

# Strategy, Planning and Development Committee Agenda

**Date:** 15 July, 2021

**Time:** 9:00 am

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

Whangarei

**Elected Members:** Cr Shelley Deeming (Chairperson)  
Her Worship the Mayor Sheryl Mai  
Cr Gavin Benney  
Cr Vince Cocurullo  
Cr Nicholas Connop  
Cr Ken Couper  
Cr Tricia Cutforth  
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.

<b>1. Declarations of Interest</b>	
<b>2. Apologies</b>	
<b>3. Confirmation of Minutes of Previous Strategy, Planning and Development Committee Meeting</b>	
3.1. Strategy, Planning and Development Committee Meeting Minutes	7
<b>4. Decision Reports</b>	
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<b>5. Information Reports</b>	
5.1. Operational Report - Corporate Group - July 2021	49
5.2. Strategy, Planning and Development Operational Report July 2021	67
<b>6. Public Excluded Business</b>	
<b>7. Closure of Meeting</b>	

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

Please refer to minutes for resolutions.

## ***Strategy, Planning and Development Committee – Terms of Reference***

### **Membership**

**Chairperson** Councillor Shelley Deeming

**Members** Her Worship the Mayor Sheryl Mai  
 Councillors Gavin Benney, Vince Cocurullo, Nicholas Connop, Ken Couper, Tricia Cutforth, Jayne Golightly, Phil Halse, Greg Innes, Greg Martin, Anna Murphy, Carol Peters, Simon Reid

**Meetings** Monthly

**Quorum** 7

### **Purpose**

To oversee planning, monitoring and enforcement activities, and guide the economic and physical development and growth of Whangarei District.

### **Key responsibilities**

- Regulatory and compliance
  - Environmental health
  - General bylaw administration
  - Animal (dog and stock control)
  - Hazardous substances and new organism control
  - Parking enforcement (vehicles registrations and warrant of fitness)
  - Noise control
  - Food Act
  - Land use consents
  - Building Act
- Building Control
  - Property Information and Land Information Memoranda
  - Consents and inspections
- Resource Consents
  - Subdivision, land use and development control
  - Development contributions
- District Plan
  - Plan changes
  - District Plan administration
- Strategic Planning
  - Place based strategies (city centre), functional strategies (climate change)
  - Growth planning

- Urban design
- Reporting strategic trends and analysis
- Economic Development
  - District marketing and promotions
  - Developer engagement
- Commercial Property
- Marinas
- Airport
- Forestry
- Reporting on service delivery, including operational financial performance.
- Reporting on capital projects.
- Operational reporting for the Strategy and Democracy, Planning and Development, and Corporate groups within Council.
- Procurement – general procurement relating to the areas of business of this committee, within delegations.
- Shared Services – investigate opportunities for Shared Services for recommendation to council.
- Council Controlled Organisations (CCOs) – monitoring the financial and non-financial performance of CCOs whose functions would otherwise fall under the scope of this committee. Includes trading CCOs (CCTOs) and those CCOs exempted under the LGA. Responsibilities include:
  - advising on the content of annual Statement of Expectations to CCOs
  - agreement of the Statement of Intent
  - monitoring against the Statement of Intent
  - for exempted CCOs, monitoring and reporting as agreed between Council and the organisation

**CCOs accountable to this committee:**

- Whangarei District Airport – CCO
- Local Government Funding Agency (LGFA) - CCO

**Delegations**

- (i) All powers necessary to perform the committee's responsibilities, including, but not limited to:
  - a) approval of expenditure of less than \$5 million plus GST.
  - b) approval of a submission to an external body
  - c) establishment of working parties or steering groups.

- d) adoption of strategies and policies relating to the key responsibilities of this committee (except for those that cannot be delegated by Council under Clause 32(1)(f) of Schedule 7 of the LGA).
- e) power to establish subcommittees and to delegate their powers to that subcommittee.
- f) the power to adopt the Special Consultative Procedure provided for in Section 83 to 88 of the LGA in respect of matters under its jurisdiction (this allows for setting of fees and bylaw making processes up to but not including adoption).
- g) the power to delegate any of its powers to any joint committee established for any relevant purpose under clause 32, Schedule 7 of the Local Government Act 2002.



## Item 3.1

**Strategy, Planning and Development Committee Meeting Minutes**

**Date:** Thursday, 17 June, 2021  
**Time:** 9:00 a.m.  
**Location:** Council Chamber  
 Forum North, Rust Avenue  
 Whangarei

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

**Not in Attendance**  
 Cr Gavin Benney

**Scribe**  
 Danielle Garner (Trainee Democracy Adviser)

**1. Declarations of Interest**

There were no declarations of interest made.

**2. Apologies**

Cr Benney.

**Moved By** Cr Vince Cocurullo

**Seconded By** Cr Greg Innes

That the apologies be sustained.

**Carried**

**3. Confirmation of Minutes of Previous Strategy, Planning and Development Committee Meeting**

**3.1 Minutes Strategy, Planning and Development Committee 20 May 2021**

**Moved By** Her Worship the Mayor

**Seconded By** Cr Vince Cocurullo

That the minutes of the Strategy, Planning and Development Committee meeting held on Thursday 20 May 2021, having been circulated, be taken as read and now confirmed and adopted as a true and correct record of the proceedings of that meeting.

**Carried**

**4. Decision Reports**

**4.1 New Private Access Name - SD1200024 - The Bowden Family**

**Moved By** Cr Nicholas Connop

**Seconded By** Cr Ken Couper

That the Strategy, Planning and Development Committee:

1. Approve the name of the private access off Taurawhata Lane as Te Ihu Lane.

**Carried**

**4.2 New Private Access Name - SD2000014 - Kauri Lifestyles Ltd**

**Moved By** Cr Nicholas Connop

**Seconded By** Cr Ken Couper

That the Strategy, Planning and Development Committee:

1. Approve the name of the private access off Crane Road as Kapowai Rise.

**Carried**

**4.3 New Private Access Name - SD2000051 - Fox Futures Trust**

**Moved By** Cr Ken Couper

**Seconded By** Cr Nicholas Connop

That the Strategy, Planning and Development Committee:

1. Approve the name of the private access off Waipu Caves Road as Short Lane.

**Carried**

**4.4 New Private Access Name - SD2000134 - T Small and M Tipton**

**Moved By** Cr Vince Cocurullo

**Seconded By** Cr Simon Reid

That the Strategy, Planning and Development Committee:

1. Approve the name of the private access off Austin Road as Sylvia Lane.

**Carried**

**4.5 New Private Access Name - SD1500113 - G and J Telfer**

**Moved By** Cr Greg Innes

**Seconded By** Cr Simon Reid

That the Strategy, Planning and Development Committee:

1. Approve the name of the private access off Telfer Road, Parua Bay as Mornington Way

**Carried**

**4.6 Whangarei District Airport Statement of Intent 2021-22**

**Moved By** Cr Vince Cocurullo

**Seconded By** Cr Simon Reid

That the Strategy, Planning and Development Committee adopt the Statement of Intent 2021/2022 for the Whangarei District Airport.

**Carried**

**4.7 Appointment of a Director to Springs Flat Contractors Ltd**

**Moved By** Cr Greg Martin

**Seconded By** Cr Simon Reid

That the Strategy, Planning and Development Committee appoint Rob Forlong as a director to Springs Flat Contractors Ltd.

**Carried**

**5. Information Reports****5.1 Operational Report - Corporate Group - June 2021**

**Moved By** Cr Nicholas Connop

**Seconded By** Cr Tricia Cutforth

That the Strategy, Planning and Development Committee notes the Corporate Group operational report for June 2021.

**Carried**

**5.2 Strategy, Planning and Development Operational Report June 2021**

**Moved By** Cr Anna Murphy

**Seconded By** Cr Tricia Cutforth

That the Strategy, Planning and Development Committee notes the Strategy, Planning and Development Operational report for June 2021

**Carried**

**6. Public Excluded Business**

There was no business concluded in public excluded.

**7. Closure of Meeting**

The meeting concluded at 10.19am

Confirmed this 15<sup>th</sup> day of July 2021

Councillor Shelley Deeming (Chairperson)

## 4.1 New Private Access Name – RMA Consents – South Pacific Forestry Holdings Ltd – SD1800192

**Meeting:** Strategy, Planning and Development Committee  
**Date of decision:** 15 July 2021  
**Reporting officer:** Ricardo Zucchetto – RMA Post Approval Officer

### 1 Purpose

To name a private access in the Whangarei district for the purpose of assigning unique addresses for properties. This enables them to be readily locatable by emergency service responders and service delivery providers.

### 2 Recommendation

That the Strategy, Planning and Development Committee:

1. Approve the name of the private way off South Road, Waipu as Hēpara Rise

### 3 Background

A road naming application has been received to satisfy conditions of a subdivision consent for South Pacific Forestry Holdings Ltd at South Road, Waipu. Two of the names are considered in accordance with Council's Road Naming Policy.

Wayne Shepherd (in consultation with Patuharakeke Te iwi Trust Board over Hēpara Rise), on behalf of South Pacific Forestry Holdings Ltd, provided the following name options:

- Hēpara Rise – Translates to pastor, herdsman, shepherd or a person who tends to animals. The name reflects on the early Scottish settlers of the area who worked the land. NB: "Hepara" without the macron on the 'e' means zebra. Pastor (or priest) also reflects the strong religious beliefs of the settlers.
- Longridge Rise – The property has a long central ridge running through the property on the southern side of the road.
- Valley View – The access is located between two ridges along a valley floor. (This name is not acceptable due to its similarity to Valley View Road at Otaika).

### 4 Consultation

Wayne Shepherd consulted with Patuharakeke Te Iwi Trust Board over the preferred name, being Hēpara Rise.

### 5 Significance and engagement

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

## **6 Attachments**

1. Road Naming Application
2. Location Name Map

**Ricardo Zucchetto**

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**Subject:** South Pacific Forestry Holdings Ltd - South Road - Waipu - SD1800192 - Road Naming Application

**From:** Wayne Shepherd <shepw@world-net.co.nz>

**Sent:** Friday, 4 June 2021 4:01 PM

**To:** richard@reyburnandbryant.co.nz; Ricardo Zucchetto <Ricardo.Zucchetto@wdc.govt.nz>

**Subject:** RE: Shepherd - South Road - Waipu - SD1800192 condition 1(f) & SD1700164 - Road Naming feedback

Hi Ricardo

I have hopefully got things in order for you to approve the road name for the above site.

Our first choice is

- Hēpara Rise
- Longridge Rise
- Valley View

Have also attached a supporting letter from the local Iwi

Any concerns please ring me.

Kind Regards

Wayne

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**From:** Ricardo Zucchetto [<mailto:Ricardo.Zucchetto@wdc.govt.nz>]

**Sent:** Monday, 7 December 2020 7:47 AM

**To:** Richard Smales <[richard@reyburnandbryant.co.nz](mailto:richard@reyburnandbryant.co.nz)>

**Cc:** Wayne Shepherd <[shepw@world-net.co.nz](mailto:shepw@world-net.co.nz)>

**Subject:** RE: Shepherd - South Road - Waipu - SD1800192 condition 1(f) & SD1700164 - Road Naming feedback

Hi Richard,

I was awaiting further information from Wayne (email of 26 June attached)

Regards

**Ricardo Zucchetto**

**Post Approval RMA Officer**

RMA Consents Department

**M 021 193 4614**

*\*My hours of work are\**

Mon-Tue-Thur-Fri 7.30 to 3.30

**I do not work Wednesdays**

## Proposed Road Name Details

Please indicate whether the road is Public or Private (✓ box)

☐ Public

☒ Private

### Proposed road name 1

**Hepara Rise**

Reason

Hepara translated is the Maori word for pastor / herdsman / shepherd.  
The name not only reflects on the earlier Scottish settlers of the area being men of the land but as the word can be used as "pastor" which the settlers had devout religious beliefs , I would also assume this would include some original residents  
By using the Maori pronunciation also gives a link back to the past and diversity of the area

### Proposed road name 2

Reason

**Longridge Rise**

The property has a long central ridge running through the property on the southern side of the road , hence the name

