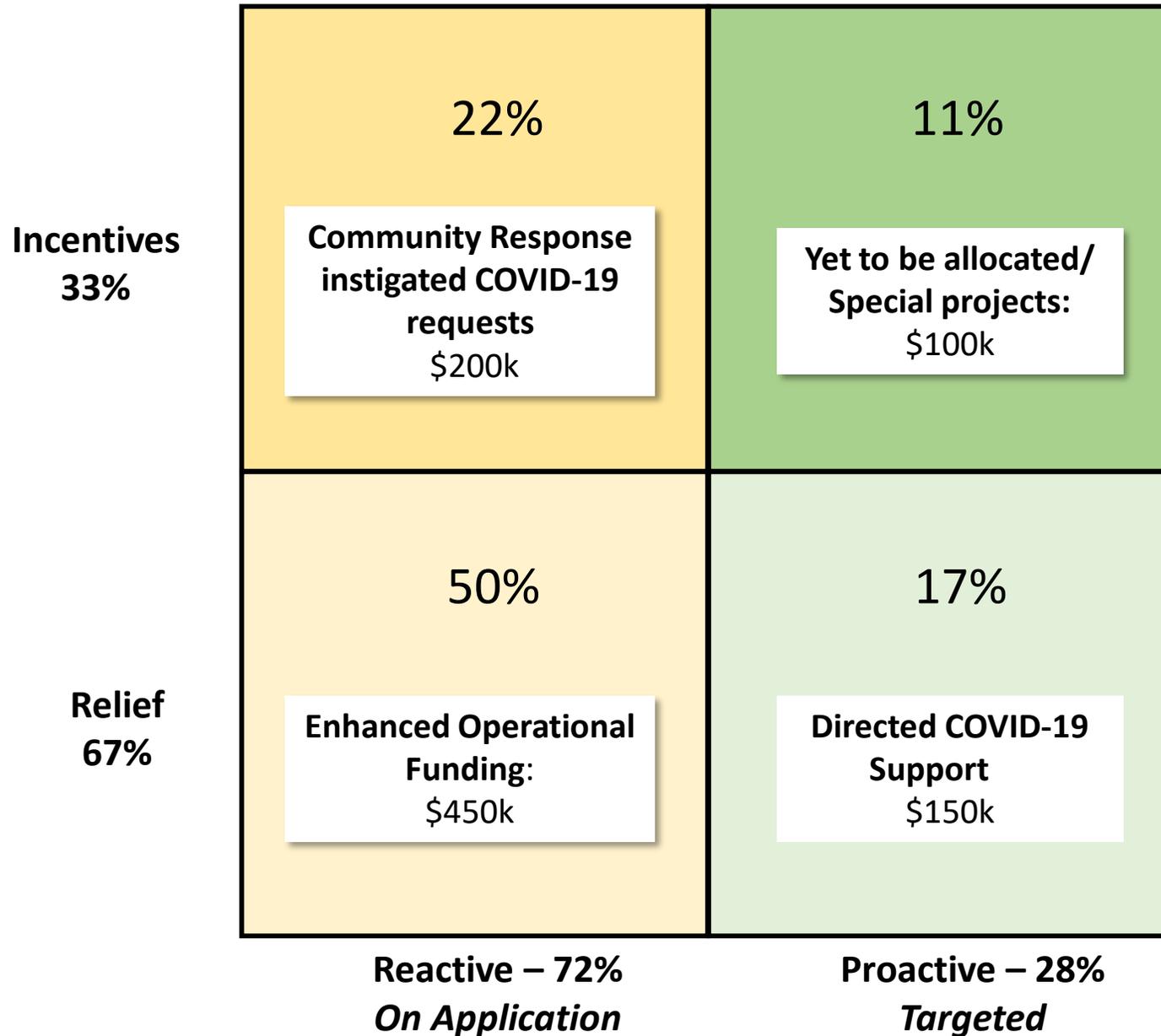
4 Well-Beings

Social, Cultural, (Community) Economic and Environmental

Emergency Response & Recovery Mechanism – Provisional Allocations

Type of Support	Instigator	Description	Provisional Allocation
Directed Support	Council by offer of support (Proactive)	COVID-19 Related support to operational/project/service costs	\$150k
Community Response	Community by application (Reactive)	COVID-19 Related response to programmes of support or community service delivery	\$200k
Enhanced Operational Funding	Community by application (Reactive)	Additional requests from applications to Annual Operating & Community Funds for eligible operational costs	\$450k
Unallocated/Special Projects	Council as required (Generally Proactive)	Operational reserve to allocate to the above mechanisms or for specific projects as need/opportunity arises	\$100k

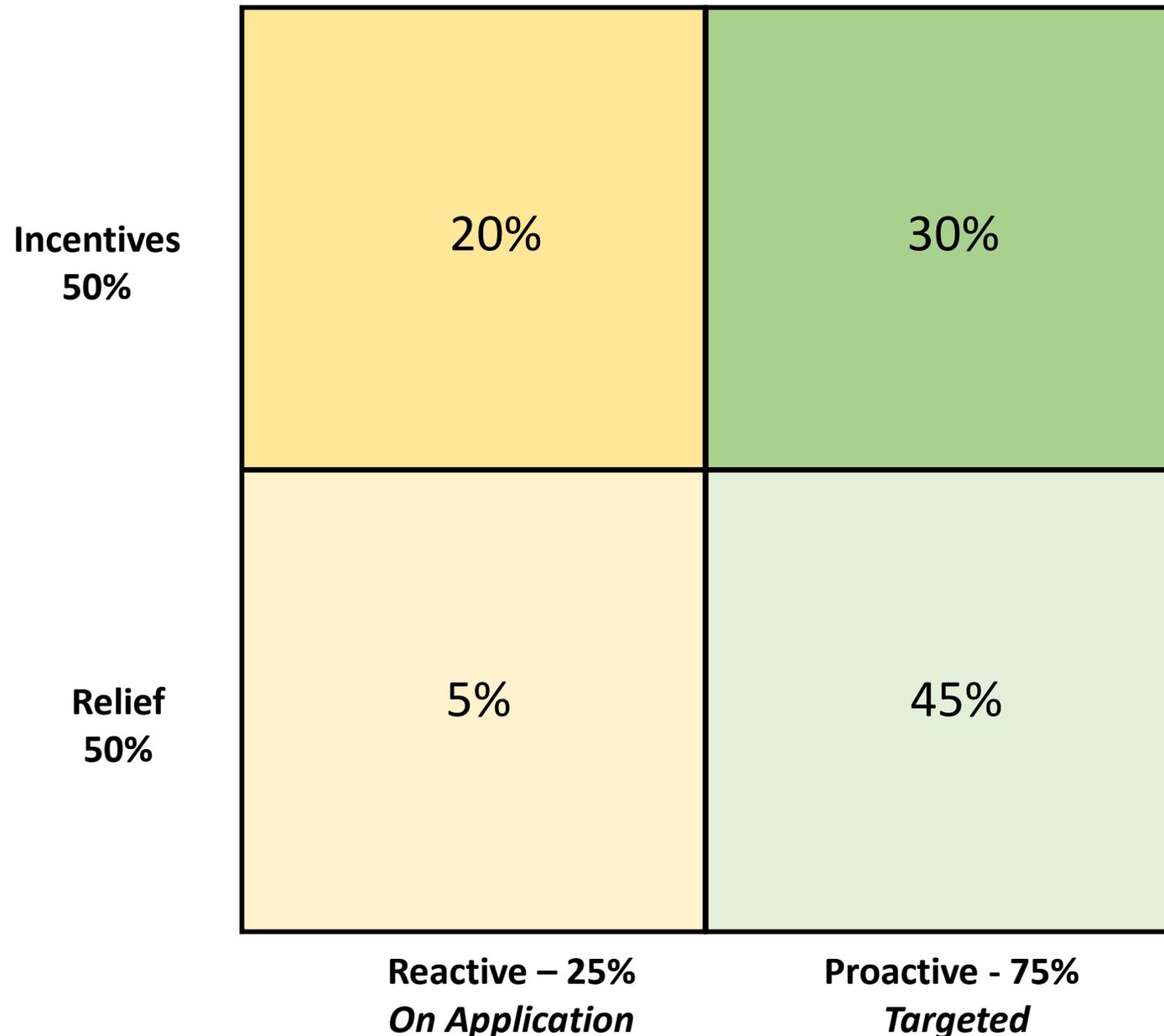
Community Relief Packages ⁷⁸ \$900k - 30% of total



District Development



District Development Packages⁸⁰ \$1,350k - 45% of total



*District Development opportunities*⁸¹

1. Partnerships to provide relief to the business community - \$300k

There are a number of initiatives being driven by both Northland Inc and NorthChamber.

These initiatives are part of their core focus, but there is a valuable role for Council to support these initiatives.

The initiatives include:

- Support for Northland Inc with the 239 businesses that have come through the Business Helpline. This is a Growth Advisor role to support Northland Inc's team with capacity. Working across both WDC and Northland Inc to provide solid Whangarei business intel and develop cross collaboration projects.
- Discovery calls with businesses and supporting them through the process as well as emotional/lending an ear support. There are 25 clients that our own staff are providing support to through Regional Business Partners with approximately \$15,500 worth of support to date.
- Contributing to business sector intel for Civil Defence updates
- Working with Northland Inc as Regional Tourism Organisation to identify and develop from local government

Additional initiatives could be considered through applications

*District Development opportunities*⁸²

2. Targeted relief for What's Next Whangarei (WNW) - \$50k over 4 months

A key part of the programme is promotion and communication with the business community in Whangarei.

There is limited ability for the group to create the communications that are needed and the necessary platforms, such as a website.

Targeted relief could include:

- Hosting a website and using Whangarei Love It Here! social channels
- Using the existing District promotion budget to promote the District and our businesses in a new way
- Graphic design / comms input to branding and promotional material

*District Development opportunities*⁸³

2. Rent relief - \$580k based on 6 months relief in addition to the 3 months already accounted for

This package delivers rent relief for tenants of Council property for an additional 6 months over and above what is already accounted for.

If this is not needed, the funds could be repurposed for a new opportunity or to increase the funding for existing programmes.

Incentives may also be needed to encourage new tenants for vacant premises.

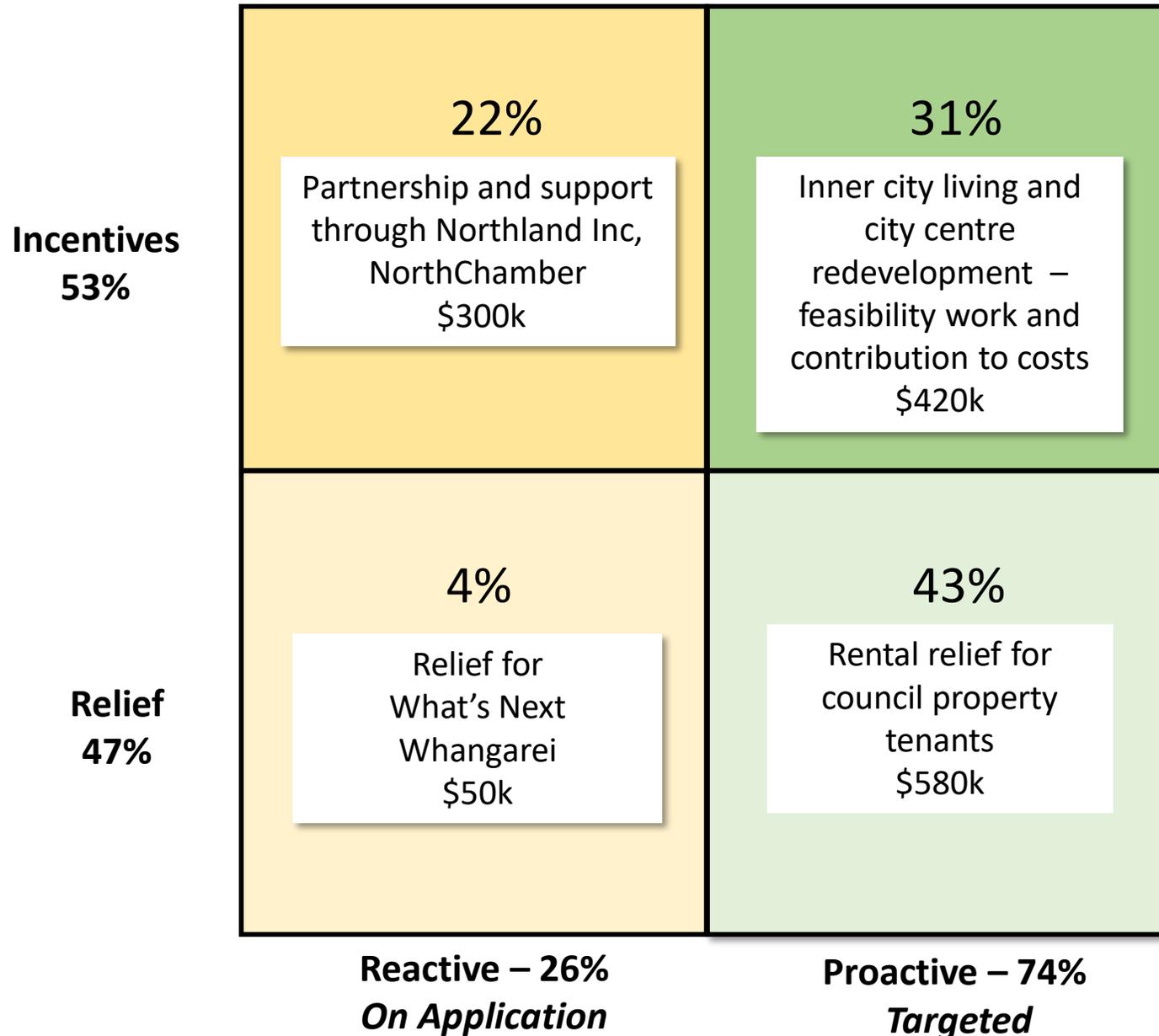
4. Incentivise city centre regeneration and inner city living - \$420k over 12months

COVID-19 is likely to adversely impact our hospitality, retail and tourism sectors. This will mean that our city centre is likely to be hit hard with business closures, empty premises and less active land uses (such as cafes).

However there are opportunities to address issues around housing affordability and housing choice to meet the needs of our community. This could include:

- Work with land owners, developers and council to look at a feasibility report for an exemplar development to outline how inner city living can be achieved and then share the learnings and information with the development community
- Advocate and partner with Ministry of Housing and Urban Development and Kāinga Ora to deliver affordable housing in the city centre/city centre fringe
- Support implement the City Core Precinct Plan / Complete Streets Master Plan. The implementation will also provide opportunities for local contractors with leverage of government infrastructure funding and subsidies to implement quickly.

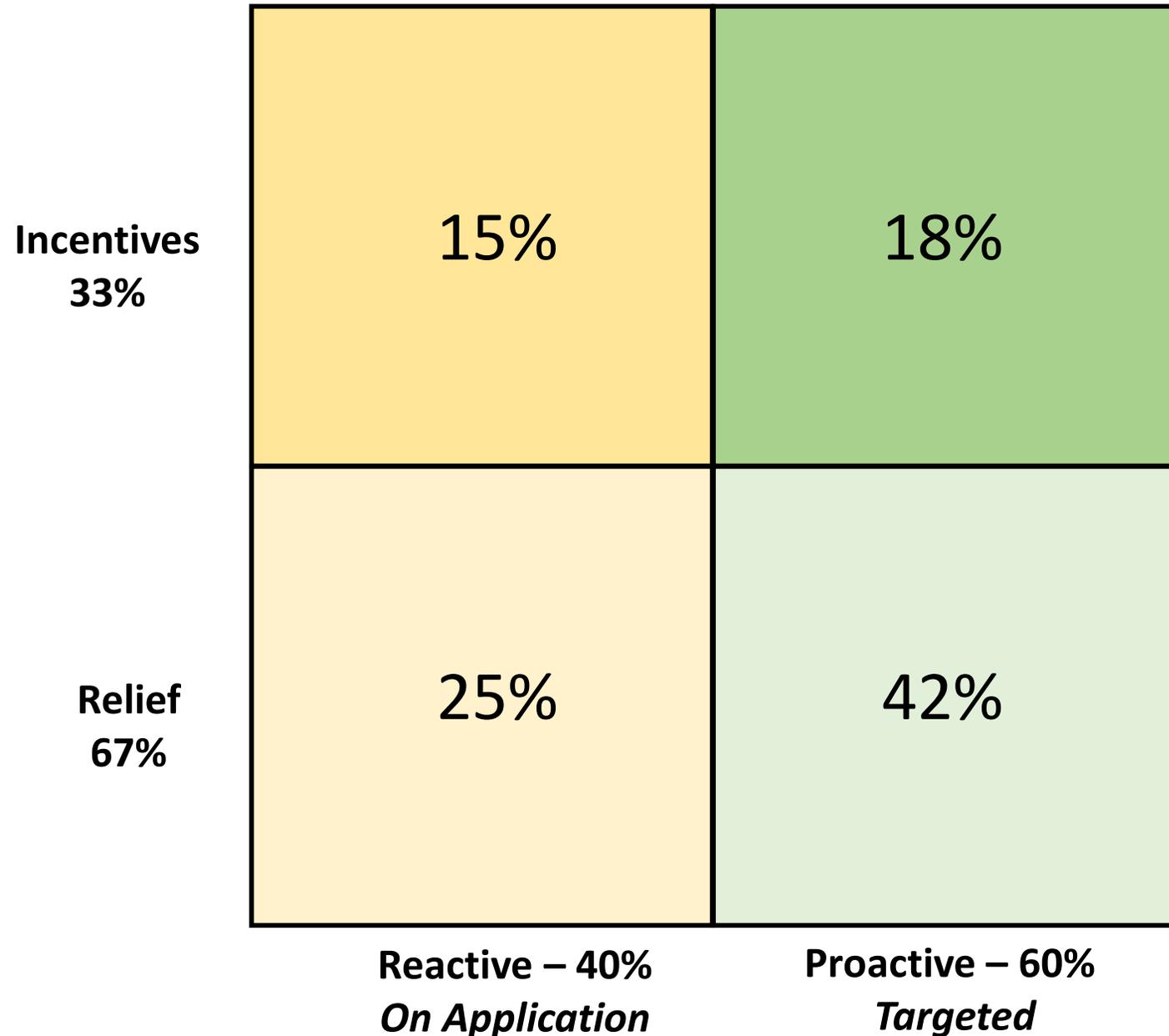
District Development Packages ⁸⁵ \$1,350k - 45% of total



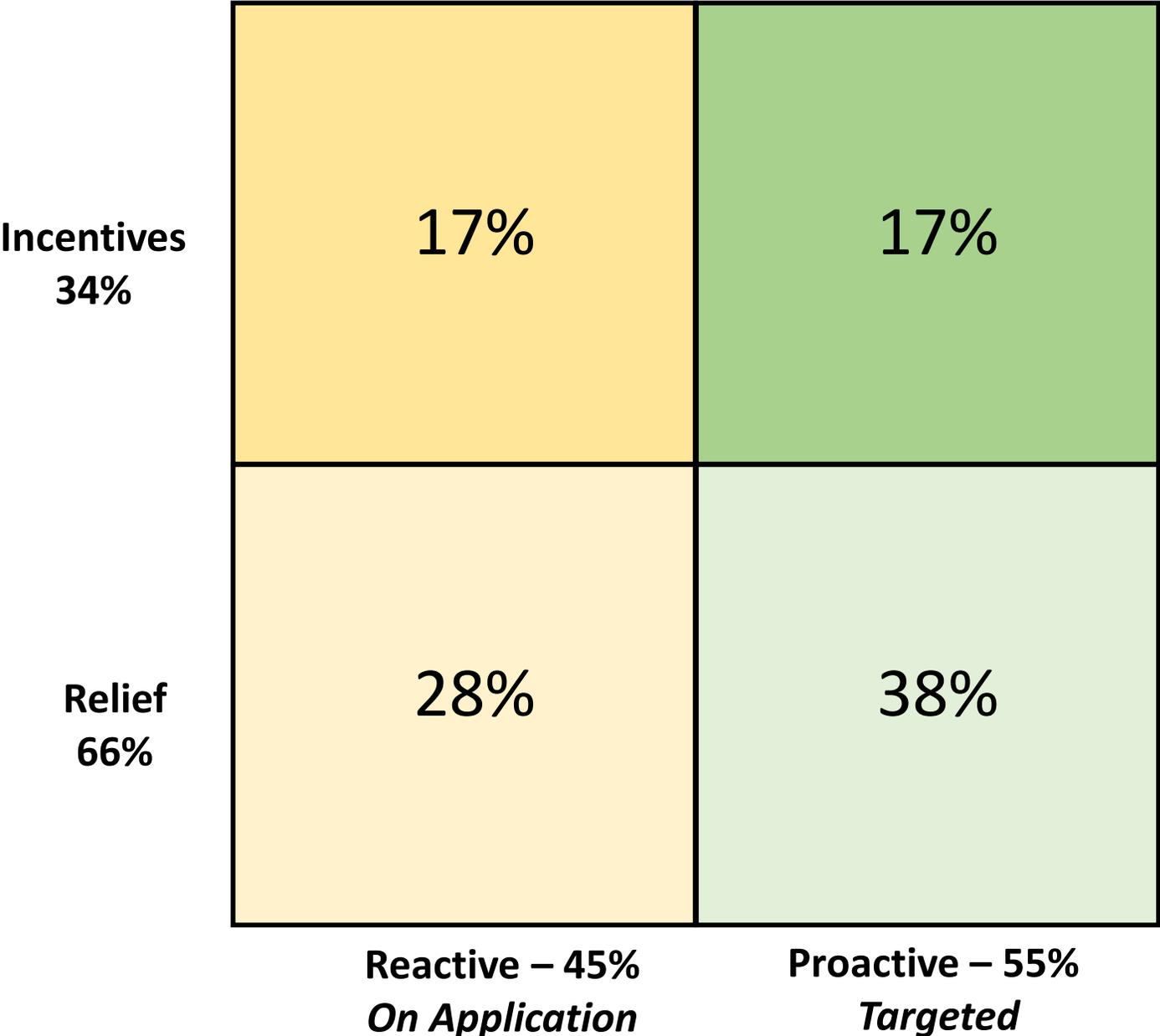
Plus 1 FTE allocated specifically to these initiatives (currently committed to economic development programmes)

SUMMARY

WDC Relief Packages \$3 million – Initial Target



WDC Relief Packages \$3⁸⁸million – Proposed



Ongoing monitoring and review⁸⁹

These proposals are based on current thinking about how our community will be affected by COVID19 over the next 12-15 months and the support WDC can provide to assist them.

In doing this we have had to use incomplete data sets and make many assumptions about how our community will respond. We will not have got everything right...

Therefore it is critical that whatever program is put in place, there are regular reviews to check that:

- we have got the balance right
- each initiative is having the desired impact
- the funding allocated to each initiative is right
- we reprioritise and/or establish new initiatives to meet emerging needs

Next steps

Assuming there is general support for this relief program and the amounts allocated to each initiative, there is no need to extend the proposed consultation program to include anything presented today:

All initiatives:

- Fall within parameters already established in the 2018-28 Long term Plan
- Do not require any new or revised Rates Remission and Postponement Policies
- Have been incorporated into the new 2020/21 Annual Plan financial envelope
- Fall within the overall consultation already being developed

Staff will incorporate any direction given by Elected Members today into:

- The overall implementation plan for the adoption of the Annual Plan
- Communications about our responses to the impacts of COVID19

Questions / Discussion

Relief Package – District Development

Responding to COVID – 19

Proposal for Fees and Charges Hardship Relief

Prepared by Alison Geddes – GM Planning & Development

Purpose

At the Council Briefing on 29 April 2020, a draft relief package was presented for consideration. In addition to the proposals put forward, Elected Members asked that staff also consider a mechanism for providing immediate relief from Council fees and charges for the hardest hit sectors of the local business community.

Background

Some of the businesses that have been worst affected during the COVID-19 lockdown are the hospitality sector (including restaurants, bars and liquor outlets) and personal services such as hairdressers. Within this District these businesses are predominantly SMEs (small to medium sized businesses) employing less than 10 people. As at last year, 68% of businesses in Whangarei District employ no staff, 20% employ 1-5 and a further 5% employ 6-9 people. For most SMEs in these categories, cashflow has been abruptly curtailed by the lockdown and some are suffering severe hardship. Many of these businesses have applied for financial assistance through the government wage subsidy scheme, and the government is now providing further relief packages. However, as many of these operators are self-employed, this presents an issue for both the economic and social well-being of the District.

This proposal focusses on providing relief for health, food and alcohol licencing fees to go some way towards easing the hardship suffered in the hospitality and personal services sector who have suffered through the COVID-19 lockdown, when businesses have been unable to operate.

This will provide relief for across the following businesses:

- Food premises, takeaways, cafes, restaurants, food carts
- Commercial caterers
- Some alcohol licensed businesses, such as restaurants, liquor outlets and bars
- Hairdressers
- Commercial camp sites

It excludes premises such as supermarkets, grocery stores, dairies, food producers and some off-licensed outlets, who were able to trade during the lockdown.

Options for Applying Relief

If the Council is considering offering any assistance to individual operators, the following principles must be applied:

- Is it equitable?
- Is it a justifiable use of ratepayer's money?
- Is financial assistance already available from another source e.g. a government grant?
- Is there potential for double-dipping?
- Is there any detrimental effect on operational funding for the relevant Council Department?
- Is there a longer-term benefit to the community?
- What may be the unintended consequences?
- Is the quantum of the relief granted helpful and meaningful to the recipient and within available budget?

These are all questions which must be considered when deciding on an appropriate mechanism for applying relief. The system for allocating these funds also must be simple and transparent so

businesses have clarity about what they are entitled to, and administration is fast, efficient and cost-effective.

Several options were examined during consideration of this proposal. For example, reducing fees and charges by a blanket percentage across the board for building and RMA consents was considered but there were administrative and practical issues which made this option impractical and untenable. A blanket reduction would require the Fees and Charges Schedule to go through the Council approval process again and in some cases (e.g. RMA fees) a Special Consultation Process under the LGA. As this package is designed to give immediate relief, the process and timeframe was considered too long and cumbersome.

Any reduction to building or RMA fees requires a more complex analysis. Fees for these processes cover a longer timeframe in the life of each project and are a very small component of the overall cost. (1.5 -2 % for building consents). These fees cover the cost of processing the consents and are financially neutral. Any reduction to these fees may impact on the ability for the departments to provide a professional and timely service, which is especially important in the economic recovery phase.

Most of the regulatory functions of Council are funded by fee income according to different splits of public and private funding set by the Council's Finance policy. As the reduction of fees for all the regulatory departments may adversely affect their ability to provide adequate service, it is preferable to reimburse any reduction from a different source.

There are other legislative barriers which prevent reductions of certain fees and charges. For example, alcohol licencing fees are set by statute so the only way fees could be reduced without legislative change, is to re-categorise risk levels. Manipulation of the system in this way is complex, undesirable and would have a long-term effect.

Equity across all operators is an important consideration. It is understood that feedback has been received from many small operators who are suffering hardship. However, when allocating public funds to private businesses, a fair and equitable system must be established. "Exercising discretion" or "just using common sense" without transparent criteria may cause unintended consequences that outweigh the goodwill intended by this gesture of support. The quantum of support also must be meaningful to the recipient. Benchmarking studies have shown Council fees and charges of this kind are estimated to be less than 1% of business expenses and while a \$100 or \$150 rebate may be greeted gladly by a small operator who is grateful for any relief, it may be seen by others as an empty gesture from an organisation that doesn't understand business.

In considering these options, calculations of fee income and the costs to the Council to provide different levels of relief across annual inspection or registration fees have been done. The calculation of likely costs includes only those premises which were fully or partially closed during Level 4 and Level 3. Premises that fully operated during the lockdown, such as supermarkets **have not** been included in the calculations.

Below is a table setting out some options for applying financial relief to health, food and alcohol businesses and the financial impact of each of these options(GST inclusive).

	Current \$ value income as per F&C	Total \$ value one-off grant based on 25% of fees	Total \$ value \$150 grant	Total \$ value cost \$100 grant
1 x annual food business registration	\$164	\$41	\$150	\$100
524 x annual food business reго	\$85,936	\$21,484	\$78,600	\$52,400
1 x annual reго - Hair dressing	\$194	\$48.50	\$150	\$100
53 x annual reго - Hair dressing	\$10,282.00	\$2,570.50	\$6,600	\$5,300
1 x annual reго Camping grounds	\$347	\$86.75	\$150	\$100
20 x annual reго Camping grounds	\$6,940	\$1,735.00	\$3,000	\$2,000
1 x 'very low' category annual alcohol fee	\$262	\$65.50	\$150	\$100
48 x 'very low' category annual alcohol fee	\$12,576	\$3,144	\$7,200	\$4,800
1 x 'low' category annual alcohol fee	\$637	\$159.25	\$150	\$100
66 x 'low' category annual alcohol fee	\$42,042	\$10,510.50	\$9,900	\$6,600
1 x 'medium' category annual alcohol fee	\$1,031	\$257.75	\$150	\$100
32 x 'medium' category annual alcohol fee	\$32,992	\$8,248	\$4,800	\$3,200
1 x 'high' category annual alcohol fee	\$1,687	\$421.75	\$150	\$100
11 x 'high' category annual alcohol fee	\$18,557	\$4,639.25	\$1,650	\$1,100
Total income/cost	\$209,325	\$52,331.25	\$111,750	\$75,400

Estimated income under normal circumstances for the activities in the table above, as calculated from fees for the 2019/20 year is \$209,325. If the Council were to offer a 25% reduction, for example, this would amount to a decrease of \$52,331 in income. A 50% reduction would decrease income by \$104,662.

Another option is to grant a one-off flat fee to all affected businesses. For comparison, the financial impact of two flat-fee grants of \$150 and \$100 per business has been calculated. The financial impact on income for a \$150 grant for each business would be \$111,750. If each business was granted \$100 this would reduce income by \$75,400. Both have a greater financial impact than the 25% reduction calculations.

As noted above, the application of these reductions must be simple and easy to administer. A simple reduction or grant system is transparent and does not involve any subjective judgement about who is eligible and who is not. Staff could administer either mechanism in-house without any need for a complex application system. Health, food and alcohol fee categories can be complex to administer so the Health and Bylaws team is best-placed to administer this fee relief package.

Whichever option is chosen, it is desirable for the decrease in operating income for the Health and Bylaws department to be offset by the relief package allocation. This funding would be taken from the District Development Proactive Targeted relief fund (proposed in the first draft of the Relief Package) and allocated to the Reactive Relief fund. The Council has a difficult decision to make about whether to provide a small sum of reactive hardship relief to these individual operators, or to invest that money in proactive incentives that have potential to benefit many.

Proposed Relief for Health, Food and Alcohol Fees

Taking all these points into consideration, it has been concluded that, if it is decided to give hardship relief in the form of a grant the most transparent and equitable way of allocating this relief fund is by way of a grant based on a percentage across all eligible businesses from a fund which is provided as part of the \$3m COVID-19 Relief Package. The recommended grant is based on 25% of fees charged which is estimated to equal \$53,000 (approximately 4% of the total \$1.35 m) allocated from the District Development Relief Package.

Criteria for Health, Food and Alcohol Fees Relief

This financial assistance would be applied in the following manner:

Group 1	An "essential" business which has operated at 100% capacity through Level 4 and Level 3 lockdown	No financial assistance
Group 2	Businesses which have ceased operation through Level 4 and Level 3 including those businesses which have commenced trading at Level 3, to a limited extent.	One-off grant based on 25% of fees

Options for three levels of relief were considered but it is very difficult to ascertain with certainty which and when premises opened at Level 3 and to what extent they have recommenced trading. Similarly, some off-licensed alcohol premises started trading on-line between Levels 4 and 3, where others have not.