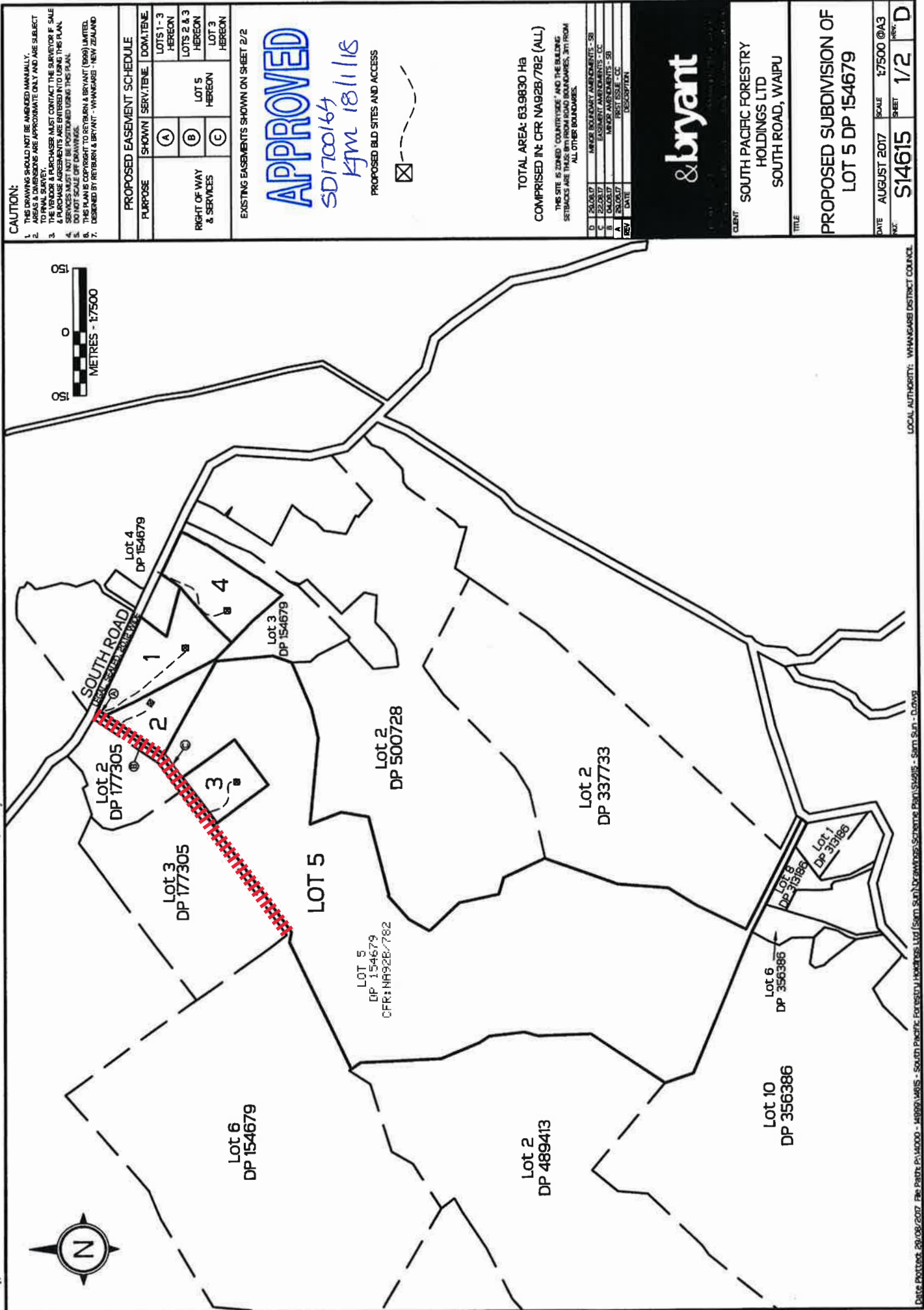
### Proposed road name 3

Reason

**Valley View**

The road access is located between 2 ridges along a valley floor

❖ Please supply a scheme plan map in Black and White with Road or ROW clearly marked when submitting your application.





PO Box 557 • WHANGAREI

• E-Mail: [admin@patuharakeke.maori.nz](mailto:admin@patuharakeke.maori.nz)

Attention:

5th May 2021

Wayne Shepherd  
408 South road  
Waipū

Tēnā Koe e Wayne,

**Re: Wayne Shepherd Road naming - 408 South Road,  
Waipū**

Thank you for engaging with Patuharakeke Te Iwi Trust Board Inc (PTITB) in regard to the above proposal.

#### *Background:*

Wayne Shepherd is constructing a new access way on his property on South road, Waipū. Having regard to best practice, WDC guidance and the Patuharakeke Hapū Environmental Management Plan (HEMP) provisions, Mr Shepherd is consulting with Patuharakeke as mana whenua in the rohe of Waipū regarding the name choices for the property. The area in and around South road is culturally significant to Patuharakeke and PTITB are providing this brief/letter responding to Patuharakeke interpretation of the selected road name chosen. As discussed with Wayne, the preferred name choice must include a diacritical mark on the 'e' in the name Hēpara, therefore giving the intended meaning of the name chosen by Wayne. The diacritical mark is very important as in a lot of Māori words. Without it, it can change the meaning of the name.

#### *Engagement:*

Ari Carrington PTITB Taiao Unit Coordinator has undertaken the following:

- Phone and email calls and correspondence
- Site visit/walkover at the site of the new road and meeting with owners, discussion of traditional and historical associations with the location
- Hui with Kāhui kaumātua and Patuharakeke Cultural Landscape Rōpū to discuss proposed naming and appropriateness/context etc
- Assessment of Patuharakeke Hapū Environmental Management Plan provisions

*Patuharakeke Hapū Environmental Management Plan (HEMP)<sup>1</sup>*

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<sup>1</sup> See <http://patuharakeke.maori.nz/te-taiao-environment/hemp/>

Policy relevant to this application is reproduced below:

## 8. WAAHI TAPU ME WAAHI TAONGA

### 8.3 Policies

- a) The advice and input of Patuharakeke should be sought and observed in the naming of any new places or features within our rohe.
- b) PTB, in conjunction with agencies and stakeholders, will encourage the use and representation of Maori culture (e.g. tikanga, markers, symbols, names, design) in public open space and the built environment when appropriate, including but not limited to:
  - a. (a) Markers and designs as deemed appropriate.
  - b. (b) Naming of features, roads, reserves, or buildings.

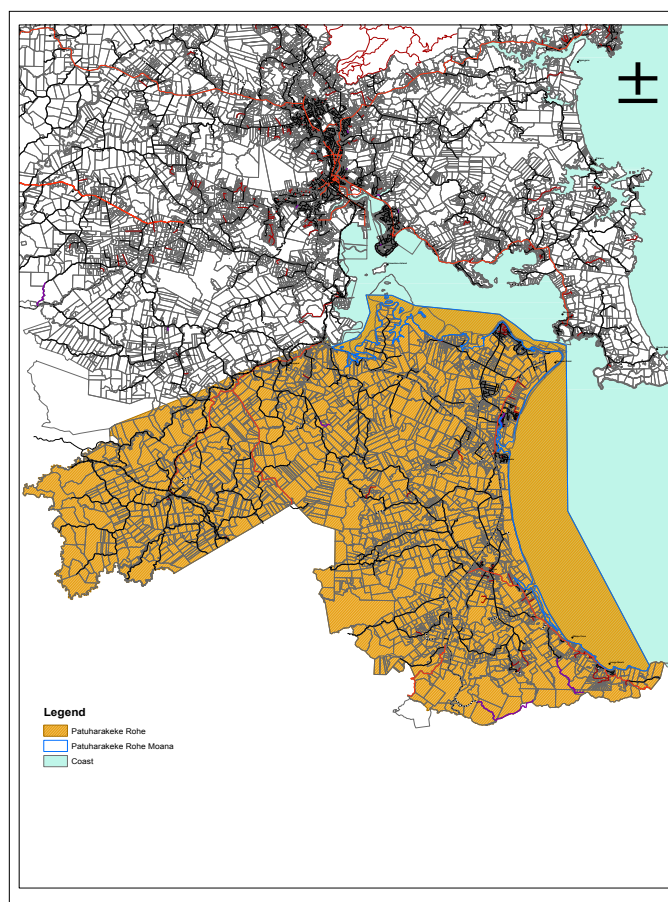


Figure 1: Patuharakeke Rohe (for contemporary management purposes) and Location Photo (Ari Carrington)

### 8.4 Methods

#### *Ingoa Waahi*

- i) PTB RMU will request any agency or individual selecting new names for places or features within our rohe to consult with Patuharakeke in order to select appropriate names.

**Conclusion and Recommendations:**

In the context of the relevant provisions of the HEMP, these key policies and methods are being implemented as intended with regard to this particular road naming proposal. The Shepherd's have initiated engagement with PTITB, and supported preparation of this brief assessment.

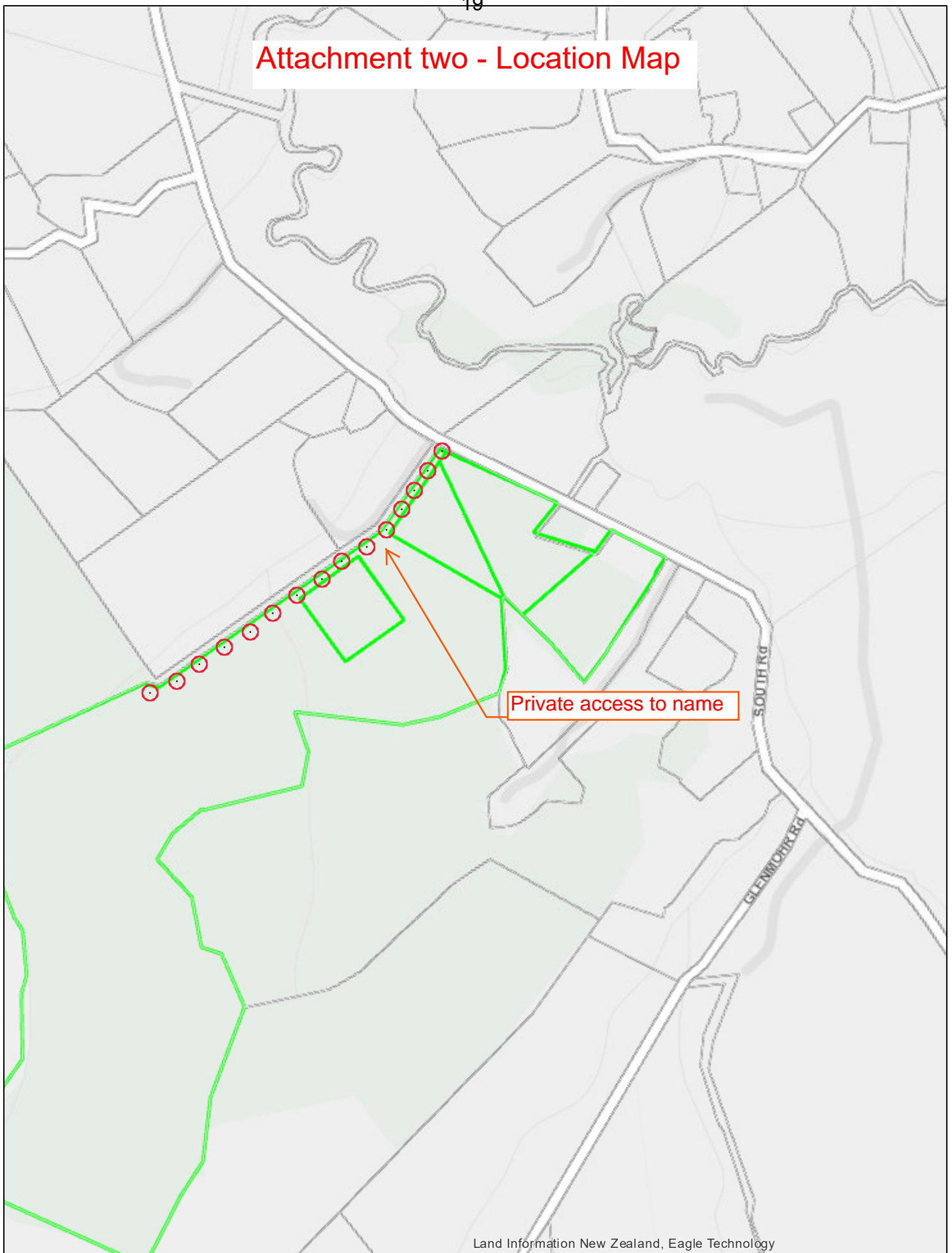
We therefore support their proposal and recommend that Whangārei District Council approve the road name. We appreciate the opportunity to provide input into the process. Please do not hesitate to contact me should you have any queries.

Naaku noa, nā

A handwritten signature in black ink, appearing to read 'J. Sheehan'.

Co- Convenor of Taiao/Resource Management Unit On behalf of Patuharakeke Te Iwi Trust Board

## Attachment two - Location Map



Land Information New Zealand, Eagle Technology

**GIS Maps Print**



The information displayed is schematic only and serves as a guide. It has been compiled from Whangarei District Council records and is made available in good faith but its accuracy or completeness is not guaranteed.

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Tuesday, June 15, 2021



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Projection: NZGD2000 / NZTM 2000

Original Sheet Size 210x297mm



## 4.2 New Private Access Name – RMA Consents – Summerland Estate Ltd – SD1500087

**Meeting:** Strategy, Planning and Development Committee  
**Date of decision:** 15 July 2021  
**Reporting officer:** Ricardo Zucchetto – RMA Post Approval Officer

### 1 Purpose

To name a private access in the Whangarei district for the purpose of assigning unique addresses for properties. This enables them to be readily locatable by emergency service responders and service delivery providers.

### 2 Recommendation

That the Strategy, Planning and Development Committee:

1. Approve the name of the private access off Russell Road, Helena Bay as Mimiha Ridge Lane.

### 3 Background

A road naming application has been received to satisfy conditions of a subdivision consent for Summerland Estate Ltd at Russell Road, Helena Bay. The proposed names are considered in accordance with Council's Road Naming Policy.

The applicant in conjunction with the Mokau Marae Committee supplied the following names:

- Mimiha Ridge Lane – Maori name for Helena Bay and the Mimiha Stream runs through the property.
- Mourea View Rise – Refers to the pa generally located towards the coast from the site.
- Ngawai View Rise – Maori name for Teal Bay.

### 4 Consultation

The developer has consulted with Mokau Marae Committee to provide the three suggested road names.

The developer also had to consult with one northern property owner at 1708 Russell Road as their vehicle entrance is directly off the private access way and their situation address will be changed. The property owner confirmed their acceptance of an address change and supports the developers first choice of Mimiha Ridge Lane.

Five property addresses between 1698 to 1704 Russell Road immediately to the south of the development will at this time remain unchanged. As such their feedback was not required.

## **5 Significance and engagement**

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

## **6 Attachments**

1. Road Naming Application
2. Location Name Map
3. Affected Property

## Application for Road Naming

Thank you for making an application to name a proposed road.

### Points to remember when making an application

- ❖ Please print clearly to ensure the form is easy to read.
- ❖ We will respond in writing to every application received. Please ensure that you provide appropriate contact details so that our response gets back to you.
- ❖ Your application will not be returned to you once it is lodged with Council. Please keep a copy for your reference.

### Important Considerations

- ❖ Please refer to the **Road Naming Policy** and **Road Naming Index** prior to making your application. These documents will be helpful when proposing road names. Both documents can be found on the Council website at [www.wdc.govt.nz](http://www.wdc.govt.nz)

### How to get this application to us

Mail to: Attn: Administration Team Leader – Resource Consents  
Whangarei District Council  
Private Bag 9023  
WHANGAREI 0148

Fax to: 09 438 7632

Email to: [mailroom@wdc.govt.nz](mailto:mailroom@wdc.govt.nz)

### Applicant Details

First name(s) Summerland Estate Ltd

Last name C/- Andrew Spencer

Postal address PO Box 91 840, Victoria Street West Mail Centre, Auckland 1142

Best day-time phone number \_\_\_\_\_ Mobile 029 373 9610

Email andrew.spencer@spencers.co.nz

### Resource Consent Details

Resource Consent application number \_\_\_\_\_

### Agent Details

Name of Agent Emma Miller Agent ref 13562

Agent postal address PO Box 191, Whangarei 0140

Best day-time phone number 09 438 3563 Mobile 027 648 0867

Email emma@reyburnandbryant.co.nz

## Proposed Road Name Details

Please indicate whether the road is Public or Private (✓ box)

☐ Public ☒ Private

### Proposed road name 1 Mimiha Ridge Lane

Reason Maori name for Helena Bay and also the Mimiha Stream runs through the property.

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### Proposed road name 2 Mourea View Rise

Reason Mourea refers to the pa generally located towards the coast from the site,

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### Proposed road name 3 Ngawai View Rise

Reason Maori name for Teal Bay.

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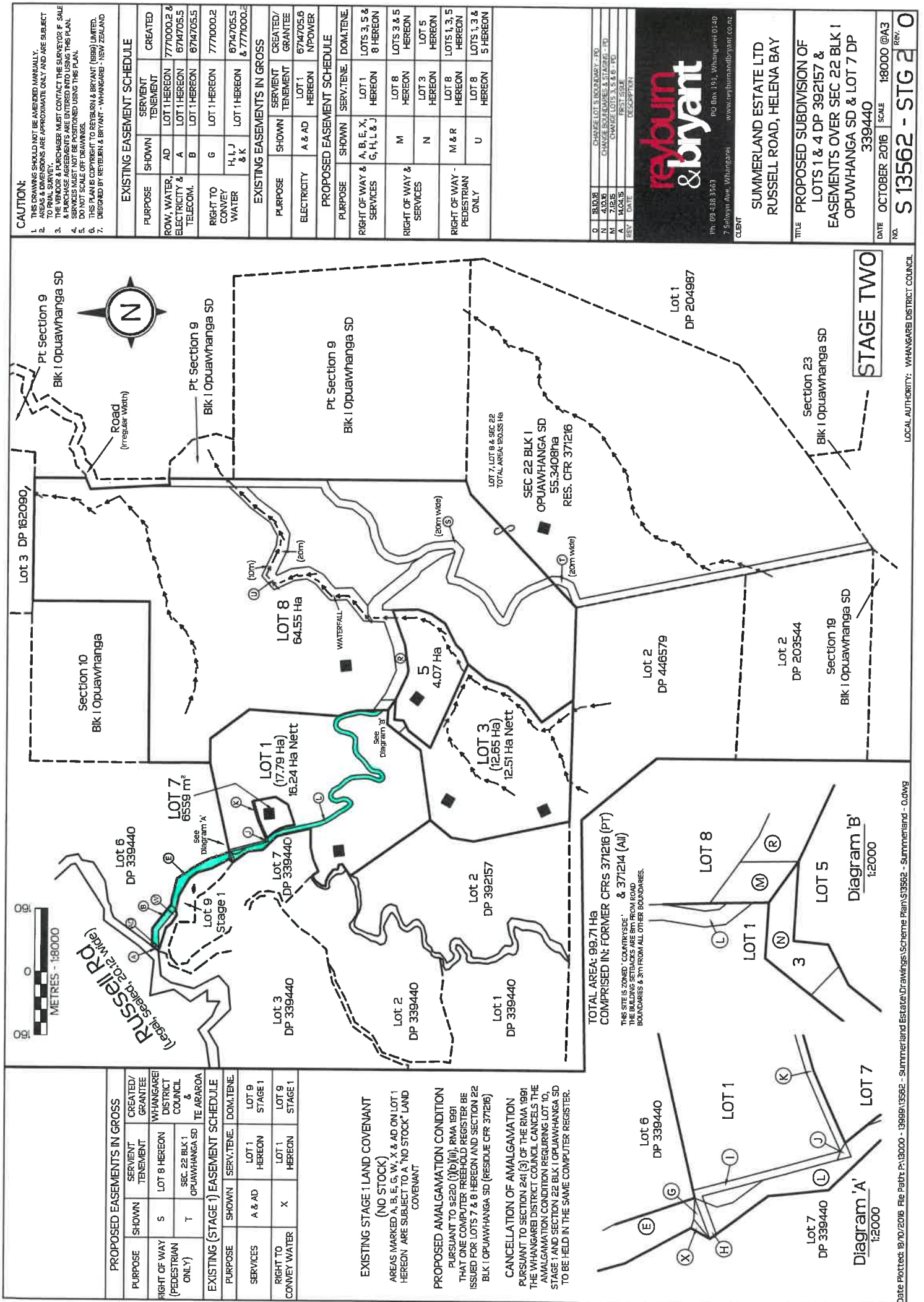
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❖ **Please supply a scheme plan map in Black and White with Road or ROW clearly marked when submitting your application.**



Emma Miller

Reyburn & Bryant

<http://www.reyburnandbryant.co.nz/>

PO Box 191 Whangarei 0140

Mokau Marae Committee

2355 Old Russell Road

C/O Clive Stone

2280 Old Russell Road

clivestone0@gmail.com

021451959

## Summerland Estates - Road Name

Kia ora Emma

Thank you for meeting with Hepi Haika and myself 5<sup>TH</sup> Feb 2021 to discuss the potential road names for the access in this subdivision. We were happy to discuss and provide the options for the naming of the road.

After this meeting we raised this at the next Mokau Marae Trustee committee meeting 10<sup>th</sup> Feb 2021 held at the Ngatiwai Trust Board

We explained to the Mokau Marae Committee that, we need to provide the Council with three options for the road name, in order of preference. And these are the preferred options our committee chose.

1. Mimiha View
2. Mourea View
3. Ngawai View

These names hold significant relevance to our cultural identity (Te Uri O Hikihiki, and Ngatiwai) regarding the area in question.

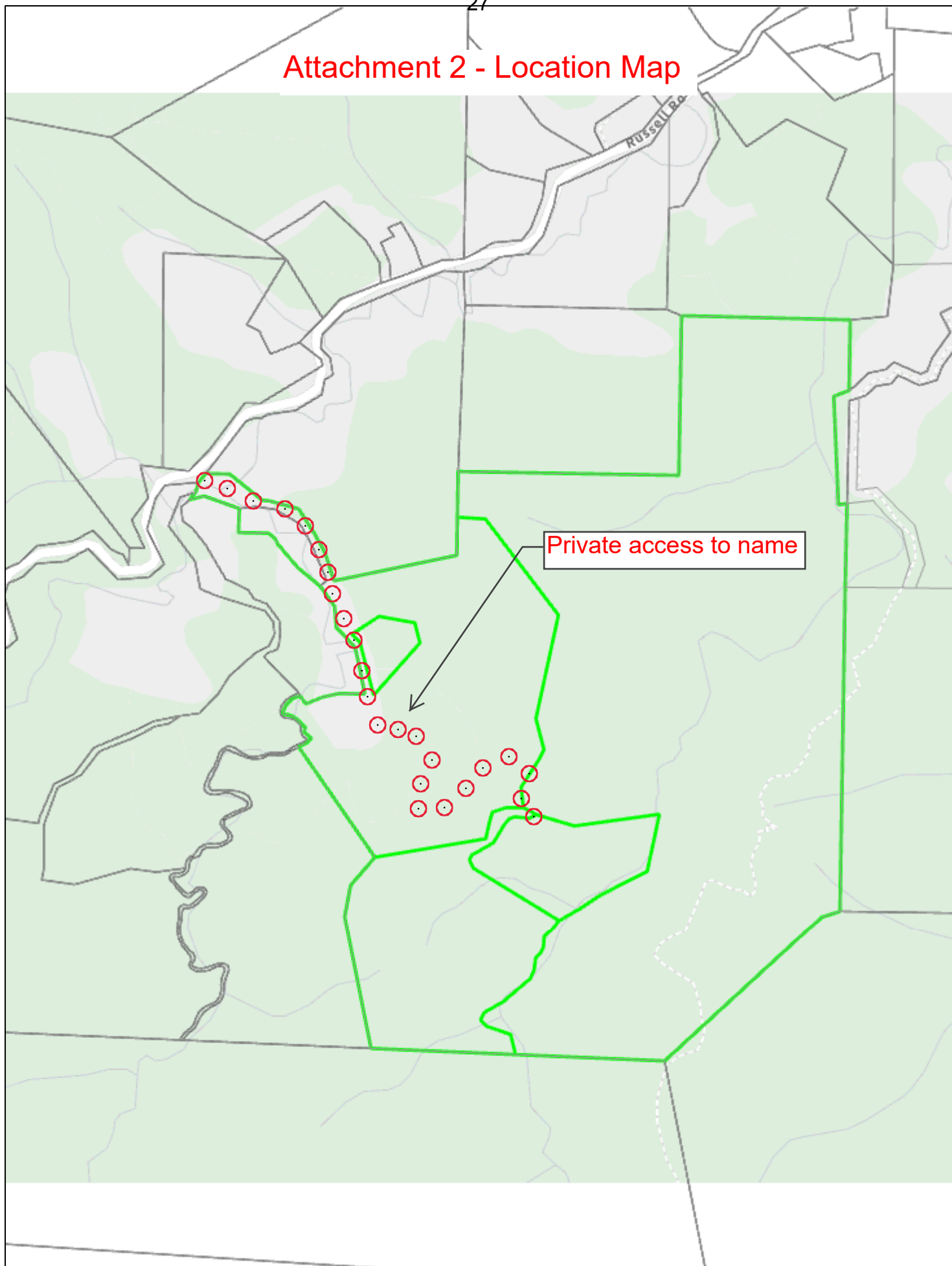
I hope this is sufficient for you to continue with the resource consent process. If you require anything further please feel free to contact me

Nga Mihi

Clive Stone

Mokau Marae Committee Resource Consent Manager.