Recommendations

In summary, the following is recommended:

1. That Council provides a grant program based on 25% percent of health, food and alcohol licencing fees for eligible businesses.
2. That the estimated funding required of \$53,000 is transferred to the Reactive Relief category from Proactive Targeted Incentives category in the District Development Relief package shown in the 29 April Briefing presentation.
3. That this be administered in-house by the Health and Bylaws Department.
4. Implementation issues, including the GST treatment for both WDC and grant recipients will be worked through if approval is given for this proposal

5.3 Deliberation and Adoption of 2020-21 Fees and Charges

Meeting: Whangarei District Council
Date of meeting: 14 May 2020
Reporting officer: Delyse Henwood (Manager Finance)

1 Purpose

To deliberate on 2020-21 Fees and Charges following a Special Consultative Procedure in accordance with the Local Government Act 2002, and to adopt the 2020-21 Fees and Charges effective from 1 July 2020.

2 Recommendations

That Council:

1. Note the information and submission comments.
2. Note that Council is finalising fee relief for those affected by COVID-19 through a grant system which will assist businesses (hospitality) most affected.
3. Deliberate on the submission to the proposed 2020-21 Fees and Charges.

That following deliberations Council:

4. Make no changes to the draft 2020-21 Fees and Charges as a result of consultation.
5. Note that the submitter will be informed of the outcome of their submission.
6. Adopt the 2020-21 fees and charges which were subject to a special consultative procedure under the Local Government Act 2002 listed in Table A below:

Table A: 2020-21 Fees and charges subject to the Special Consultative Procedure

	Refer Attachment Three Statement of Proposal
Bylaw Enforcement	Page 22
Drainage (Waste Water and Trade Waste)	Page 7-8
Food Act	Page 18-20
Gambling and Racing Act	Page 21
Health Act Registered Premises	Page 20-21
Public Places Bylaw	Page 21
Resource Management Act	Page 11-17

Rubbish Disposal	Page 5-6
Water Supply	Page 9-10

7. Authorise the Chief Executive to make minor amendments, drafting, typographical or presentation corrections necessary to the 2020-21 Fees and Charges document (including reference to the previous year's fees)

3 Background

Whangarei District Council's Statement of Proposal for the Draft Fees and Charges for 2020-21 was adopted on 27 February 2020, and opened for submissions in accordance with the requirements of the Special Consultative Procedure (SCP) of the Local Government Act 2002. Submissions closed on 6 April 2020.

The fees and charges subject to Special Consultative Procedure were for Bylaw Enforcement, Drainage (Waste Water and Trade Waste), Food Act, Gambling and Racing Act, Health Act (Registered Premises), Public Places Bylaw, Resource Management Act, Rubbish Disposal, and Water Supply.

All other fees and charges that were not subject to this Special Consultative Procedure were not consulted on and were adopted by Council on 27 February 2020.

The public have had the opportunity to present their views with an option to speak and elaborate on their submissions. It is now for Council to consider and respond to the submission received to enable the completion of the final 2020-21 Fees and Charges for adoption.

4 Discussion

4.1 Submission received

One submission was received in response to the consultation. This was from Hospitality New Zealand Northern Branch.

Feedback was provided on three matters relating to rate increases, temporary rates remissions, and alcohol licencing. Three issues were raised under alcohol licencing, one of which related to alcohol licencing fees and charges for 2020-21. A copy of the submission is included as **Attachment One**.

The submitter did not request to speak to their submission at a public hearing.

4.2 Staff response

Staff response to the submission is as follows:

- Council is currently finalising a package which includes fee relief through a grant system, for businesses (hospitality) affected by COVID-19.
- The 2020-21 alcohol licencing fees referred to in the submission were not part of the special consultative procedure as they are set directly through the Alcohol Fees Bylaw 2016. There are no plans to increase the fees for 2020-21.
- Discounting of fees or fees holidays need to be addressed through the Sale and Supply of Alcohol Fees Regulations 2013 bylaw.

- Processes for renewing or extending licences are set out under statute, therefore Councils do not have the jurisdiction to make these changes. Council staff have been in communication with licensees to ensure there are no unintended lapses.
- The Sale and Supply of Alcohol Act identifies the criteria for requirements of licenses and the application processes. What is happening in other countries is not applicable within NZ legislation.
- Ministry of Business, Innovation and Employment (MBIE) has placed further restrictions on off-license provision during level 4 lock-down.

While it is not possible to grant the precise request of the submitter through this process, the intent of their request will be addressed through the Council's COVID-19 relief package. Council is finalising relief through grants to be provided to industries significantly affected, as part of Council's COVID-19 Relief Package.

4.3 Adoption of Fees and Charges 2020-21

If Council agrees to make no changes to 2020-21 Fees and Charges as a result of consultation, the final 2020-21 Fees and Charges can be adopted to be effective 1 July 2020.

The proposed 2020-21 Fees and Charges document is included as **Attachment Two**.

The Statement of Proposal on 2020-21 Fees and Charges that went out for consultation is included as **Attachment Three**.

5 Significance and engagement

5.1 Significance

The setting of fees and charges does not trigger the significance criteria outlined in Council's Significance and Engagement Policy.

Fees and charges subject to the special consultative procedure (SCP) process were consulted on in accordance with section 83 of the LGA.

5.2 Engagement

A public notice was lodged as required by the Special Consultative Procedure. The consultation was promoted on the Council website and on Facebook.

The public will be informed of 2020-21 Fees and Charges via publication on the website prior to 1 July 2020.

6 Attachments

1. Submission from Hospitality NZ Northland Branch
2. Proposed Fees and Charges 2020-21
3. Statement of Proposal 2020-21 Fees and Charges

Hospitality New Zealand Northland Branch



Submission on

Statement of Proposal Draft Fees and Charges 20-21 Feedback

April 2020

Hospitality NZ is a voluntary trade association which has operated since 1902 and currently represents over 3,000 hospitality businesses throughout New Zealand, including Taverns, Pubs, Bars, Restaurants, Cafes, Retail Liquor and Commercial Accommodation providers such as Camping Grounds, Lodges, Motels, Hotels and Backpackers.

The Northland Branch of Hospitality New Zealand includes and represents 95 Hospitality and Commercial Accommodation businesses. This submission is made on behalf of the Northland branch of Hospitality New Zealand.

Hospitality New Zealand has a 115-year history of advocating on behalf of the hospitality and tourism sector and is led by Chief Executive, Julie White. Hospitality New Zealand's Northland Branch President is John Maurice and the Regional Manager for the Branch is Kim Odendaal.

We appreciate the opportunity to give feedback to the Whangarei District Council.

CONTACT DETAILS:

Kim Odendaal

Regional Manager

Hospitality New Zealand Northland Branch

Kim@hospitality.org.nz

027 5035408

0800 500 503

We thank you for the information provided in the Statement of Proposal Draft Fees and Charges 20-21, however given the current climate, we strongly urge the Whangarei District Council to consider no increases for the next twelve months at a minimum.

Central Government has taken substantial measures to help limit the damage inflicted to business and to ensure New Zealanders will have jobs moving forward. Most of the initiatives from Central Government have been focused on the employment relationship.

Further support is required for Hospitality businesses (especially small and medium businesses) who are adversely affected by Covid-19, who cannot operate during levels 3 and 4, and who can only operate at severely reduced capacity during level 2.

The Hospitality industry is for most councils, the heart of the community, offering our communities social and economic wellbeing, employing hundreds of thousands of New Zealand's.

We acknowledge that draft annual plans have been developed well before COVID-19, however as these are unprecedented times, unprecedented action is required. We propose the following:

1. No Rate Increases

It is alarming that some councils across the country are considering proceeding with large rate increases, some in excess of 10%. In the current climate, HNZ strongly urges you to consider no increases for the next twelve months at a minimum.

2. Temporary Rates Remissions

Councils should consider rate remissions or rebate options for business adversely affected by COVID-19, including delaying rate instalments and waiving late payment fees – these should be timebound, we suggest up to six-months.

3. Alcohol Licencing

Businesses with Alcohol Licences have been significantly affected by the COVID-19 restrictions and HNZ requests the following actions from Local Government.

a) Decrease in licencing fees: Licenced premises are currently unable to operate under Alert Level 3 and 4, and will face significant restrictions even at lower levels, however their standard associated fees still apply. We request that the Whangarei District Council provide financial relief in the form of a reduction in this year's licencing fees relative to the effective shutdown period.

b) No Increases to Licencing fees: Currently, licenced businesses are carefully managing their heavily decreased funds to ensure that they are able to keep their staff employed. For this reason, we request that the Whangarei District Council consider no increases to licencing fees, and to hold off on pursuing these for the foreseeable future.

c) Licencing Extensions: Licenced businesses will be hindered in their ability to complete their licence renewals due to the restrictions currently in place. Once the restrictions are lifted and business may reopen, operators may still be left unable to trade due to now lapsed licences. We request that Council's issue an automatic renewal or extension to those licences due for renewal during this crisis to ensure they may operate once the restrictions are lifted.

d) Temporary Off Licences: With On-Licence holders unable to operate under the restrictions, we have seen other countries in similar situations issue temporary off licences to current on-licence holders to allow for the online sale and contactless delivery of alcohol. Under the New Zealand determinations for essential businesses, this is permitted under the following conditions:

- * You must hold an off-licence. You must comply with requirements of your license.
- * The agreed quantity for spirits purchased must be no more than the customs/duty free allowance which is 3 bottles (or other containers) of spirits or liqueur (each bottle or container can hold a maximum of 1.125 litres) per order.

Many operators are able to quickly pivot their business during this time to meet these requirements, with the only restriction being the issue of the off-licence itself. We request that Council's allow current on-licence holders to apply for temporary off licences (for remote contactless sale) for the duration of the COVID-19 crisis, preferably without the associated off-licence fees and reduced processing times.

In addition, we encourage and support the establishment of a Local and Central Government COVID19 response team. Working alongside industries to address key topics that councils are challenged with from, finance and recovery, community wellbeing, governance and coordination – all forming and shaping decision-making of councils over the coming weeks and months.

We are happy to further participate in consultation on this issue and look forward to continuing to work with Council on this important issue for our members.



Kim Odendaal
Regional Manager
Hospitality New Zealand

**PROPOSED
FEES & CHARGES**

1 JULY 2020 – 30 JUNE 2021

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ANIMALS

DOGS

REGISTRATION FEE	CURRENT FEE (\$)	PROPOSED FEE (\$)	CURRENT FEE IF PAID ON OR AFTER 1 AUGUST (\$)	PROPOSED FEE IF PAID ON OR AFTER 1 AUGUST (\$)
Standard owner	67.00	68.00	99.00	101.00
Discounted fee owner (desexed dog)	53.00	54.00	78.00	80.00
Working dogs	52.00	53.00	67.00	68.00
Dangerous dog	100.50	102.00	148.50	152.00
Service dogs	No fee	No fee	No fee	No fee
Puppy fees	1/12th the relevant fee for each complete month remaining in the registration year	1/12th the relevant fee for each complete month remaining in the registration year	1/12th the relevant fee for each complete month remaining in the registration year	1/12th the relevant fee for each complete month remaining in the registration year
Replacement tags	6.00	6.00	6.00	6.00

OTHER CHARGES	CURRENT FEE (\$)	PROPOSED FEE (\$)
First impounding	139.00	142.00
Second impounding	158.00	161.00
Impound fee for third and any subsequent impounding	194.00	198.00
Dog sustenance fees – per day	23.00	24.00

STOCK RANGING/IMPOUNDING

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Impound fee for first impounding (driving charges additional)	139.00	142.00
Impound fee for second impounding (driving charges additional)	158.00	161.00
Impound fee for third and any subsequent impounding (driving charges additional)	194.00	198.00
Stock sustenance fees – per day	11.00	11.00
Stock control – driving charges – per hour	89.00	91.00
Transportation charges	Actual	Actual

BUILDING CONTROL

PROJECT INFORMATION MEMORANDUM (PIM) APPLICATION

PIM COMMERCIAL	CURRENT FEE (\$)	PROPOSED FEE (\$)
All works for new, existing and alterations to existing buildings described in the terms of the Building Regulations under the classifications of commercial, industrial and communal residential. In short, if the works are not solely and expressly residential then it is deemed commercial.	539.00	551.00
Examples of such include, but are not limited to: show homes, milking sheds and other farm buildings, residential accommodation in or attached to a commercial building, schools, changing a bedroom so it can be used as part of a home occupation, retaining walls and bridges for sub divisional development, communal buildings within retirement villages.		
RESIDENTIAL PIM – TYPE 1	CURRENT FEE (\$)	PROPOSED FEE (\$)
All works for new, existing and alterations to existing buildings described in the terms of the Building Regulations under the classifications of housing, outbuilding and ancillary.	434.00	444.00
Examples of such include, but are not limited to: dwellings, minor residential dwellings, farm worker's accommodation, sleep outs, garages, carports, and any alterations affecting or changing the exterior footprint of the building, pergolas, decks, swimming pools, retaining walls and bridges not for sub divisional development.		
RESIDENTIAL PIM – TYPE 2	CURRENT FEE (\$)	PROPOSED FEE (\$)
Internal alterations with a change of use, re-roof with a change of pitch, re-cladding, drainage or re-piling.	192.00	196.00
Examples of such include, but are not limited to: altering a wardrobe or bedroom to become an en-suite / bathroom or laundry, closing in a carport to become a garage, changing from tiles to long run or corrugated iron roofing.		
RESIDENTIAL PIM – TYPE 3	CURRENT FEE (\$)	PROPOSED FEE (\$)
Minor alterations, fireplaces and plumbing. Removal or demolition of buildings.	119.00	122.00
Examples of such include, but are not limited to: replacing a window with a ranch slider, constructing or altering of a non-load-bearing wall without a change of use (see PIM – type 2 for examples of change of use), repositioning of kitchen or bathroom fixtures within existing kitchen or bathroom, wet area showers within existing bathroom, taking out a bath and replacing it with a shower.		
REVIEW OF PLANNING FOR PIM PRIOR'S AND AMENDMENTS	CURRENT FEE (\$)	PROPOSED FEE (\$)
This fee provides for planning issues to be reviewed at the building consent application stage.		
Residential	121.00	124.00
Commercial	167.00	171.00

BUILDING CONSENTS

The below fees are deposits only and may attract additional processing fees charged on a time basis.

Building consent applications with a market value in excess of \$19,999 will be subject to BRANZ and a market value in excess of \$20,444 to MBIE levies in addition to the fees shown - see below.

Any external services that are required through the consenting process to be evaluated by an appropriate engineer or agency like the New Zealand Fire Service will be invoiced at the actual cost incurred through the review process.

Inspection fees charged at the current rate are valid for 12 months following payment. Inspections beyond the 12-month period will be invoiced at any new rate and any additional inspections will incur the new rate at the time of service.

Building Consent Applications

RESIDENTIAL

The below fees are instalments only and may attract additional processing fees charged on a time basis.

Estimated value of the building project	Estimated number of inspections required	Building Consents						Certificate of Acceptance
		Building Consent (Includes PA) * (\$)		Building Consent (Includes PIM) * (\$)		Certificate of Acceptance (Includes PA) * (\$)		
		Includes inspection instalment based on estimated inspections required				Includes 1 Inspection. Additional inspection fees may apply		
		CURRENT FEE (\$)	PROPOSED FEE (\$)	CURRENT FEE (\$)	PROPOSED FEE (\$)	CURRENT FEE (\$)	PROPOSED FEE (\$)	
Heating and/or Solar Appliances	1	508.00	358.00	546.00	358.00	487.00	498.00	
\$0 to \$5,000	2	1,295.00	1,324.00	1,625.00	1,340.00	1,113.00	1,307.00	
\$5,001 to \$10,000	3	1,638.00	1,675.00	1,953.00	1,749.00	1,358.00	1,555.00	
\$10,001 to \$50,000	5	2,594.00	2,652.00	2,749.00	2,811.00	2,089.00	2,470.00	
\$50,001 to \$100,000	7	3,369.00	3,444.00	3,524.00	3,603.00	2,616.00	3,178.00	
\$100,001 to \$250,000	9	4,041.00	4,132.00	4,196.00	4,291.00	3,111.00	3,678.00	
\$250,001 to \$500,000	12	5,540.00	5,665.00	5,695.00	5,824.00	4,004.00	5,430.00	
\$500,001 to \$900,000	18	7,620.00	7,823.00	7,775.00	7,982.00	5,595.00	7,118.00	
\$900,001 and over	25	10,224.00	10,455.00	10,379.00	10,614.00	7,807.00	9,316.00	
* BRANZ levies apply on applications in excess of \$19,999.								
* MBIE levies apply on applications in excess of \$20,444.								
† Accreditation Levy apply to all Building Consent applications								

BRANZ LEVY

Calculated at \$1.00 per \$1,000 or part thereof of projects with an estimated value of building work exceeding \$19,999 (or as amended by BRANZ). (This is exempt from GST).

MBIE LEVY

Calculated at \$1.75 per \$1,000 or part thereof of projects with an estimated value of building work exceeding \$20,444 (or as amended by the MBIE). (This is inclusive of GST).

ACCREDITATION LEVY

21 cents per \$1,000 of project value or part thereof.

A Building Consent Fee Calculator is available on Council's website:
www.wdc.govt.nz/BuildingandProperty/BuildingConsents/Pages/Building-Consent-Costs.aspx

COMMERCIAL

The below fees are instalments only and may attract additional processing fees charged on a time basis.

	Estimated number of inspections required	Building Consents				Certificate of Acceptance	
		Building Consent (Includes PA) * (\$)		Building Consent (Includes PIM) * (\$)		Certificate of Acceptance (Includes PA) * (\$)	
Estimated market value of the building project		Includes inspection instalment based on estimated inspections required				Includes 1 Inspection. Additional inspection fees & hourly rate may apply	
		CURRENT FEE (\$)	PROPOSED FEE (\$)	CURRENT FEE (\$)	PROPOSED FEE (\$)	CURRENT FEE (\$)	PROPOSED FEE (\$)
\$0 to \$5,000	2	2,113.00	2,159.00	2,300.00	2,350.00	2,316.00	2,531.00
\$5,001 to \$10,000	3	2,716.00	2,792.00	2,903.00	2,983.00	3,307.00	3,231.00
\$10,001 to \$50,000	4	3,587.00	3,665.00	3,774.00	3,856.00	3,980.00	4,411.00
\$50,001 to \$100,000	5	4,113.00	4,203.00	5,300.00	4,394.00	4,489.00	4,921.00
\$100,001 to \$250,000	7	5,522.00	5,643.00	5,709.00	5,834.00	6,032.00	6,669.00
\$250,001 to \$500,000	9	6,841.00	6,991.00	7,028.00	7,182.00	7,399.00	8,233.00
\$500,001 to \$1,000,000	12	9,677.00	9,888.00	9,864.00	10,079.00	11,411.00	12,329.00
\$1,000,001 to \$1,500,000	18	13,926.00	14,230.00	14,113.00	14,421.00	16,585.00	17,617.00
\$1,500,001 and over	25	19,673.00	20,104.00	19,860.00	20,295.00	23,544.00	25,403.00
* BRANZ levies apply on applications in excess of \$19,999.							
* MBIE levies apply on applications in excess of \$20,444.							
† Accreditation Levy apply to all Building Consent applications.							

BRANZ LEVY

Calculated at \$1.00 per \$1,000 or part thereof of projects with an estimated value of building work exceeding \$19,999 (or as amended by BRANZ). (This is exclusive of GST).

MBIE LEVY

Calculated at \$1.75 per \$1,000 or part thereof of projects with an estimated value of building work exceeding \$20,444 (or as per application or as amended by the MBIE).

ACCREDITATION LEVY

21 cents per \$1,000 of project value or part thereof.

A Building Consent Fee Calculator is available on Council's website:

www.wdc.govt.nz/BuildingandProperty/BuildingConsents/Pages/Building-Consent-Costs.aspx

OTHER APPLICATIONS, FUNCTIONS OR SERVICES

The below fees are instalments only and may attract additional processing fees charged on a time basis.

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Amendment to a Building Consent – residential	384.00	392.00
Amendment to a Building Consent – commercial	384.00	392.00
Certificate for Public Use – commercial	557.00	569.00
Notification of change of use (installment only)	131.00	134.00
Exemption under Schedule One (1) from the requirement for Building Consent	350.00	358.00
Extension of time application fee	263.00	65.00
Service connection or disconnection to the public utility infrastructure	409.00	418.00
Certificate of title registration or removal of registration (e.g. natural hazards identification or the binding of two or more allotments)	383.00	391.00
Vehicle crossing application to Council's engineering standards	409.00	418.00
Notice to fix issuance only (additional fees will be charged on a time basis)	282.00	288.00
Building code certificate under section 100(f) of the Sale and Supply of Alcohol Act 2012	184.00	188.00
Change of certifier – residential review (including two inspections)	993.00	1,015.00
Change of certifier – commercial review (including two inspections)	1,119.00	1,143.00
Change of certifier – heating appliance (including one inspection)	291.00	297.00
Building inspection fee – residential (per inspection)	214.00	219.00
Building inspection fee – commercial (per inspection)	277.00	283.00
Code compliance certificate (CCC) – residential	283.00	289.00
Code compliance certificate (CCC)– commercial	283.00	289.00
Potential contaminants site search (file review only) – residential (allowance of two (2) hours only)	253.00	259.00
Potential contaminants site search (file review only) – commercial (allowance of three (3) hours only)	421.00	430.00
Oakura Sewerage Charge	472.00	482.00

BUILDING WARRANT OF FITNESS AND COMPLIANCE SCHEDULES

The below fees are instalments only and may attract additional processing fees charged on a time basis.

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Independent qualified person (IQP) – new application to be registered	380.00	389.00
Specified system registration for an IQP (note: this is per system)	160.00	164.00
IQP annual renewal to remain registered (per person) not company	160.00	164.00
Compliance schedule statement	98.00	100.00
Building Warrant of Fitness (BWOFF) receipt and administration fee	109.00	112.00
Amendment to compliance schedule	127.00	130.00
BWOFF site audits (allowance of one (1) hour only)	277.00	283.00
Risk category 1 – once per year	164.00/hr	168.00/hr
Risk category 2 – once per 3 years	164.00/hr	168.00/hr

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Risk category 3 – once per 5 years	164.00/hr	168.00/hr
Building warrant of fitness site audit rechecks	164.00/hr	168.00/hr

SUBSCRIPTIONS AND PUBLICATIONS

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Issued building consent register – monthly	39.00	40.00
Issued building consent register - annual	324.00	331.00

LAND INFORMATION MEMORANDUM (LIM)

The below fees are instalments only and may attract additional processing fees charged on a time basis.

RESIDENTIAL (INCLUDING LIFESTYLE BLOCKS LESS THAN 20 HECTARS)	CURRENT FEE (\$)	PROPOSED FEE (\$)
Used principally for residential purposes or lifestyle residential purposes		
A lifestyle block includes properties of variable size, but generally comprise of 20 hectares or less, which might otherwise be categorised as rural, but which are used for non-economic (in the traditional farming sense) lifestyle residential purposes	376.00	384.00
LIM - Cancellation fee	98.00	100.00

COMMERCIAL (INCLUDING FARMS OVER 20 HECTARS)	CURRENT FEE (\$)	PROPOSED FEE (\$)
A building or land in which any natural resources, goods, services or money are either developed, sold, exchanged or stored		
Large commercial/industrial LIMs will be assessed and may incur additional costs	679.00	694.00
LIM - Cancellation fee	98.00	100.00

BYLAW ENFORCEMENT

SEIZURE OF PROPERTY UNDER BYLAWS

		CURRENT FEE (\$)	PROPOSED FEE (\$)
Seizure and confiscation of signs under the Local Government Act 2002 and bylaws	Signs under 1m ²	66.00	67.00
	Signs over 1m ²	133.00	136.00
Seizure of other property		Actual cost recovery at \$88.00/hr. and mileage of \$0.76/km plus any additional specialist contractor's cost	Actual cost recovery at \$90.00/hr. and mileage of \$0.79/km plus any additional specialist contractor's cost
Seizure of skateboards, bikes and similar		64.00	65.00
Where otherwise not specified any application for a permit, consent or exemption application or request under a Whangarei District Bylaw. Fee is for one hour of processing, with additional time charged at \$168 per hour.		164.00	168.00

CAMERON STREET MALL PERMITS

CAMERON ST MALL PERMITS	CURRENT FEE (\$)	PROPOSED FEE (\$)
Cameron Street mall permits	20.00	20.00
Preferred busking permit	20.00	20.00
Bond for power charge	20.00	20.00

CEMETERY

BURIAL FEES

PURCHASE AND MAINTENANCE OF PLOT FEES	CURRENT FEE (\$)	PROPOSED FEE (\$)
Burial plots – Maunu	2,864.00	2,927.00
Family burial plot	3,581.00	3,660.00
Natural burials	2,865.00	2,928.00
Children's burial plots – Maunu and Onerahi (available up to 12 years)	752.00	769.00
Stillborn and newborn	153.00	156.00
Standard ashes plot (900 x 400) – Maunu, Onerahi and Kamo	665.00	680.00
Family ashes plot – Maunu	870.00	889.00
Premium ashes plot – Maunu Rose garden	716.00	732.00
Rose garden plaque	256.00	262.00
Transfer of ownership fee (burial plot or ashes plot)	41.00	42.00

BURIAL (DIGGING FEES) MAUNU, ONERAHI AND KAMO	CURRENT FEE (\$)	PROPOSED FEE (\$)
Digging – single/double depth	921.00	941.00
Digging – off site	1,432.00	1,464.00
Digging – 1 to 12 years	354.00	362.00
Digging stillborn and newborn	No charge	No charge
Lowering device fee	72.00	74.00
Grave mats	No charge	No charge
Surcharge for burial on Saturday	298.00	305.00
Surcharge for late arrival (30 minutes after booking time)	244.00	249.00
Staff call out on statutory holidays	542.00	554.00
Oversize casket (extra) – greater than standard length 2100mm, width 770mm	183.00	187.00
Breaking concrete (extra)	183.00	187.00
Dis-interment (burial plot)	1,926.00	1,968.00
Headstone or memorial permit fee (burial or ashes plot)	45.00	46.00

OTHER FEES	CURRENT FEE (\$)	PROPOSED FEE (\$)
Memorial bench	3,000.00	3,066.00
Pop-up gazebo – Maunu only	55.00	57.00
Memorial tree – Kamo only	564.00	590.00

ASH INTERMENT FEES

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Book of Remembrance entry	70.00	72.00
Burial of ashes	106.00	108.00
Scattering of ashes	60.00	61.00
Dis-interment of ashes	121.00	124.00
A fee may be charged for the compilation of large amounts of information		

COUNCIL PROFESSIONAL FEES

HOURLY RATES CHARGED IN 6 MINUTE INTERVALS	CURRENT FEE (\$)	PROPOSED FEE (\$)
Manager, RMA Consents	207.00/hr	211.00/hr
Manager, Parks and Recreation		
Manager, Infrastructure Development		
Manager, Infrastructure Planning & Capital Works		
Manager, Roading		
Manager, District Plan		
Manager, Health and Bylaws		
Manager, Building Control		
Manager, Libraries		
Manager, Water Services		
Manager, Waste and Drainage		
RMA Planning Specialist	184.00/hr	188.00/hr
Team Leader RMA Consents		
Senior Specialist Resource Consents		
District Plan Specialist		
Senior Planner (District Plan & Consents)		
Team Leader Development Engineering		
Senior Development Engineering Officer		
Development Engineer		
Engineering Officer, Water		
Senior Water Technician		
Infrastructure Asset Engineer		
Infrastructure Project Engineer		
Infrastructure Senior Engineer		
Distribution Engineer		
Solid Waste Engineer		
Asset Engineer, Water		
Waste and Drainage Engineer		
Waste and Drainage Asset Engineer		
Wastewater Projects Engineer		
Senior Building Controls Officer		
Team Leader Building		

HOURLY RATES CHARGED IN 6 MINUTE INTERVALS	CURRENT FEE (\$)	PROPOSED FEE (\$)
Team Leader Infrastructure Planning		
Team Leader Landscape Architects		
Team Leader, Environmental Health		
Cemetery and Botanica Manager		
Senior Asset Engineer		
Planner (District Plan and Consents)		
Team Leader RMA Approvals and Compliance		
Landscape Architect		
Post-Approval Subdivision Officer		
Development Contributions Coordinator		
Infrastructure Planner		
Development Engineering Officer		
Distribution Technician		
Engineering Officer (Drainage and Water)		
Team Leader RMA Support	164.00/hr	168.00/hr
Strategic Asset Coordinator - Parks		
Infrastructure Technical Officer		
Senior Roading Engineer (Traffic and Parking)		
Traffic Projects Engineer		
Building Control Officer		
Compliance Officer (Building Control)		
Compliance Officer (RMA Consents)		
Architect / Urban Designer		
Environmental Health Officer		
Property Assessment Officer	163.00/hr	\$168.00/hr
Infrastructure Asset Systems Technician		
Compliance Officer (Regulatory Services)	141.00/hr	\$144.00/hr
Planning Assistant (RMA Consents) / Support Assistant (District Plan/Health and Bylaws/Building Processing)	98.00/hr	100.00/hr
Building Administrator (BCA and TA)	98.00/hr	100.00/hr
Mileage	76 cents/km	79 cents/km
Disbursements	At cost charged to department by provider	At cost charged to department by provider
Hearings required for any resource consent or other permission will be charged at actual cost.		
Cost of any consultant / hearings commissioner will be charged at actual cost.		
Miscellaneous charges will be charged at actual cost.		
All costs will be itemised.		

HOURLY RATES CHARGED IN 6 MINUTE INTERVALS

CURRENT FEE (\$)

PROPOSED FEE (\$)

All figures are standard fees inclusive of GST; the final fee in any one application will be determined by the Resource Consents Manager or his/her appointee.

Council reserves the right to interim invoice applications where significant costs have been incurred over a period of one month or more without progress on the application.

DISTRICT PLAN

PRIVATE PLAN CHANGE

All fees and charges are DEPOSITS unless otherwise stated. Processing may require further charges that exceed the initial lodgement deposit.

PRIVATE PLAN CHANGE	CURRENT FEE (\$)	PROPOSED FEE (\$)
Private Plan Change – on receipt of a request to change the Plan	14,500.00	14,500.00
Private Plan Change – before commencement of notification	14,500.00	14,500.00
Private Plan Change – before commencement of a hearing	14,500.00	14,500.00
Disbursements	At cost charged to Department by provider	At cost charged to Department by provider
Hourly rates charged in six-minute intervals. Hours over the above advance fee and mileage, plus disbursements, which may also involve work by other specialist planning, parks and engineering staff will be charged at a rate specified in Council's Professional Fee Schedule.	See pages 11-12	See pages 11-12

HEARINGS REQUIRED FOR ANY PLAN CHANGE

Any and all costs of third party or independent Commissioners will be recoverable as well as the cost associated with the hearing (i.e. staff time, consultant's costs, venue hire, printing).

When a Councillor is appointed as a Hearings Commissioner the cost set by Regulation will be charged.

All figures are standard fees inclusive of GST, the final fee in any one change to the District Plan will be determined by the Environmental Policy and Monitoring Manager or his/her appointee.

In the case where a consultant(s) is required, Council will charge the actual and reasonable costs incurred by the consultant, plus 5% for supervision and administration.

Notes

Private plan changes may be processed by consultants. In this situation, an applicant will be asked to undertake, at the submission stage, to pay the full cost of such processing in addition to the normal cost of Council to process it's part of the application. Fees are charged to defray the cost of:

- (a) Initial receipt of the application
- (b) Cost of allocation of the application and distribution of information
- (c) Site visits
- (d) All professional and administrative staff costs at the hourly rate, mileage and disbursements in handling the application
- (e) Request for additional information and review or peer review such information
- (f) Notification procedure
- (g) Summarising submissions and input into database
- (h) Notification of submissions for further submissions
- (i) Summary of further submissions and input into database
- (j) Preparation of staff report to a Hearings Committee and/or Council
- (k) Preparation of hearing, notices, hall hire, appointment of commissioners, etc
- (l) Attendance and any cost of hearings plus secretarial services
- (m) All cost of the hearing including full cost of independent commissioners
- (n) Preparation and finalising the Hearings Committee's recommendation to Council
- (o) Submission to Council of the hearings report and cost of any subsequent requirements of Council

- (p) Updating of database with all the decisions of Council on submissions
- (q) Distributing decision replies to all submitters
- (r) Council may on-charge cost of an appeal where the decision of Council was in favour of the applicant, but was appealed by a submitter
- (s) All costs will still be payable notwithstanding the outcome of the application, i.e., if an application is declined or only partially accepted/adopted/granted the cost still has to be recovered
- (t) Cost can be reduced if all information is provided electronically and distributed electronically where applicable.