## Attachment 2 - Location Map



GIS Maps Print



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Friday, March 19, 2021

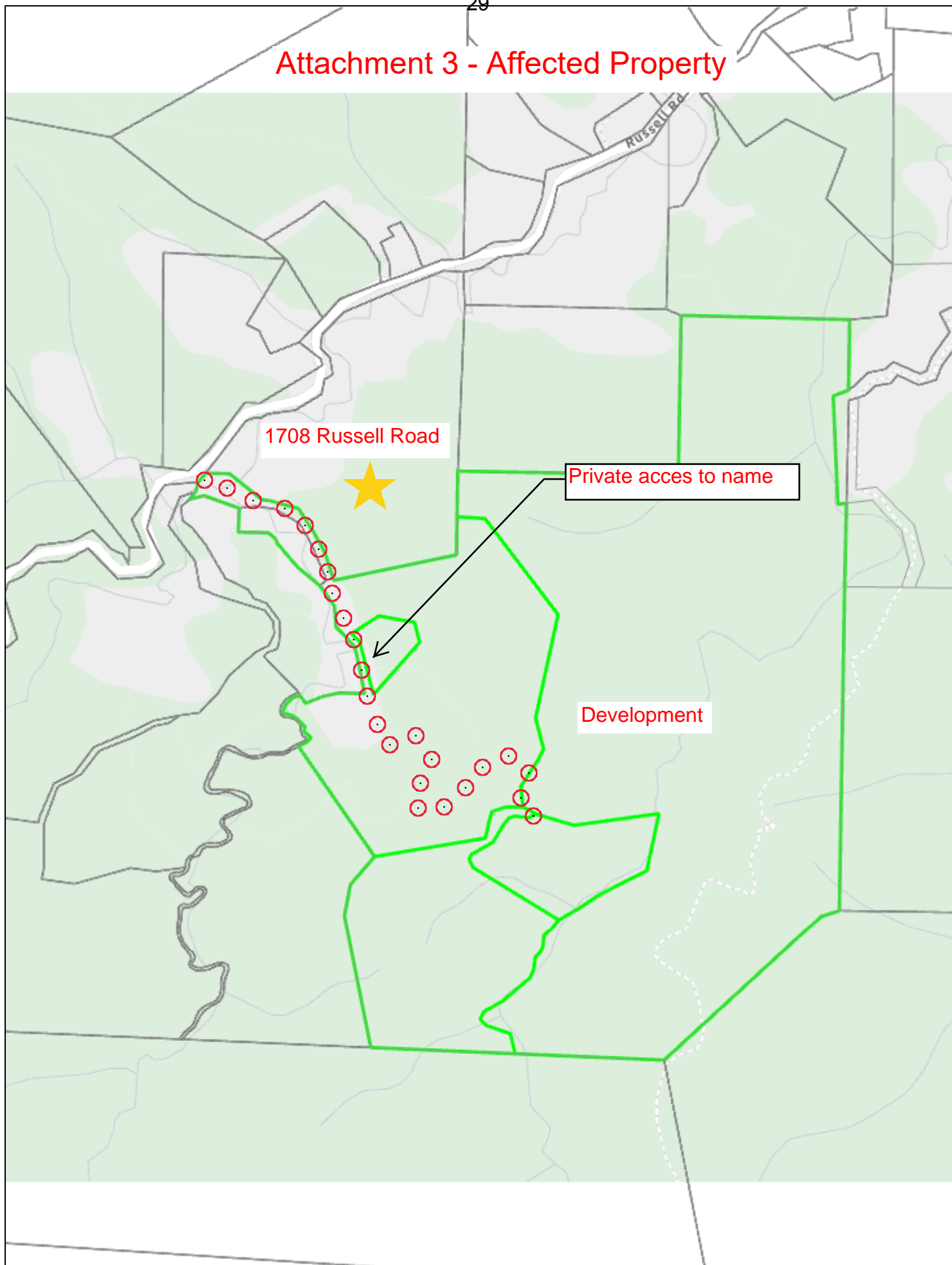


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Projection: NZGD2000 / NZTM 2000

Original Sheet Size 210x297mm



## Attachment 3 - Affected Property



GIS Maps Print



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Friday, March 19, 2021



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Original Sheet Size 210x297mm



## 4.3 Local Government Funding Agency – 2021-22 Statement of Intent

**Meeting:** Strategy, Planning and Development Committee  
**Date of meeting:** 15 July 2021  
**Reporting officer:** Alan Adcock (General Manager – Corporate/CFO); and  
 Joanne Tasker (Assurance Co-ordinator)

### 1 Purpose

To agree to the Local Government Funding Agency (LGFA) 2021-22 Statement of Intent in accordance with Section 65(2) of the Local Government Act 2002.

### 2 Recommendation

That the Strategy, Planning and Development Committee agrees to the Local Government Funding Agency 2021-22 Statement of Intent.

### 3 Background

Section 64 of the Local Government Act 2002 advises that Council Controlled Organisations (CCOs) must have a Statement of Intent (SOI). The purpose of a SOI is to state publicly the activities and intentions of the CCO, to provide an opportunity for Council to influence the direction of the organisation, and to provide a basis for accountability.

Council must either agree with the SOI or ask for modifications as outlined in section 65(2).

The Draft SOI for the LGFA was presented to this Committee at its meeting on 18 March 2021.

### 4 Discussion

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

The LGFA covering letter to shareholders is included as Attachment Two. The letter sets out the changes made to the 2021-22 SOI after presentation of the draft to this Committee in March 2021 as well as feedback from the LGFA Shareholders' Council.

## **5 Significance and engagement**

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

## **6 Attachments**

1. LGFA 2021-22 Statement of Intent
2. LGFA letter to Stakeholders dated 30 June 2021

## Statement of Intent 2021/22

### 1. Introduction

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

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

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

### 2. Nature and scope of activities

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

The LGFA will only lend to Councils and CCOs that enter into all the relevant arrangements with it (such Councils being “Participating Local Authorities” and such Councils and CCOs being “Participating Borrowers”) and comply with the LGFA’s lending policies.

In lending to Participating Borrowers, LGFA will:

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

### 3. Objectives

#### Principal Objectives

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

- Achieve the shareholder-agreed objectives and performance targets specified in this Statement of Intent;
- Be a good employer;
- Demonstrate social, economic, environmental and cultural responsibility;
- Maintain strong and sound corporate governance;
- Set and model high standards of ethical behaviour; and
- Operate in accordance with sound business practice.

#### Primary Objectives

LGFA will optimise the debt funding terms and conditions for Participating Borrowers. Among other things, this includes:

- Providing interest cost savings relative to alternative sources of financing;
- Offering flexible short and long-term lending products that meet Participating Borrowers' borrowing requirements;
- Delivering operational best practice and efficiency for its lending services;
- Ensuring certainty of access to debt markets, subject always to operating in accordance with sound business practice.

LGFA will ensure its asset book remains at a high standard by ensuring it understands each Participating Borrower's financial position, as well as general issues confronting the Local Government sector. Amongst other things, LGFA will:

- Proactively monitor and review each Participating Borrower's financial position, including its financial headroom under LGFA policies;
- Analyse finances at the Council group level where appropriate and report to shareholders;
- Endeavour to meet each Participating Borrower annually, including meeting with elected officials as required, or if requested; and
- Take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.

### **Additional objectives**

LGFA has the following eight measurable and achievable additional objectives which complement the primary objectives. Performance against these objectives is reported annually.

LGFA will:

1. Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency.
2. Provide at least 80% of aggregate long-term debt funding to the Local Government sector<sup>1</sup>.
3. Achieve the financial forecasts outlined in section 4 for net interest income and operating expenses, including provision for a shareholder dividend payment in accordance with the approved dividend policy.
4. Meet or exceed the Performance Targets outlined in section 5.
5. Comply with the Health and Safety at Work Act 2015.
6. Comply with the Shareholder Foundation Policies and the Board-approved Treasury Policy at all times.
7. Assist the local government sector with significant matters such as COVID -19 response and the proposed Three Waters Reform Programme.
8. Improve sustainability outcomes within LGFA and assist the local government sector in achieving their sustainability and climate change objectives.

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<sup>1</sup> This includes Auckland Council borrowing both in its own name and through LGFA and recognising that the amount of borrowing by Auckland Council from LGFA is restricted by the Foundation Policy covenants.

#### 4. Financial forecasts

LGFA's financial forecasts for the three years to 30 June 2024 are:

##### SOI 2022

Comprehensive income \$m	Jun-22	Jun-23	Jun-24
<b>Net Interest income</b>	<b>18.1</b>	<b>17.0</b>	<b>18.2</b>
Other operating income	1.0	1.5	1.5
<b>Total operating income</b>	<b>19.1</b>	<b>18.5</b>	<b>19.7</b>
Approved Issuer Levy	0.6	0.6	0.3
Issuance & onlending costs	2.7	2.7	2.7
Operating overhead	4.4	4.6	4.7
<b>Issuance and operating expenses</b>	<b>7.8</b>	<b>7.9</b>	<b>7.7</b>
<b>P&amp;L</b>	<b>11.3</b>	<b>10.6</b>	<b>11.9</b>

Financial position \$m	Jun-22	Jun-23	Jun-24
Liquid assets portfolio	1,961	2,124	2,324
Loans to local government	13,294	14,515	15,623
Other assets	-	-	-
<b>Total assets</b>	<b>15,255</b>	<b>16,639</b>	<b>17,947</b>
Bonds on issue (ex Treasury stock)	13,975	15,190	16,362
Bills on issue	500	500	500
Borrower notes	256	302	340
Other liabilities	-	-	-
<b>Total liabilities</b>	<b>14,731</b>	<b>15,992</b>	<b>17,202</b>
Capital	25	25	25
Retained earnings	81	92	104
<b>Shareholder equity</b>	<b>106</b>	<b>117</b>	<b>129</b>

Ratios	Jun-22	Jun-23	Jun-24
Liquid assets/funding liabilities	13.8%	13.7%	13.9%
Liquid assets / total assets	12.9%	12.8%	12.9%
Net interest margin	0.14%	0.12%	0.12%
Cost to income ratio	40.7%	42.7%	39.4%
Return on average assets	0.07%	0.06%	0.07%
Shareholder equity/total assets	0.7%	0.7%	0.7%
Shareholder equity + BN/total assets	2.4%	2.5%	2.6%
Asset growth	10.2%	9.1%	7.9%
Loan growth	11.3%	9.2%	7.6%
Return on equity	12.0%	10.0%	10.2%
Capital ratio	11.9%	12.6%	13.1%

Note that there is some forecast uncertainty around the timing of Net Interest Income, Profit and Loss, Total Assets, LG Loans, Bonds and Borrower Notes depending upon council decisions regarding the amount and timing of refinancing of their April 2022, April 2023 and April 2024 loans. LGFA will work with council borrowers to reduce this uncertainty.

The above tables assume gross issuance of LGFA bonds per year of \$2.90 billion (2021/22), \$2.875 billion (2022/23) and \$2.850 billion (2023/24), however the issuance volume will be determined by LGFA at the relevant time by reference to factors including refinancing of existing borrowing by councils and (if applicable) council-controlled organisations, new borrowing by councils and (if applicable) council-controlled organisations and LGFA's own borrowing requirements for liquidity purposes.

No decision has been made as to final issuance volume at this point and will depend upon market conditions.

There has been no allowance made in the forecasts for the impact on councils from the proposed Three Waters Reform Programme.

## 5. Performance targets

LGFA has the following performance targets:

- LGFA's total operating income for the period to:
  - 30 June 2022 will be greater than \$19.1 million.
  - 30 June 2023 will be greater than \$18.5 million.
  - 30 June 2024 will be greater than \$19.7 million.
- LGFA's annual issuance and operating expenses (excluding AIL) for the period to:
  - 30 June 2022 will be less than \$7.2 million.
  - 30 June 2023 will be less than \$7.3 million.
  - 30 June 2024 will be less than \$7.4 million.
- Total lending to Participating Borrowers<sup>2</sup> at:
  - 30 June 2022 will be at least \$13,294 million.
  - 30 June 2023 will be at least \$14,515 million.
  - 30 June 2023 will be at least \$15,623 million.
- Conduct an annual survey of Participating Borrowers who borrow from LGFA and achieve at least an 85% satisfaction score as to the value added by LGFA to the borrowing activities
- Meet all lending requests from Participating Borrowers, where those requests meet LGFA operational

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<sup>2</sup> Subject to the forecasting uncertainty noted previously

and covenant requirements.

- Achieve 80% market share of all council borrowing in New Zealand
- Review each Participating Borrower's financial position, its headroom under LGFA policies and arrange to meet each Participating Borrower at least annually.
- No breaches of Treasury Policy, any regulatory or legislative requirements including the Health and Safety at Work Act 2015.
- Successfully refinance existing loans to councils and LGFA bond maturities as they fall due.
- Maintain a credit rating equal to the New Zealand Government Sovereign rating where both entities are rated by the same credit rating agency.

## 6. Dividend policy

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

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

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

## 7. Governance

### Board

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

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

The Board's approach to governance is to adopt best practice<sup>3</sup> with respect to:

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

All directors are required to comply with a formal Charter.

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<sup>3</sup> Best practice as per NZX and Institute of Directors guidelines

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

### **Shareholders' Council**

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

- Review the performance of LGFA and the Board, and report to Shareholders on that performance on a periodic basis.
- Make recommendations to Shareholders as to the appointment, removal, replacement and remuneration of directors.
- Make recommendations to Shareholders as to any changes to policies, or the SOI, requiring their approval.
- Ensure all Shareholders are fully informed on LGFA matters and to coordinate Shareholders on governance decisions.

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

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

### **Annual Report**

The LGFA's balance date is 30 June.

By 30 September each year, the Company will produce an Annual Report complying with Sections 67, 68 and 69 of the Local Government Act 2002, the Companies Act 1993 and Financial Reporting Act 2013. The Annual Report will contain the information necessary to enable an informed assessment of the operations of the company, and will include the following information:

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

### **Half Yearly Report**

By 28 February each year, the Company will produce a Half Yearly Report complying with Section 66 of

the Local Government Act 2002. The Half Yearly Report will include the following information:

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

### **Quarterly Report**

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

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

### **Statement of Intent**

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

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

### **Shareholder Meetings**

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

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

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

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

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

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

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

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

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

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

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

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

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

## **12. Accounting policies**

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

**The following statement is taken from the Financial Statements presented as part of LGFA's Annual Report 2020 (updated where necessary), accordingly, the statement does not contemplate LGFA lending to CCOs.**

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

### **a. Reporting entity**

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

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

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

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

The financial statements are as at and for the year ended 30 June 2020.

These financial statements were authorised for issue by the Directors on 28 August 2020.

### **b. Statement of compliance**

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

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

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

### **c. Basis of preparation**

#### **Measurement base**

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

The financial statements are prepared on an accrual basis.

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

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

#### **Foreign currency conversions**

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

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

##### **NZ IFRS 16 Leases.**

NZ IFRS 16 became effective from 1 July 2019 and did not have a material impact on the financial statements.

On adoption of NZ IFRS 16, LGFA recognised right-of-use assets and lease liabilities in relation to its property leases which had previously been classified as operating leases under NZ IAS 17 Leases.

In adopting NZ IFRS 16, LGFA elected to use the simplified retrospective approach which does not require restatement of comparative information. The lease liability is recognised at the present value of the remaining lease payments, discounted using LGFA's incremental borrowing rate, with the corresponding right-of-use asset recognised as an equal amount.

The following items in the balance sheet were impacted by the change of accounting on 1 July 2019: Other assets and Other liabilities both increased by \$0.157 million.

Lease payments previously included in other operating expense are now classified to financing and depreciation costs under NZ IFRS 16.

There have been no other changes to accounting policies.

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

LGFA has not early adopted any standards.

### **New standards adopted**

NZ IFRS 16 Leases became effective from 1 July 2019.

### **Standards not yet adopted**

LGFA does not consider any standards or interpretations in issue but not yet effective to have a significant impact on its financial statements.

## **d. Financial instruments**

### **Financial assets**

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

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

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

At each balance date, an expected credit loss assessment is performed for all financial assets and is calculated as either:

- Credit losses that may arise from default events that are possible within the next 12 months, where no significant increase in credit risk has arisen since acquisition of the asset, or
- Credit losses that may arise from default events that are possible over the expected life of the financial asset, where a significant increase in credit risk has arisen since acquisition of the asset.

Impairment losses on financial assets will ordinarily be recognised on initial recognition as a 12-month expected loss allowance and move to a lifetime expected loss allowance if there is a significant deterioration in credit risk since acquisition.

### **Financial liabilities**

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

## **Derivatives**

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

### **Fair value hedge**

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

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

## **e. Other assets**

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

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

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

### **Intangible Assets**

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

## **f. Other liabilities**

### **Employee entitlements**

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

## **g. Revenue and expenses**

### **Revenue**

#### **Interest income**

Interest income is accrued using the effective interest rate method.

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

#### **Expenses**

Expenses are recognised in the period to which they relate.

#### **Interest expense**

Interest expense is accrued using the effective interest rate method.

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

## **Income tax**

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

## **Goods and services tax**

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

## **h. Segment reporting**

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

## **i. Judgements and estimations**

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

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

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



30 June 2021

Dear LGFA stakeholder

### **Statement of Intent 2021/22**

Please find attached the Statement of Intent (SOI) for the 2021/22 year.

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

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

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

For our shareholders we are focused on

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

The following points regarding the 2021/22 SOI are worth noting

- The SOI performance targets are the same as the previous year's targets except that we have reduced the target for market share to 80% from the prior year 85% target. The 80% target is the same target as the periods before last year.
- There remains some uncertainty within the SOI forecasts relating to the amount of both council loans and LGFA bonds outstanding as this depends upon the magnitude and timing of council borrowing. We have based our forecasts on the Draft Long Term Plans ("LTPs") of our seventy-two council members and the LTPs forecast a significant increase in borrowing in each of the next three years. The actual amount of borrowing will be influenced by the ability of councils to deliver on the capex projections in their LTPs as well as the amount of Central Government assistance in funded capex delivery.
- Given the timeline proposed by DIA for the Three Waters Reform transition, the impact on LGFA is likely to fall in the years beyond the end of the three-year SOI forecast period. However councils' actions in anticipation of the transition may have an impact on their borrowing decisions and that of LGFA during the SOI forecast period.

The changes made to the Final SOI compared to the Draft SOI that you received in February 2021 for comment have been<sup>1</sup>

- We have broadened the objectives to include a focus on sustainability across the organisation and to assist the sector with sustainability.
- We have reduced the base on-lending margin by 5 bps to 15 bps (0.15%) for new borrowing effective 1 July 2021.
- Net Operating Income (NOI) has increased by \$300,000 in the 2021/22 year but reduced by \$5.7 million and \$8.0 million in the subsequent outer years due to the reduction in base on-lending margin and a revision to our forecasting model to correct the previous upward bias in NOI in outer years.
- Expenses have increased by \$100,000 in each of the three years due to increased legal and NZX fees associated with higher issuance and lending volumes.

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

Yours sincerely



Mark Butcher  
Chief Executive

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<sup>1</sup> We can provide you with a tracked change version of the Draft and Final SOI documents if you wish.

## 5.1 Operational Report – Corporate Group – July 2021

**Meeting:** Strategy, Planning and Development Committee  
**Date of meeting:** 15 July 2021  
**Reporting officer:** Alan Adcock (General Manager – Corporate/CFO)

### 1 Purpose

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

### 2 Recommendation

That the Strategy, Planning and Development Committee notes the Corporate Group operational report for July 2021.

### 3 Background

The Strategy, Planning and Development Committee terms of reference list key responsibilities which include provision of an operational report from the Corporate Group.

This report provides a brief overview of some of the operational highlights across functions and services of the Corporate Group, including comment on some future planned activities.

### 4 Significance and engagement

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

### 5 Attachment

Corporate Group Operational Report – July 2021



# Operational Report – Corporate Group – July 2021

## Procurement Reporting: Contracts Approved Under Delegated Authority

ICT	Vodafone – Telephony Services for 3 years
Finance	Audit New Zealand: 2021 Financial Year Audit Fees \$232,065

## Information Communications Technology (ICT)

### ICT Operations

#### Security

Cyber Security awareness sessions for the whole WDC and Northland Regional Council were successfully organised in conjunction with SSS, by the ICT learning facilitator. Positive feedback was received and follow up communications is currently being worked on by ICT Operations and Communications.

Microsoft Defender 365 was successfully implemented which provides protection of email from zero-day malware and phishing attempts, as well as post-breach investigation, hunting and response.

#### BAU Initiatives

Work has been undertaken on updating Office 365 for all staff, including training documentation and communication.

Work has been undertaken on preparing for third party audits of our SQL database environments, and O365 licensing, to provide input into any recommendations on how we can improve our licensing or implementation of SQL

Servers have been upgraded to ensure that they are secure and compliant as well as work being undertaken on integration between TechnologyOne and Kete for Building Consents for Kainga Ora.

Work has also been completed on tidying up and completing as-built documentation for the recent Eagle GIS implementation.

#### Improvements

Reviews and draft versions where needed of IT Service Management process documents has been completed.

Knowledge Sharing sessions between team members to mitigate against single points of failure in people has now become part of scheduled life for the team and is an ongoing process.

#### Unplanned work

Ongoing investigations with Vodafone regarding DNS (Domain Name System) issues has taken up time for key members of the team, along with a DHCP (Dynamic Host Configuration Protocol) issue at Walton Plaza.

Following the completion of scheduled work for Animal Registrations, there has also been a requirement for team members to assist the wider council with year end tasks such as Dog Registration fee changes which had a capacity impact on the team.

## ICT Projects

Project	Description	Current Status	Comment
Technology One Ci to Ci Anywhere (CiA)	Next generation software upgrade of core Council system	Paused / Slowed down	CiA Requests Online: <ul style="list-style-type: none"> <li>- Web content workshops complete</li> <li>- Web page configuration near complete</li> <li>- Dashboard creation complete</li> <li>- Analyst testing in progress</li> </ul> Delay of 3 weeks to separate Telephony project go live with CiA Requests Online Project Go Live New Go Live 18 October for CiA Requests Online Project
Building Consent Application system	Portal for customers to lodge and track Building consents	Delivery Phase	UAT 1 currently underway On track for 30 August go-live date.
Civic Centre	This project is about the logistics of moving ICT equipment from WP and FN to the new Civic Centre building. This also involves the coordination of contractors as well as ensuring the smooth transition of staff into the new building	On Track	The ICT infrastructure design is near finalised. Proof of Concept currently underway for meeting room equipment (Trimmer room) and WiFi network equipment (Walton Plaza L2)
Digital Platform Phase 2	Migration of following websites onto the new web platform - WDC Library - WDC 'Love it Here' (business and visitor) - WDC Event portion of the 'Venues & Events' website.	Delivery phase	Delivery phase underway to migrate the 3 sites under our new WDC website using the new platform
MultiFactor Authentication	WDC has been subject to attacks in the past and these breaches jeopardise WDC systems and records. In response to this we have installed an extra verification step.	On Track	Working though implementing Multi Factor Authentiation across the organisation We are also working to provide a solution for Civil Defence

SCATS (Traffic light Management system)	This project is to replace the SCATS server currently hosted on premise at Forum North.	On Track	Migrating infrastructure from Forum North to our IaaS environment in 2 phases.
SIGMA (Asset Management and GIS)		Delayed	Business Analysis on technical integration was redone to identify best way forward – paper has been presented to Steering Committee and a decision is being sought.
Telephony	Replacement of legacy Avaya telephony system with a modern system integrated with MS teams and contact centre.	On Track	- Business case with options analysis & recommendation signed off 20/6. Target go-live is end of September 21
Rendezvous (V&E Booking)	Venues and Event booking system update	Project Closure	Successful upgrade of system completed. Project closure phase and lessons learnt in progress.
Symphony (Library System)	Upgrade of Library Management system	Initiated	Business stakeholder has identified a need for upgrading the application. ICT is working with them to document requirements and prepare for upgrade.

## Finance

### *End of Financial Year*

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

### *2020-21 Annual Report*

Preparation of the 2020-21 Annual Report has commenced, as well as the preparation of financial statements for Council Controlled Organisations (CCO's). With various central government funding contracts and property transactions occurring throughout the year, combined with residual issues from Covid-19, we expect to face some complexities during the preparation and audit of our Annual Report.

A number of year-end adjustments, valuations, and reconciliations will be completed over the coming month. A workshop will be scheduled to present Elected Members with the draft results prior to audit sign-off and adoption of the Annual Report for the year ended 30 June 2021.

The final audit is scheduled to begin late August, with audit clearance and adoption in October. Audit NZ have advised they are facing resource shortages. To manage this shortage Audit NZ in consultation with the Office of the Audit General, have designed a priority framework to ensure the delivery of key priority audits (government and NZX listed entities). We have been advised that this priority framework may impact the timing of the audit of our CCOs and therefore Council. This creates a risk that audits may not be completed within statutory deadlines. Audit NZ have advised we will be informed as soon as possible if this is the case.

### *2021-31 Long Term Plan (LTP)*

The 2021-31 Long Term Plan was adopted at the 24 June Council meeting. A revised budget will now be prepared for the year ended 30 June 2022, to incorporate the final carry forwards position as well as any changes due to the organisational staff reset. Budget managers will then be asked to phase their budgets to enable reporting of monthly operating results against revised budget and forecast for the new financial year.

## Revenue

### *Preparation for 2021-22 rating year*

The rates for 2021-22 were resolved following the adoption of the long term plan. The rates for 2021-22 have now been input into our system along with Northland Regional Council's rates.

All maintenance of subdivisions and other maintenance updates (e.g. building consents) have been valued. The District Valuation Roll and the Rating Information Database have been reconciled at 30 June, before the rates are set for 2021-22.

We have been working with the ICT and Communications teams to improve the rates database search and publish a new webpage for the rating of whenua Māori.