DRAINAGE

SERVICES LOCATION	CURRENT FEE (\$)	PROPOSED FEE (\$)
Where work is done by Council to locate connections and the connection is found to be within 1.5 meters horizontally and 0.5 meters vertically of the 'as-built' position, work done will be charged at cost.	Actual cost of contractor	Actual cost of contractor

SEPTAGE TREATMENT	CURRENT FEE (\$)	PROPOSED FEE (\$)
For disposal and treatment of septage at Council's treatment facility – types 1.02, 1.03 & 1.14	37.00	38.00
For disposal and treatment of septage at Council's treatment facility – types 1.04 & 14.01	11.25	11.50
Consent monitoring hourly rate	85.00	87.00
Trade Waste uniform annual charge	482.00	492.00
Trade Waste Consent Permit (conditional)	183.00	187.00
Trade Waste permitted application fee	61.50	63.00

PAN CHARGE	CURRENT FEE (\$)	PROPOSED FEE (\$)
Pan charge for discharge of wastewater into Council's wastewater system where connection cannot be charged as targeted rate**	482.00	492.00

**An approved connection may be provided but as the building is not on land, no certificate of title exists therefore the charge cannot be levied as a rate under the Local Government Rating Act 2002

PART YEAR WASTEWATER CHARGE	CURRENT FEE (\$)	PROPOSED (\$)
Part year wastewater fee for properties connected to the public wastewater system during the year. After connection, properties are charged on 1 July as part of the rates.		

SEWER CONNECTION DATE	CURRENT FEE (\$)	PROPOSED (\$) (as a % of annual pan fee)
July	92%	92%
August	83%	83%
September	75%	75%
October	67%	67%
November	58%	58%
December	50%	50%
January	42%	42%
February	33%	33%
March	25%	25%
April	17%	17%
May	8%	8%
June	0%	0%

TRADE WASTE DISCHARGES	CURRENT FEE (\$)	PROPOSED FEE (\$)
By Volume	\$1.56/m3	\$1.59/m3

By Total Kjeldahl Nitrogen (TKN)	\$0.78/kg	\$0.80/kg
By Total Suspended Solids (TSS)	\$0.61/kg	\$0.62/kg
By Chemical Oxygen Demand (COD)	\$0.42/kg	\$0.43/kg

FOOD PREMISES

FEES FOR FUNCTIONS UNDER THE FOOD ACT 2014

REGISTRATION – FOOD CONTROL PLAN	CURRENT FEE (\$)	PROPOSED FEE (\$)
New application for registration of food control plan based upon a template fee (includes up to 2 hours of processing time, supply of thermometer and printed food safety plan).	325.00 fixed fee	332.00 fixed fee
Fee for additional time in processing the application	164.00/hr	168.00/hr
Additional food control plan document pack	25.00 per pack	26.00 per pack
Thermometer	25.00	26.00
Registration renewal	164.00 fixed fee	168.00 fixed fee
REGISTRATION – NATIONAL PROGRAMMES	CURRENT FEE (\$)	PROPOSED FEE (\$)
Application for registration of model issued by MPI of a business subject to a national programme (includes up to 1.5 hours of processing time).	244.00 fixed fee	249.00
Fee for additional time in processing the application	164.00/hr	168.00/hr
Additional national programme document pack	25.00 per pack	26.00 per pack
Thermometer	25.00	26.00
Registration renewal	164.00	168.00
AMENDMENT TO REGISTRATION	CURRENT FEE (\$)	PROPOSED FEE (\$)
Significant amendment to registered food control plan based on a template or model issued by MPI or an amendment to the registration of a business subject to a national programme (includes up to 1 hour of processing time)	164.00 fixed fee	168.00 fixed fee
Fee for additional time in processing the application	164.00/hr	168.00/hr
VERIFICATION OF FOOD CONTROL PLAN	CURRENT FEE (\$)	PROPOSED FEE (\$)
Verification including site visits and compliance checks with food control plans (includes up to 3.5 hours of processing and traveling time).	558.00 fixed fee	588.00 fixed fee
Where a verification results in the issue of a Corrective Action Request (CAR), that requires a return visit, then this follow up visit to check remedial actions and every additional visit is subject to additional compliance and monitoring fees.	164.00/hr	168.00/hr
Failure to attend scheduled audit	164.00/hr	168.00/hr
Unscheduled verification	164.00/hr	168.00/hr
VERIFICATION OF NATIONAL PROGRAMME	CURRENT FEE (\$)	PROPOSED FEE (\$)
One hour of verification activity, including site visits and compliance checks with national programme.	164.00 fixed fee	168.00 fixed fee
Where a verification results in the issue of a Corrective Action Request (CAR) that requires a return visit, then this follow up visit to check remedial actions and every additional visit is subject to additional compliance and monitoring fees.	164.00/hr	168.00/hr
Failure to attend scheduled audit.	164.00/hr	168.00/hr
Unscheduled verification	164.00/hr	168.00/hr

COMPLIANCE AND MONITORING	CURRENT FEE (\$)	PROPOSED FEE (\$)
Complaint driven investigation resulting in issue of improvement notice by food safety officer.	164.00/hr	168.00/hr
Application for review of issue of improvement notice.	164.00/hr	168.00/hr
Second and subsequent return to business to check on compliance with CAR.	164.00/hr	168.00/hr
Monitoring of food safety and suitability.	164.00/hr	168.00/hr

FEES AND CHARGES UNDER THE FOOD BUSINESSES GRADING BYLAW 2016

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Re-grading of premises under the Food Businesses Grading Bylaw 2016	184.00/hr	188.00/hr

HEALTH ACT REGISTERED PREMISES

FUNERAL DIRECTORS	CURRENT FEE (\$)	PROPOSED FEE (\$)
On application (annual fee) and renewal	232.00	237.00
Transfer	62.00	63.00

HAIRDRESSERS	CURRENT FEE (\$)	PROPOSED FEE (\$)
On application (annual fee) and renewal	194.00	198.00
Transfer	62.00	63.00

CAMPING GROUNDS	CURRENT FEE (\$)	PROPOSED FEE (\$)
On application (annual fee) and renewal	347.00	346.00
Transfer	62.00	63.00

OFFENSIVE TRADES	CURRENT FEE (\$)	PROPOSED FEE (\$)
Offensive trades	232.00	237.00
Transfer	62.00	63.00

MISCELLANEOUS	CURRENT FEE (\$)	PROPOSED FEE (\$)
Consultation work including inspection undertaken by request and other inspections under the Health Act 1956	Hourly rate of \$164.00/hr plus travel at \$0.76/km	Hourly rate of \$168.00/hr plus travel at \$0.79/km

FORUM NORTH VENUE HIRE

VENUE	SESSION	CURRENT FEE (\$)	PROPOSED FEE (\$)
Expo Hall	Day	1,043.28	1,070.00
	Evening	782.00	800.00
Cafler Suite	Day	438.90	450.00
	Evening	327.00	337.50
Bounty Room	Day	258.72	265.00
	Evening	194.00	198.00
Theatre	Day- Peak	1,171.28	1,200.00
	Evening- Peak	878.85	900.00
	Day- Off Peak	929.78	950.00
	Evening- Off Peak	697.20	713.00
	Day & Evening- Off Peak	1,162.35	1,188.00
A community venue hire rate may be available to eligible organisations upon application			

GAMBLING ACT AND RACING ACT APPLICATION

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Application for TLA consent under Gambling Act 2003 (s 99) and Racing Act 2003 (s 65B) – Deposit provides for a maximum of 7 hours of processing.	1,400.00	1,484.00
Additional processing time	207.00/hr	211.00/hr

LABORATORY TESTING

CHEMICAL

	CURRENT FEE (\$)	PROPOSED FEE (\$)
#Biochemical Oxygen Demand (B.O.D.) ⁽⁵⁾	46.00	47.00
#Carbonaceous Biochemical Oxygen Demand (C.B.O.D.) ⁽⁵⁾	50.00	51.00
Chemical Oxygen Demand (C.O.D.)	38.00	39.00
Solids – total	23.00	24.00
Solids – suspended	23.00	24.00
Solids – total dissolved	23.00	24.00
Hardness – total	20.00	25.00
Hardness – calcium	20.00	25.00
Hardness – magnesium	No charge	No charge
Calcium	20.00	25.00
Total alkalinity (to ph 4.5)	20.00	25.00
Chloride	22.00	25.00
Free available chlorine	15.00	18.00
Total chlorine	15.00	18.00
Dissolved oxygen	13.00	13.00
Conductivity	13.00	13.00
Salinity	13.00	13.00

pH	13.00	13.00
Turbidity	13.00	13.00
Colour	13.00	13.00
Iron	21.00	21.00
Manganese	21.00	21.00
Ammonia nitrogen	13.00	17.00
Nitrate + nitrite (total oxidised nitrogen)	21.00	21.00
Dissolved reactive Phosphorous	21.00	21.00
Corrosive index (Isi)	69.00	71.00
Routine water profile (sub-contracted)	130.00	130.00

MICROBIOLOGICAL

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Faecal coliform (presumptive)	32.00	35.00
Escherichia coli & total coliform	38.00	40.00
Enterococci	49.00	51.00
Total plate count @ 35°C	36.00	37.00
Total plate count @ 20°C	36.00	37.00
Pseudomonas aeruginosa (presumptive)	36.00	37.00
Staphylococcus aureus (presumptive)	36.00	37.00

SAMPLE COLLECTION

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Sample collection – per hour	80.00	82.00
Mileage / km	0.76	0.79

LIBRARY

MEMBERSHIP

MEMBERSHIP	CURRENT FEE (\$)	PROPOSED FEE (\$)
Residents and ratepayers	Free	Free
Non-ratepayers / visitor's memberships: (\$32 refundable deposit and \$40.00 annual subscription)	72.00	Free
Non-ratepayers / visitor's additional cards (non-refundable) per family member	20.00	Free
Replacing a lost card – per card	Free	Free
INTER-LIBRARY LOANS	CURRENT FEE (\$)	PROPOSED FEE (\$)
From a cooperating library – per item	6.00	6.50
From a non-cooperating New Zealand library – per item	Minimum of 19.00	Minimum of 20.00
From an Australian library – per item	40.00	40.00
Urgent requests – per item	25.00-30.00	25.00-30.00

LOST / NON-RETURNED ITEMS	CURRENT FEE (\$)	PROPOSED FEE (\$)
Replacement value of item plus administration fee	Replacement value of item plus 10.00 admin fee	Replacement value of item plus 10.00 admin fee
Uncollected hold charge	1.00	1.50
OVERDUE CHARGES (PER NON-RENTAL ITEM)	CURRENT FEE (\$)	PROPOSED FEE (\$)
Overdue charge – per day	0.40	0.40
Overdue charge – maximum	12.00	15.00

RENTAL ITEMS

BESTSELLER BOOKS (GREEN STICKERS)	CURRENT FEE (\$)	PROPOSED FEE (\$)
1 week	3.00	3.00
Overdue charge (per item) – per day	1.10	1.10
Overdue charge - maximum	20.00	20.00
DVDS	CURRENT FEE (\$)	PROPOSED FEE (\$)
Per week	2.00	2.00
Hearing impaired – 1 item per visit	No charge	No charge
Overdue fines (per item) – per day	0.50	0.50
Maximum	20.00	20.00
NEW RELEASE DVDS	CURRENT FEE (\$)	PROPOSED FEE (\$)
3 days	4.00	4.00
Overdue fine per item – per day	1.10	1.10
Overdue maximum	20.00	20.00

OTHER PAY SERVICES – LIBRARY

SELF-HELP COMPUTER SERVICES	CURRENT FEE (\$)	PROPOSED FEE (\$)
Internet – per 3 minutes	0.20	0.20
PHOTOCOPY/PRINTING SERVICES	CURRENT FEE (\$)	PROPOSED FEE (\$)
Black and white A4	0.10	0.10
Black and white A3	0.20	0.20
Colour A4	1.00	1.00
Colour A3	2.00	2.00
Scanning per page	0.10	0.10
Laminating per A4 sheet	2.00	2.00
Laminating per A3 sheet	4.00	4.00
MISCELLANEOUS	CURRENT FEE (\$)	PROPOSED FEE (\$)
Sales	Prices as marked	Prices as marked
Book mending & covering services	Prices on application	Prices on application
Sundry items	Prices as marked	Prices as marked
FAX	CURRENT FEE (\$)	PROPOSED FEE (\$)
0800 numbers – first page	2.00	2.00
Local – first page	2.00	2.00
National – first page	2.50	2.50
International – first page	3.00	3.00
Receiving – first page	1.00	1.00
All additional pages	0.20	0.20

DISPLAY	CURRENT FEE (\$)	PROPOSED FEE (\$)
Notice boards – per board per week	12.50	N/A
Display cabinet – per week	12.50	12.50

ROOM HIREAGE

MAY BAIN	CURRENT FEE (\$)	PROPOSED FEE (\$)
Booking fee	25.00	25.00
Plus, room hire per hour	25.00	25.00
50% discount on room hire fees for local non-profit community groups		
Sundries supplied (per booking period)	12.00	12.00
Data projector hire (per booking period)	30.00	30.00
Wi-Fi access – per day	Free	Free
LEONARD ROOM	CURRENT FEE (\$)	PROPOSED FEE (\$)
Room hire per hour	10.00	10.00

MONITORING AND LAND USE CONSENT CONDITIONS – RMA

MONITORING AND LAND USE CONSENT CONDITIONS

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Deposit invoiced at the time a resource consent decision is issued. Should the cost of monitoring (based on Council staff hourly rates and mileage) exceed the deposit an invoice will be issued for the additional amount.		
Residential	415.00	425.00
Commercial	595.00	610.00
Hours over the above advance fee and mileage, which may also involve work by other specialist planning, parks and engineering staff will be charged at a rate specified in Council's Professional Fee Schedule plus any additional specialist contractor costs.	See pages 11-12	See pages 11-12

ABATEMENT NOTICES

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Charge applied to issue an abatement notice	146.00	150.00
Charge to cover seizure, impounding, transporting and storing of property under Section 366, Resource Management Act 1991	233.00	233.00

OFFICIAL INFORMATION

WHERE NO OTHER FEE APPLIES	CURRENT FEE (\$)	FEE SET OUT BY STATUTE (\$)
Time spent by staff searching for relevant material, extracting and collating, copying, transcribing and supervising access where the total time involved is more than one hour should be charged out as follows:	38.00/ half hour	38.00/ half hour
PHOTOCOPYING	CURRENT FEE (\$)	PROPOSED FEE (\$)

First 20 pages of A4 black and White copies	Free	Free
Thereafter – see Photocopy charges (page 23)		
OTHER COSTS		
All other charges incurred will be fixed at an amount which recovers the full costs involved		
FEE IN ADVANCE		
A fee in advance may be required where the charge is likely to exceed \$76.00 or where some assurance of payment is required to avoid waste of resources		

PARKS AND RESERVES

PLAYING FIELD RENTALS

SEASONAL HIRE TO PARENT SPORTING CODES		CURRENT FEE (\$)	PROPOSED FEE PARKS AND RESERVES PLAYING FIELD RENTALS
Cricket	Senior wickets	550.00	550.00
	Twilight wickets	100.00	100.00
	Artificial wickets	50.00	50.00
Softball and baseball	Diamond	250.00	250.00
Rugby	Senior field	550.00	550.00
	Junior field	450.00	450.00
Touch rugby	Field	250.00	250.00
Five-aside soccer	Field	250.00	250.00
Soccer	Senior field	550.00	550.00
	Junior field	450.00	450.00
Rugby league	Senior field	550.00	550.00
	Junior field	450.00	450.00
Casual usage of sporting fixtures by businesses, social clubs and other groups during appropriate season. i.e., using existing field		40.00	41.00

MAUNU RESERVE – BARGE SHOW GROUNDS

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Equestrian Federation and New Zealand Pony Club Association events cross country and dressage events etc per day per group	50.00 per day as per legal agreement	50.00 per day as per legal agreement

OTHER

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Annual community/sports lease fee	500.00	500.00
Grazing license	By negotiation	By negotiation

ALL PARKS AND RESERVES

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Gala days and fundraising events by non-profit making organisation (all venues).	100.00	100.00
Fund raising events by non-profit orgs – bond	500.00	500.00
Filming on reserve (depending on scale of event)	Up to 500.00 per day	Up to 500.00 per day
Events by profit making or commercial organisations, with the intention of making a profit (all venues): Plus, bond \$500.00	Up to 600.00 depending on scale of event	Up to 600.00 depending on scale of event

BOTANICA WHANGAREI

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Booking fee – per hour (or part thereof) and minimum fee	75.00	75.00

MAIR PARK

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Use of power. Key available ex Parks – per day	25.00	25.00

LAURIE HALL PARK

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Use of power. Key available ex Parks – per day	25.00	25.00

SIGN PARKS

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Community events – single site 1.2M x 1.2M – per 3 weeks	39.00	39.00
Community events – double site 1.2M x 2.4M – per 3 weeks	74.00	74.00

PENSIONER HOUSING

Pensioner Housing rents are set in accordance to Council's Pensioner Housing Policy 0050, as a percentage of the tenant's superannuation entitlement.

Increases are implemented annually with the required notification period as detailed in the Residential Tenancies Act 1986.

Note: GST does not apply to pensioner housing rents.

Council's Pensioner Housing is administered by the Whangarei AMP Society, Whangarei.

PHOTOCOPYING AND FILE HANDLING CHARGES

PHOTOCOPYING AND PRINTING

		CURRENT FEE (\$)	PROPOSED FEE (\$)
Black & white	A4	0.10	0.10
	A3	0.20	0.20
Colour	A4	1.00	1.00
	A3	2.00	2.00
Double sided – charge each side as a single page			

PUBLIC PLACES BYLAWS

LICENCES ISSUED UNDER ANY WHANGAREI DISTRICT BYLAW

These are annual fees unless otherwise stated	CURRENT FEE (\$)	PROPOSED FEE (\$)
Any application for a permit, consent, exemption or request under a Whangarei District Bylaw, includes up to one hour of processing time. Additional time will be charged at \$164/hr.	164.00/site or application	168.00/site or application
Alfresco dining application fee	227.00	232.00
Alfresco dining monitoring fee	125.00	128.00
Animal powered vehicle license	181.00	185.00

ALCOHOL LICENSING

The alcohol fees stated below are set under the Whangarei District Council Alcohol Fees Bylaw 2016. These fees replace the fees payable as stated under Regulation 7 of the Sale and Supply of Alcohol (Fees) Regulations 2013.

The above Regulations however continue to determine and define the various application and annual risk categories for the various premises and does so by allocating a numeral weighting to each category, depending on the perceived risk. In addition, the Regulations also allocate a higher risk rating to premises that operate longer hours; or those that have in the past suffered some enforcement action.

The sum total of each of these then translate into five (5) different risk categories ranging from “very low” to “very high”. A very low risk category premises will pay a substantially lower application or annual compliance monitoring fee than premises in a higher risk category.

For Special licensed events, the Regulations provides for three (3) Classes, dependent upon the number of attendees. With Class 1 being the highest risk and Class 3, the lowest.

For a more detailed explanation and in order for applicants to predetermine their individual application and/or annual risk categories, please see the Sale and Supply of Alcohol (Fees) Regulations 2013.

Application fee	FEE SET BY BYLAW (\$)
Very low	600.00
Low	994.00
Medium	1,456.00
High	1,669.00
Very high	1,969.00
Annual fee	FEE SET BY BYLAW (\$)
Very low	262.00
Low	637.00
Medium	1,031.00
High	1,687.00
Very high	2,344.00
Special license fee	FEE SET BY BYLAW (\$)
Class 1	937.00
Class 2	337.00
Class 3	102.00
Other fees	FEE SET BY BYLAW (\$)
Temporary Authority *	484.00

Temporary License*	484.00
Manager's Certificate*	316.25

*This fee is set through the regulations not through the bylaw but is included here for completeness.

RESOURCE MANAGEMENT ADMINISTRATIVE CHARGES

ALL FEES AND CHARGES ARE <u>DEPOSITS</u> UNLESS OTHERWISE STATED You will be charged a final processing fee when council has reached a decision on your application. Interim billing may also occur. The processing charge covers tasks such as site visits, report preparation, information searches and input from other council staff. Mileage is also charged.	CURRENT FEE (\$)	PROPOSED FEE (\$)
<p>Applications under the Resource Management Act as follows:</p> <ul style="list-style-type: none"> • Non-notified or Limited Notified Resource Consent applications (Land Use and/or Subdivision) • Non-notified or Limited Notified Notices of Requirement for designations and alterations to existing designations under Sections 168, 168A, and 181 • Applications for Certificates of Compliance under Section 139 • Applications for Existing Use Rights Certificates under Section 139A 	2,000.00	2,000.00
<p>Applications requiring public notification under the Resource Management Act</p> <p>Note: Where a determination is made requiring notification of an application where \$1500.00 advance fees have already been paid, Council will require an additional \$3000.00 advance fee to be paid before public notification proceeds</p>	6,000.00	10,000.00
<p>Applications under the Resource Management Act as follows:</p> <ul style="list-style-type: none"> • Non-notified or Limited Notified Change or Cancellation of Consent Condition/s under Section 127 • Extension of time under Section 125 • Outline Plan s176A • Review of Consent Condition/s under Section 128 • Vary or cancel a consent notice under Section 221(3) 	1,000.00	1,250.00
<ul style="list-style-type: none"> • Certification that Subdivision complies with District Plan under Section 226 • Cancellation of covenant against transfer of allotment & Cancellation of Amalgamation of allotments under Sections 240(4) and 241 • Grant, Surrender, Transfer, Vary or Cancel Easements under Section 243 • Applications under section 100 of the Sale and Supply of Alcohol Act 2012 • Applications under sections 327A (Cancellation of Building Line Restriction) and 348 (Creation of right-of-way easement) of the Local Government Act • Applications under sections 94 and 114 (Conservation Covenants) of the Reserves Act • Applications under the First Schedule of the Overseas Investment Regulations 1995 	1,000.00	1,000.00
<ul style="list-style-type: none"> • Application for Boundary Activity under section 87B • Application for Marginal or Temporary Activity under section 87BB 	\$500.00 (set fee) \$350.00	\$500.00 (set fee) \$500.00
<p>Applications under the Resource Management Act as follows:</p> <ul style="list-style-type: none"> • Approval of Survey Plan under Section 223 • Completion Certificate for subdivision under Section 224 • Surrender of Consent under Section 138 • Monitoring of NES permitted activities 	Actual and reasonable costs	Actual and reasonable costs

ALL FEES AND CHARGES ARE DEPOSITS UNLESS OTHERWISE STATED	CURRENT FEE (\$)	PROPOSED FEE (\$)
Pre-Application meetings with Council staff <ul style="list-style-type: none"> Applicants can request to meet relevant Council staff to discuss potential resource consent matters prior to preparing and lodging an application, in accordance with Councils Pre-Application meetings process 	One pre-application meeting free of charge*. All meetings requested thereafter (including preparation and follow-up) will be charged at actual and reasonable cost	One pre-application meeting free of charge*. All meetings requested thereafter (including preparation and follow-up) will be charged at actual and reasonable cost
*This includes all meeting preparation, staff attendance, and any follow-up actions undertaken by Council staff as a result of the first meeting. It does not include the cost of any technical assessments required by third parties acting on behalf of Council (i.e., use of consultants).		
Rejection of Application <ul style="list-style-type: none"> Council will charge actual and reasonable costs at the relevant hourly rate in the event that any application lodged is required to be rejected because it does not comply with the information requirements of the Fourth Schedule. 	Actual and reasonable costs	Actual and reasonable costs
Hours over the above deposit, plus mileage, and disbursements (which may also involve work by other specialist planning, parks and engineering staff), will be charged at a rate specified in Council's Professional Fee Schedule	See pages 11-12	See pages 11-12

Hearings required for any resource consent or other permission:

Cost of third party/hearings commissioners will be charged at actual cost.

All staff and consultant's costs will be charged at actual cost.

Miscellaneous charges will be charged at actual cost.

All costs will be itemised

Notes: All figures are standard fees inclusive of GST; the final fee in any one application will be determined by the Resource Consents Manager or his/her appointee.

Council reserves the right to interim invoice applications where significant costs have been incurred over a period of one month or more without progress on the application.

RUBBISH DISPOSAL

RUBBISH SERVICE AT KERBSIDE:	CURRENT FEE (\$)	PROPOSED FEE (\$)
Official rubbish bag (65-litre) or sticker	2.80	2.80
Small rubbish bag (35-litre)	1.80	1.80
Replacement recycling crate	15.00	15.00
Replacement recycling bin	60.00	N/A
RUBBISH SERVICES AT ALL WDC TRANSFER STATIONS:	CURRENT FEE (\$)	PROPOSED FEE (\$)
Standard rubbish bag (65 litre) - rubbish	2.80	2.80
Standard rubbish bag (65 litre) - vegetation	1.60	1.60
Small rubbish bag (35 litre) - rubbish	1.80	1.80

Car boot - rubbish	20.00	20.00
Car boot – vegetation	12.00	12.00
Station wagons, people movers – rubbish	50.00 per cubic meter	45.00 per cubic meter
Station wagons, people movers – vegetation	25.00 per cubic meter	22.50 per cubic meter
Utes, vans, 4 wheel drives - rubbish	50.00 per cubic meter	45.00 per cubic meter
Utes, vans, 4 wheel drives – vegetation	25.00 per cubic meter	22.50 per cubic meter
Trailers - rubbish	50.00 per cubic meter	45.00 per cubic meter
Trailers - vegetation	25.00 per cubic meter	22.50 per cubic meter
Loaded vehicle plus loaded trailer - rubbish	50.00 per cubic meter	45.00 per cubic meter
Car tyre	7.50	7.50
Truck tyre	23.00	23.00
4WD and light commercial tyre	18.50	18.50
Tractor tyre	38.00	38.00
Tyres on rim	As above + 2.50	As above + 2.50
Earthmover tyres	Not accepted	Not accepted
CRT screens from computers and TVs	26.00	26.00
Whiteware / gas bottles (de-gassing)	7.00	7.00

SEARCHES

Note Photocopy charges may also apply see Copy/print fees page 23

BASIC PROPERTY SEARCH	CURRENT FEE (\$)	PROPOSED FEE (\$)
Residential	140.00 per hour or part thereof	140.00 per hour or part thereof
Commercial	140.00 per hour or part thereof	140.00 per hour or part thereof
(Contains site plan, floor plan, drainage plans and CCC information).		
SPECIFIC SEARCHES	CURRENT FEE (\$)	PROPOSED FEE (\$)
<ul style="list-style-type: none"> • Historical LIM (as scanned for record purposes) • Historical PIM • Building File • Subdivision or Resource Consent • Engineering reports • Dangerous goods/health/ licensing • GIS consultancy 	140.00 per hour or part thereof	140.00 per hour or part thereof
Deposited plans	Free	Free

SWIMMING POOL/SPA POOL INSPECTIONS

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Certificate of acceptance or building consent for pools recorded on Council's register	615.00	629.00
First inspection of pool	144.00	147.00
Follow up inspections	Direct recovery of actual cost for each inspection with time recovered at \$118.00/hr and mileage at \$0.76/km	Direct recovery of actual cost for each inspection with time recovered at \$121.00/hr and mileage at \$0.79/km
Administration of empty pools	98.00	121.00
Application for waiver under Building Act 2004	316.00	No longer available

TRANSPORT

PARKING

As per Council parking policy (Parking Management Strategy 2011), charges reflect demand and therefore may change throughout the year.

TRADE CARDS – PER DAY	CURRENT FEE (\$)	PROPOSED FEE (\$)
Parking meter cards (trades)	12.00	16.00

ROAD CORRIDOR – LICENCE TO OCCUPY	CURRENT FEE (\$)	PROPOSED FEE (\$)
Residential / non-commercial applicant	450.00	460.00
Commercial applicant	1,300.00	1,329.00

OVERWEIGHT VEHICLES	CURRENT FEE (\$)	PROPOSED FEE (\$)
Overweight vehicles – standard	135.00	135.00
Overweight vehicles – HPMV	175.00	175.00

WATER

WATER CONNECTIONS/DISCONNECTIONS

Refer to service connections/disconnections under Building section page 8.

METER TESTING

	CURRENT FEE (\$)	PROPOSED FEE (\$)
25mm diameter and under	383.00	391.00
Over 25mm up to 40mm diameter	437.00	447.00
Over 40mm diameter	637.00	651.00

METER ONLY WATER CONNECTIONS

	CURRENT FEE (\$)	PROPOSED FEE (\$)
20mm manifold meter only	325.00	332.00
20mm manifold + meter	626.00	640.00
20mm manifold + meter + box	703.00	718.00
20mm In line meter + dual check valve	514.00	525.00
Cast iron meter box (materials only)	195.00	199.00

BOUNDARY BACK FLOW DEVICES

Charges for backflow preventers are now targeted rates. Refer to the current Annual Plan or Long Term Plan for current costs.

SPECIAL METER READING

	CURRENT FEE (\$)	PROPOSED FEE (\$)
For special meter readings requested by customers for each meter reading outside the normal reading cycle	63.00	64.00

STANDPIPES METERED

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Meter reading – (monthly)	75.00	77.00
Weekly hire (minimum charge one week)	35.00	36.00

TANKER FILLING POINT – KIOREROA AND SIME ROAD

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Per fill	17.00	17.00

WATER CONSUMPTION RATES

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Water consumption - per m3 (standard domestic charge)	2.26	2.26
Water supply charge	34.50	34.50

ABBREVIATIONS AND ACRONYMS

B.O.D	Biochemical Oxygen Demand
BC	Building Consent
BRANZ	Building Research Association of New Zealand
BWOF.....	Building Warrant of Fitness
CAR	Health Corrective Action Request
C.B.O.D	Carbonaceous Biochemical Oxygen Demand
CCC	Code Compliance Certificate
COD	Chemical Oxygen Demand
DBH	Department of Building and Housing
GIS	Geographic Information Systems
HPMV.....	High Productivity Motor Vehicles
IQP.....	Independent Qualified Person
LIM	Land Information Memorandum
LSI	Langelier Saturation Index
MBIE	Ministry of Building Innovation and Employment
PIM	Project Information Memorandum
PAT.....	Project Assessment Team
TLA	Territorial Local Authority

Statement of Proposal *Draft Fees and Charges*

2020-21





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1. Purpose

To be a vibrant, attractive and thriving District by developing sustainable lifestyles based around our unique environment; the envy of New Zealand and recognised worldwide. The Vision for our District and the Mission for our organisation are underpinned by Whangarei District Council's commitment to the fundamental core values of:

- communication
- customer first
- innovation and excellence
- valuing employees and partnerships
- visionary leadership.

Following best practice guidelines received from the Auditor General, Council annually reviews all fees and charges.

This Statement of Proposal is for fees and charges subject to consultation under Sections 82 and 83 of Local Government Act 2002, for the 2020-2021 year.

2. Background

Council provides a wide range of services and functions to the community which have a cost associated with them. Council's Revenue and Financing Policy identifies two sources of funding for the provision of these services and functions being user charges (private good), and rates (public good). Fees and charges are set by Council to recover costs in varying proportion dependant on where the benefit of the service or function is seen to lie. Fees and charges are reviewed in accordance with the following criteria developed by the Office of the Auditor General:

- any charges cannot have a 'profit' component
- the charges should reflect the actual and reasonable costs incurred by Council
- those that gain the benefit of Council's services contribute appropriately to those costs
- costs must be itemised for a number of activities
- fees should be reviewed regularly
- there should be no cross-subsidisation between functions.

3. Summary of changes

The following summarises the changes to Council's fees and charges:

Rubbish Disposal

Rubbish disposal fees are set according to the Waste Minimisation Act 2008 and are set at a rate to recover costs or to encourage behaviour that helps to meet the goals of the Council's Waste Management and Minimisation Plan. Specifically, fees are set according to clause 2.9.1 of the Solid Waste Management Bylaw.

Waste Minimisation Act 2008

Section 46 Funding of plans (waste management and minimisation plan)

“(1) A territorial authority is not limited to applying strict cost recovery or user pays principles for any particular service, facility, or activity provided by the territorial authority in accordance with its waste management and minimisation plan.