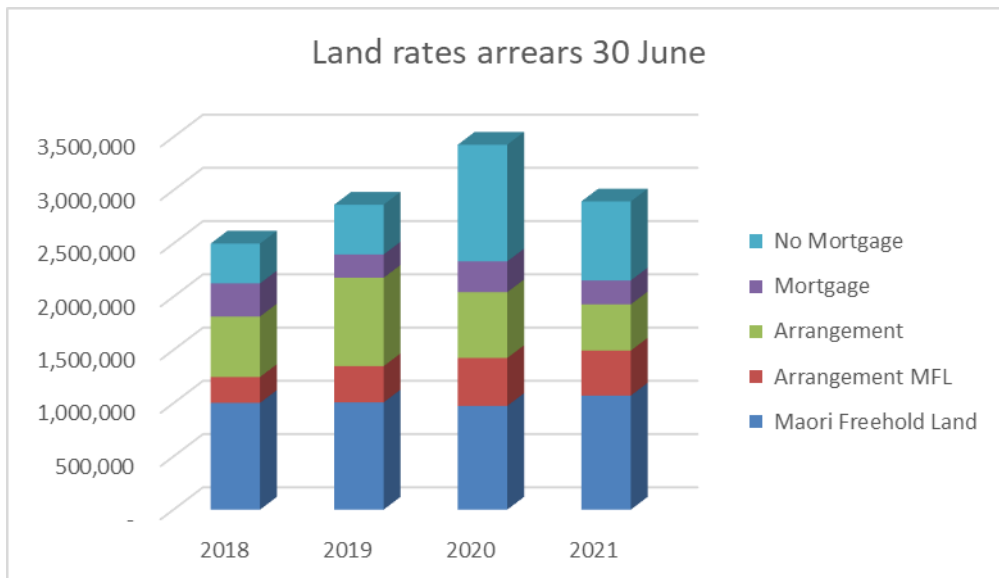
### *Property, rating and receivable transactions*

There were 303 property sales in June, totalling 3,690 for 2021. There were 29% (835) more sales than in 2020 and 17% (621) more than 2019.

The dog registrations for 2021-22 hit the streets mid-June and we have processed approximately 1,500 more registrations by 30 June than last year.

### *Collection and recovery*

Prior years' land rates arrears are \$1.5 million, including \$1.1 million Māori Freehold Land and current year arrears are \$1.4 million. The below chart shows the arrears at 30 June over the last 4 years. We have pulled back arrears to the same level as 2019.



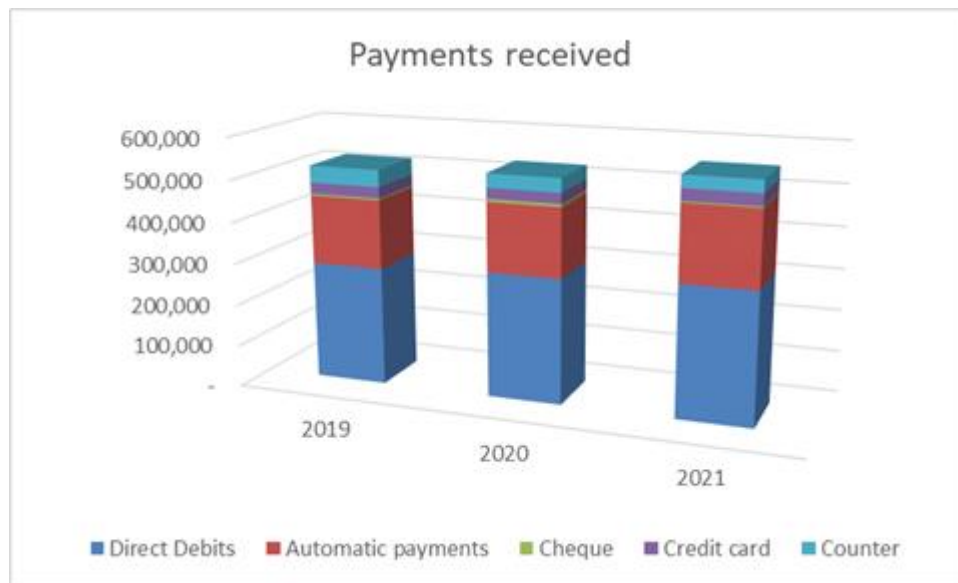
We have processed 2,965 (\$1.776 million) successful rates rebates applicants which is slightly less than 3,093 (\$1.787 million) in 2019-20. With the COVID-19 top-up some married couples receiving benefits were earning more than the threshold. We will be sending the 2021-22 rebate application forms, pre-populated with the ratepayers address and rates in mid-July. We expect that many applicants will be able to complete the form, sign and return it without an appointment, showing the benefit of the legislative changes the sector has been seeking for some years. However we will still open the rates rebate office to assist those that need additional help.

Customers are changing how they pay us. In June we received only 15 cheques – the last month this payment option was available. The below chart shows how customers' habits are changing. In 2021, compared to the previous year:

- 5% more people are paying by direct debit
- 9% more by automatic payment
- 11% more by credit card

Conversely, we received:

- 11% fewer counter payments
- 53% fewer cheques.



## Business Support

### Information Management (IM)

The Business Records team continue to be very busy with business as usual and assisting Democracy and Assurance with preparations for the Representation Review which we will be processing.

Recruitment to replace the Team Leader Information Management is on hold until the organisation reset is completed. Replacing this role is essential to the ongoing running and direction of this team and how Council will manage its records.

### Digital Retention and Disposal

The writing and testing of business rules for the management of the information lifecycle in Kete is still being completed. Work is now being completed with ICT to iron out wrinkles and for us to all gain assurance that when implemented the rules will not detrimentally impact operations. Specifically, the accidental disposal of Council Records.

The team will continue to work with the business to support business owners in understanding the process and their responsibilities.

### DigiHub

The DigiHub team have had another very busy month and are now almost at the end of the digitisation of all Building Consent files. This is a huge milestone for the team to have achieved and will make it faster and easier to access these records in the future.

The next stage for the DigiHub will be to look at Resource Consent records and then at Health and Bylaws records.

## Procurement

Major work streams in procurement in June have included:

Service/Good Being Procured	Detail	Procurement Commencement Date	Business Owner	Date Advertised on GETS	Expected End Date
Civic Centre project	To assist the Civic Centre team with requirements around procurement aspects	External procurement consultant engaged June 2018	All of Council	31 Oct 18	Ongoing involvement through design & construction phases
Old Municipal Building	Providing Procurement advice on procurement and purchasing decisions	October 2019	Community Development	To be determined	Ongoing
Travel	To consider options for travel policy and management	December 2020	Business Support	To be determined	To be determined
Pensioner Housing	To find a contractor to provide grounds	March 2021	Community Development	8 April 2021	July 2021

Service/Good Being Procured	Detail	Procurement Commencement Date	Business Owner	Date Advertised on GETS	Expected End Date
Grounds Maintenance	maintenance services				
Overflow Building Consent Processing	To provide an overflow consent processing service to Council	March 2021	Building Control	1 April 2021	July 2021
Parks – multiple contracts  Develop procurement strategy and approach market	Parks and Garden Maintenance Street Trees Maintenance Tracks and Walkways Maintenance Coastal Structures Maintenance Playgrounds and Skateparks Maintenance Sports Parks Maintenance Litter and Custodial Services	April 2021	Parks	To be determined	Multiple – between March 2022 and July 2023
CitySafe	To find a contractor to provide CitySafe services	April 2021	Community	To be determined	To be determined
Civic Centre Cafe	To find a suitable Café provider	May 2021	Business Support	To be determined	To be determined
Office Furniture and fittings	To find supplier/s of furniture and fittings for the Civic Centre	May 2021	Business Supplier	To be determined	To be determined

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

## ***Facilities Management***

As part of Council's programmed maintenance, we have completed external washes at several sites as well as seasonal gutter cleaning.

Staff health, safety and comfort continue to be a focus with requests for chairs, lighting adjustments, stand up desks etc being common issues raised.

The team have also been involved with a multi department review of Council's Permit to Work process and have completed specialised training in issuing permits. A successful outcome of the review will mean that, Council wide, we are consistent with how we manage high risk work and that our health and safety obligations are met when engaging contractors to work on Council properties.

## **Chambers**

The Chambers have had another busy month with nearly 30 different events using the space. Each separate event has its own unique configuration and requirements and our team ensure that all preparations are taken care of with minimum disruption and that all facilities are available on-time.

A high standard of hygiene and cleanliness is also maintained, and extra care is taken to ensure all desks, chairs and equipment is fit for purpose and spotless.

Events this month include a Powhiri for the new General Manager – Strategy and Democracy, Workshops and Briefings, Council and Committee meetings, Group meetings and other internal celebrations.

## **Leases and Licenses**

Part of Council's Leases end of year process requires outgoings to be recovered from tenants. Outgoings include such things as rates and insurance which are paid by Council but are then apportioned to tenants. These are generally in properties with more than one tenant such as the Town Basin. An end of year reconciliation calculates all charges based on a floor area percentage in line with the individual lease obligations making this a manual process.

Approximately \$275k has been recovered from 40 tenants and a further \$76k from internal department transfers.

Properties involved are in both the Commercial and Community portfolios.

## **Contractor Management**

Some minor variations to existing contracts have been negotiated to ensure that the new Whau Valley Water Treatment Plant is operational. This has included Building Compliance monitoring, Cleaning, Security and other services.

Our Building Compliance monitoring contract has been rolled over for a further 12 months until 31 May 2022 and a process to procure services after this is underway.

## **Security**

Several security risks were identified this month which impacted Council's Civic buildings and staff. Extra security measures were required such as static guards, restricted access and trespass notices. The Facilities Management Team worked closely with Health and Safety to ensure all measures were in place and that staff were kept informed and were safe.

## **Fleet**

The Fleet Management Tracking service transition is underway with all fleet vehicles to have new GPS tracking units installed over the next few weeks. This will involve working with all departments and vehicle custodians to have vehicles available for the installers.

Further work updating data in the new software is also underway and staff training in the booking system will begin at the end of July.

Vehicles have been ordered in line with our replacement policy with three new utes arriving earlier than advised. These will be deployed to the Water Treatment Plant and existing fleet vehicles will be disposed.

The remaining vehicles on order will not be available until later in the year.

## Communications

### WDC website

The main focus of our content improvements is the preparation of the new Customer Hub for the logging of customer requests in preparation for the CiA implementation later this year. This will make it easier for customers to self-serve information relating to reporting an issue.

The next phases of the Digital Platform project (including the libraries, and Whangarei NZ site) have commenced.

### Media

- Long Term Plan adoption
- Three Waters
- Road four-laning
- Significant Natural Areas
- Representation review
- Broken footpath

### Communications projects

A summary of campaigns of note include:

Campaign	Comment
Civic Centre Project	Library front window display complete. Internal transport survey complete (resource consent condition). Walton Plaza display under construction, AV trial in Trimmer Room is live. Café tender process underway, local engagement first stage complete (inform & invite café owners to tender info evening), Civic Centre newsletter for EMs and stakeholders restarting next week.
Matariki	Design collateral for Matariki Festival and Whanau Day and event promotion.
LTP	LTP document production and adoption.
Representation Review	Preparing for the Representation Review formal consultation phase (30 June – 30 July). Including: Representation Review booklet with process explanation and initial proposal for consultation, planning community meetings/presentations. Display at Matariki Whanau Day.

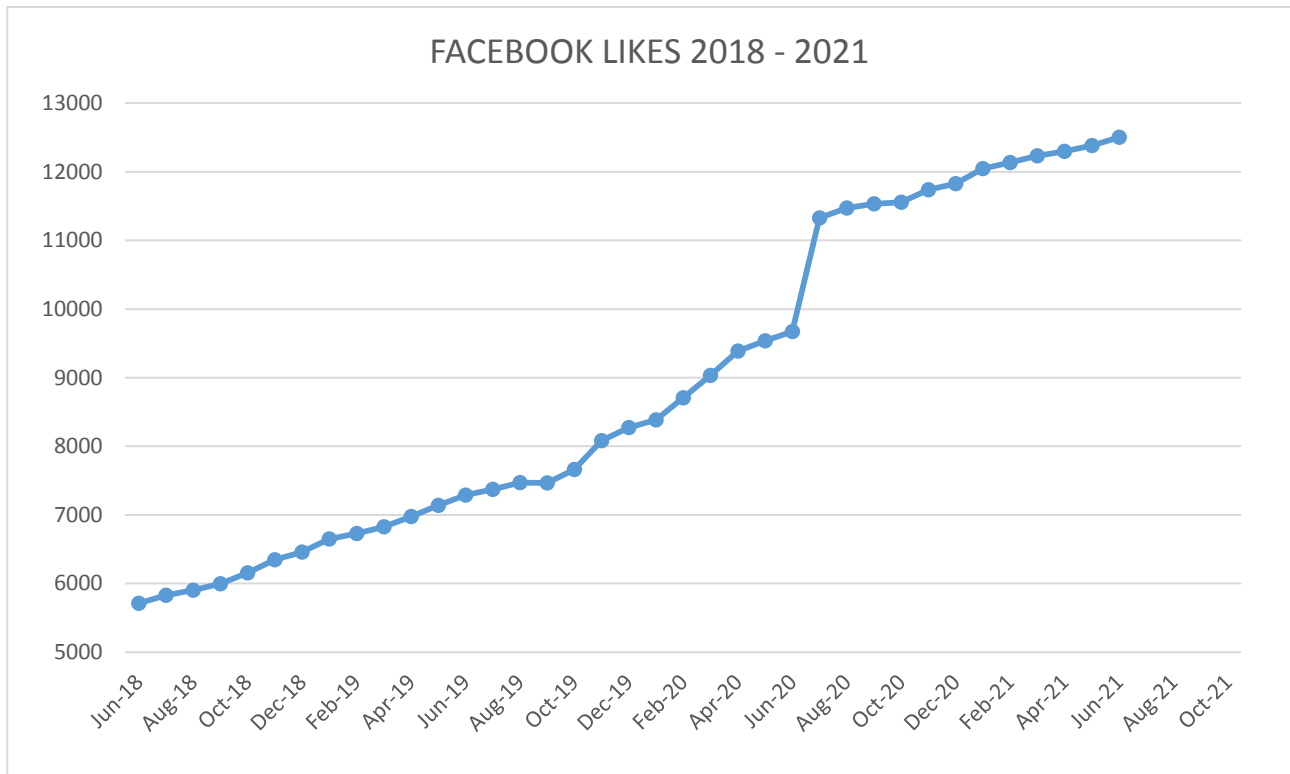
### Social media

Once again this month saw effective reach across the board. This is good news for us since we want to spread a diverse range of detailed messages.