(2) Without limiting subsection (1), a territorial authority may charge fees for a particular service or facility provided by the territorial authority that is higher or lower than required to recover the costs of the service or facility, or provide a service or facility free of charge, if—

(a) it is satisfied that the charge or lack of charge will provide an incentive or disincentive that will promote the objectives of its waste management and minimisation plan; and

(b) the plan provides for charges to be set in this manner.”

Section 53 Proceeds from activities and services must be used in implementing waste management and minimisation plan.

“A territorial authority may sell any marketable product resulting from any activity or service of the territorial authority carried out under this Part, but any proceeds of sale must be used in implementing its waste management and minimisation plan.”

There is no proposed increase for waste disposal fees and charges which are included below (with slight decrease for some items due to frequent complaints about the high cost of disposal at the rural transfer stations).

RUBBISH SERVICE AT KERBSIDE	Current fee (\$)	Proposed fee (\$)
Official rubbish bag (65-litre) or sticker	2.80	2.80
Small rubbish bag (35-litre)	1.80	1.80
Replacement Recycling Crate	15.00	15.00
Replacement Recycling Bin	60.00	N/A

RUBBISH SERVICES AT ALL WDC TRANSFER STATIONS	Current fee (\$)	Proposed fee (\$)
Standard rubbish bag (65 litre) - rubbish	2.80	2.80
Standard rubbish bag (65 litre) - vegetation	1.60	1.60
Small rubbish bag (35 litre) - rubbish	1.80	1.80
Car boot - rubbish	20.00	20.00
Car boot - vegetation	12.00	12.00
Station wagons, people movers - rubbish	50.00 per cubic meter	45.00 per cubic meter
Station wagons, people movers - vegetation	25.00 per cubic meter	22.50 per cubic meter
Utes, vans, 4 wheel drives - rubbish	50.00 per cubic meter	45.00 per cubic meter
Utes, vans, 4 wheel drives - vegetation	25.00 per cubic meter	22.50 per cubic meter
Trailers - rubbish	50.00 per cubic meter	45.00 per cubic meter
Trailers - vegetation	25.00 per cubic meter	22.50 per cubic meter
Loaded vehicle plus loaded trailer - rubbish	50.00 per cubic meter	45.00 per cubic meter
Car tyre	7.50	7.50
Truck tyre	23.00	23.00
4WD and light commercial tyre	18.50	18.50
Tractor tyre	38.00	38.00
Tyres on rim	As above + 2.50	As above + 2.50
Earthmover tyres	Not accepted	Not accepted
CRT screens from computers and TVs	26.00	26.00
Whiteware / gas bottles (de-gassing)	7.00	7.00

Drainage

Wastewater

Fees and charges for waste water are authorised under the Waste Water Bylaw.

- Existing drainage fees and charges have been increased by the LGCI inflation rate of 2.2% and rounded as shown below.

SERVICES LOCATION	Current fee (\$)	Proposed fee (\$)
Where work is done by Council to locate connections and the connection is found to be within 1.5 meters horizontally and 0.5 meters vertically of the 'as-built' position, work done will be charged at cost	Actual cost of contractor	Actual cost of contractor

SEPTAGE TREATMENT	Current fee (\$)	Proposed fee (\$)
For disposal and treatment of septage at Council's treatment facility – types 1.02, 1.03 & 1.14	37.00	38.00
For disposal and treatment of septage at Council's treatment facility – types 1.04 & 14.01	11.25	11.50
Consent monitoring hourly rate	85.00	87.00
Uniform annual charge	482.00	492.00
Trade Waste Consent Permit (conditional)	183.00	187.00
Trade waste permitted application fee	61.50	63.00

PAN CHARGE	Current fee (\$)	Proposed fee (\$)
Pan charge for discharge of wastewater into Council's wastewater system where connection cannot be charged as targeted rate**	482.00	492.00

**An approved connection may be provided but as the building is not on land, no certificate of title exists therefore the charge cannot be levied as a rate under the Local Government Rating Act 2002

PART YEAR WASTEWATER CHARGE	Current fee (\$)	Proposed fee (\$)
Part year wastewater fee for properties connected to the public wastewater system during the year. After connection, properties are charged on 1 July as part of the rates.		

SEWER CONNECTION DATE	Current fee (\$)	Proposed fee (\$)
	(as a % of annual pan fee)	
July	92%	92%
August	83%	83%
September	75%	75%
October	67%	67%
November	58%	58%
December	50%	50%
January	42%	42%
February	33%	33%
March	25%	25%
April	17%	17%
May	8%	8%
June	0%	0%

Trade waste

Fees and charges for trade waste are authorised under the Trade Waste Bylaw.

Existing Trade Waste charges have been increased by the LGCI inflation rate of 2.2% and rounded as shown below.

TRADE WASTE DISCHARGES	Current fee (\$)	Proposed fee (\$)
By Volume	\$1.56/m ³	\$1.59/m ³
By Total Kjeldahl Nitrogen (TKN)	\$0.78/kg	\$0.80/kg
By Total Suspended Solids (TSS)	\$0.61/kg	\$0.62/kg
By Chemical Oxygen Demand (COD)	\$0.42/kg	\$0.43/kg

Water supply

Fees and charges for water are authorised under the Water Supply Bylaw.

- Fees and charges have been increased by the LGCI inflation rate of 2.2 % and rounded appropriately, as provided below.
- The water consumption fee has not been increased and remains at \$2.26 per m3.

WATER CONNECTIONS/DISCONNECTIONS	Current fee (\$)	Proposed fee (\$)
Service connection or disconnection to the public utility infrastructure	409.00	418.00

METER TESTING	Current fee (\$)	Proposed fee (\$)
25mm diameter and under	383.00	391.00
Over 25mm up to 40mm diameter	437.00	447.00
Over 40mm diameter	637.00	651.00

METER ONLY WATER CONNECTIONS	Current fee (\$)	Proposed fee (\$)
20mm manifold meter only	325.00	332.00
20mm manifold + meter	626.00	640.00
20mm manifold + meter + box	703.00	718.00
20mm In line meter + dual check valve	514.00	525.00
Cast iron meter box (materials only)	195.00	199.00

BOUNDARY BACK FLOW DEVICES

Charges for backflow preventers are targeted rates. Refer to the current Annual Plan or Long Term Plan for current costs.

SPECIAL METER READING	Current fee (\$)	Proposed fee (\$)
For special meter readings requested by customers for each meter reading outside the normal reading cycle	63.00	64.00

STANDPIPES METERED	Current fee (\$)	Proposed fee (\$)
Meter reading – (monthly)	75.00	77.00
Weekly hire (minimum charge one week)	35.00	36.00

TANKER FILLING POINT – KIOREROA AND SIME ROAD	Current fee (\$)	Proposed fee (\$)
Per fill	17.00	17.00

WATER CONSUMPTION RATES

	Current fee (\$)	Proposed fee (\$)
Water consumption per m3 – filling point	2.26	2.26
Water consumption per m3 – metered standpipes	2.26	2.26
Water consumption per m3 – estimated readings	2.26	2.26

Resource Management Act

Resource Consents and District Plan Development

There are two components to the fees and charges. The first is the fixed initial deposit charge ('lodgement fee') which is required to be paid when lodging an application. The second component is the hourly rate each staff position is charged out at.

For the 2020/2021 year, increases are proposed to some lodgement fees for applications that better reflect the cost of an application. Hourly rates are increased by 2.2% in line with the LCGI.

RESOURCE MANAGEMENT ADMINISTRATIVE CHARGES

All fees and charges are deposits unless otherwise stated	Current fee (\$)	Proposed fee (\$)
You will be charged a final processing fee when council has reached a decision on your application. Interim billing may also occur. The processing charge covers tasks such as site visits, report preparation, information searches and input from other council staff. Mileage is also charged.		
Applications under the Resource Management Act as follows:		
<ul style="list-style-type: none"> • Non-notified or Limited Notified Resource Consent applications (Land Use and/or Subdivision) • Non-notified or Limited Notified Notices of Requirement for designations and alterations to existing designations under Sections 168, 168A, and 181 • Applications for Certificates of Compliance under Section 139 • Applications for Existing Use Rights Certificates under Section 139A 	2,000.00	2,000.00
Applications requiring public notification under the Resource Management Act		
Note: Where a determination is made requiring notification of an application where a \$2,000 advance fee has already been paid, Council will require an additional \$8,000 advance fee to be paid before public notification begins.	6,000.00	10,000.00
Applications under the Resource Management Act as follows:		
<ul style="list-style-type: none"> • Non-notified or Limited Notified Change or Cancellation of Consent Condition/s under Section 127 • Extension of time under Section 125 • Outline Plan s176A • Review of Consent Condition/s under Section 128 • Vary or cancel a consent notice under Section 221(3) 	1,000.00	1,250.00

All fees and charges are deposits unless otherwise stated	Current fee (\$)	Proposed fee (\$)
<ul style="list-style-type: none"> • Certification that Subdivision complies with District Plan under Section 226 • Cancellation of covenant against transfer of allotment & Cancellation of Amalgamation of allotments under Sections 240(4) and 241 • Grant, Surrender, Transfer, Vary or Cancel Easements under Section 243 • Applications under section 100 of the Sale and Supply of Alcohol Act 2012 • Applications under sections 327A (Cancellation of Building Line Restriction) and 348 (Creation of right-of-way easement) of the Local Government Act • Applications under sections 94 and 114 (Conservation Covenants) of the Reserves Act • Applications under the First Schedule of the Overseas Investment Regulations 1995 	1,000.00	1,000.00
<ul style="list-style-type: none"> • Application for Boundary Activity under section 87B 	\$500.00 (set fee)	\$500.00 (set fee)
<ul style="list-style-type: none"> • Application for Marginal or Temporary Activity under section 87BB 	\$350.00	\$500.00
Applications under the Resource Management Act as follows:		
<ul style="list-style-type: none"> • Approval of Survey Plan under Section 223 • Completion Certificate for subdivision under Section 224 • Surrender of Consent under Section 138 • Monitoring of NES permitted activities 	Actual and reasonable costs	Actual and reasonable costs

All fees and charges are deposits unless otherwise stated	Current fee (\$)	Proposed fee (\$)
Pre-Application meetings with Council staff		
<ul style="list-style-type: none"> • Applicants can request to meet relevant Council staff to discuss potential resource consent matters prior to preparing and lodging an application, in accordance with Councils Pre-Application meetings process 	One pre-application meeting free of charge*. All meetings requested thereafter (including preparation and follow-up) will be charged at actual and reasonable cost	One pre-application meeting free of charge*. All meetings requested thereafter (including preparation and follow-up) will be charged at actual and reasonable cost

*This includes all meeting preparation, staff attendance, and any follow-up actions undertaken by Council staff as a result of the first meeting. It does not include the cost of any technical assessments required by third parties acting on behalf of Council (i.e., use of consultants).

All fees and charges are deposits unless otherwise stated	Current fee (\$)	Proposed fee (\$)
Rejection of Application		
Council will charge actual and reasonable costs at the relevant hourly rate in the event that any application lodged is required to be rejected because it does not comply with the information requirements of the Fourth Schedule.	Actual and reasonable costs	Actual and reasonable costs
Hours over the above deposit, plus mileage, and disbursements (which may also involve work by other specialist planning, parks and engineering staff), will be charged at a rate specified in Council's Professional Fee Schedule	See pages 14-15	See pages 14-15

Hearings required for any resource consent or other permission:

Cost of third party/hearings commissioners will be charged at actual cost.

All staff and consultant's costs will be charged at actual cost.

Miscellaneous charges will be charged at actual cost.

All costs will be itemised.

PRIVATE PLAN CHANGE

All fees and charges are DEPOSITS unless otherwise stated. Processing may require further charges that exceed the initial lodgment deposit.

	Current (\$)	Proposed (\$)
Private Plan Change – on receipt of a request to change the Plan	14,500.00	14,500.00
Private Plan Change – before commencement of notification	14,500.00	14,500.00
Private Plan Change – before commencement of a hearing	14,500.00	14,500.00
Disbursements	At cost charged to Department by provider	At cost charged to Department by provider
Hourly rates charged in six-minute intervals. Hours over the above advance fee and mileage, plus disbursements, which may also involve work by other specialist planning, parks and engineering staff will be charged at a rate specified in Council's Professional Fee Schedule.	See pages 14-15	See pages 14-15

Hearings required for any plan change

All costs of third party or independent Commissioners will be recoverable as well as the cost associated with the hearing (i.e., staff time, consultant's costs, venue hire, printing).

When a Councillor is appointed as a Hearings Commissioner the cost set by Regulation will be charged.

All figures are standard fees inclusive of GST, the final fee in any one change to the District Plan will be determined by the

Environmental Policy and Monitoring Manager or his/her appointee.

In the case where a consultant(s) is required, Council will charge the actual and reasonable costs incurred by the consultant, plus 5% for supervision and administration.

Notes

Private plan changes may be processed by consultants. In this situation, an applicant will be asked to undertake, at the submission stage, to pay the full cost of such processing in addition to the normal cost of Council to process its part of the application. Fees are charged to defray the cost of:

- (a) Initial receipt of the application
- (b) Cost of allocation of the application and distribution of information
- (c) Site visits
- (d) All professional and administrative staff costs at the hourly rate, mileage and disbursements in handling the application
- (e) Request for additional information and review or peer review such information
- (f) Notification procedure
- (g) Summarising submissions and input into database
- (h) Notification of submissions for further submissions
- (i) Summary of further submissions and input into database
- (j) Preparation of staff report to a Hearings Committee and/or Council
- (k) Preparation of hearing, notices, hall hire, appointment of commissioners, etc
- (l) Attendance and any cost of hearings plus secretarial services
- (m) All cost of the hearing including full cost of independent commissioners
- (n) Preparation and finalising the Hearings Committee's recommendation to Council
- (o) Submission to Council of the hearings report and cost of any subsequent requirements of Council
- (p) Updating of database with all the decisions of Council on submissions
- (q) Distributing decision replies to all submitters
- (r) Council may on-charge cost of an appeal where the decision of Council was in favour of the applicant, but was appealed by a submitter
- (s) All costs will still be payable notwithstanding the outcome of the application, i.e., if an application is declined or only partially accepted/adopted/granted the cost still must be recovered
- (t) Cost can be reduced if all information is provided electronically and distributed electronically where applicable.

RMA and Private Plan processes can include inputs from across the whole organisation so all proposed Professional Fees for Council officers are included below:

PROFESSIONAL FEES SCHEDULE

<i>Hourly rates charged in 6 minute intervals</i>	Current fee (\$)	Proposed fee (\$)		
Manager, RMA Consents	207.00/hr	211.00/hr		
Manager, Parks and Recreation				
Manager, Infrastructure Development				
Manager, Infrastructure Planning & Capital Works				
Manager, Rooding				
Manager, District Plan				
Manager, Health and Bylaws				
Manager, Building Control				
Manager, Libraries				
Manager, Water Services				
Manager, Waste and Drainage				
RMA Planning Specialist			184.00/hr	188.00/hr
Team Leader RMA Consents				
Senior Specialist Resource Consents				
District Plan Specialist				
Senior Planner (District Plan & Consents)				
Team Leader Development Engineering				
Senior Development Engineering Officer				
Development Engineer				
Engineering Officer, Water				
Senior Water Technician				
Infrastructure Asset Engineer				
Infrastructure Project Engineer				
Infrastructure Senior Engineer				
Distribution Engineer				
Solid Waste Engineer				
Asset Engineer, Water				
Waste and Drainage Engineer				
Waste and Drainage Asset Engineer				
Wastewater Projects Engineer				

Hourly rates charged in 6 minute intervals

	Current fee (\$)	Proposed fee (\$)
Senior Building Controls Officer	184.00/hr	188.00/hr
Team Leader Building		
Team Leader Infrastructure Planning		
Team Leader Landscape Architects		
Team Leader, Environmental Health		
Cemetery and Botanica Manager		
Senior Asset Engineer		
Planner (District Plan and Consents)	164.00/hr	168.00/hr
Team Leader RMA Approvals and Compliance		
Landscape Architect		
Post-Approval Subdivision Officer		
Development Contributions Coordinator		
Infrastructure Planner		
Development Engineering Officer		
Distribution Technician		
Engineering Officer (Drainage and Water)		
Team Leader RMA Support		
Strategic Asset Coordinator - Parks		
Infrastructure Technical Officer		
Senior Rooding Engineer (Traffic and Parking)		
Traffic Projects Engineer		
Building Control Officer		
Compliance Officer (Building Control)		
Compliance Officer (RMA Consents)		
Architect / Urban Designer		
Environmental Health Officer		
Property Assessment Officer	163.00/hr	168.00/hr
Infrastructure Asset Systems Technician	141.00/hr	144.00/hr
Planning Assistant (RMA Consents) / Support Assistant (District Plan/Health and Bylaws/Building Processing)	98.00/hr	100.00/hr
Building Administrator (BCA and TA)	98.00/hr	100.00/hr
Mileage	76 cents/km	79 cents/km

Hourly rates charged in 6 minute intervals

	Current fee (\$)	Proposed fee (\$)
Disbursements	At cost charged to department by provider	At cost charged to department by provider
Hearings required for any resource consent or other permission will be charged at actual cost.		
Cost of any consultant / hearings commissioner will be charged at actual cost.		
Miscellaneous charges will be charged at actual cost.		
All costs will be itemised		
All figures are standard fees inclusive of GST; the final fee in any one application will be determined by the Resource Consents Manager or his/her appointee.		
Council reserves the right to interim invoice applications where significant costs have been incurred over a period of one month or more without progress on the application.		

MONITORING AND LAND USE CONSENT CONDITIONS

	Current fee (\$)	Proposed fee (\$)
Deposit invoiced at the time a resource consent decision is issued. Should the cost of monitoring (based on council staff hourly rates and mileage) exceed the deposit an invoice will be issued for the additional amount.		
Residential	415.00	425.00
Commercial	595.00	610.00
Hours over the above advance fee and mileage, which may also involve work by other specialist planning, parks and engineering staff will be charged at a rate specified in Council's Professional Fee Schedule plus any additional specialist contractor costs.	See pages 14-15	See pages 14-15

ABATEMENT NOTICES

	Current fee (\$)	Proposed fee (\$)
Charge applied to issue an abatement notice	146.00	150.00
Charge to cover seizure, impounding, transporting and storing of property under Section 366, Resource Management Act 1991	233.00	233.00

Health and Bylaws

Health and Bylaws fees cover a wide range of activities and functions. These include fees relating to Environmental Health (registration of food premises, other registered premises and alcohol licensing), consenting under Gambling and Racing Acts), and contracted services (dog and stock control and various bylaw fees). The fees and charges are reviewed annually and increases are made to various fees to achieve and maintain cost recovery requirements established by Council.

Food premises and food related activities are now fully covered by the Food Act 2014.

Enforcement related work undertaken by the Council consists of functions generally required by statute, some of which permits cost recovery and others not. In general, cost recovery can be applied where licensing regimes are in place but there are other services provided such as health nuisance and bylaw enforcement, excessive noise investigation and monitoring of bathing water for example where recovery cost is not authorised.

Fees have been reviewed against cost recovery requirements and benchmarked against G9 local authorities, including our neighbours Kaipara and Far North District Councils. Fees are generally in line with those charged by these other local authorities.

Fees and charges have been increased by the LGCI inflation rate of 2.2 % and rounded appropriately, as provided below

Food Premises

Hourly rates are increased to reflect a 2.2% increase in costs in accordance with the Local Government Consumer Index (subject to rounding).

FEES FOR FUNCTIONS UNDER THE FOOD ACT 2014

<i>Registration – Food Control Plan</i>	Current fee (\$)	Proposed fee (\$)
New application for registration of food control plan based upon a template fee (includes up to 2 hours of processing time, supply of thermometer and printed food safety plan).	325.00 fixed fee	332.00 fixed fee
Fee for additional time in processing the application	164.00/hr	168.00/hr
Documentation Pack	25.00	26.00
Thermometer	25.00	26.00
Registration renewal	164.00 fixed fee	168.00 fixed fee

Registration – National Programmes	Current fee (\$)	Proposed fee (\$)
Application for registration of model issued by MPI of a business subject to a national programme (includes up to 1.5 hours of processing time).	244.00 fixed fee	249.00 fixed fee
Fee for additional time in processing the application	164.00/hr	168.00/hr
Additional national programme document pack	25.00 per pack	26.00 per pack
Thermometer	25.00	26.00
Registration renewal	164.00 fixed fee	168.00 fixed fee

Amendment to Registration	Current fee (\$)	Proposed fee (\$)
Significant amendment to registered food control plan based on a template or model issued by MPI or amendment to registration of a business subject to a national programme (includes up to 1 hour of processing time)	164.00 fixed fee	168.00 fixed fee
Fee for additional time in processing the application	164.00/hr	168.00/hr

Verification of Food Control Plan	Current fee (\$)	Proposed fee (\$)
Verification including site visits and compliance checks with food control plans (includes up to 3.5 hours of processing and traveling time).	558.00 fixed fee	588.00 fixed fee
Where a verification results in the issue of a Corrective Action Request (CAR), that requires a return visit, then this follow up visit to check remedial actions and every additional visit is subject to additional compliance and monitoring fees.	164.00/hr	168.00/hr
Fee for additional time of verification activity	164.00/hr	164.00/hr
Failure to attend scheduled audit	164.00/hr	168.00/hr
Unscheduled verification	164.00/hr	168.00/hr

Verification of National Programme	Current fee (\$)	Proposed fee (\$)
One hour of verification activity, including site visits and compliance checks with national programme.	164.00 fixed fee	168.00 fixed fee
Where a verification results in the issue of a Corrective Action Request (CAR) that requires a return visit, then this follow-up visit to check remedial actions and every additional visit is subject to additional compliance and monitoring fees.		
Fee for additional time of verification activity	164.00/hr	168.00/hr

Verification of National Programme	Current fee (\$)	Proposed fee (\$)
Failure to attend scheduled audit	164.00/hr	168.00/hr
Unscheduled verification	164.00/hr	168.00/hr

Compliance and monitoring	Current fee (\$)	Proposed fee (\$)
Complaint driven investigation resulting in issue of improvement notice by food safety officer	164.00/hr	168.00/hr
Application for review of issue of improvement notice	164.00/hr	168.00/hr
Second and subsequent return to business to check on compliance with CAR	164.00/hr	168.00/hr
Monitoring of food safety and suitability	164.00/hr	168.00/hr

FEES AND CHARGES UNDER THE FOOD BUSINESSES GRADING BYLAW 2016

	Current fee (\$)	Proposed fee (\$)
Re-grading of premises under the Food Businesses Grading Bylaw 2016	184.00/hr	188.00/hr

HEALTH ACT REGISTERED PREMISES

Funeral directors	Current fee (\$)	Proposed fee (\$)
On application (annual fee) and renewal	232.00	237.00
Transfer	62.00	63.00

Hairdressers	Current fee (\$)	Proposed fee (\$)
On application (annual fee) and renewal	194.00	198.00
Transfer	62.00	63.00

Camping grounds	Current fee (\$)	Proposed fee (\$)
On application (annual fee) and renewal	339.00	346.00
Transfer	62.00	63.00

Offensive trades	Current fee (\$)	Proposed fee (\$)
Offensive trades	232.00	237.00
Transfer	62.00	63.00

Miscellaneous

	Current fee (\$)	Proposed fee (\$)
Consultation work including inspection undertaken by request and other inspections under the Health Act 1956	Hourly rate of \$164.00/hr plus travel at \$0.76/km	Hourly rate of \$168.00/hr plus travel at \$0.79/km

PUBLIC PLACES BYLAWS**License fees**

These are annual fees unless otherwise stated

	Current fee (\$)	Proposed fee (\$)
Any application for a permit, consent, exemption or request under a Whangarei District Bylaw, includes up to one hour of processing time	164.00/site or application	168.00/site or application
Additional processing time	164.00/hr	168.00/hr
Alfresco dining application fee	227.00	232.00
Alfresco dining monitoring fee	125.00	128.00
Animal powered vehicle license	181.00	185.00

GAMBLING AND RACING ACT

This fee recovers significant time required to assess and report on matters required by applications for territorial authority consent under policies which Council must adopt and maintain under the Gambling Act 2003 and Racing Act 2003. This includes assessment of social impact reports and reporting to Council on complex matters relating to gambling harm. A deposit and an hourly rate for additional processing time, to better reflect the likely cost of an application, is currently being charged. The proposed fees are shown below

	Current fee (\$)	Proposed fee (\$)
Application for TLA consent under Gambling Act 2003 (s 99) and Racing Act 2003 (s 65B) – Deposit provides for a maximum of 7 hours of processing	1400.00	1484.00
Minimum deposit for up to 7 hours of processing time	732.00	1400.00
Additional processing time	207.00/hr	211.00/hr

Bylaw enforcement

SEIZURE OF PROPERTY UNDER BYLAWS

		Current fee (\$)	Proposed fee (\$)
Seizure and confiscation of signs under the Local Government Act	Signs under 1m ²	66.00	67.00
2002 and bylaws	Signs over 1m ²	133.00	136.00
Seizure of other property		Actual cost recovery at \$88.00/hr. and mileage of \$0.76/km plus any additional specialist contractor's cost	Actual cost recovery at \$90.00/hr. and mileage of \$0.79/km plus any additional specialist contractor's cost
Seizure of skateboards, bikes and similar		64.00	65.00
Where otherwise not specified any application for a permit, consent or exemption application or request under a Whangarei District Bylaw. Fee is for one hour of processing, with additional time charged at \$168 per hour.		164.00	168.00

4. Submission process

Consultation on this policy will be publicly notified on Council's website. People interested in the proposal will be able to present their views during a formal submission period 2-27 March 2020. This will be followed by formal hearings where any submitter may choose to speak to their submission.

This statement of proposal includes tables of the proposed Fees and Charges. Details on how to make a submission, can be found at www.wdc.govt.nz

Information on the consultation and submission process can also be found on the WDC website.

Statement of Proposal Draft Fees and Charges 2020-21 feedback form

The closing date for feedback is Friday 27 March 2020

We are interested in your feedback on this.

POINTS TO REMEMBER WHEN SUBMITTING YOUR FEEDBACK

- Please print clearly. Make sure it can be easily photocopied, read and understood.
- All feedback is considered public under the Local Government Official Information and Meetings Act, so it may be published and made available to elected members and the public.
- Your feedback will not be returned to you once lodged with Council. Please keep a copy for your reference.
- You can also attend a hearing, scheduled for 16 April, to speak to your submission.

HOW TO GET THIS FORM TO US

Email to: mailroom@wdc.govt.nz

Mail to: Statement of Proposal Draft Fees and Charges 20-21 feedback, Whangarei District Council, Private Bag 9023, Whangarei 0148

Deliver to: Customer Services, Forum North, Rust Ave, Whangārei or Ruakaka Service Centre, Takutai Place, Ruakaka

YOUR DETAILS

Name		
I am making this submission as:	An individual	On behalf of an organisation
Organisation name		
Postal address		
Best contact number		
Email		
Do you wish to be heard in support of your submission at a traditional hearing on 16 April?	Yes	No

5.4 2021 – 2031 Long Term Plan – Early Direction Setting

Meeting: Whangarei District Council
Date of meeting: 14 May 2020
Reporting officer: Dominic Kula – General Manager Strategy and Democracy

1 Purpose

To set early direction for the 2021 – 2031 Long Term Plan process.

2 Recommendations

That Council

1. Endorses the vision, strategic drivers and priorities outlined under option 3 for the 2021 – 2031 Long Term Plan.
2. Not undertake early engagement on the 2021-2031 Long Term Plan.
3. Requests staff to develop a communications programme for the 2021-2031 Long Term Plan using feedback from consultation on Council's response to COVID-19 through the Annual Plan process.
4. Notes that formal consultation on the 2021-2031 Long Term Plan will be undertaken in March 2021.

3 Background

Late last year councillors held a number of briefings and workshops to discuss priorities for the Triennium. This work culminated in the following priorities being endorsed in February for consideration through the 2021 – 2031 Long Term Plan (LTP):

- Transport (Roading and Public Transport)
- Revitalising the City Core
- Potential Northport expansion/Navy relocation
- Sustainability (including waste minimisation)
- Housing

In March 2020 Briefings were held to review Council's vision and strategic drivers. While a draft vision and strategic drivers were due to be considered at the 26 March 2020 Council meeting, that meeting was cancelled due to COVID-19 Alert Level 4 restrictions.

Since then the events of COVID-19 have fundamentally changed how we operate. Council has moved swiftly to implement a mix of short and medium term responses.

Central to the development of the LTP is the COVID-19 Response Strategy (also being considered at this meeting) which outlines a framework to support the recovery and reset of our local economy over the medium to long term horizon.

Our LTP will therefore need to build on the Response Strategy when setting strategic direction for the next 10 years. As such a Briefing was held on 07 May 2020 to review the vision, strategic drivers and priorities of Council post COVID-19.

In that Briefing Councillors also worked through options for Early engagement on the LTP, noting that Council will now be consulting on its response to COVID-19 through the 2020-2021 Annual Plan process.

4 Discussion

One of the early stages in the LTP process is to determine the vision and strategic drivers. The vision statement sets out a high-level outcome for the District and will inform and guide the decision making process for the LTP, as well as broader Council decision making.

For the 2018 – 28 LTP the vision was ‘a *vibrant, attractive and thriving District*’.

Strategic drivers build on the vision through the identification of key strategic issues or priorities that the LTP is focusing on. They underpin Council’s vision, help to determine a set of community outcomes, and provide early direction to staff.

For example, in the 2018 – 28 LTP the three strategic drivers (below) were informed by early engagement, guided direction setting and were used to prioritise key programmes / projects included in the draft document:

- Focus on core assets
- Getting ready for the future
- Making our District an even better place to live

These drivers also underpinned the formal consultation and engagement process.

4.1 Review of Vision, Strategic Drivers and Priorities

As part of the development of the LTP, Council will need to determine a framework to demonstrate and communicate Council’s overall vision and strategic drivers, and ultimately to consider priorities/funding against.

To facilitate this Council had two Briefings in March that were focussed on the review of it’s vision and strategic drivers, noting that these would be refined through the LTP process / as a result of feedback from our community.

The first Briefing reviewed the existing vision and strategic drivers against Council’s priorities for the 2019 – 2022 Triennium.

In doing so councillors considered the journey that the District had been on through consecutive Long Term Plans, the current needs of the District and its potential future state.

In the second Briefing Council considered different models for conceptualising a framework for the vision and strategic drivers, along with two options for initial feedback.

In response to COVID-19 a further Briefing was held on 07 May 2020 to review the vision, strategic drivers and priorities of Council.

4.2 Options for a strategic framework

A summary of options is provided below:

Option 1

This option aligned Council's priorities for the Triennium to the 2018 – 2028 LTP vision and strategic drivers:

2018 – 28 LTP	Priorities for the 2019/22 Triennium for consideration through the LTP
<p>Vision: <i>A vibrant, attractive and thriving District</i></p>	<ul style="list-style-type: none"> • Transport (Rooding and Public Transport) • Revitalising the City Core • Potential Northport expansion/Navy relocation • Sustainability (including waste minimisation) • Housing
<p>Key Strategic Drivers:</p> <ul style="list-style-type: none"> • <i>Focus on core assets</i> • <i>Getting ready for the future</i> • <i>Making our District an even better place to live</i> 	

The advantages of this option are that it is familiar to our community and would enable Council build on the direction and drivers of the 2018 – 2028 LTP.

However, there was an argument that the strategic driver of 'Making our District an even better place to live', which related to adding amenity to activities and projects, is now a base expectation for our community.

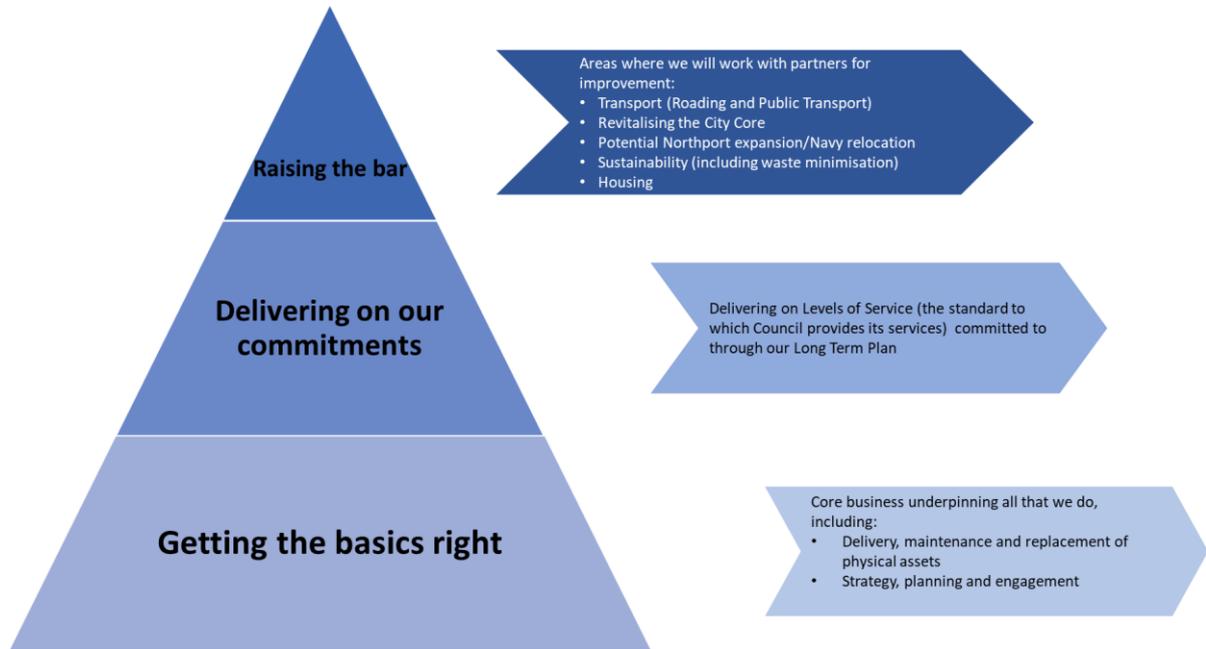
There is also an argument that this driver does not align with the desire for new or increased levels of service, which came through strongly in Council's priorities for the Triennium and will critical be to the reset of our economy post COVID-19 (all be it with trade-offs due to likely budgetary constraints).

Option 2

The second option simplified the drivers and aligned them to the priorities that Council endorsed in February.

While the drivers in this option (raising the bar, delivering on our commitments and getting the basics right) were new for the community it had the advantage of providing for direct alignment of Council's endorsed priorities in a simple and cohesive framework.

There was support for retaining the 2018 – 2028 LTP vision under this option and feedback provided was incorporated into a framework for Council to consider at its (cancelled) meeting of 26 March 2020:



However, this option does not take into account changes as a result of COVID-19.

Option 3

Given the impacts of COVID-19 it was necessary to revisit the vision and strategic drivers to ensure the LTP is aligned to Council's strategic direction for the recovery and reset of our District.

Through the 07 March briefing feedback was sought from elected members on potential changes to the vision statement and strategic drivers, with a view to aligning them to the COVID-19 Response Strategy.

While a range of feedback was received on the vision statement, including that Council should retain its existing vision statement, there was support for a new vision built on a 'inclusiveness, resilience and sustainability'.

This wording directly aligns with Council's strategic direction under the COVID-19 Response Strategy, although it was also noted that 'sustainability comes at a cost':

Vision

"An inclusive, resilient and sustainable District"

Similarly, strategic drivers under this option directly align to the framework of the COVID-19 Response Strategy:

Strategic Drivers



Central to these drivers is a need to review levels of service. This in turn will allow Council to consider new activities and/or levels of service to reset our District and 'raise the bar'. This process will require tradeoffs.

It is envisioned that Council's priorities for the 2019 – 2022 Triennium will guide this process. As such the 07 May 2020 Briefing tested the priorities that Council endorsed in February.

While there was discussion of the potential 'Northport expansion/Navy relocation', Councillors generally supported this remaining a priority for the Triennium. There was also strong support for retaining the other priorities endorsed in February, with one amendment (strikethrough and highlight below):

- Transport (Roding and Public Transport ~~Access~~)
- Revitalising the City Core
- Potential Northport expansion/Navy relocation
- Sustainability (including waste minimisation)
- Housing

This option is considered to provide a cohesive framework for the direction setting heading into the LTP, specifically taking into account changes to Council's strategic direction as a result of COVID-19.

4.3 Early Engagement

A key early decision for the LTP programme is whether or not to have early engagement with our community.

Prior to COVID-19, early engagement was proposed for July 2020 to inform a Draft LTP, with formal consultation in March 2021. The exact format of any early engagement had not been determined.

The proposed early engagement was also a response to the fact that we were not consulting on the 2020-21 Annual Plan and, in the absence of any Annual Plan consultation, there was a window for early engagement.

However, in response to COVID-19 Council is now undertaking consultation on the Annual Plan. This is occurring very late in the process and will likely result in late adoption of the Annual Plan.

This will mean there will be less time between formal consultation on the Annual Plan and early engagement on the LTP (if it were to occur in July 2020). This may cause confusion and consultation fatigue with our community.

Furthermore, consultation on the Annual Plan will be targeted towards Council's response to COVID-19. Feedback from the Annual Plan consultation will provide invaluable information to guide the development of the LTP, as will taking the time to see the real (as opposed to forecast) impacts of COVID19 before we develop a plan for consultation in March 2021.

Early engagement would need resourcing to do well and currently those resources are constrained due to the efforts we are putting into the Annual Plan.

As such early engagement is not recommended. If this recommendation is supported a communications programme will be developed using information from consultation on Council's response to COVID-19 through the Annual Plan process.

As part of the communications programme we propose to encourage community involvement to influence our pre-consultation phase of LTP development. This process would feed into, and underpin, formal consultation on the LTP in March 2021.

4.4 Financial and policy implications

This item seeks formal endorsement for the Council's vision, strategic drivers and priorities in order to commence background work on the LTP.

While these will be used for early direction setting endorsement of them does not change Councils financial or policy settings, which will be considered through the LTP process.

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.

A communications programme will be developed in support of the LTP with formal consultation being undertaken in March 2021.

6.1 Risk and Audit activity under COVID-19

Meeting:	Whangarei District Council
Date of meeting:	14 May 2020
Reporting officer:	Emily Thompson (Senior Assurance Advisor) Desarae Williams (Health and Safety Manager)

1 Purpose

For Council to note the Risk and Audit Committee agenda for the meeting scheduled for 25 March 2020 that did not go ahead due to COVID-19, and to understand the risk approach during the response to COVID-19.

2 Recommendations

That Council:

1. Notes the Risk and Audit Committee agenda for the meeting scheduled for 25 March 2020 that did not go ahead due to COVID-19.
2. Notes the risk approach taken to date in response to COVID-19.
3. Notes that the Risk and Audit three-year rolling work programme will be re-worked and brought back to the Risk and Audit Committee in June 2020 for endorsement.

3 Background

As explained by the Auditor General in a recent letter, Covid-19 is creating complex challenges for councils in maintaining critical service delivery and “business as usual”. It also challenges understanding and forecasting the potential impact of the pandemic when planning.

In a time of crisis, there is a risk that public organisations, including councils, lose the trust and confidence of communities.

The auditor general states:

Councils’ audit and risk committees are an essential governance mechanism. They can support councils to maintain the trust and confidence of their communities as they manage the uncharted risks that they are being exposed to as a result of the Covid-19 pandemic. The committees can do this by providing assurance to elected members (and council management) that risk is being well managed – that the council has a plan in place – and in supporting the council to think longer term, beyond the crisis at hand.

How they do this is by acting as trusted advisors – bringing a diversity of perspectives and challenging and questioning elected members and council staff to help them gain confidence

that the decisions they are making are well-informed and future-focused. This is a core role of an audit and risk committee.

Whangarei District Council needed to consider what role the Risk and Audit Committee has in working with the Council and management in its response to the COVID-19 outbreak.

The Risk and Audit Committee was due to meet on Wednesday 25 March. However due to the sudden move to alert level 4 across the country the meeting was cancelled. Backup measures were implemented with Risk and Audit Committee Independent Chair John Isles being present (virtually) at significant Council workshops and briefings during the lockdown period. In addition the Risk and Audit Committee papers are provided to Councillors to keep you up to date.

As the Risk and Audit Committee is yet to physically meet, we thought this information would be of value to share to explain the activities that have been occurring across the organisations to plan, prepare and then deal with the effects and impact of the COVID 19 pandemic. A copy of the Risk and Audit Committee Agenda for the meeting that was scheduled for 25 March 2020 is included as Attachment One.

Whilst the Risk and Audit Committee is generally asked to endorse or note information, this agenda contained a decision report around the Risk and Audit committee 3 year rolling work programme. Staff will review this work programme in relation to changes in the economic and operational environments and will bring this back to the Risk and Audit Committee in June 2020.

4 Discussion

Preparation and Implementation:

Fortunately, WDC has strong Health and Safety and Audit and Risk staff who make a point of involving the whole organization in their work. That meant that WDC was able to respond quite quickly and in an agile manner to the crisis as it emerged.

- In early February, following global reporting of COVID-19, WDC formally commenced planning to prepare for the likelihood of COVID-19 impacting the way in which council services are delivered to ratepayers.
- All departments reviewed and updated business continuity plans and considered arrangements for providing services during a pandemic.
- A COVID-19 Watch Team was formed in mid-February with a small cross section of staff as members. Actions that the have team completed include:
 - Regular meetings - -Initially the team met weekly, but as the situation escalated, meetings were changed to daily, and moved to virtual once Alert Level 4 began.
 - Working across the organisations with a large number of staff and leaders to assist in identifying our essential services and the support they required.
 - Creation of a high-level organization COVID-19 action plan, and a more pragmatic operational focused action plan to prepare for level 4 lockdown.
 - Developing of a number of protocols to deal with known and emerging situations under Alert levels 4 and 3. These included entering the office buildings, use of pool cars and site compliance visits. All of which required extra hygiene factors.
 - Developing operational messages for dissemination by the communication team.
 - Planning and communicating the changes in ways of working for the move from level 4 to level 3, particularly what this will mean for staff

- Reviewing how all of the services available in level 3 could be both safely and legally undertaken
 - Drafting of a recommended protocol for contractors who were returning to work in level 3. This has been widely used by many of the smaller to medium sized business as their guidance
 - Assisting with forward planning such as the move to level 2 for our front-line areas, including customer services, revenue, libraries, museum, i-Site and community services.
- The Senior Leadership Team (SLT) have also been met daily since mid-March, initially they were very coronavirus focused but then moved onto other matters relating to the impact to Council and the district of COVID-19 and the lockdown.
 - A large proportion of the staff have been adjusting to working from home. This involved staff taking home computer equipment and furniture. This was a significant logistical exercise and was planned and implemented with the assistance of ICT Staff.
 - The ICT department has been supporting all of the staff working from home. They have provided remote support to all staff and elected members as well as protecting our systems by ensuring that our software, hardware and systems are regularly updated and checking that any vulnerabilities or weaknesses are identified, fixed and closed.
 - The communications team have been an essential part of the COVID-19 team, producing excellent multimedia communication to organizational leaders, staff and general public. The team have successfully communicated important information in a timely manner to staff, working alongside the Chief Executive to maintain a visible leadership role, including phoning members of staff who needed acknowledging or support.
 - Regular contact was made with essential services such as the Waste and Water operations teams (including the lab), most of whom continued to travel into work and work much as usual, to ensure their safety.
 - Essential services workers were assigned individual vehicles for the duration of level 4 and into Level 3, this minimize the risk of spread of the virus and has resulted in more streamline operational services for the teams.
 - Every effort has been made to assist contractors who are able, to return to work. Returning contractors have been required to forward us their return to level 3 workplans, which have been reviewed and assessed by the Health and Safety team to ensure they are complying to all requirements.
 - The Democracy team have been working to ensure that robust decision making has been retained throughout the lockdown period through use of virtual technology to support Council meetings, briefings and workshops, and distribution of information agenda to elected members. Public visibility has been maintained through livestreaming of Council meetings and publication of all open agenda, minutes and presentations on the Council website.
 - Department managers have been working hard to prepare for each new alert level and this recognize the impact this has on their operational activities and service delivery. Staff

have been asked to review budgets and maintain customer services where possible throughout the last few weeks.

COVID-19 and emerging operational risks across the organisation

Operational risks have been recognized though out COVID-19 and some have cut across multiple departments. Below are the high level and most common risks that have arisen since the lockdown on 26th March.

Identified risk	Mitigation	Likelihood (after controls)	Impact (after controls)	Residual risk
Increase in global activities on cyber crime	<p>Staff continue to update ICT practices and systems based on an evolving security scenario to mitigate/prevent damage that could be caused by the upswing in cybercrime activities.</p> <p>Security tools and alerting systems in place to mitigate cybercrime and staff training continues to raise awareness.</p>	Unlikely	Catastrophic	Critical
Possible shortage of supply of H&S equipment for staff (PPE, Cleaning products, hand sanitizer). This is a nationwide challenge.	Priority is to ensure that essential services staff have access to appropriate supplies, as we move through the level's we may require a phased return to office to manage supplies.	Likely	Moderate	High
Processing of payment cheques received. There are currently increased risks in the processing of cheques as staff are handling the cheques multiple times and having to physically present cheques at a bank branch to add them to the account.	Due to no service provision by our usual supplier, a new process was established for processing and banking cheques. These were suitable for level 4 but create a risk to the organisation.	Likely	Moderate	High

Identified risk	Mitigation	Likelihood (after controls)	Impact (after controls)	Residual risk
<p>Staff adjusting to working from home (WFH).</p> <p>During this time Leaders have had to manage staff differently to ensure that staff are engaged and that the work continues as expected including taking and recording leave when it arises.</p>	<p>This risk was accepted when staff moved to work from home. Operational leaders are monitoring deliverables to ensure appropriate use and recording of time.</p>	Possible	Minor	Medium
<p>Increase in global activities on fraud</p>	<p>Staff have reviewed process and protocols to minimize damage that could be caused by the upswing in fraudulent activities.</p>	Unlikely	Moderate	Medium
<p>Possible inconsistency's between WDC and NTA for office access.</p>	<p>Regular communication and sharing of protocols between WDC and NTA on arrangements for access offices and shared services.</p>	Possible	Minor	Medium
<p>Confidential information – while most information is discoverable, there is an increased risk of confidential information being shared with non-council staff.</p>	<p>This risk was accepted when staff moved to work from home, it has been managed by leaders liaising with staff to ensure they understand the need to keep Council information confidential and the residual risk is considered medium.</p>	Possible	Minor	Medium
<p>Customer contact for essential services in level 3</p>	<p>Documented protocol to minimize contact and practice distancing, also identifying limited staff to interact with customers.</p>	Unlikely	Moderate	Medium

Identified risk	Mitigation	Likelihood (after controls)	Impact (after controls)	Residual risk
Contamination risk as laboratory had a large work bubble through level 4	Split into two work bubbles for the duration of the level and only worked with those colleagues to minimize exposure.	Possible	Minor	Medium
Working from Home (WFH) office ergonomics	300 work from home ergonomic assessments were submitted with individual responses made to each of them. Any pain and discomfort cases were dealt with individually including arrangements to get appropriate equipment to staff.	Unlikely	Minor	Low
Council equipment, furniture, documents, hard copy references get damaged upon return to the office.	This risk was accepted when staff moved to work from home. Mitigation include Department Managers and team leaders monitoring their team to understand how staff transported equipment home, that they will take care of the equipment and will be expected to bring it safely back to the office once we return.	Unlikely	Minor	Low

Current status - successes

Through anecdotal comparisons with many other organisations, Whangarei District Council can hold its head up very high in how quickly it responded to the COVID 19 outbreak and how quickly it moved then to prepare and work through the requirements. We have benefitted by having our IT systems in the Cloud, strong ICT security protocols, a clear and robust organizational Health and Safety structure, relatively devolved decision-making protocols and a flexible workforce where staff have been prepared to think (and work) outside the box

While these things can often be difficult to measure, a result from Our Korero, our organization's staff engagement survey, found that staff reported positive scores as detailed below:

Our korero question	Average score
While in Covid-19 Alert Level 4 I am confident I have the training, resources, tools and systems I need to operate as an essential services worker	79%
While in Covid-19 Alert Level 4 I am confident I have the training, resources, tools and systems I need to work remotely	80%
Information provided on our organisation's approach to managing Covid-19 is clear, relevant and timely	82%
I am confident the organisation has taken appropriate precautions to keep me safe and well while working during the Covid-19 Pandemic	86%

People have worked across teams and groups to assist in achieving the best outcome during this difficult time, with all willingly chipping in as required. Some developing mutually beneficial protocols, volunteering to help freedom campers or doing shopping deliveries for Civil Defence.

Despite working remotely, the ICT team were able to implement a large upgrade to our software under level 4 lockdown. The water supply and wastewater teams operated seamlessly with no significant issues despite a major drought. Once level 3 commenced our building and resource consent teams rapidly moved back to business as usual and maintenance recommenced on the parks. Roadworks were also able to recommence and we are expecting to reintroduce other council services as level 2 gets underway.

The Customer Service Call Centre team continued with their work uninterrupted and with some assistance from their colleagues managed to set up and operate a 12 hour a day 7 day a week welfare Call Centre at very short notice. Together with the revenue team they were also able to provide assistance and advice to ratepayers who were having payment problems as a result of COVID19.

No other injuries or accidents were reported by essential staff in this time.

4.1 General Financial risks

Council has taken time to review options in relation to the financial position of the organisation post COVID-19 and specifically in relation to rates setting for 2020-2021 and a COVID-19 relief package. Council staff (particularly Finance and the Strategy and Democracy teams) put together a set of options at very short notice and elected members voted on options for the 2020-21 Annual Plan in the last council meeting. This decision was supported by a detailed workshop session presenting the constraints and impact against multiple budget scenarios allowing Council to make informed and risk based decisions. Overall Council has proposed significant budget cuts in order to assist the community recover from COVID19. While capital expenditure should be relatively stable the budget cuts will have a significant effect on Council over the next year or two. New operational initiatives will become very difficult to fund.

The independent chair of the Risk and Audit Committee, John Isles, has reviewed decision making around council wide financials, specifically in relation to the rate setting. He considers

that the Council's analysis and discussions were very robust in terms of process and raise no significant issues in terms of the substance of the decisions.

Given the economic outlook, global liquidity will tighten. Council is well placed to deal with this as our cash reserves will provide a good liquidity buffer over the next few months. This will hopefully preclude the need for short term borrowing to cover any emerging cashflow deficits; although we have access to debt markets through the Local Government Funding Agency if needed. Staff will continually monitor Councils cashflow and debt position to ensure a prudent approach to our treasury management.

Budget managers have considered the potential impact of COVID-19 on their activities for the remainder of the 2019/20 financial year, including capital projects, and adjusted their forecast accordingly. Assumptions have been made in a very volatile environment and may differ from our closing position. Already, forecasts are becoming more pessimistic so it would appear that there is likely to be further financial bad news for Council in the near future.

A number of significant forecasting assumptions have been made in order to re-work the 2020-21 Annual Plan budget in light of Covid-19. These assumptions have been made with the best information available at the time, although a high level of uncertainty remains. Operational and personnel budget cuts will need to be managed while striving to maintain our existing levels of service where possible.

All financial decisions have been considered against our Revenue and Financing Policy – with no issues of concern.

4.2 General ICT risks

ICT have been working on ensuring our technology safety in a challenging environment. They have provided support to elected members for workshops, briefings and council meetings. The team have enabled all staff to connect to internal systems via secure remote access systems, during level 4 and beyond, using Council computers and laptops. It is relatively pleasing to see that many "remote working" issues have related to poor internet connections (usually in the rural areas) rather than problems with Council systems.

The team have been working in the background to improve our systems including moving towards better organisation wide authentication methods and ensuring we stay safe online by limiting the use of insecure programmes and systems.

The ICT team are moving Council towards the future by planned replacement isolation or upgrade of old or unsupported systems, they are enabling multi factor authentication (MFA) for system administrators, this will be broadened to staff in time. The team have embedded security stipulations and guidelines within new ICT projects for all participants vendors and project planners.

ICT System security is an ongoing effort for Council and will continue to evolve indefinitely.

4.3 General Operational risks

In addition to the COVID-19 related risks mentioned above, departmental staff are managing risks across their operational activities on a regular basis. Much of the activity we are seeing relates to our operational processes and ways of working, this includes ensuring we have appropriate contact tracing requirements in place (particularly for Alert level 2).

Operational risks will evolve as we move between alert levels and each department is showing agility in managing operations including the safety of staff and visitors to our sites and the continuation of services to our District.

A consequence of a reduction in expected revenue is that it may create an impact on operational activities. To date the \$2 million cut to WDC's budget for staff costs means that we will be holding vacancies for the foreseeable future. This may lead to an impacts on service levels, productivity and (in the longer term) staff morale across the organisation.

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

1. Risk and Audit Committee agenda for meeting that was scheduled for 25 March 2020

Risk and Audit Committee Agenda

Date: Wednesday, 25 March, 2020

Time: 1:00 pm

Location: Council Chamber
Forum North, Rust Avenue
Whangarei

Elected Members: John Isles (Chairperson)
Her Worship the Mayor Sheryl Mai
Gavin Benney
Vince Cocurullo
Cr Nicholas Connop
Cr Ken Couper
Cr Shelley Deeming
Cr Jayne Golightly
Phil Halse
Cr Greg Innes
Greg Martin
Anna Murphy
Cr Carol Peters
Cr Simon Reid

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

1. Declarations of Interest	
2. Apologies	
3. Confirmation of Minutes of Previous Risk and Audit Committee Meeting	
4. Decision Reports	
4.1 Risk and Audit Committee - 3 yr rolling Work Programme	3
5. Information Reports	
5.1 Health and Safety Report - March 2020	9
5.2 ICT Risks Report - March 2020	25
5.3 Financial Management Activity Update Report - March 2020	31
5.4 External Audit - NZ Audit Plan 19-20	35
5.5 Internal Audit - Rates Review Process	55
5.6 Business Continuity Update March 2020	73
5.7 March 2020 - Risk Report	75
6. Closure of Meeting	

Recommendations contained in the agenda are not the decisions of the meeting.

Please refer to minutes for resolutions.

Risk and Audit Committee – Terms of Reference

Membership

Chairperson Independent Chair

Members Her Worship the Mayor Sheryl Mai

Councillors Gavin Benney, Vince Cocurullo, Nicholas Connop, Ken Couper, Tricia Cutforth, Shelley Deeming, Jayne Golightly, Phil Halse, Greg Innes, Greg Martin, Anna Murphy, Carol Peters, Simon Reid

Meetings Quarterly

Quorum 7

Purpose

To provide assurance to Council that robust, independent and operationally effective controls around operational and financial management practices are in place.

To provide oversight of the risk management of internal controls including but not limited to:

- Risk management framework
- Operational risk management
- Financial risk management
- Health and safety risk management
- Compliance with legislation

Key responsibilities

- Risk
 - Approve and review Councils risk management framework
 - Review and monitor Council critical risks
 - Receive and review Health and Safety reports
 - Oversight of the processes used to manage project risks.
- Internal audit
 - Approve and review the internal audit programme
 - Receive and review the internal audit reports as they become available.
- External audit
 - Receive and consider audit management reports, monitor that appropriate action is being taken
 - Hold a confidential meeting with the external auditors at least once every year.
- Financial planning and control
 - Treasury – debt and interest risk management

- Procurement – major risks associated with procurement
- Overseeing and making decisions relating to an ongoing programme of service delivery reviews as required under section 17A of the Local Government Act 2002.
- Other assurance activities:
 - Receive and monitor Councils policy review program
 - Receive and monitor Councils legislative compliance attestations
 - Receive renewal information to provide assurance that Council's assets are insured appropriately.

Delegations

- (i) All powers necessary to perform the committee's responsibilities, including:
 - (a) establishment of working parties or steering groups.

4.1 Risk and Audit Committee 3 year rolling work programme

Meeting: Risk and Audit Committee
Date of meeting: 25 March 2020
Reporting officer: Emily Thompson (Senior Assurance Advisor)

1 Purpose

To socialise with the Risk and Audit Committee the proposed 3 year rolling work programme for the committee throughout this triennium of Council.

2 Recommendations

That the Risk and Audit Committee endorses the work programme for the triennium.

3 Background

The Risk and Audit committee was established by The Mayor as part of the committee structure for the 2019-2020 term. The establishment of this committee was noted by council in the meeting on 31 October 2019.

Terms of reference for the committee were approved at the Council meeting on 27 November 2019.

Following the creation of the Risk and Audit committee staff have developed a work programme for the committee, to align with the terms of reference.

4 Discussion

The committee terms of reference responsibilities are to provide oversight of the risk management of internal controls including but not limited to:

- Risk management framework
- Operational risk management
- Financial risk management
- Health and safety risk management
- Compliance with legislation

All of these aspects have been considered and migrated to a rolling work plan to ensure appropriate coverage of these items across the year and repeated contact for the committee throughout the triennium. Refer attachment 1.

Should additional items arise that staff consider applicable to the Risk and Audit Committee the workplan will be revised with items being reported back to the committee.

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

1. Risk and Audit Committee Agenda Work plan 2019-2020

Agenda topic	Mar-20		Jun-20		Sep-20	
Work Stream	Agenda Items	Notes and responsibility	Agenda Items	Notes and responsibility	Agenda Items	Notes and responsibility
Risk and Audit Committee	Risk and Audit Committee - 3 yr rolling agenda - Draft	Senior Assurance Advisor				
Health and Safety	Health & Safety Report	Health & safety Manager	Health & Safety Report	Health & safety Manager	Health & Safety Report	Health & safety Manager
Finance	Financial Activity Update Report	Finance Manger	Financial Activity Update Report	Finance Manger	Financial Activity Update Report	Finance Manger
Risk Management	Risk Matrix and overview of current risks	Senior Assurance Advisor	Updated Risk Management Framework	Senior Assurance Advisor	Risk Matrix and overview of current risks	Senior Assurance Advisor
			Risk Matrix and overview of Current risks	Senior Assurance Advisor		
Internal Audit			Report and overview of actions outstanding from previous audits	Senior Assurance Advisor		
Internal Audit - BDO	IA - Rates Review Final Report	BDO - External Team Senior Assurance Advisor	Internal Audit Plan – 2020 (update of 3yr plan and IA's for 2020)	BDO - External Team Senior Assurance Advisor		
External Audit	External Audit Action Update Report	Senior Assurance Advisor			External Audit Action Update Report	Senior Assurance Advisor
External Audit - Audit NZ	NZ Audit Plan for 2019-20 Annual Plan audit	NZ Audit - External Finance Manger	Interim Audit report	NZ Audit - External Finance Manger	Verbal report from Audit NZ on completion of this year's Audit CONFIDENTIAL	NZ Audit - External
Insurance			Insurance Update	Senior Assurance Advisor		
Policy Status Report (Internal and External Policy Register)			Internal and External Policy Register	Senior Assurance Advisor		
REGULAR AGENDA ITEMS						
Business Continuity	Update on Business Continuity Implementation	Senior Assurance Advisor				
ICT (Technology)	ICT update Report	ICT Manager	ICT update Report	ICT Manager		
Delegations register					Delegations project status – update on approach and point in time for approval	Senior Assurance Advisor
Procurement process	Exception Report	Business Support Manager			Exception Report	Business Support Manager
Deep Dives			TBC	Department Manager		

Agenda topic	Dec-20		Mar-21		Jun-21	
Work Stream	Agenda Items	Notes and responsibility	Agenda Items	Notes and responsibility	Agenda Items	Notes and responsibility
Risk and Audit Committee						
Health and Safety	Health & Safety Report	Health & safety Manager	Health & Safety Report	Health & safety Manager	Health & Safety Report	Health & safety Manager
Finance	Financial Activity Update Report	Finance Manger	Financial Activity Update Report	Finance Manger	Financial Activity Update Report	Finance Manger
Risk Management	Risk Matrix and overview of current risks	Senior Assurance Advisor	Risk Matrix and overview of current risks	Senior Assurance Advisor	Risk Matrix and overview of current risks	Senior Assurance Advisor
Internal Audit	Report and overview of actions outstanding from previous audits	Senior Assurance Advisor	Internal Audit Plan – 2021 (update of 3yr plan and IA's for 2021)	BDO - External Team Senior Assurance Advisor	Report and overview of actions outstanding from previous audits	Senior Assurance Advisor
Internal Audit - BDO	IA - Next Audit Final Report	BDO - External Team Senior Assurance Advisor			IA - Next Audit Final Report	BDO - External Team Senior Assurance Advisor
External Audit			External Audit Action Update Report	Senior Assurance Advisor		
External Audit - Audit NZ	Final Audit NZ management report 2019-20.	NZ Audit - External Finance Manger			Interim Audit report	Audit NZ - External Senior Assurance Advisor
Insurance	Insurance Renewal Report	AON - External Team Senior Assurance Advisor			Insurance Update	Senior Assurance Advisor
Policy Status Report (Internal and External Policy Register)	Internal and External Policy Register	Senior Assurance Advisor			Internal and External Policy Register	Senior Assurance Advisor
REGULAR AGENDA ITEMS						
Business Continuity			Update on Business Continuity Implementation	Senior Assurance Advisor		
ICT (Technology)	ICT update Report	ICT Manager	ICT update Report	ICT Manager		
Delegations register						
Procurement process			Exception Report	Business Support Manager		
Deep Dives	TBC	Department Manager			TBC	Department Manager

Agenda topic	Sep-21		Dec-21		Mar-22	
Work Stream	Agenda Items	Notes and responsibility	Agenda Items	Notes and responsibility	Agenda Items	Notes and responsibility
Risk and Audit Committee			Proposal for Audit and Risk Committee for next trienium	Senior Assurance Advisor		
Health and Safety	Health & Safety Report	Health & safety Manager	Health & Safety Report	Health & safety Manager	Health & Safety Report	Health & safety Manager
Finance	Financial Activity Update Report	Finance Manger	Financial Activity Update Report	Finance Manger	Financial Activity Update Report	Finance Manger
Risk Management	Risk Matrix and overview of current risks	Senior Assurance Advisor	Risk Matrix and overview of current risks	Senior Assurance Advisor	Risk Matrix and overview of current risks	Senior Assurance Advisor
Internal Audit			Report and overview of actions outstanding from previous Internal audits	Senior Assurance Advisor	Internal Audit Plan – 2022 (update of 3yr plan and IA's for 2022)	BDO - External Team Senior Assurance Advisor
Internal Audit - BDO			IA - Next Audit Final Report	BDO - External Team Senior Assurance Advisor		
External Audit	External Audit Action Update Report	Senior Assurance Advisor			External Audit Action Update Report	Senior Assurance Advisor
External Audit - Audit NZ	Verbal report from Audit NZ on completion of this year's Audit	Audit NZ - External Senior Assurance Advisor	Final Audit NZ management report 2020-21.	Audit NZ - External Senior Assurance Advisor		
Insurance			Insurance Renewal Report	AON - External Team Senior Assurance Advisor		
Policy Status Report (Internal and External Policy Register)			Internal and External Policy Register	Senior Assurance Advisor		
REGULAR AGENDA ITEMS						
Business Continuity					Update on Business Continuity Implementation	Senior Assurance Advisor
ICT (Technology)	ICT update Report	ICT Manager			ICT update Report	ICT Manager
Delegations register	Delegations project status – update on approach and point in time for approval					
Procurement process	Exception Report	Business Support Manager			Exception Report	Business Support Manager
Deep Dives			TBC	Department Manager		

Agenda topic	Jun-22		Sep-22	
Work Stream	Agenda Items	Notes and responsibility	Agenda Items	Notes and responsibility
Risk and Audit Committee				
Health and Safety	Health & Safety Report	Health & safety Manager	Health & Safety Report	Health & safety Manager
Finance	Financial Activity Update Report	Finance Manger	Financial Activity Update Report	Finance Manger
Risk Management	Risk Matrix and overview of current risks	Senior Assurance Advisor	Risk Matrix and overview of current risks	Senior Assurance Advisor
Internal Audit	Report and overview of actions outstanding from previous Internal audits	Senior Assurance Advisor		
Internal Audit - BDO	IA - Next Audit Final Report	BDO - External Team Senior Assurance Advisor		
External Audit			External Audit Action Update Report	Senior Assurance Advisor
External Audit - Audit NZ	Interim Audit report	Audit NZ - External Senior Assurance Advisor	Verbal report from Audit NZ on completion of this year's Audit	Audit NZ - External Senior Assurance Advisor
Insurance			A&R Analyst to input insurance update	
Policy Status Report (Internal and External Policy Register)	Internal and External Policy Register	Senior Assurance Advisor		
REGULAR AGENDA ITEMS				
Business Continuity				
ICT (Technology)			ICT update Report	ICT Manager
Delegations register			Delegations project status – update on approach and point in time for approval	
Procurement process			Exception Report	Business Support Manager
Deep Dives	TBC	Department Manager		

5.1 Health and Safety Report March 2020

Meeting: Risk and Audit Committee
Date of meeting: 25 March 2020
Reporting officer: Desarae Williams

1 Purpose

To update the Risk and Audit Committee with information on key health and safety risks and the measures in place to mitigate those risks at the Whangarei District Council workplace.