#### Top 3 posts over the last month – refer to Appendix 1

Topic	Engagement
Dog registrations open	<ul style="list-style-type: none"> <li>• 30,700 reach – very high</li> <li>• 9,700 engagements. Controversial.</li> </ul>
Pohutukawa Coast / free native plants	<ul style="list-style-type: none"> <li>• 28,000 reach</li> <li>• More than 100 shares</li> </ul>
Port Road Bridge widening Maunu Road roadworks	<ul style="list-style-type: none"> <li>• Over 20k reach each</li> <li>• Quite a few roading announcements this month but these two stand out.</li> </ul>

## Facebook audience / followers



## Website

### Overall website visits

	Difference	1 Apr 21 – 30 Jun 21	1 Jan 21 – 31 Mar 21
<b>Visits</b>	-3.93%	118,251	123,082
A visit consists of a series of pageviews that a single visitor makes during a period of activity. A visit ends after the visitor either closes the browser.			
<b>Page views</b>	-6.70%	276,222	296,055
A page view is recorded every time a page is viewed.			
<b>Pages per visit</b>	-2.89%	2.34	2.41
Pageviews divided by visits. This metric shows the average number of pages viewed per visit.			
<b>Users</b> (New and returning)	-6.79%	71,705	76,929

**Top 5 pages visited (main website only)**

May 2021	June 2021
<ul style="list-style-type: none"> <li>• Rates / database search</li> </ul>	<ul style="list-style-type: none"> <li>• Dog registrations</li> </ul>
<ul style="list-style-type: none"> <li>• Operative district plan</li> </ul>	<ul style="list-style-type: none"> <li>• Rates database</li> </ul>
<ul style="list-style-type: none"> <li>• Online payments</li> </ul>	<ul style="list-style-type: none"> <li>• Pohutukawa Coast tree give-away</li> </ul>
<ul style="list-style-type: none"> <li>• Rubbish stations</li> </ul>	<ul style="list-style-type: none"> <li>• Water supply (dam levels)</li> </ul>
<ul style="list-style-type: none"> <li>• International rally of Whangarei</li> </ul>	<ul style="list-style-type: none"> <li>• Online payments</li> </ul>
<p>Notable: Search function, freedom camping, walks and trails, property hazards, climate action plan.</p>	<p>Notable: Matariki Festival, rubbish stations, walks and trails, Waterfront Precinct Plan engagement, 'Report it'.</p>

## People and Capability Group

### ***Diversity NZ Awards – Inclusive Workplace - Finalist***

We have been advised that we are a finalist in the Diversity Awards NZ 2021 for our Organisation Strategy. We entered the Inclusive Workplace Category - An excerpt from the website describes this category as *Modern workplaces require a new understanding of pivotal concepts such as teamwork, communication, decision making, employee relationships and, particularly, the way in which dissent and disagreement are expressed and managed. Healthy interactions between a wide range of diverse employees would be impossible without the conscious effort to equip people with skills and capabilities for inclusive collaboration. Growing such skills cannot depend on diversity training alone and needs to be accompanied by specific interventions to bring knowledge into daily action to enhance inclusive collaboration, including purposely designed diverse teams, employee-led initiatives, diversely-led idea incubators and reverse types of mentoring.*

Other finalists in this category include: Accident Compensation Corporation, EY, George Weston Foods, Ministry for the Environment, Ministry of Social Development, New Zealand Steel, Schneider Electric New Zealand. We are absolutely delighted and give special acknowledgment to the 34 people from across the organisation for their mahi creating this valuable strategy.

### ***Covid 19 Preparedness***

The recent events in Wellington have once again highlighted the importance of being prepared, scanning in, handwashing and staying at home if you are sick.

Our Covid Watch Team are doing a great job ensuring we are as prepared as possible for a change in circumstance and keeping everyone informed.

We are keeping a close eye on the Ministry of Health's advice regarding the roll out of the vaccine.

### ***Reset***

We have recently undertaken a review of the organisation. In the review supporting document we described the Key Drivers for Change:

*The world as we know it has changed. Uncertainty around how things will play out continues to be the dominant theme, and it's something that we'll have to live with, prepare for and work around over the next few years. Along with COVID, the long-term future of local government (including the Three Waters Reforms) is something that we are thinking about and preparing for.*

*As we all know, the only constant is change, but thinking about it before it happens can help to direct it, plan for it, adapt to it, ease the process through, or just allow for contemplation of the "why we do what we do and who we do it for" questions that keep the organisation healthy.*

*The bottom line is that our work for the community still needs to be done and we will still need our people to do it. While government reforms might change the agencies who do the work it won't change the need for us to work with our community using the tikanga we have developed. This is all some years away, but the important thing is that we don't bury our heads in the sand. Instead we need to move forward in a way that's conscious of and adaptive to the changes taking place around us.*

*The same applies to some of the things we are working through in our current environment.*

*We'll soon have new Council priorities come out of the current LTP process. Once confirmed, we'll need to make sure that we're set up to deliver on these within an environment of limited funds and increasing community expectations around levels of service.*

*We are a lean organisation, and we need to be smart about how we are set up to deliver what our community needs from us.*

*We don't have all the answers, this is our first step in this consultation to reset ourselves for the future.*

*Just like our immediate response to Covid, we'll take a principled approach to working through all of this and use our tikanga to guide us. We are going through a period of change, but our connection through whanaungatanga, kotahitanga, manaakitanga and atawhaitanga remains constant.*

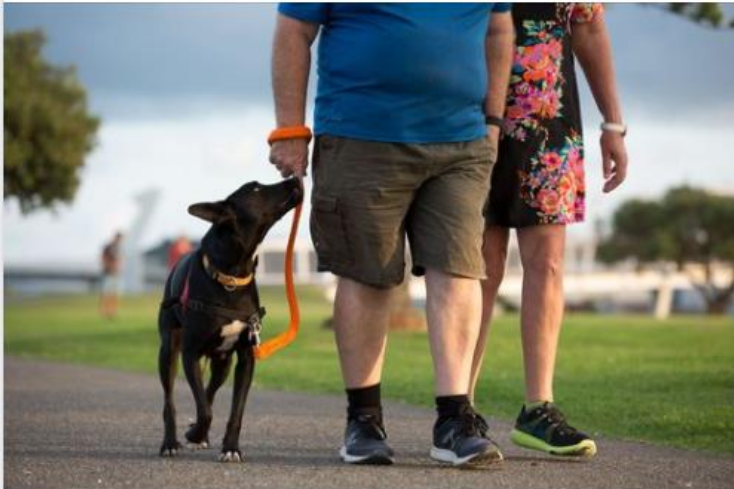
*Our focus is on setting up for the future:*

- \* New Long Term Plan*
- \* Post-COVID world*
- \* Government reforms (Three Waters, RMA reform, Well Beings)*
- \* Fixing our 'creaky bits'/pain points.*

*We are now working through the feedback and finalising our decisions following consultation.*

## Appendix 1

### Social media (top performing posts)

Post	Performance for your post																											
<p><b>Whangarei District Council</b> · 1 June · 🌐</p> <p>News for all Whangarei dog owners:</p> <ul style="list-style-type: none"> <li>🐕 Dog registrations are OPEN</li> <li>🐕 BIG early-bird discount available before 1 August</li> <li>🐕 No questions and no penalties for previously-unregistered dogs during registration period</li> </ul> <p>Register now:  <a href="https://www.wdc.govt.nz/Serv.../Dogs-Animals/Register-your-dog">https://www.wdc.govt.nz/Serv.../Dogs-Animals/Register-your-dog</a></p> <p>Registration renewal notices will be sent out later this month.</p> <p>Dogs must be registered every year. All dog registrations expire on 30 June each year and dog owners have until 1 August to renew registration without penalty. To avoid fines AND get the early-bird discount, register your dog by 31 July.</p> <p>Registrations fund our dog-management programme, patrols to collect wandering dogs, and facilities to take care of dogs that are picked up among other dog services.</p>  <p>🟢 Get more likes, comments and shares When you boost this post, you'll show it to more people.</p> <p><b>30,683</b> People reached      <b>9,792</b> Engagements      <a href="#">Boost post</a></p> <p>👍👎👤 86      135 Comments    61 shares</p>	<p><b>30,683</b> People Reached</p> <p><b>1,249</b> Reactions, comments &amp; shares ⓘ</p> <table border="1"> <tr> <td><b>118</b> 👍 Like</td> <td><b>29</b> On post</td> <td><b>89</b> On shares</td> </tr> <tr> <td><b>2</b> ❤️ Love</td> <td><b>2</b> On post</td> <td><b>0</b> On shares</td> </tr> <tr> <td><b>4</b> 😂 Haha</td> <td><b>1</b> On post</td> <td><b>3</b> On shares</td> </tr> <tr> <td><b>36</b> 😮 Wow</td> <td><b>10</b> On post</td> <td><b>26</b> On shares</td> </tr> <tr> <td><b>2</b> 😞 Sad</td> <td><b>0</b> On post</td> <td><b>2</b> On shares</td> </tr> <tr> <td><b>85</b> 😡 Angry</td> <td><b>48</b> On post</td> <td><b>37</b> On shares</td> </tr> <tr> <td><b>933</b> Comments</td> <td><b>318</b> On Post</td> <td><b>615</b> On Shares</td> </tr> <tr> <td><b>69</b> Shares</td> <td><b>61</b> On Post</td> <td><b>8</b> On Shares</td> </tr> </table> <p><b>8,543</b> Post Clicks</p> <table border="1"> <tr> <td><b>50</b> Photo views</td> <td><b>1,649</b> Link clicks ⓘ</td> <td><b>6,844</b> Other Clicks ⓘ</td> </tr> </table> <p><b>NEGATIVE FEEDBACK</b></p> <p><b>8</b> Hide post      <b>7</b> Hide all posts</p> <p><b>0</b> Report as spam      <b>0</b> Unlike Page</p> <p>Reported stats may be delayed from what appears on posts</p>	<b>118</b> 👍 Like	<b>29</b> On post	<b>89</b> On shares	<b>2</b> ❤️ Love	<b>2</b> On post	<b>0</b> On shares	<b>4</b> 😂 Haha	<b>1</b> On post	<b>3</b> On shares	<b>36</b> 😮 Wow	<b>10</b> On post	<b>26</b> On shares	<b>2</b> 😞 Sad	<b>0</b> On post	<b>2</b> On shares	<b>85</b> 😡 Angry	<b>48</b> On post	<b>37</b> On shares	<b>933</b> Comments	<b>318</b> On Post	<b>615</b> On Shares	<b>69</b> Shares	<b>61</b> On Post	<b>8</b> On Shares	<b>50</b> Photo views	<b>1,649</b> Link clicks ⓘ	<b>6,844</b> Other Clicks ⓘ
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## Post


**Whangarei District Council**
★ Favourites · 1 June · 🌐

The 'Pohutukawa Coast' programme is back to give away free native plants – but you will need to be in quick when it begins.

Contact details and pick-up times for our distributors will be available from 7 June 2021 (Queens Birthday Monday), with the plants available for collection from Tuesday 8 June.

What a neat opportunity to help native plants thrive! Please do not call before 7 June, and remember there will be no “holds” on the free plants. Maximum 2 free plants per property.