2 Recommendation

That the Risk and Audit Committee notes the health and safety report.

3 Background

Elected members have significant influence over our workplace and are obliged to:

- Apply due diligence to ensure Council, through its Chief Executive, is meeting legal health and safety obligations
- Ensure that significant health and safety risks have been identified and are being suitably mitigated
- Be confident that Council is providing a safe workplace for workers and others
- Ensure that Council is compliant to health and safety legislation and improving its health and safety culture and systems.

Elected members were recently provided the opportunity to attend a presentation on the above. This report aims to provide key information to address these matters at a governance level.

4 Discussion

Our highest health and safety risks

Since the last Audit and Risk Committee we have had two external health and safety auditors provide us guidance on our top health and safety risks. As a result, some changes have been made since the table in Attachment One was provided to the Audit and Risk Committee in 2019.

We have approximately 50 identified Council risks which are reviewed on an annual basis. We have developed a plan to review the risks and develop minimum risk guidelines for staff and contractors to follow.

We have also been working through an emergency preparedness situation relating to COVID 19 coronavirus. We have developed a high-level pandemic plan, with a more comprehensive action plan underpinning it and triggers for certain levels of action to be undertaken. A team has been formed to deal with the preparedness, assisting with coordination of effort and communication. We have taken a calm and cautious approach, using guidance from the Ministry of Health and our Northland District Health Board.

Changes to legislation

Since the last Committee meeting there have been no changes to legislation affecting health and safety in the workplace, although there has been a myriad of Worksafe NZ guidelines provided to help business meet their obligations.

Compliance

During the recent presentation to Elected Members the presenter Paul Jarvie, from Employers and Manufacturers Association, pointed out that Directors need to have certainty about compliance to health and safety legislation. Attachment 2 lists the relevant Acts, Regulations pertaining to health and safety and includes approved codes of practices (ACOPs), which require higher than usual compliance in comparison to other Codes of Practice.

Following the death of a toddler in a Gore District wastewater treatment pond a new risk was identified. We have adopted a risk management approach where we initially identified ponds in areas where there was a house within 500 metres or a location where you might expect there to be members of the public. Fences have been or are being erected in these areas. Worksafe NZ now appear to be going to take a prosecution against Gore District Council.

Monitoring and Checking

WorkSafe NZ and ACC have developed a health and safety assessment tool called SafePlus. This is being taken up by organisations who not only feel they comply but also have an improvement focus. We have a very respected national health and safety external Assessor, Mike Cosman undertaking this assessment at council in April. Mr Cosmans assessment will focus on three top risks; aggressive people encounters, contractor management and workplace stress and fatigue.

An external audit was commissioned by Venues and Events to review health and safety systems at both Forum North and the NEC Stadium in November to the ISO 45001 standard.

A new internal programme called 'Whiria' walks has been developed by a cross functional working group. This will involve all leaders undertaking a health and safety walkabout engaging with staff on a less formal basis than a meeting.

Team Leaders undertake a minimum of an annual health and safety check of their area.

Contractor Management

Much of our high-risk work is undertaken by contractors. Before becoming a Council approved contractor, a health and safety assessment is undertaken with high risk contractors requiring to undertake a pre-qualification check of their health and safety systems. Council staff who engage the high-risk contractors then undertake a check of any qualifications, licencing, safety plans and associated documentation before they commence work. In most cases monthly monitoring of any contractors undertaking physical work is required by the person who engaged them, or a suitable project consultant, with this monitoring reviewed by Council H&S personnel.

If there are concerns, these are addressed in a number of ways, but we endeavour to work with our contractors who undertake such a valuable service. For example, one of our highest risk contractors Northland Waste has shown a steady reduction in the amount and severity of their worker injuries over the last few years. However, a dramatic change was noted recently after capital was invested in their recycling trucks to alter the way some of the high injury producing tasks were undertaken.

Due diligence by Officers

Part of the role of an Officer of a Person Conducting a Business or Undertaking (PCBU) is to ensure that there is a safe workplace, not just take others word for it. We achieve this in several ways including;

- The Chief Executive (CE) undertakes arranged health and safety walk arounds in high risk areas, accompanied by the relevant General Manager (GM), talking directly to staff about whether they have any health and safety concerns
- By the CE and GMs attending Health and Safety Committee meetings and gaining direct feedback from elected Health and Safety Representatives (H&S Reps)
- Reviewing of internal reports and checks provided by the H&S Manager
- Reviewing of external health and safety checks and audits

Paul Jarvie pointed out the danger of companies' officers only hearing the good health and safety news, not the bad. Our Council H&S Manager has the ability to directly contact the CE and other senior Managers, with both positive and negative health and safety information, formally and informally as required, without censoring.

Worker participation

One of the requirements of health and safety legislation is that there must be evidence of active worker participation. We formally apply this in two main ways;

- By having elected H&S Reps, who cover a specific work group. Elections are held three yearly on a rotational basis, so a third of the current H&S reps go through an election process each year. They receive special and government approved training for this role. H&S Reps are consulted on worker health and safety matters
- By having a monthly Health and Safety Committee, where H&S reps attend as of right to raise any concerns they have and be provided with important information and be consulted with. Our committee is rated as being very effective by the H&S Reps and attendants. Leaders are invited to attend these meetings at least once every two years.

Health and safety framework

While Council does not follow a formal health and management system such as ISO 45001 we have developed our own internal system that ensures legislative compliance and maintains flexibility to mitigate key risks and engage workers.

A number of health and safety policies, procedures, guidelines and associated documents have been developed and are reviewed on at least a two-yearly basis, often more frequently if things change.

A health and safety plan has been developed and is reviewed annually, with new goals made to encompass the following three years.

We utilise a part of the enterprise solution, Tech One My Safety, as a health and safety database and where staff report and incidents, injuries and hazards and to record other

information. This programme does have some limitations, not being a specific NZ legislative based programme, so we have developed some workarounds for this.

Management reporting occurs formally on a quarterly basis, including accident reporting and lead indicators including; workstation checks completed, occupational health checks, safety system checks. emergency drills undertaken, incident reporting, hazard action completion, who are our new safety champions and other successes.

Accident Statistics

Table 1 below shows injuries and incidents reported within the October – December 2019 quarter. Note - Volunteers have been added after we had our first incident reported by a volunteer.

Injury Type	Employees October - December 2019	Contractor October - December 2019	Public October - December 2019	Volunteers October - December 2019	Totals October - December 2019	Last quarter totals	Trend Since last quarter
WorkSafe NZ Notifiable event	0	0	0	0	0	1	↓
Lost time injury (injury needing days off)	0	3	0	0	3	6	↓
Medical treatment Injury (visited doctor or physio)	0	8	1	0	9	27	↓
Occupational health exposure	0	0	0	0	0	6	↓
Minor injuries	6	26	4	0	36	22	↑
Pain and discomfort reports	11	2	0	0	13	24	↓
Incidents and near misses	31	71	2	1	105	122	↓

Table 1: Council workplace injuries 1 October – 31 December 2019.

The WorkSafe notifiable event related to a fatality involving a pedestrian crossing the road on one of our civil worksites in the district.

The three lost time injuries noted this quarter all involved contractors - manual handling or slips and trips.

The occupational health exposure incidents involved Council staff and a Northland Transport Alliance worker breathing in paint, solvent cleaning or other fumes from an unknown source in four separate incidents.

The figure 1 shows total reported incidents for the October -December 2019 Quarter.

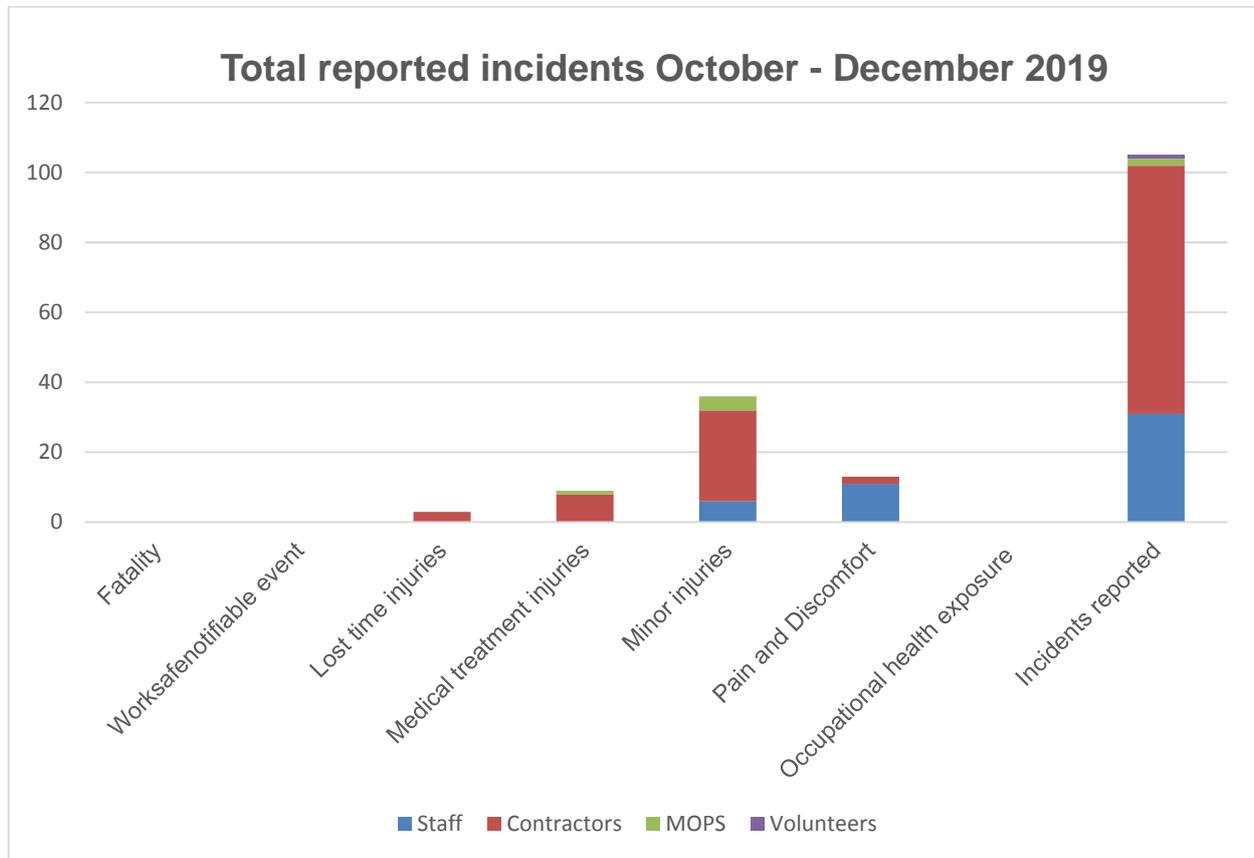


Figure 1: Council workplace injuries 1 October – 31 December 2019.

Note: MOPs is short for members of public.

Incident Type	2016 - 2017	2017 - 2018	2018 - 2019	2019-2020 YTD
Injury notifiable to WorkSafe NZ	3	0	0	1
Lost Time Injuries	11	11	16	9
Medical Treatment Injuries	51	77	40	27
Occupational Health Exposure	11	4	4	6
Minor Injuries	127	160	125	58
Pain and Discomfort	109	138	58	37
Incidents	283	389	256	227

Table 2: Council workplace injuries over last three financial years

Table 2 above shows health and safety statistics over the last three years, with the 2019 – 2020 column showing the six-month period from 1 July 2019- 31 December 2019.

Elected members can note that incident reporting is seen as a lead indicator (a positive thing), rather than a lag indicator, indicating there is a culture of reporting near misses so the relevant hazards can be remedied, before they injure someone.

Health and safety training undertaken since last report

Health and safety training is one of our lead indicators. The table below shows training undertaken in the last quarter was less than usual, due to the Christmas lead up and break.

Internal training	Attendants	Hours	External training	Attendants	Hours
New employee H&S inductions	2	12	Dog behaviour Awareness	14	21
Contractor health and safety management	1	8			
'Safetywhys' – How to use the council hazard register	2	29			
H&S Rep inductions	25	25			
Fire Warden Refresher	2	18			
Asbestos Awareness	1	3			
TMP Workshop	1	5			
H&S Aide workshop	1	4			
Traffic management inductions	1	2			
Totals	36	106	0	14	21

Table 3: Health and Safety Training undertaken October – December 2019 Quarter

5 Significance and engagement

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

6 Attachments

1. Highest Health and Safety Risks
2. Health and safety legislative compliance
3. List of health and safety policies, procedures and guidelines

Attachment 1: Highest Health and Safety Risks in Whangarei District Council 'workplaces'

These risks have been identified from the Council hazard register, based on residual (After controls put in place) risk scores.

Risk Description	Cause of the Risk	Consequence / impact of an event happening	Inherent Risk Rating	Controls in Place	Residual Risk Rating	Future Controls	Future Risk Rating
Threats and aggression from members of public.	<p>Workers out in field coming across aggressive people, causing physical and/or emotional harm to workers.</p> <p>Aggressive people coming in or around our workplaces, causing physical and/or emotional harm to workers.</p> <p><i>Note: Why this risk remains so high, is the lack of control we have as council in controlling the behaviour of the public.</i></p>	Life changing injury or psychological damage	Critical	<ul style="list-style-type: none"> • Security systems, policies, procedures and information in place to cover many eventualities • Regular training sessions on what to do in threat and lockdown events. • Training provided to cover off differing threat situations • H&S & Security meetings held with other tenants and PCBUs • Planned emergency drills, which check the effectiveness of the systems • Audits of high-risk areas • CCTV and panic buttons installed • Work alone devices and cell phones, to summon assistance • Use of security companies to provide assistance • Audits and monitoring 	High		Little change foreseen
Traffic, pedestrian and driving hazards	<p>Poor driving behaviour of other people, causing accidents involving our workers, both in vehicles and as pedestrians.</p> <p>Poor driving behaviour of our workers, causing accidents and injuries.</p>	Potentially many fatalities	Critical	<ul style="list-style-type: none"> • Driver assessments • Driver licence checks • Driver – car control training provided for high use fleet drivers • Driver checklists and checks • Driver inductions • Safe access through traffic guidelines • Staff informed of requirements 	High		Little change foreseen

Risk Description	Cause of the Risk	Consequence / impact of an event happening	Inherent Risk Rating	Controls in Place	Residual Risk Rating	Future Controls	Future Risk Rating
	<i>Note: Why this risk remains so high, is the lack of control we have as council in controlling the behaviour of the public.</i>			<ul style="list-style-type: none"> Road safety and traffic management requirements 			
Exposure to hazardous substances	Some staff and contractors deal with toxic, solvent or corrosive chemicals in the work they do, exposing them to burns, respiratory exposure and potentially long term health effects	Life changing injury or long term medical condition	High	<ul style="list-style-type: none"> Certified handlers, who have attended approved courses Signage Safety data information sheets Chemicals isolated or secured Procedures to follow External suiting to check compliance 	Medium		
Work at heights (WAH)	Falling from height	Life changing injury or death	High	<ul style="list-style-type: none"> WAH training, with two-yearly refresher requirements WAH permit to work in place for high risk work at height WAH reviews and audits WAH Policy and procedures Fall prevention hardware, such as handrails and use of scaffolding Use of Elevated work platforms Assessments of risk and plans to work safely Supervision and monitoring WAH gear and equipment checked and certified 	Medium		

Risk Description	Cause of the Risk	Consequence / impact of an event happening	Inherent Risk Rating	Controls in Place	Residual Risk Rating	Future Controls	Future Risk Rating
Working while fatigued	Work overload, working long hours and overtime (for a long period of time), especially if driving or undertaking hazardous tasks. This can be compounded by out of work issues.	Life changing injury or death	High	<ul style="list-style-type: none"> Fatigue management processes in place and monitoring Monitoring of this area and reporting Staff information and training provided 	High	Use of vehicles with line recognition, Driver fatigue products	Medium
Exposure to energy sources	Moving machinery, electricity, hydraulic, pneumatic, gravity and other energy sources causing injury	Life changing injury	High	<ul style="list-style-type: none"> Lock out tag out procedures Trained staff Personal locks applied Auditing and monitoring Supervision Use of permit to work system 	Medium		
Working in confined space entries (CSE)	Entry into confined spaces where there is; insufficient oxygen, the risk of toxic or solvent chemicals, engulfment and energy sources or processes that could start up.	Multiple fatalities WorkSafe NZ Prosecution affecting workers	High	<ul style="list-style-type: none"> Requirement to use CSE permit to work and suitable procedures CSE policy and procedures Only trained workers to enter with a two-yearly refresher requirement CSE registers in place, making it clear what is a confined space Air & gas monitoring requirements before and during entry Rescue plans planned in advance Monitoring and supervision Notification to our contractors about our standards and requirements 	Medium		
Exposure of workplace psychological risks	Bullying and other unreasonable behaviours, work overload, conflict, poor	Lost time injury, losing valuable staff	High	<ul style="list-style-type: none"> EAP (Employee Assistance Programme) system available Encouragement to early report and resolve issues 	Medium		

Risk Description	Cause of the Risk	Consequence / impact of an event happening	Inherent Risk Rating	Controls in Place	Residual Risk Rating	Future Controls	Future Risk Rating
	leadership and team relationships. This can be compounded by out of work issues.			<ul style="list-style-type: none"> • Policies in place giving guidance • Leader awareness of issues, with individual plans to resolve • Support of individuals from People and Capability team • Peer support team available 			
Work alone	Staff going out into unknown and hazardous situations. Or could have a medical problem arise. Staff occasionally need to visit areas out of cellular coverage range.	Life changing injury	High	<ul style="list-style-type: none"> • Staff training and awareness • Procedures in place • Work alone devices available • Cell phones taken • Monitoring • First aid kits in vehicles 	Medium		
Asset failure	Assets in the workplace that might corrode and fall on people, or malfunction causing injuries	Life changing injury or death – potentially multiple injuries		<ul style="list-style-type: none"> • Identification of assets that if they fail could cause harm • Monitoring and maintenance schemes in place • External condition monitoring reports undertaken by suitable experts • Reporting of issues and resolution of these in a timely manner 	Medium - low		

As well as the above, the following risks have been identified in consultation with contractors, about risks which primarily affect them;

- Working around mobile plant and equipment
- Felling trees
- Dust causing respiratory and other health risks
- Working under suspended loads
- The task of rigging, involving items falling from height
- Working in and around deep excavations

Attachment 2: Compliance to Health and Safety Legislation

Name of Act	Means of compliance	Any non-compliance concerns
ACC Compensation Act, 2001. Amendment Act, 2014	External finance auditing	
Dangerous Goods Labelling Regulations, 1978	External hazardous substances auditing	
Domestic Violence, Victim Support Act 2018	Internal review by People and Capability Department	
Food Act 2014	Advice from our Health and Bylaws team – relates to internal catering matters	
Hazardous Substances and New Organisms Act, 1996	External hazardous substances auditing	
Health Act, 1956 No 65	Relates only to methamphetamine exposure if accompanying Police to a Meth lab – this is now a very rare task and we follow police guidance	
Health and Safety at Work Act, 2015	External health and safety audits Constant and ongoing monitoring by internal health and safety personnel	
Human Rights Act, 1993	Internal review by People and Capability Department	
Land Transport (Road Safety and Other Matters)	Relates only to permitted alcohol levels when driving a vehicle.	
Misuse of Drugs Act, 1975	Relates to requirements in our Workplace Drug and Alcohol Policy	
Smoke-Free Environments Act, 1990 & Smoke-Free Environments Amendment Act 2003	Relates to our Workplace Smoke Free Policy. Complaints to go to Department Managers	
The Bill of Rights Act, 1990	Relates to requirements in our Workplace Drug and Alcohol Policy	
The Privacy Act, 1993	Relates to requirements in our Workplace Drug and Alcohol Policy and our Workplace Security Policy. This is internally monitored by our Legal team.	
Name of Regulation (<i>Note – these are considered to be legislation</i>)	Means of compliance	Any non-compliance concerns
Hazardous Substances Regulations, 2017	External hazardous substances auditing	
Health and safety at work (Adventure Activities) Regulations, 2016	Pertains to some events at the Semenoff Stadium. Internal scrutiny that procedures have been followed.	

Health and safety at work (Asbestos) Regulations 2016	Internal checking and monitoring.	No external review yet undertaken
Health and Safety at Work (General Risk and Workplace Management) Regulations, 2016	Internal checking and monitoring. External health and safety auditors are likely to pick up key aspects of non-compliances as they walk about or interview people. Not specifically audited against.	
Health and safety at Work (Hazardous Substances) Regulations 2016	External hazardous substances auditing	
Health and Safety at Work (Worker Participation, and Representation) Regulations, 2016	Internal checking and monitoring.	No external review yet undertaken.
Name of Approved Code of Practice <i>(Note - while not strictly considered the law, Worksafe NZ strong advise these ACOPs are adhered to)</i>	Means of compliance	Any non-compliance concerns
Management and removal of asbestos	This work is primarily undertaken by contractors, Internal checking and monitoring.	No external review yet undertaken
Safety in excavation and shafts for foundations	This work is primarily undertaken by contractors, Internal checking and monitoring.	No external review yet undertaken
Pressure equipment (excluding boilers)	External hazardous substances auditing.	
Operator protective structures on self-propelled mobile plant	External auditing	
NZ Electrical Code of Practice for managing electrical risks associated with electrically conductive thermal insulation	We only use licenced electricians, with the expectation they comply with this Code of Practice	
NZ Electrical Code of Practice for the installation of recessed luminaries and auxiliary equipment	We only use licenced electricians, with the expectation they comply with this Code of Practice	
NZ Electrical Code of Practice for power systems earthing	We only use licenced electricians, with the expectation they comply with this Code of Practice	
Manual handling	We have had in external Occupational Therapists to review certain aspects of manual handling (e.g. library)	This is quite an old code of practice Some of the items have been arguably superseded
Management of noise in the workplace	Internal scrutiny on this. Any external auditor would pick up non-compliances	No external review undertaken

		in last three years
Maintenance of trees around powerlines	Only experienced and competent contracting companies do this work. Internal monitoring of this	
Secondary containment systems	External hazardous substances auditing	
Outdoor pyrotechnic displays	This relates to the Semenoff Stadium. Applications to WorkSafe for approval must be sent in advance.	
Cranes	Only experienced and competent contracting companies do this work. Internal monitoring of this	
Powder actuated hand-held fastening tools	Only experienced and competent contracting companies do this work. Internal monitoring of this	
Load-lifting rigging	Experienced and competent contracting companies primarily do this work. Internal staff provided training. Internal monitoring of this. External companies undertake checks of the actual equipment.	No external review yet undertaken
Safe use of isocyanates	Only experienced and competent contracting companies would do this work for us, but not aware of this being done for some time. Internal monitoring and checking of this	
COPPTM	External consultants are engaged to undertake reviews of our civil contractors. Also internal reviews and monitoring.	

Attachment 3 List of Health and safety policies, procedures and guidelines

Policies

Accident & Incident Management Policy
 Confined Space Entry Policy
 Contractor Management Policy
 Emergency Management Policy
 Equipment and lockout tagout policy
 Eye Care and Protection Policy
 Fatigue Prevention Policy
 First Aid Policy
 Health and Safety Auditing, Monitoring, Planning & Review Policy
 Health and Safety Policy
 Health and Safety Training, Supervision & Information Policy
 Occupational Health Monitoring Policy
 Pain & Discomfort Policy
 PPE Policy
 Rehabilitation Policy
 Sun Safety Policy
 Test & Tag (Electrical Equipment) Policy
 Visitor Policy
 Volunteer H&S Policy
 Working Alone Policy
 Work at Heights
 Workplace Drug and Alcohol Policy
 Work Over or Near Water
 Workplace Noise Exposure Policy
 Worker Participation Policy
 Workplace Smoke Free Policy
 Workplace Hazard and Risk Management Policy
 Workplace Security Policy

Procedures

Closing the Council Chamber Doors
 Dealing with hazardous substances in the workplace - SOP
 Inspections and Audits within the road corridor - SOP
 Permit to Work Procedure
 Suspicious Mail Opening - SOP
 Using the Elevated Work Platform – SOP

Guidelines

Community Health and Safety Responsibilities Guideline
 Communicable Diseases in the Workplace Guideline
 Contractor Be Safe Engagement Guidance
 Excavation Safety
 Food safety and catering guideline for Council
 Planning Guideline for Events
 Protocol for Ingestion Contact Incident

Using ladders safely in the workplace
Using stepladders safely in the workplace
Water blasting safety
Workplace Methamphetamine Exposure Guideline
Workplace Wellness and Wellbeing Guideline

5.2 Information Communications Technology (ICT)

Meeting: Risk and Audit Committee
Date of meeting: 25 March 2020
Reporting officer: Ian Fernandes (Manager – ICT)

1 Purpose

This report is to keep the Risk and Audit Committee aware of the ICT related risks and inform the committee on steps being taken to mitigate them.

2 Recommendation

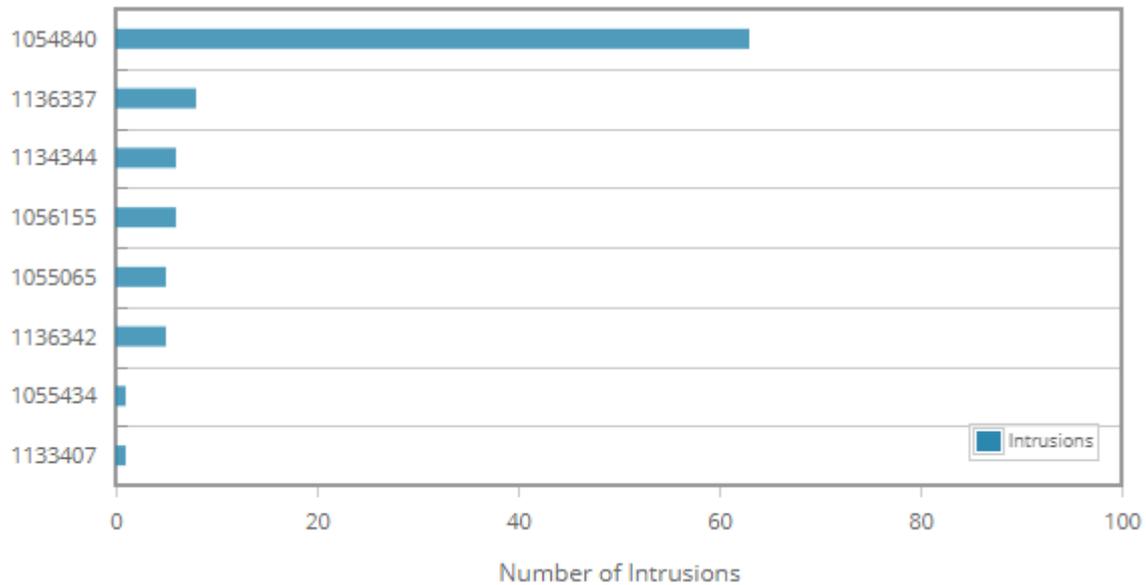
That the Risk and Audit Committee notes the ICT risk register and report.

3 Discussion

Activities or work programs to in progress mitigate or manage risks include:

- The second phase of Cyber security training for staff has been rolled out and is currently in progress.
- The Windows 2008 server replacement project is making good progress. This is to remove security vulnerabilities with older versions of servers supporting legacy systems until they are fully decommissioned.
- Covid-19 impacts and Business Continuity plans are currently underway. The main workstreams being prioritised to support the organisation are:
 - Staff working from home.
 - Distributed and remote working practices.
 - Availability and routing of Contact Centre is being worked on as a priority.
 - Ability to transfer large file sizes securely for specialist roles.
 - Securing conference call lines.
 - Identifying supply lines for supplementary equipment needed to support different hardware configurations e.g. phone headsets for Contact Centre to use with tablets.
- Security risks are being assessed for staff that do not have a Council supplied laptop/tablet:
 - Cloud based applications will be easily accessible.

- Firewall and other security protocol will function adequately to mitigate security risks when accessed via personal computers.
- Intrusions blocked by our main firewall



SIGNATURE	NAME	ALLOWED HITS	DENIED HITS
1054840	WEB SQL injection attempt -6	0	63
1136337	WEB SQL Injection Attempt -91	0	8
1134344	WEB SQL Injection Attempt -87	0	6
1056155	WEB SQL injection select from attempt -4	0	6
1055065	WEB SQL Injection Attempt -4	0	5
1136342	WEB SQL Injection Attempt -94	0	5
1055434	WEB Apache Struts 2 OGNL Script Injection -3	0	1
1133407	WEB Brute Force Login -1.1021	0	1
Total: 8		0	95

- Viruses cleaned off desktop devices – February

Action	Count of occurrence	User Computer name
Blocked	96	
Cleaned by deleting	82	
Cleaned	1	
Connection terminated	14	
Deleted	1	
Total	194	

- Attempts to access unauthorised URL's – 22.
- We were recently notified of a Critical remote unauthenticated vulnerability in Microsoft server software in our environment – a fix and patch for this was rolled out last weekend to prevent this being exploited.

3.1 Risks

The ICT Risk Register is attached.

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

Risk Register – ICT

Risk ID	Risk description	Risk Owner	Because of...	There is a risk around (Risk category)	Leading to.....	Inherent risk rating (calculation)	Controls in place	Likelihood after controls	Impact after controls	residual risk	Risk Treatment plan(TARRA) - Future	Response triggers (Key risk Indicators)	Response owners BAU ownership for the response activities	Response Description	Expected impact of response
ICT - 1	Internal Intrusion - Resulting in a virus or business outage, loss of data caused by an unknown threat	Manager ICT	Cyber Threat or internal intrusion effected by staff.	Security	may result in loss of data and or reputational loss. Could cause system shut down or lock out across the organisations systems	Critical	GE16032020 - Firewall Services have been enhanced (these include Intrusion Protection & Weblocker) ESET Antivirus on latest version, SLA for regular update of office formulated and weak SSL/TSL protocols and cyphers disabled. AM18022019 - user devices operating systems and antivirus software updated regularly. Phriendly phishing training deployed to whole organisation. Quarterly security meeting held to discuss best practice. AM - deploying phishing training to organisation and initiating an environment Risk Assessment - July updated antivirus on all desktops and laptops Mitigate: In place: Monitoring of all cyber threat activity on a daily basis. Updating of all Anti-Virus software on a daily basis – scheduled and managed by all Cloud providers and onto desktop equipment. Intrusion detection provided on all PC's. Separate "ghost" network for public spaces. By policy no Systems Administrator privileges applied to any devices to allow free install of applications by users. System policies employed to reduce ability to download or access black listed sites. Continuity plans in place to recover data.	Almost Certain	major	Critical		Intrusion monitoring software alert thresholds are reached	INSRT Controller	Implement business continuity procedures for this scenario	Business continuity affected, potential data loss
ICT - 2	Lack of Resources available to manage support for key systems	Manager ICT	support service levels drop consistently across supplied services - consistent trend	Resourcing	may result in a reduced level of service for staff across the organisation - critical faults may take longer to be fixed	Critical	Following the ICT reorganisation, a new Systems Engineer role has bene added to mitigate this risk AM18022019 - this is still a risk and a business case requesting more resources has been submitted AM - where we can outsource infrastructure MW and urgent incidents/requests to NorthCloud. Mitigate : contract services for key critical systems and infrastructure . Strategy to outsource applications and systems to SaaS and IaaS	Possible	Moderate	High		reduction in service levels that is sustained across critical systems	ICT Manager	Review with current contracted partners which additional support tasks they can temporarily take on board until a formal engagement or resources can be filled is completed. Bring in team members that are now collocated in other departments to assist with support if required	Cost Impact Resource constraints may become apparent in other departments and on other tasks, where resources are diverted to assist.
ICT - 15	Staff unable to work because Office is closed	Senior Systems Engineer	Pandemic	Business Continuity	Operational activities across the council will stop	Medium	GE16032020 - Staff with mobile devices can work at home using remote access technologies (CAG, VPN and Direct Access). Key systems TechOne, Outlook, 365 office applications, escribe and Kete are also accessible from private / personal computers	possible	Moderate	High	Contingency planning Staff trialling work from home arrangements ICT monitoring status and working through issues as they arise.	Organisational Decision, directions to be given from Chief Executive.	ICT Manager	As Required	People will work from at home, for some departments or job roles this may prove difficult, those with desktop computers at work will need to either task desktop home or use their personal computers.
ICT - 3	Inability to source sufficiently skilled staff , due to location and funding available	Manager ICT	Staff resignations	Resourcing	Reliance is placed on individuals to operate some of our systems	Medium	AM18022019 as per risk ICT - 2 AM - in the process of knowledge transfer between the Systems Analysts Mitigate: In place: Partnerships formed with local and national contractors to provide services. Existing staff provide coverage across a number of different capabilities to provide business critical backup	Unlikely	Moderate	Medium		Staff Resignations - or - restructure processes	ICT Manager	contact local contractors in partnership and request assistance	Decrease in service levels
ICT - 7	Risk of telecommunications service supply discontinuity (Internet and Voice)	Manager ICT	Vendor Service Supply interruption due to: Failure Hazard Disaster -Staffing Incident	Supplier	Access to the organisation's Corporate Enterprise system Technology One unavailability - affects critical functions: Receipting Customer Services Regulatory Voice affecting incoming and outbound calling	Medium	GE16032020 - Redundant links in place for Whangarei and Auckland Paths, Triangulation of network links at Forum North and Walton Plaza complete, TaaS replacement project is awaiting prioritisation. AM18022019 - TaaS currently on hold - network redundancy improvements being investigated by Senior Systems engineer and Northcloud AM- TaaS being researched by the Enterprise Architect. With Infrastructure as a Service the risk has been minimised. Mitigate: In place: Redundant supply for both Internet and voice lines. Supply provided by Vodafone and Spark. Automatic re-routing of internet and voice traffic during an outage to alternate supply line	Unlikely	Minor	Medium		Service Desk job created for outage	INSRT Controller	Activate Business Continuity procedures for supply re-direction	Business continuity affected
ICT - 14	http not https	Manager ICT	Cyber Security	Security	may result in customer data being breached via our websites, obtaining contact information and passwords	High	GE16032020 - Port http is turned off on all systems when possible and is blocked at the firewall with exception to the current WDC website which is due to be replaced. NTLM Authentication disabled on firewall. GE16032020 - We are replacing our old routers/switches with new, and have cold spares. AM - replacing critical hardware (e.g. UPS Batteries) and updating software and support agreements (Firmware upgrade & Smartnet contracts) Mitigate: In Place - hardware audit and monitoring across all network switches to pick up any potential software issues. Replacement cycle in place for network switches Key Network tasks are outsourced to an experienced and qualified provider	Possible	Minor	Medium		Service Desk notification	INSRT Controller or ICT Ops Team Leader (depending on criticality of the issues found)	As Required	Review what information had been intercepted, notify those effected.
ICT - 4	Hardware and System failures - including legacy systems	Manager ICT	Aging Hardware Software or general Hardware fault	Network	network availability internally may be reduced	High		Rare	Minor	Low		Service Desk job logged our outage experienced	INSRT Controller	Affected switch, hot swapped. Contractor called to provide service solution if required.	ICT resources diverted to manage communications and network re-establishment
ICT - 5	Software updates not applied, may cause software to become un-usable, unstable or out of support by the vendor	ICT Ops TL	Software upgrades and updates are not applied due to ICT workload, resource availability within the organisation to test or mis-scheduling	Software	Software may present to users with errors and some functions may not work as expected	Medium	220819 - No upgrade schedule as no resources to action. Software is being upgraded as requests are being raised by the organisation - reactive AM - Currentlly in Change Freeze - any business critical upgrades to be approved by SLT Avoid: Ensure all software updates are scheduled and resources required within the organisation are scheduled ahead of time.	Rare	Moderate	Low		Service Desk job logged our outage experienced	INSRT Controller or ICT Ops Team Leader (depending on criticality of the issues found)	Business continuity procedures are followed - Software supplier contacted and engaged	Resources are diverted to resolve any issues - may be some business continuity affect
ICT - 6	Data theft or Fraud -	Manager ICT	Intrusion Sabotage (internal or external) Theft via council systems access either -authenticated or not	Security	Could cause: Disrepute. 1. Financial inconsistencies or 2. data loss and inconsistencies	Medium	BG - 28/02/2019 - The more considerable component of this risk is for large scale financial data to be stolen. This is held in Technology 1 and is encrypted. Fraud is mitigated using financial control processes and all transactions are audited. AM18022019 - currently reviewing our Whitelist AM - ensuring communications from all 3rd party applications is addressed to a distribution list and not a specific person. Accept: In place: Reporting on Master Data changes across key critical business areas including Payroll and Financials is made available to the responsible business units. Auditing of events and updates across all key systems is undertaken and monitored routinely. Internal access and authentication process controls in place.	Rare	Moderate	Low		Reporting reveals gaps or issues, notification from HR or Fraud officer	ICT Manager	Business continuity procedures are followed	Data loss may occur, business continuity may be affected due to potential system lock out

Risk ID	Risk description	Risk Owner	Because of...	There is a risk around (Risk category)	Leading to.....	Inherent risk rating (calculation)	Controls in place	Likelihood after controls	Impact after controls	residual risk	Risk Treatment plan(TARRA) - Future	Response triggers (Key risk Indicators)	Response owners BAU ownership for the response activities	Response Description	Expected impact of response
ICT - 8	Risk of IT Production System, Back up or Server failure	Manager ICT	Incident, Disaster or Hardware failure.	Supplier	Critical business application or network outage. Will affect staff ability to provide services.	Medium	AM18022019 - planning our yearly DR Live test disaster Recovery Procedure in place for WDC and successfully tested in April Mitigate: In place: Cloud service providers have in place Replication systems to Disaster Recovery (DR) Centres. Cloud services include multi-server failover and self-healing clusters. Daily Backup routines in place across all cloud providers. Backup storage off site from Cloud providers core Data Centres. Cold Spares (available replacement swap out gear) held for critical equipment such as network switching onsite at WDC.	Rare	Minor	Low		Service Desk job or outage reported	INSRT Controller	Follow Business Continuity planned procedures . Contact service provider to initiate recovery and change over to DR services	Business continuity affected
ICT - 9	single administrator for the Payroll function in Technology One - risk that if that person is unavailable and there is a payroll issue, there will be no one internally able to handle investigation and resolution	Manager P&C	Existing Administrator for Payroll taking extended leave, sick leave or is incapacitated	Resourcing	Issues and project tasks related to the payroll module may take an extended period of time to be completed/resolved due to availability of approved resources	Low	Accept: Provide alternative access to consulting via Technology One - accept that service levels may drop as a consequence of decision to maintain a single point of administration	Unlikely	Insignificant	Low		Service Desk job logged - project task initiated	ICT Manager	Direct service desk or PM to engage Technology One assistance	Resources are diverted to resolve any issues - may be some business continuity affect
ICT - 10	Software updates/upgrades or projects introduce critical defects which affect the operation of software and applications	Manager ICT	software updates or upgrades are applied to organisational software systems - either by the ICT Team or a Cloud service provider partner	Software	Defects occur in the software causing usability or functionality disruptions	Medium	AM18022019 - All software updates/upgrades are thoroughly tested by KBU's before being deployed to the rest of the organisation AM - T1 - release notes emailed to Ops team -eScribe - have access to release notes Avoid: Ensure all software updates, upgrades and projects have specific test schedules and tests are "accepted" prior to implementation Mitigate: For SaaS based software where updates and patches are applied automatically - ensure that service desk procedures are clearly documented and points of escalation are clearly available to staff	Rare	Minor	Low		Service Desk job or outage reported	INSRT Controller or ICT Ops Team Leader (depending on criticality of the issues found)	Roll back procedures as per Change request or if SaaS auto rollout - log immediately with vendor and escalate	business continuity may be affected
ICT - 11	Single point of failure for hardware systems - see Business Continuity Gap Analysis	ICT Architect	See Business Continuity Gap Analysis	Infrastructure	Service Disruption ICT resources diverted to assist with resolution	Low	Mitigate: Where possible provide redundancy or failover	Rare	Minor	Low		Service Desk Job or monitored service alert	INSRT Controller or ICT Ops Team Leader (depending on criticality of the issues found)	As required	business continuity may be affected
ICT - 12	Failure to upgrade Windows Platform - out of support	Manager ICT	Windows upgrades	Infrastructure	Potentially allows virus or other threat access to operating systems	High	GE16032020 - All unsupported OS's with exception to 2003 server are being replaced with supported OS systems or being replaced within Project X-as a service. AM18022019 - servers and desktop devices are updated monthly contract for the upgrade of Windows operating systems and key milestones to be met	Rare	Moderate	Low		Microsoft notification	Ops Team leader	As required	Resources are diverted to resolve any issues - may be some business continuity affect
ICT - 13	App Locker - updates to older servers unavailable	ICT Ops Team Leader	Server Upgrades	Infrastructure	inability to trace and block malicious code from executing across older servers	High	GE16032020 All Servers are now covered with exception to 2003 servers and Security01 (which is not linked to a domain) AM18022019 - DEV & Test servers updated, will investigate installing on outstanding Prod servers AM - SoW requested for replacement of the SCATS server (traffic light management) Contract for the upgrade of older servers to newer versions where possible - plan to decommission older servers	Rare	Moderate	Low		Service Desk notification	INSRT Controller or ICT Ops Team Leader (depending on criticality of the issues found)	As required	shut down of affected servers - may affect some business operations

5.3 Financial Management Activity Update Report – March 2020

Meeting: Risk and Audit Committee
Date of meeting: 25 March 2020
Reporting officer: Delyse Henwood (Finance Manager)

1 Purpose

To update the Committee on financial management activity in relation to risk and audit matters.

2 Recommendation

That the Risk and Audit Committee notes the financial management activity in relation to risk and audit matters.

3 Discussion

2019-20 Annual Report

Planning for the 2019-20 Annual Report and associated audit continues to progress both internally and through continued communication with Audit NZ.

Audit NZ have prepared a draft Audit Plan for the year ending 30 June 2020. This plan has been included as a separate agenda item for the Risk and Audit Committee.

At the time of preparing this agenda, Audit NZ were nearing the completion of the interim audit. Good progress has been made with no significant issues raised. The final audit is scheduled to begin 17 August 2020.

The final audit opinion is scheduled to be issued 24 September 2020. This will allow for the adoption of the 2019-20 Annual Report at the September Council meeting. The timely completion of the audit of Northland Regional Landfill Limited Partnership and Whangarei Art Museum Trust are critical to enable the completion of Councils Annual Report.

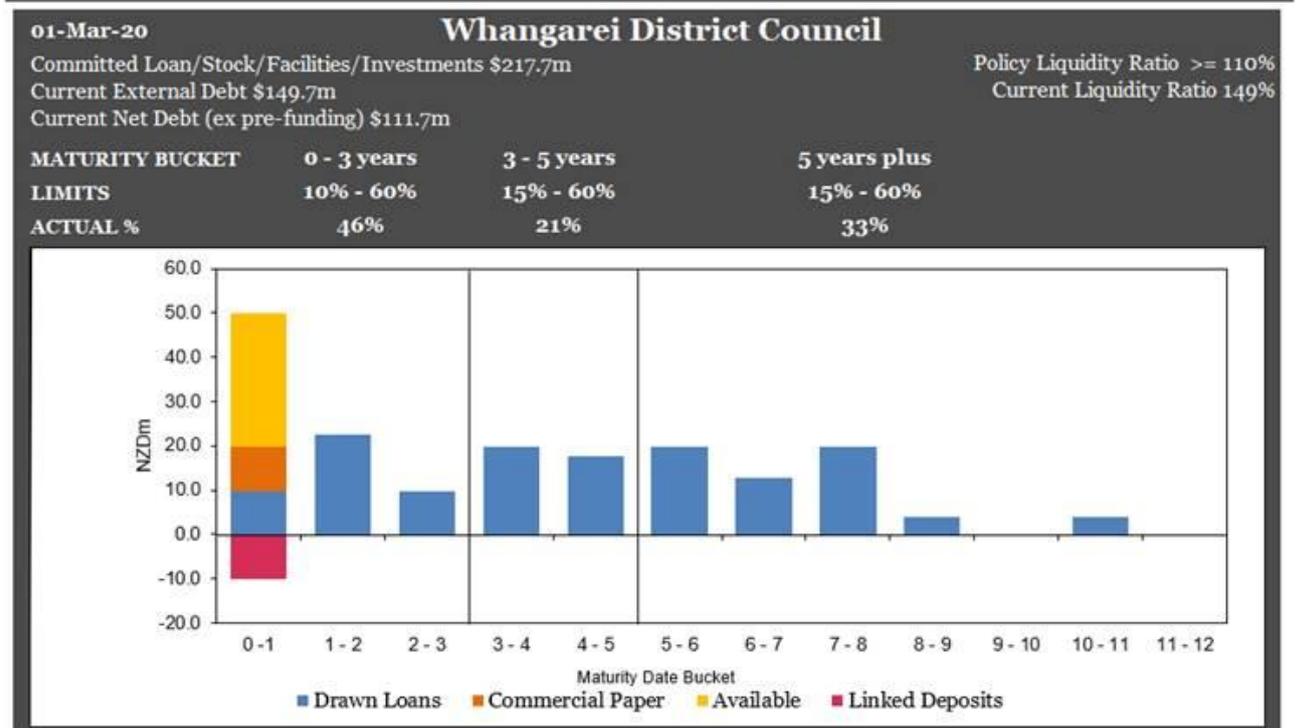
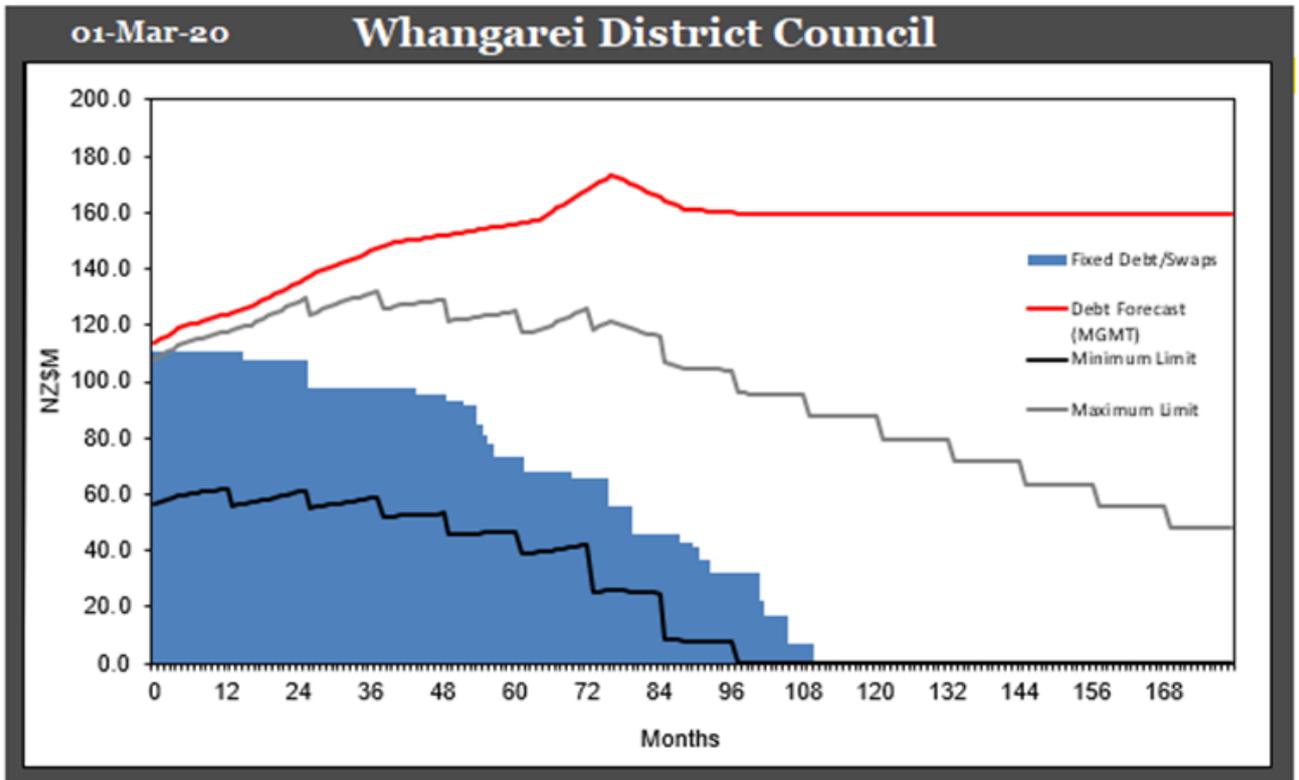
Tax Compliance

Staff continue to monitor Council's tax compliance with the support of external tax advisors PwC. Recent areas of focus have included the introduction of IRDs Payday Filing, GST on Property Transactions, and Fringe Benefits Tax.

Treasury Risk Management

The graphs below show Council’s compliance to the risk parameters set out in the Treasury Risk Management Policy.

For local government, one of the main issues caused by the economics impact of Covid-19 will be tightened liquidity. Council is currently well placed with regards to this but will continue to monitor closely through this period of uncertainty.



CiA Upgrade

The upgrade of Council's purchasing system will occur at the of March. Finance staff are assisting ICT with testing, training and data cleansing to ensure we have minimised risk prior to going live.

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.

5.4 External Audit – NZ Audit Plan FY2019-2020

Meeting:	Risk and Audit Committee
Date of meeting:	Wednesday 25 March 2020
Reporting officer:	Delyse Henwood (Manager – Finance) Emily Thompson (Senior Assurance Advisor)

1 Purpose

To present Audit NZ's 2019-2020 audit plan to the committee.

2 Recommendation

That the Risk and Audit Committee notes the NZ Audit plan for the year end June 2020

3 Background

Each financial year, Audit NZ performs an audit on the Council and Groups financial statements and supporting processes. The following steps outline the process for this audit:

- a) Audit NZ issues an audit plan for the financial year in question which is agreed with Council management and presented to the Risk and Audit committee.
- b) Audit NZ issues two Audit Management Reports each financial year, highlighting areas where they have identified Council's processes can be improved. The first report is called an Interim Audit Management Report following their interim audit visit prior to 30 June. The second (and final) report is issued after conclusion of their final audit after 30 September every year. The final report incorporates the items in the Interim report as well as those items identified in their final audit visit.
- c) Council management receives the draft Audit Management Reports and provides commentary to Audit NZ to clarify matters, provide explanations and address any technical concerns.
- d) Audit NZ considers the comments and makes adjustments to their findings, if needed, before finalising and issuing the Audit Management Reports to Council.
- e) The Audit Management Reports are reported to the Audit and Risk Committee, which has oversight of this function.

Council is committed to ensuring that any areas for improvement highlighted by Audit NZ are monitored, addressed and implemented.

4 Discussion

This audit plan is the first step in the process for the audit relating to the financial year 2019-2020.

This audit plan will be used by NZ audit for their field work in March for the interim audit, and August/September 2020 for the final audit. Following completion of the interim audit, Audit NZ will provide an interim report to Council which will be presented to this Risk and Audit Committee.

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

WDC Audit Plan year ending 30 June 2020

Audit plan

Whangarei District Council

For the year ending 30 June 2020

Audit plan

I am pleased to present our audit plan for the audit of Whangarei District Council for the year ending 30 June 2020. The purpose of this audit plan is to discuss:

Audit risks and issues	2
Group audit	6
Our audit process.....	7
Reporting protocols	11
Audit logistics	12
Expectations.....	14

We will be happy to elaborate further on the matters raised in this plan.

Our work improves the performance of, and the public's trust in, the public sector. Our role as your auditor is to give an independent opinion on the financial statements and performance information. We also recommend improvements to the internal controls relevant to the audit.

If there are additional matters that you think we should include, or any matters requiring clarification, please discuss these with me.

Yours sincerely



Carl Wessels
Appointed Auditor
13 March 2020

Audit risks and issues

Focus areas



Based on the planning work that we have completed to date and the discussion we have had, we set out in the table below the main audit risks and issues. These will be the main focus areas during the audit.

Audit risk/issue	Our audit response
Valuation of property, plant and equipment and investment properties	
<p>The District Council periodically values its infrastructure assets and investment properties. The accounting standards, specifically <i>PBE IPSAS 17: Property, Plant and Equipment</i>, requires that valuations are carried out with enough regularity to ensure that the carrying amount does not differ materially from its fair value while <i>PBE IPSAS 16 Investment Property</i>, requires the District Council to revalue their assets annually.</p> <p>The District Council's roading assets and investment properties will be revalued this year to ensure the carrying value of these assets reflects their fair value. The District Council needs to ensure that it assesses the reasonableness all significant assumptions and methodologies applied over these valuations.</p> <p>For assets not being revalued the District Council will need to formally assess whether a revaluation is required to ensure the carrying value of these assets fairly reflects their fair value. It is important that the District Council makes this assessment at an early stage as a full valuation may require a significant amount of time to complete.</p>	<p>We will:</p> <ul style="list-style-type: none"> • read the valuation report and meet with the valuer to discuss the valuation approach and confirm our understanding of the valuation methodologies and key assumptions; • assess the valuer's expertise for the work and their objectivity, including reading their terms of engagement and considering the existence of other engagements or relationships with the group; • obtain representations from the valuer that the valuation has been conducted in accordance with accepted professional valuation standards; • assess the valuation methodologies and key assumptions for compliance with the requirements of PBE IPSAS 17, Property, Plant, and Equipment and evaluate their reasonableness based on our experience and knowledge of other valuations in the public sector; • obtain an understanding of the source data used for the valuations, and assess its reliability and the risk of errors or omissions in that data; • review the overall valuation gains/losses and obtain explanations from the valuer for any significant or unusual changes in value; and • assess whether the revaluation has been correctly accounted for and assess whether the disclosures made in the notes to the financial statements comply with PBE IPSAS 17.

Audit risk/issue	Our audit response
	For all other assets at fair value, we will review the District Council's fair value assessment (including assumptions) for reasonableness as well as the related disclosures in the financial statements.
Hundertwasser Wairau Maori Arts Centre (HWMAC)	
<p>The Whangarei Art Museum Trust (the Trust) commenced building the HWMAC during 2018 and construction is now well underway.</p> <p>Since the Trust is a significant component of the group (refer to the group audit section of this plan), the group needs to ensure that:</p> <ul style="list-style-type: none"> • revenue has been recorded in the correct accounting periods; • the various revenue streams (for example pledges) meet the revenue recognition criteria in terms of the Accounting Standards; • project costs have been correctly classified into work-in-progress (WIP); • any capitalised WIP has been tested for impairment - this is important in light of the recent design changes; and • disclosures around guarantees, commitments, work in progress, and revenue have correctly been disclosed. <p>Additionally as the project progresses we expect that the Trust will closely monitor the project including contract variations. Given the significance of the project to the group Council needs to be satisfied that appropriate project governance processes are in place.</p>	<p>As part of the audit of the Trust, we will:</p> <ul style="list-style-type: none"> • obtain an update on the status of the project; • review the accounting treatment applied over revenue; • review the disclosure around commitments, work and progress and revenue is accurate; • review any impairment assessments over the work in progress at balance date; and • consider the adequacy of project management processes.

Audit risk/issue	Our audit response
Significant projects – Whau Valley Water Treatment Plant and Civic Centre Projects	
<p>The District Council plans to progress the development of the Whau Valley Water Treatment Plant and the Civic Centre Projects.</p> <p>Because of the scale of these projects it is important that the District Council establishes the necessary procurement, project governance and management processes to ensure these projects are successful.</p>	<p>We will update our understanding of the two projects and consider the adequacy of Council's project management processes.</p> <p>We will also consider the adequacy of systems in place for recording costs and commitments associated with the projects. This includes reviewing the classification of expenditure on the project to make sure this has been accounted for in accordance with generally accepted accounting practice, identifying commitments and reviewing the District Council's impairment assessment at balance date.</p>
Carry forwards	
<p>On 25 July 2019 Council approved capital projects carry forwards of \$34 million for 2019/20. Council will need to closely monitor carry forwards given the risks for the District Council of not delivering against these projects include:</p> <ul style="list-style-type: none"> • a decline in the level of service delivery; • increased project costs; and • insufficient capability and capacity to clear project backlog. 	<p>Our audit work over capital projects carried forward will include:</p> <ul style="list-style-type: none"> • assessing the proportion of carry forward projects that were completed at year end and what projects will be carry forward into the 2020/21 financial year; • obtaining an understanding of how the District Council is monitoring the capital projects carried forward; and • review disclosures in the performance information in relation to capital projects carried forward and the impacts on level of services delivery.
The risk of management override of internal controls	
<p>There is an inherent risk in every organisation of fraud resulting from management override of internal controls. Management are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Auditing standards require us to treat this as a risk on every audit.</p>	<p>Our audit response to this risk includes:</p> <ul style="list-style-type: none"> • testing the appropriateness of selected journal entries; • reviewing accounting estimates for indications of bias; and • evaluating any unusual or one-off transactions, including those with related parties.

Please tell us about any additional matters we should consider, or any specific risks that we have not covered. Additional risks may also emerge during the audit. These risks will be factored into our audit response and our reporting to you.

Fraud risk

Misstatements in the financial statements and performance information can arise from either fraud or error. The distinguishing factor between fraud and error is whether the underlying action is intentional or unintentional. In considering fraud risk, two types of intentional misstatements are relevant – misstatements resulting from fraudulent reporting, and misstatements resulting from misappropriation of assets.

The primary responsibility for the prevention and detection of fraud and error rests with the Council, with assistance from management. In this regard, we will discuss the following questions with you:

- What role does Council play in relation to fraud? How do you monitor management's exercise of its responsibilities?
- Has a robust fraud risk assessment been completed? If so, is the Council satisfied that it had appropriate input into this process?
- How does management provide assurance that appropriate internal controls to address fraud risks are in place and operating?
- What protocols/procedures have been established between the Council and management to keep you informed of instances of fraud, either actual, suspected, or alleged?
- Are you aware of any actual, suspected, or alleged fraud? If so, have the results of management's investigation been reported to Council? Has appropriate action been taken on any lessons learned?

Our responsibility

Our responsibility is to obtain reasonable, but not absolute, assurance that the financial statements and performance information are free from material misstatement resulting from fraud. Our approach to obtaining this assurance is to:

- identify fraud risk factors and evaluate areas of potential risk of material misstatement;
- evaluate the effectiveness of internal controls in mitigating the risks;
- perform substantive audit procedures; and
- remain alert for indications of potential fraud in evaluating audit evidence.

The Auditor-General has published useful information on fraud that can be found at oag.govt.nz/reports/fraud-reports.

Group audit



The group comprises:

- Whangarei District Council;
- Whangarei Art Museum Trust;
- Whangarei District Airport;
- Springs Flat Contractors Limited (inactive – no trading activity);
- Whangarei Waste Limited;
- Northland Event Centre Trust;
- Northland Regional Landfill Limited Partnership; and
- Whangarei Quarry Garden Trust.

Our auditor's report covers the group as a whole. Our audit approach is developed to ensure we have sufficient information to give an opinion on the group. In designing our group audit approach, we considered the structure of the group and identified the entities which are included in the group financial statements. Each entity is referred to as a component. We have assessed the risks of material misstatement and have identified our approach for each component. The table below shows the work planned for each significant component.

Significant component	Work to be performed
Whangarei Art Museum Trust (the Trust) is considered a significant component due to the HWMAC project.	<p>The Trust will be audited by the same Appointed Auditor as the District Council. Group instructions will be issued to the component audit team which will specify information we require.</p> <p>We have assessed the HWMAC project to be the significant audit risk of the Trust and have detailed more information on this risk in the Audit Risks and Issues section above.</p>

For non-significant components, we will perform analytical procedures at the group level to identify unexpected movements. We will report any significant internal control deficiencies to the Council and management of the group. This will include any deficiencies identified by the group engagement team or brought to our attention by the component auditor. We will communicate deficiencies related to:

- group-wide internal control; or
- internal controls at each component.

We will also communicate any fraud identified by the group engagement team or brought to our attention by the component auditor.

Our audit process

Initial planning

Initial planning activities include verifying compliance with independence requirements and building the audit team.

Understand your business and environment

We use our extensive sector and business knowledge to make sure we have a broad and deep understanding of Whangarei District Council, your business, and the environment you operate in.

Assess audit risk

We use our knowledge of the business, the sector and the environment to identify and assess the risks that could lead to a material misstatement in the financial statements and performance information.

Evaluate internal controls

We update our understanding of internal controls relevant to the audit. This includes reviewing the control environment, risk assessment process, and relevant aspects of information systems controls. Most of this work is done during the initial audit visits. We evaluate internal controls relevant to the audit for the whole financial year, so we consider internal controls relevant to the audit at all visits.

Finalise the audit approach

We use the results of the internal control evaluation to determine how much we can rely on the information produced from your systems during our final audit.

Gather audit evidence

During the final audit we audit the balances, disclosures, and other information included in the District Council's financial statements and performance information.

Conclude and report

We will issue our audit report on the financial statements and performance information. We will also report to the Council covering any relevant matters that come to our attention.

Enhancing year-end processes

The year-end financial statement close process and the preparation of the annual report requires a large number of resources to be committed to complete it effectively. This diverts the attention of your staff away from the current financial year and focuses them on past events. We want the audit process to run smoothly and we will work with management to achieve this through bringing forward the timing of audit procedures.

Bringing forward audit procedures

Substantive audit procedures are traditionally performed after the year-end. Where possible, we will aim to bring audit procedures earlier in the year. This will be mainly focused on year-to-date transactions for:

- Revenue and expenditure;
- PPE asset addition and disposal;
- PPE asset revaluation; and
- Minutes review.

Completion of these tests earlier in the year should allow for more timely identification and resolution of errors.

This testing will be completed during the interim. If we can complete this work earlier in the year, we expect this to reduce the final audit onsite workload, as these hours will have been performed earlier in the year. This requires us to have the right information available during this visit to enable us to complete this work.

We will work with management to facilitate getting the information required at the right time. We will communicate with management if information is not available as agreed, including any impact on the year-end audit.

Materiality

In performing our audit, we apply the concept of materiality. In the public sector, materiality refers to something that if omitted, misstated, or obscured could reasonably be expected to:

- influence readers' overall understanding of the financial statements and performance information; and
- influence readers in making decisions about the stewardship and allocation of resources, or assessing your performance.

This definition of materiality is broader than the one used in the private sector.

Accounting standards also require the Council and management to consider materiality in preparing the financial statements. IFRS Practice Statement 2, *Making Materiality Judgements*, provides

guidance on how to make materiality judgements from a financial statements preparer's perspective. Although this guidance is primarily aimed at for-profit entities, the same principles can be applied by public benefit entities.

Whether information is material is a matter of judgement. We consider the nature and size of each item judged in the surrounding circumstances. The nature or size of the item, or a combination of both, could be the determining factor. Materiality will be lower for some items due to their sensitivity.

Misstatements

Misstatements are differences in, or omissions of, amounts and disclosures that may affect a reader's overall understanding of your financial statements and performance information. During the audit, we will provide details of any such misstatements we identify to an appropriate level of management.

We will ask for each misstatement to be corrected, other than those that are clearly trivial. Where management does not wish to correct a misstatement we will seek written representations from representatives of the Council that specify the reasons why the corrections will not be made.

Professional judgement and professional scepticism

Many of the issues that arise in an audit, particularly those involving valuations or assumptions about the future, involve estimates. Estimates are inevitably based on imperfect knowledge or dependent on future events. Many financial statement items involve subjective decisions or a degree of uncertainty. There is an inherent level of uncertainty which cannot be eliminated. These are areas where we must use our experience and skill to reach an opinion on the financial statements and performance information.

The term "opinion" reflects the fact that professional judgement is involved. Our audit report is not a guarantee but rather reflects our professional judgement based on work performed in accordance with established standards.

Auditing standards require us to maintain professional scepticism throughout the audit. Professional scepticism is an attitude that includes a questioning mind and a critical assessment of audit evidence. Professional scepticism is fundamentally a mind-set. A sceptical mind-set drives us to adopt a questioning approach when considering information and in forming conclusions.

Exercising professional scepticism means that we will not accept everything we are told at face value. We will ask you and management to provide evidence to support what you tell us. We will also challenge your judgements and assumptions and weigh them against alternative possibilities.

How we consider compliance with laws and regulations

As part of the Auditor-General's mandate, we consider compliance with laws and regulations that directly affect your financial statements or general accountability. Our audit does not cover all of your requirements to comply with laws and regulations.

Our approach involves first assessing the systems and procedures that you have in place to monitor and manage compliance with laws and regulations relevant to the audit. We may also complete our own checklists. In addition, we will ask you about any non-compliance with laws and regulations that you are aware of. We will evaluate the effect of any such non-compliance on our audit.

Wider public sector considerations

A public sector audit also examines whether:

- Whangarei District Council carries out its activities effectively and efficiently;
- waste is occurring or likely to occur as a result of any act or failure to act by Whangarei District Council;
- there is any sign or appearance of a lack of probity as a result of any act or omission by Whangarei District Council or by one or more of its members, office holders, or employees; and
- there is any sign or appearance of a lack of financial prudence as a result of any act or omission by Whangarei District Council or by one or more of its members, office holders, or employees.

Reporting protocols

Communication with management and the Council



We will meet with management and the Council throughout the audit. We will maintain ongoing, proactive discussion of issues as and when they arise to ensure there are “no surprises”.

Reports to Council



We will provide a draft of all reports to management (and Council) for discussion/clearance purposes. In the interests of timely reporting, we ask management to provide their comments on the draft within 10 working days. Once management comments are received the report will be finalised and provided to Council.

We will also follow up on your progress in responding to our previous recommendations.

Audit logistics

Our team



Our engagement team is selected to ensure that we have the right subject matter expertise and sector knowledge. Each member of the audit team has received tailored training to develop their expertise]

Our senior audit team members are:

Carl Wessels	Appointed Auditor
Leon Pieterse	Engagement Quality Control Review Director
Gerhard van den Berg	Audit Manager
Jackie Zhang	Senior Auditor

The Engagement Quality Control Review (EQCR) Director forms an important part of our internal quality assurance process to maintain and enhance the quality of your audit. The EQCR Director is an experienced Audit Director who has sufficient and appropriate experience to objectively evaluate the judgements made by the audit team. They are independent from the day to day audit field work, and so can provide an independent challenge to the audit team on their judgements. The EQCR will work with your Appointed Auditor and the audit team, but will not have direct contact with you.

Timetable



Our proposed timetable is:

Interim audit begins (two weeks)	2 March 2020
Draft interim management report issued (if required)	3 April 2020
Availability of the valuation reports	TBC
Draft financial statements available for audit (including notes to the financial statements) with actual year-end figures	12 August 2020
Final audit begins	17 August 2020
Final financial statements available, incorporating all the amendments agreed to between us	11 September 2020
Annual report available, including any Chair and Chief Executive's overview or reports	11 September 2020
Significant component clearance	16 September 2020
Verbal audit clearance given	16 September 2020
Audit opinion issued	24 September 2020
Draft Management report to Council issued	24 September 2020
Non-significant components clearance	23 October 2020

Expectations



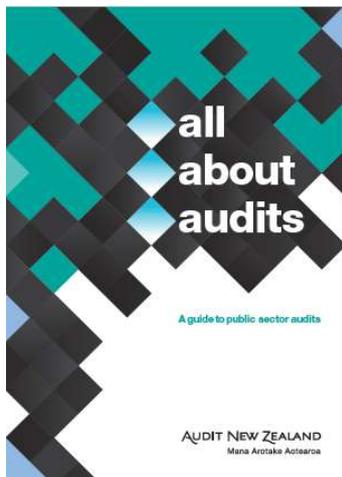
For the audit process to go smoothly for both you and us, there are expectations that each of us need to meet.

Our respective responsibilities are set out in our audit engagement letter.

We expect that:

- you will provide us with access to all relevant records and provide information in a timely manner;
- staff will provide an appropriate level of assistance;
- the draft financial statements, including all relevant disclosures, will be available in accordance with the agreed timetable;
- management will make available a detailed workpaper file supporting the information in the financial statements; and
- the annual report, financial statements and performance information will be subjected to appropriate levels of quality review before being provided to us.

To help you prepare for the audit, we will liaise with management and provide them with a detailed list of the information we will need for the audit.



Health and safety



The Auditor-General and Audit New Zealand take seriously their responsibility to provide a safe working environment for audit staff.

Under the Health and Safety at Work Act 2015, we need to make arrangements with management to keep our audit staff safe while they are working at your premises.

We expect you to provide a work environment for our audit staff that minimises or, where possible, eliminates risks to their health and safety. This includes providing adequate lighting and ventilation, suitable desks and chairs, and safety equipment where required. We also expect management to provide them with all information or training necessary to protect them from any risks they may be exposed to at your premises. This includes advising them of emergency evacuation procedures and how to report any health and safety issues.

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

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5.5 Final Internal Audit – Rates Review Process

Meeting:	Risk and Audit Committee
Date of meeting:	Wednesday 25 March 2020
Reporting officer:	Emily Thompson (Senior Assurance Advisor)

1 Purpose

To present the BDO internal Audit Report on Whangarei District Council's Rates Review Process.

2 Recommendations

That the Risk and Audit Committee notes;

- a. The Final Rates Review Process Internal Audit Report issues by BDO;
- b. The recommendations raised by BDO and Councils response to them.

3 Background

As part of our ongoing internal audit programme we engaged BDO to undertake an internal audit of our rates review process to identify potential areas of weakness or concern that may lead to financial loss or fraud against Council. The rates review was conducted in between early 2017- June 2018.

4 Discussion

BDO were engaged to document, review and where applicable test existing controls in relation to the most recent rates review process:

- Review of the current internal policy & process with reference to overarching legislation, specifically the Local Government Act 2002.
- As part of the above process, we will seek to review the project plan and determine the underlying framework for the review of general rates and how this was adhered to by the Whangarei District Council.
- Document and assess the extent and content of the consultation process including, community meetings, workshops and published material.
- Consider the efficiency and effectiveness of the above process and review how community reach and engagement was assessed and documented.
- Obtain and review consultation data and information that was released. As part of this process we will review how submissions were recorded and responded too. Our work we will be undertaken with transparency of process at the forefront.

- A review of the outcomes from the review process including consistency with submissions and outward correspondence from WDC.
- To review and assess the process that was recently undertaken in regard to rating policy reviews for; Rates Remission and Postponement Policy and the Early Payment of Rates Policy.

A summary of the findings are:

REF	TITLE	TYPE	RATING
4.1	Rates Review Framework	Opportunity	Medium
4.2	Project Management	Risk	Medium
4.3	Documentation	Risk	Low
4.4	Measuring Engagement	Opportunity	Medium

Details of these findings are in the attached BDO - Internal Audit of Rates Review Process – Final Report

Actions from the this completed internal audit are monitored and reported to this Committee every six months. The actions from this audit will show on the internal audit action report due at the June 2020 committee meeting.

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

BDO - Internal Audit of Rates Review Process – Final Report



WHANGAREI DISTRICT COUNCIL

INTERNAL AUDIT
Rates Review Process
Final Report
March 2020



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Private & Confidential

8 March 2020

Dominic Kula
 GM Strategy and Democracy
 Whangarei District Council
 Private Bag 9023
 WHANGAREI 0148

Dear Dominic

We are pleased to present our report pertaining to the Internal Audit of the rating review process.

In accordance with the relevant AoG Consultancy Services Order the Whangarei District Council (the 'Council') engaged BDO Wellington and Northland to undertake an internal audit over the process adopted for the most recent rates review. This report sets out a summary of the work we have performed, our findings, the conclusion that we reached, and recommendations we have made.

We would like to take this opportunity to acknowledge our appreciation for the assistance and co-operation provided to us in addressing our information requests and dealing with our queries as they arose during the course of the audit.

Yours sincerely

BDO Wellington

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 Partner

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BDO Northland

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 Partner

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1. SCOPE AND APPROACH

Document, review and where applicable test existing controls in relation to the most recent rates review process;

- ▶ Review of the current internal policy & process with reference to overarching legislation, specifically the Local Government Act 2002.
- ▶ As part of the above process, we will seek to review the project plan and determine the underlying framework for the review of general rates and how this was adhered to by the Whangarei District Council.
- ▶ Document and assess the extent and content of the consultation process including, community meetings, workshops and published material.
- ▶ Consider the efficiency and effectiveness of the above process and review how community reach and engagement was assessed and documented.
- ▶ Obtain and review consultation data and information that was released. As part of this process we will review how submissions were recorded and responded too. Our work we will be undertaken with transparency of process at the forefront.
- ▶ A review of the outcomes from the review process including consistency with submissions and outward correspondence from WDC.
- ▶ To review and assess the process that was recently undertaken in regard to rating policy reviews for; Rates Remission and Postponement Policy and the Early Payment of Rates Policy.

Based on our review of the above areas, we have highlighted in this report the issues identified, implications and our recommendations for continuous improvement as applicable.

Key Activities

To complete the objectives of this engagement, we have performed the following activities:

Interviewed	<ul style="list-style-type: none"> • Relevant personnel from Revenue, Democracy and Assurance Departments.
Reviewed	<ul style="list-style-type: none"> • Council process for rates review structure, underlying documentation, and relevant legislation.
Evaluated	<ul style="list-style-type: none"> • The adequacy and effectiveness of working practices and controls in place to manage associated risks relevant to the rates review, and best practice.
Evaluated	<ul style="list-style-type: none"> • A sample of public submissions and response to these submissions.
Reported	<ul style="list-style-type: none"> • Work completed and significant issues identified together with our recommendations.



BDO's reference points

We have used interviews with relevant Council management and staff as a fixed point of reference for conducting our review. The management and staff interviewed included:

Interviewee	Position
Alan Adcock	General Manager - Corporate
Emily Thompson	Senior Assurance Advisor (Democracy & Assurance)
Alison Puchaux	Revenue Manager (Revenue)
Merryn Statham	Consultation Advisor (Democracy & Assurance)
Carolyn Brindle	Senior Democracy Adviser (Democracy & Assurance)

BDO's work completed

For a detailed summary of work completed refer to [SECTION 5 - INTERNAL AUDIT WORK CONDUCTED](#).



2. EXECUTIVE SUMMARY OF FINDINGS

We have delivered upon the agreed scope of work and we take this opportunity to thank Council management and staff that assisted us throughout the process.

The results of our detailed testing were generally positive and we did not note any evidence to indicate that the most recently conducted rates review was not conducted effectively.

Our findings are focussed on a go forward basis in terms of how best the framework could be strengthened and how various aspects of the process could be improved from a project management perspective.

REF	TITLE	TYPE	RATING
4.1	Rates Review Framework	Opportunity	Medium
4.2	Project Management	Risk	Medium
4.3	Documentation	Risk	Low
4.4	Measuring Engagement	Opportunity	Medium

Positive Findings

TITLE	SUMMARY OF KEY FINDINGS
Robust Process	We assessed that the actual activities undertaken for the rates review were closely aligned to the planned activities. We observed sound practice in respect to; <ul style="list-style-type: none"> • Informing the Councillors • Informing the public
Outcome	From the documentation that we reviewed nothing has come to our notice to indicate that the outcome of the most recent rating review was not reasonable. From the sample based testing we conducted on submissions received, the relevant information had been extracted and reported upon.
Management	The most recent rates review commenced in 2017 and was formally concluded in July 2018. Other than senior leadership, current WDC employees were not involved in the process from start to finish with contract personnel involved in the last review. Irrespective, the current team were fully abreast of the process and were responsive to our enquiries.



3. CONCLUSION

Based on our work performed, as specified in the scope of work in our terms of reference, we have formed the following conclusions:

SCOPE OF WORK	CONCLUSION	EFFECTIVENESS
Adequacy and effectiveness of internal policies and controls in place to manage the rating review process.	We have made some recommendations to strengthen the internal framework. Nothing has come to our attention however to indicate that the process followed for the most recently completed rates review was not effective.	Effective with further refinement recommended.
Document and assess the extent and content of the consultation process including, community meetings, workshops and published material. Consider the efficiency and effectiveness of the above process and review how community reach and engagement was assessed and documented.	We were able to document and assess the consultation process and the nature and extent of the communication channels that were utilised. Community reach and engagement was undertaken as part of the LTP consultation and was less clear for us to conclude upon with specific reference to the rating review. The process for responding and reporting upon submissions was reasonable.	Effective with a recommendation raised in regard to measuring engagement.

Because of the inherent limitations of limited assurance audits, it is possible that fraud, error or non-compliance may occur and not be detected. A limited assurance audit is not designed to detect all instances of non-compliance within the areas reviewed by BDO, as it generally comprises making enquiries, primarily of the responsible party, and applying analytical and other review procedures. The opinion expressed in this report has been formed on the above basis. Our firm provides no other services to the Council and we have no other relationship or interests in the Council.



4. DETAILED FINDINGS

4.1 Rates Review Framework	Type: Opportunity	Rating: Medium
Audit Findings		

The method of setting rates, the types of rates that can be applied etc, is heavily influenced by legislation. With regard to the process for conducting a rates review however there is limited prescriptive guidance and consequently reasonable scope for Council representatives to decide how best to go about the process.

In carrying out our internal audit we sought to obtain the current internal policy and or procedures. We noted there is currently no documented framework for the process of undertaking a rates review at Whangarei District Council.

A framework or procedural document would clearly outline the different phases of the rates review from planning through to the timing of the next review. It also serves as a cross check to ensure all key phases have been considered, stakeholders have been identified and the rationale behind key decisions is recorded. As an example, Council currently undertakes the rates review as part of the Long Term Plan, (LTP), consultation. The SOLGM guide to effective rating reviews conversely recommends that the LTP and the rates review are considered and consulted upon independently. Management have valid reasons for combining the rates review with the LTP; formal documentation of this rationale would be beneficial in terms of transparency but also to assist in the event of 3rd party scrutiny.

Changes in roles within Council occur relatively frequently. An internal procedure or framework is a useful reference in the event that the persons responsible for undertaking the review change between cycles.

Implication

A lack of formal framework for a key process could create a risk that something is overlooked. Importantly a procedure or framework can be referenced in the event of criticism or scrutiny around how the rating review was undertaken. It also serves as a point of reference to incoming employees.

Recommendations

That an internal procedural document is drafted to outline the process that Whangarei District Council will follow when carrying out a rating review. This should include frequency, methodology, timing/nature of consultation and roles and responsibilities.

We anticipate that the procedure would be reviewed at the commencement of each rates review as it is important that it remains fit for purpose.



Management Comments

Management agree with the recommendation in principle, but note that while a procedural document will give guidance to the process, it will not provide a definitive approach in every situation.

Each rates review is different depending on the objective of the review, with the timing driven largely by public interest or political cycles. It is therefore impractical to conduct reviews to a per-determined schedule.

While there will be some common elements in every review (such as a trigger to conduct a rates review, definition and discussion of options, engagement, submissions, hearings and decisions etc.), the process of each review will be 'organic' as interim results are discussed with Elected members and subsequent direction is given to staff.

The recommendations are noted and will be incorporated into council's ongoing business improvement initiatives where we are documenting our processes in Promapp, a central repository for all council business processes. We will map the rates review process as part of this initiative.



4.2 Project Management

Type:
Risk

Rating:
Medium

Audit Findings

A project plan was drawn up at the commencement of the most recent rating review. We felt that the document was reasonably comprehensive and it proved to be helpful from an audit perspective when comparing the original plan with what transpired in practice.

Whilst the intent of the document was sound, from a project management perspective we noted the following aspects that could have been improved upon;

- There was no evidence of formal approval of the plan.
- It was not updated as the project progressed. This made it difficult to measure the outcome of the original objectives that were set.
- It was unclear by reviewing the project plan as to whether each of the milestones were achieved/not achieved or whether there were any deviations from the planned events.

It is important that there is robust and visible project management around the rating review process.

Implication

The project plan is a critical tool to monitor the status of the rating review and to provide a snap shot of what has been achieved to date. The document also helps to ensure that there is clear documentation available to the next rates review team. For these reasons, it is important that the document it is a complete and accurate representation of what took place.

Recommendations

That project management is emphasised at the outset of the next rating review.

The project plan should be formally agreed and updated throughout the process. The final document should be signed off as being the full and final record and it should be filed centrally.

Management Comments

Management note the recommendation. The 2017-2018 rates review project was managed by a contractor (as the Revenue Manager position became vacant), with the General Manager Corporate Services/CFO as project sponsor and did not require formal approval by Council. The project plan was followed until the project became part of the 2018-2028 Long Term Plan project. From this date, the rates review was absorbed into the 2018-2028 Long Term Plan project plan.

Management will work to improve the process and in future the project planning documents will track progress through the process and refer to any superseding documents.



4.3 Documentation

Type: Risk

Rating: Low

Audit Findings

As part of our work we reviewed numerous documents in order to understand the process that took place. For the following reasons we found that it was not a simple process to independently extract all of the documentation that we required;

- During our review we inquired into the process of how the project plan was executed. We were advised that weekly meetings were generally held or alternatively “as and when” required. These meetings were not documented and on that basis it was difficult to assess what was discussed or who was in attendance.
- The Council intranet Kete is used to electronically file key documents. This is not easy to navigate and extract the key documents required.
- As the rating review progressed, various facets were absorbed within the LTP consultative process. It was sometimes difficult to extract data relevant to the rating review from the LTP information. It also meant that documents relevant to the rating review process were stored and managed by another division.

Implication

A complex or multilayered filing system can lead to information being overlooked or misplaced. From a 3rd party and incoming employee perspective it is important that all key documents are easy to locate.

Recommendations

That rules for cataloguing key documents are agreed at the outset of the process. These should be structured and indexed. Where possible hard copy documentation should be minimised or eliminated.

Management Comments

Management accept the recommendation and will continue to use Kete for future rate review projects. However management reject some of these findings.

Management want to note that project meetings were between the General Manager Corporate Services/CFO, the contractor and the Revenue Manager (who was appointed towards the end of the process). Meeting were tracked in staff’s Outlook calendars. Formal meeting agendas and minutes were not required as staff took their own notes and acted on the instructions, guidance or solutions agreed. The outcome of meetings were reflected in project documents.

Staff disagree with the finding that documents in Kete are difficult to locate. The project documents specific to the Rates Review are found in the Kete folder PR16046. Any engagement, submission and hearing documentation that was concurrent with the 2018-2028 Long Term Plan is found in the 2018-2028 Long Term Plan folders. This approach is consistent with Council’s overall information management policies and reflects the fact the Rates Review project was absorbed into the LTP process. However, it is agreed that a clearer link between these documents would be ideal and the addition of document metadata to achieve this will be investigated.



4.4 Measuring Engagement

Type:
Opportunity

Rating: Medium

Audit Findings

One of the key objectives of a successful rating review is to ensure that a broad cross section of the population is aware of the review, has been consulted and consequently has had the opportunity to provide feedback.

One of our internal audit objectives was to review how community reach and engagement was assessed and documented.

We appreciate that measuring engagement is not simple, however as a key objective of the process it is important that engagement outcomes are assessed and concluded upon by the rates review team. The data will essentially stem from the LTP consultative process which is inclusive of the rates review.

We have been able to review the communication channels that were utilised to disseminate data and we were able to review internal and external meeting locations, schedules and the content of presentations.

The quantum and source of submissions analysed by key engagement trend (location, gender of the submitter etc), would be one means of assessing reach however this cannot be taken in isolation as the data may be skewed toward negative responders. We make this comment as we are aware that as part of the most recent rating review, letters were sent out to a group of rate payers who would be most negatively impacted by the proposed changes.

Meeting headcounts were taken to record attendance at key consultation meetings however there is no further breakdown of these numbers.

Implication

The consultative process (early and formal), is a key function of the rates review process. It is therefore important that measuring the level of engagement achieved through this process is assessed and reviewed for effectiveness. Learnings from these outcomes can then be taken forward to future reviews.

Recommendations

That how best to measure engagement is emphasised at the outset of the next rates review process. There may be some data collection tools that could assist such as the use of iPads (or similar) to collect simple base data from meeting attendees. Due to privacy and time constraint, this may be restricted to say 3 key questions.

The use of a survey tool to a cross section of the public may also be useful with questions most likely tailored toward awareness of the rating review and satisfaction as to the level of consultation.

Management Comments

Management accept these recommendations, in principal. The use of iPads(or similar) is something that has been explored and we hope to utilise. As this Rates Review was run concurrently within the Long Term Plan consultation, it was not possible to distinguish which people were attending the meetings to hear about the Rates Review process and those there to hear about the rest of the Long Term Plan proposals. Numbers of people attending are collected, but only those who wish to receive follow up information are asked to provide additional information. Management will look at options to see about the practicalities of capturing additional data for the next rates review.



INTERNAL AUDIT WORK CONDUCTED

The following summarises the work that we conducted during our internal audit. The purpose of this summary is to provide an understanding of the areas we covered.

Scope Required	Work Completed	Conclusion
Adequacy and effectiveness of working practices and controls in place to manage key risks associated with the rates review structure	<ul style="list-style-type: none"> Interviewed relevant Council staff to identify and assess the adequacy and effectiveness of all relevant working practices and controls. Working practices were outlined in the Project Plan. Evaluated working practices against best practice, in particular the SOLGM framework for Rates Reviews. Evaluated current Revenue policies against legislation. Documented and communicated where we perceived there to be control gaps. 	Based on the work completed we note that the working practices are sound. We noted however that there were some weaknesses particularly with regards to updating the Project Plan on a regular basis and lack of structured filing both in Kete and the external files.
Compliance of current management practices against Council policies and guidance.	<ul style="list-style-type: none"> Obtained draft version of the Revenue policies and checked against legislation to ensure the policies were in line with the framework. We inquired into the guidelines for assessing internal working practices. 	The results of our testing were positive for the Revenue Policies. We however note that there is no documented guidance or procedures on the Rates Review process.
We reviewed key documentation produced from the last rate review to substantiate key processes outlined in the project plan	<ul style="list-style-type: none"> We obtained minutes of the Council meetings, briefings and workshop slides and reviewed content, nature, timing and extent of planned activities against the project plan. We reviewed the content of the briefings and workshops to determine whether the information provided was easy to understand and relatable for the perceived audience. We inquired into the tools used by WDC to inform and update the public about the Rates Review. We vouched some of these tools by reviewing old public notices in the local newspapers, and WDC newsletters. We inquired and reviewed the methods used by WDC for the current and proposed rate structures and the rationale supporting these methods. We inquired into the methods used for public consultation, how WDC measured the effectiveness of these methods, and reviewed the tools to capture submission feedback 	<p>We note that the actual activities were closely aligned to the planned activities, and sound processes involved in;</p> <ul style="list-style-type: none"> Informing the councillors Informing the public <p>We note there is limited visibility on attendance as this is washed up in the LTP consultation process. Also it is not practical to measure the impact of consultation feedback for Rates Review alone as the response rate would be low. We however recommend that the submission feedback form be further improved for geographical and other base information.</p>
Reviewed a selection of submissions from the public for pre-engagement consultation and formal consultation processes	<ul style="list-style-type: none"> Assessed in detail the decision making process and documentation for a sample of submissions This was done by performing walkthrough tests which entailed reviewing original submissions, tracing this through the documentation and reporting process. 	No exceptions were noted



APPENDIX 1 - FINDINGS RATING

We classify our findings according to whether the matter raised represents, in our view, either a risk or an opportunity to the company. A risk is generally linked to an internal control weakness whereas an opportunity represents the identification for a potential efficiency.

To enable Management to set priorities on their action plans we will report our findings in four categories, namely, critical, high, medium and low based on our assessment of the importance of each finding.

Definitions for each category are provided below.

Explanation	
	<p>Risk</p> <p>A risk may represent a source of potential harm or negative impact.</p>
	<p>Opportunity</p> <p>Opportunities may represent sub-optimal performance or potential for an efficiency to be gained.</p>

Explanation	
	<p>Critical</p> <p>Severe breakdown in controls exposing Council to substantial risk, requiring immediate management attention and resolution as soon as practicable.</p>
	<p>High</p> <p>Significant breakdown in controls exposing the organisation to risk, requiring urgent management attention and resolution.</p>
	<p>Medium</p> <p>Breakdown in controls requiring timely management attention and resolution.</p>
	<p>Low</p> <p>Process inefficiencies or non-compliance with policies and procedures of a housekeeping nature.</p>



APPENDIX 2 - LIMITATIONS OF INTERNAL AUDIT PROJECT

This limited assurance quality assurance audit has been conducted in accordance with New Zealand Audit Standard ISAE 3000. This quality assurance audit is limited primarily to inquiries of entity personnel, inspection of evidence and observation of, and enquiry about, the operation of the control procedures for a small number of transactions or events. This audit is designed to provide a limited level of assurance in relation to the areas included within the terms of reference. An audit providing a high level of assurance has not been performed.

The engagement was performed on the basis of the following limitations:

- ▶ As a result of the inherent limitations of any internal control structure it is possible that errors or irregularities may occur and not be detected. Further, the internal control structure, within which the control procedures that we have reviewed operate, has not been reviewed and no view is expressed as to its effectiveness.
- ▶ The engagement is not designed to detect all weaknesses in control procedures as it is not performed continuously throughout the period and the tests performed are on a sample basis. Also, this engagement does not provide all the evidence that would be required in high level positive assurance audit.
- ▶ Any projection of the evaluation of the procedures reviewed for selected processes to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

The matters raised in this report are only those which came to our attention during the course of our limited quality assurance audit and are not necessarily a comprehensive statement of all the weaknesses that exist or improvements that might be made. We cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud. Accordingly, management should not rely on our report to identify all weaknesses that may exist in the systems and procedures reviewed, or potential instances of fraud that may exist. Findings within this report may have been prepared on the basis of management representations and should be read in the context of the scope of our work.

The Council should assess management actions for their full commercial impact before they are implemented. This report has been prepared by BDO Northland and Wellington for the purpose of, and with a view to access by the Council. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose.

5.6 Business Continuity Update – March 2020

Meeting:	Risk and Audit Committee
Date of meeting:	25 March 2020
Reporting officer:	Emily Thompson (Senior Assurance Advisor)

1 Purpose

To update the committee on the status of the Councils business continuity planning.

2 Recommendation

That the Risk and Audit Committee notes this report on the progress of business continuity planning within Council.

3 Background

Business continuity is the ability of an organisations to maintain operational practices should an unexpected event occur.

Several operational front-line service areas of Council already have established business continuity plans (generally known as incident management plans) as part of their Asset Management Plans. This is specifically within our infrastructure essential services areas such as our water, waste and drainage and roading teams.

Staff are now developing more detailed planning for the operational activities that are run from the Forum North or Walton Plaza locations.

Addressing the gaps in contingency planning has been a ongoing piece of work since the adoption of the risk management framework.

COVID 19 coronavirus planning

A team of staff have been working on a specific plan relating to a pandemic in relation to the COVID-19 virus outbreaks. This is being reviewed and updated by a core team of staff on a regular basis and information shared with the wider organisational whanau as appropriate.

Our pandemic plan aligns with advice from the Ministry of Health and will continue to take guidance from national and regional medical bodies as the situation changes.

Strategic Leadership Team

Business Continuity Scenario sessions have been run with the strategic leadership team (SLT) in August 2018 and again in October 2019. These sessions looked at the challenges

facing the organisation following a 'scenario exercise' based on different incidents across the organisation. One was based on an event at Forum North, another was based upon a serious incident at Whau Valley Water Treatment plant.

The output of these session was a prioritised list of activities completed in the two main corporate site, Forum North and Walton Plaza, and a clear strategic direction for business continuity across the organisation.

A SLT checklist has been developed that dovetails into the structures used in civil defence.

4 Discussion

Organisation wide contingency planning

Department managers have completed departmental business continuity checklists, these contains information at a high level for each department. Assurance staff are collating additional detail around the departmental requirements to develop an organisational wide plan around completion of key operational tasks and movement of staff between locations, including working from home, if appropriate.

Staff are working across all departments and at all locations to identify key operational services. Historically this has been an important but not urgent piece of work, however the changes in the global outlook towards contagious viruses has ensured that department managers have focus to review their planning.

Department managers are reviewing all sites, these reviews include the teams at the Cemetery, I-Site, The HUB, Ruakaka Service Centre, Botanica, the laboratory, the library as well as all waste water and water treatment plants.

As part of council planning for COVID-19 staff are reviewing working from home protocols and arrangement to understand how we can continue to provide a positive customer experience in uncertain times. The planning is also considering the communication expectations and mechanisms to ensure that key messages are consistent and distributed to all appropriate stakeholders in a timely manner.

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.

5.7 March 2020 – Risk Report

Meeting: Risk and Audit Committee
Date of meeting: 25 March 2020
Reporting officer: Emily Thompson (Senior Assurance Officer)

1 Purpose

To update the Risk and Audit Committee on current risks across Council.

2 Recommendation

That the Risk and Audit Committee notes the March 2020 Risk Report.

3 Background

One of the areas of responsibility for the Audit and Risk Committee is to ensure Council develops strategies for identifying and managing risk.

The first step towards this goal was to ensure that Council had a robust and well researched risk management framework that informed all future risk based work, such as staff guidelines, education and reporting. This was achieved with Council adopting the risk management framework in April 2016.

It must be noted that risk management is a subjective activity and the framework aims to provide some consistency on the use of ratings identified for risks.

The senior assurance advisor provides support to all departments to identify risks and recognize any controls they have in place, or intend to put into place around these risks. Department Managers manage their risks as part of the operational management of the department.

The senior assurance advisor collates all of the risk information and provides a risk report to every audit and risk committee. This has included both strategic level risks for the organisation as well as the top critical operational risks from the departments.

4 Discussion

Staff have been working on the next step by educating departments on risk identification and monitoring of controls to mitigate current key risks. This work is ongoing, and iterative with all department now owning their own risk register which is collated to develop an organisational wide view of risks, which can then be used to inform

The current risk management framework, adopted in April 2016, provides the following scale for risk categories following assessment of the risks for likelihood and impact. This scale has been used to identify the critical risks for the organisation which are included and articulated in the attached report.

Impact	Catastrophic	High	Critical	Critical	Critical	Critical
	Major	High	High	Critical	Critical	Critical
	Moderate	Medium	Medium	High	High	Critical
	Minor	Low	Low	Medium	High	High
	Insignificant	Low	Low	Low	Medium	High
		Rare	Unlikely	Possible	Likely	Almost Certain
Likelihood						

5 Significance and engagement

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6 Attachment

March 2020 Risk Report

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6 Attachment

March 2020 Risk Report

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.

RESOLUTION TO EXCLUDE THE PUBLIC**Move/Second**

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

General subject of each matter to be considered		Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for passing this resolution
1.1	Property purchase	Good reason to withhold information exists under Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)
1.2	Rent Relief for Covid 19 Response		

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

Item	Grounds	Section
1.1	To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied it or the subject of the information	Section 7(2)(b)(ii)
	To enable Council to carry on without prejudice or disadvantage commercial activities	Section 7(2)(h)
	To enable Council to carry on without prejudice or disadvantage negotiations (including commercial and industrial negotiations)	Section 7(2)(i)
1.2	To enable Council to carry on without prejudice or disadvantage commercial activities	Section 7(2)(h)
	To enable Council to carry on without prejudice or disadvantage negotiations (including commercial and industrial negotiations)	Section 7(2)(i)
	To maintain legal professional privilege	Section 7(2)(g)

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