**Get more likes, comments and shares**  
 When you boost this post, you'll show it to more people.

**27,950**  
 People reached

**2,655**  
 Engagements






 Lyd Squid, Shara Halford and 181 others

101 Comments 119 shares

## Performance for your post

**27,950** People Reached

**970** Reactions, comments & shares ⓘ

<b>501</b> Like	<b>151</b> On post	<b>350</b> On shares
<b>86</b> Love	<b>36</b> On post	<b>50</b> On shares
<b>5</b> Wow	<b>2</b> On post	<b>3</b> On shares
<b>244</b> Comments	<b>120</b> On Post	<b>124</b> On Shares
<b>136</b> Shares	<b>119</b> On Post	<b>17</b> On Shares

**1,685** Post Clicks

<b>89</b> Photo views	<b>4</b> Link clicks ⓘ	<b>1,592</b> Other Clicks
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## NEGATIVE FEEDBACK

<b>7</b> Hide post	<b>4</b> Hide all posts
<b>0</b> Report as spam	<b>0</b> Unlike Page

Reported stats may be delayed from what appears on post

## 5.2 Operational Report – Strategy, Planning and Development – July 2021

**Meeting:** Strategy, Planning and Development  
**Date of meeting:** 15 July 2021  
**Reporting officer:** Dominic Kula - General Manager, Planning & Development  
 Rāmari Jackson-Paniora – General Manager, Strategy & Democracy

### 1 Purpose

To provide a brief overview of work across services that the Strategy, Planning and Development Committee is responsible for.

### 2 Recommendation

That the Strategy, Planning and Development Committee notes the Strategy, Planning and Development Operational report for July 2021

### 3 Background

The purpose of the Strategy, Planning and Development Committee is to update Councillors on operational matters relating to the Strategy, Planning and Development departments.

This report provides a brief overview of some of the operational highlights for June 2021 and provides some further comment on future planned activities.

### 4 Significance and engagement

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via Agenda publication on the website, Council News, Facebook or any other channel you currently use to inform customers – please also advise Communications.

### 5 Attachment

Operational Report – Strategy, Planning and Development – July 2021



# July 2021 Operational Report

## Strategy, Planning and Development Operational Report (reporting on June 2021)

### Procurement update - Summary of Contracts Approved Under Delegated Authority

#### Economic Development

District Development is working through three key projects. Two of these relate to the inner-city land use and further information will be available next month at the latest. The other is providing Council with a better understanding of the challenges to local business.

Local businesses continue to advise they are experiencing difficulties in two key areas; access to labour and access to materials and products. The lack of labour supply is resulting in a rise in labour cost (notwithstanding adjustments to minimum wages) which in time will need to be passed on to consumers. Disrupted supply chains cause an increase in costs of doing business both in actual material prices but also time delays. Financial advisors are recommending these costs are passed on to consumers and price rises are likely to be forthcoming. A big part of this cost increase relates to freight costs particularly maritime freight which is 90% of everything and particularly critical to New Zealand.

As a result of increased freight and insurance costs, the annual cost of freight and insurance as a percentage of the total value of the products being imported has grown from 4.6% to 5.3% in April 2021.

#### Commercial Property

Despite the winter months activity at the Town Basin remains on a continued high. Lighting replacement and the new Town Basin Park projects are gaining momentum. The cupola journey and placement generated a buzz and provided a fabulous promotion of the Town Basin and District.

A number of rent reviews and renewals are progressing as per schedule.

#### Parihaka Transmission Mast

Staff and iwi/Hapu partners met and made significant progress towards a solution to the existing transmission mast. Technical reports and impact have been discussed, and a process to have a broader engagement with hapū on this important mahi is being worked through.

#### Forestry

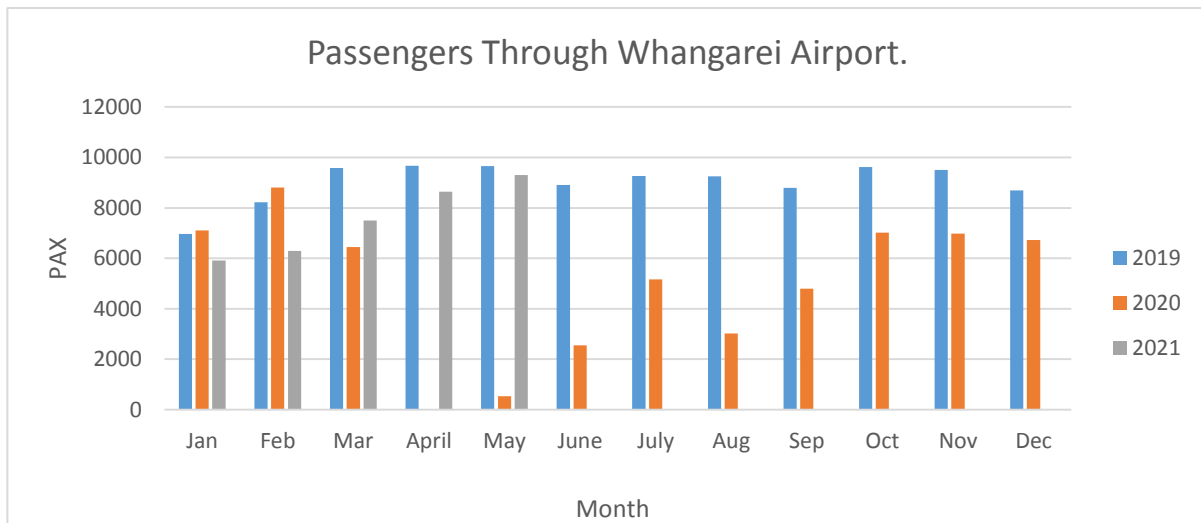
Council staff have been approached by a reputable forestry company to lease an existing forestry block. The opportunity is consistent with the draft forestry review completed last year and will be presented to Council for further consideration.

#### Almond Court Flats

A workshop with Councillors has been scheduled for 4 August 2021 to discuss the future development of the properties at 8-10 Dent Street. A number of enquiries from third party groups have been received and will be discussed at the workshop.

## Airport

The Airport continues to exceed post COVID-19 expectations with flight loadings nearing 100% of pre COVID-19 figures. (PAX figures for June 2021 were not available at the time of this report). As of 28 June 2021, the earlier 6:30am flight has been increased to six days a week. A reflection of demand for the service.



The carpark has been consistently busy. Our predicted annual income for the carpark is \$116,500 up \$70,000 on expected budget.

### Highlights for the Month:

- The final Statement of Intent (SOI) was adopted by Council as the Whangarei Airport Authority.
- NZ Airport Association meeting held 24 June.
- The Annual satisfaction survey nearing completion.
- Internal Audit Completed by GRC Consulting.
- Lighting upgrade completed and operational.
- Solar Power system for terminus waiting on feedback.
- Further work is now being explored to alternate solar systems to increase reliability and reduce ongoing costs of guidance light in the harbour.

### Health and Safety:

A single bird strike was reported for June 2021 with no other incident. Training and Safety Management System requirements remain on track.

## District Promotions

As per the tables below, May 2021 Guest Nights are down, and TECTs for April 2021 are up, probably because Easter and Queens Birthday weekends fell in April 2021.

It is also perhaps indicative of domestic travellers' behaviour, who will stay with friends and family, but are now perhaps spending more on their holiday activities; Tourism NZ insights show that 63% of New Zealanders have done a new tourism activity or visited a new place this year and that "Kiwis are doing something new and have spent an extra \$1.1 billion on domestic travel compared to pre-COVID levels, to \$8.37 billion."

### VISITOR ORIGIN

MAY 2021	Whangārei	Far North	Kaipara	Northland
<b>Domestic</b>	25,600	52,700	9,400	87,700
<b>International</b>	838	2,600	225	3,700
<b>TOTAL</b>	<b>26,500</b>	<b>55,300</b>	<b>9,625</b>	<b>91,400</b>

**GUEST NIGHTS**

MAY 2021	Whangarei	Far North	Kaipara	Northland	Source
2018	33,186	70,407	5,347	108,940	Accommodation Survey
2019	32,422	70,866	6,067	109,355	Accommodation Survey
2020	NA	NA	NA	NA	
2021	26,500	55,300	9,600	91,400	Accommodation Data Programme
% change	-18%	-21%	58%	-16%	

\* Sources Note, the [Accommodation Survey](#) and the [Accommodation Data Programme](#) (which replaced the Accommodation Survey) datasets are similar but not the same and are included to show trends only.

**TOURISM ELECTRONIC CARD TRANSACTIONS (TECTs)**

APRIL	Whangārei	Far North	Kaipara	Northland
2020	\$249m	\$184m	\$53m	\$486m
2021	\$296m	\$218m	\$64m	\$578m
% change	19%	18%	21%	17%
March	Whangārei	Far North	Kaipara	Northland
2020	\$274m	\$203m	\$57m	\$533m
2021	\$274m	\$201m	\$59m	\$534m
% change	0.0%	-1%	3.5%	0.2%
February	Whangārei	Far North	Kaipara	Northland
2020	\$277m	\$206m	\$57m	\$540m
2021	\$270m	\$200m	\$59m	\$529m
% change	-2.5%	-3%	3.5%	-2%

Source, Ministry Business, Innovation & Employment (MBIE). TECTs are an interim replacement (due to COVID disruption) for the Monthly Regional Tourism Estimates (MRTEs). The TECTs focus is on domestic Electronic Card Transactions and include breakdowns by visitor origin and product type. International card spend is included in an 'other' visitor type but these breakdowns are not available at district level by month.

**Radio Tarana**

The Radio Tarana campaign ran from 24 to 31 May 2021, and 7 to 13 June 2021. While numbers are modest, when comparing website statistics for the same period of time last year. Pageviews increased 43% from 569 to 814 with Unique Pageviews increasing 34%. Average time on the page increased from 1minute to 1.18minutes. We are likely to continue to invest via this medium to continue to grow brand awareness with different audiences.

**GrabOne Campaign**

Our joint GrabOne campaign was completed on 11 June 2021. At the time of writing this report, we are awaiting results.

**Whangarei District Love It Here! Facebook page**

As at 30 May 2021 the Whangarei District Love It Here! Facebook page achieved:

- 19,005 Likes
- Total Reach 362,280; Organic (unpaid) Reach 69,670, Paid Reach 292,610

## District Plan

### Urban and Services Plan Change Package

Staff continue to work solidly on the Urban and Services appeals, having completed several formal Environment Court mediations and numerous informal discussions with parties over the last month.

In June 2021, part of the Kāinga Ora - Homes and Communities appeal (ENV-2020-AKL-133) was settled through mediation and a consent order was issued. This part of the appeal relates to the spatial extent of residential zoning in Kamo, Otangarei, Kensington, Raumanga, Riverside, Onerahi and Ruakaka. The appeal originally sought large scale “up-zoning” in these locations to increase the extent of the Medium Density Residential Zone (MRZ), which enables more development and infill than the General Residential Zone (GRZ).

Through the mediation and consent order the extent of MRZ has been increased in Kamo, Otangarei, Kensington, Raumanga, Riverside, Onerahi and Ruakaka. However, the extent of the increase has been significantly reduced from what was sought in the original appeal. The agreed MRZ zoning has been based on a principled approach of enabling and encouraging intensification in proximity to commercial centres, public transport routes, and community and recreational facilities.

The agreed zoning gives effect to the National Policy Statement on Urban Development 2020 and is consistent with the draft Whangārei Growth Strategy.

It is anticipated that the zoning changes may result in some interest and possibly concern within the community as residents may feel that they were not aware of the proposed changes. However, the Schedule 1 plan change process has ensured that:

- Every ratepayer received a letter when the Urban and Services Plan Changes were notified. In the urban areas where zone changes were proposed, the letters advised ratepayers of their current zoning and what the proposed zoning change was. Website links were included within each letter for further information, including proposed zoning maps.
- Kāinga Ora’s original submission clearly identified the sites it sought to up-zone to MRZ.
- Council identified the sites that Kāinga Ora sought to up-zone on our public online GIS maps and highlighted that they were subject to a submission to raise awareness in case property owners wished to make a further submission. This information was included on PIM/LIM reports.
- Original submissions and further submissions had the opportunity to oppose the proposed MRZ zoning and Kāinga Ora’s submission. Some submissions were received and resulted in changes to GRZ zoning.
- Property owners had the opportunity to become a party to the proceedings of Kāinga Ora’s appeals if they had an interest greater than the general public.

After all the appeals have been resolved or disposed of, Clause 17(1) in Schedule 1 to the Resource Management Act 1991 requires Council to approve the plan change to the District Plan by affixing the seal of Council. If a majority of the appeals have been resolved apart from a few isolated ones, then Council may approve the part(s) of the plan change where all submissions or appeals relating to that part have been resolved under Clause 17(2). Under Clause 20 (1) and 20 (2), the final step in the plan change process requires public notification of the date on which the plan change will become 'operative'.

### Biodiversity Plan Change Package

Public interest in the Significant Natural Area project is high and staff are fielding lot of enquiries following the release of the draft maps in the Far North District. Staff are preparing a press release to inform the public of where we are in the plan change process. A council briefing has been scheduled for July 2021 to provide further updates on this project.

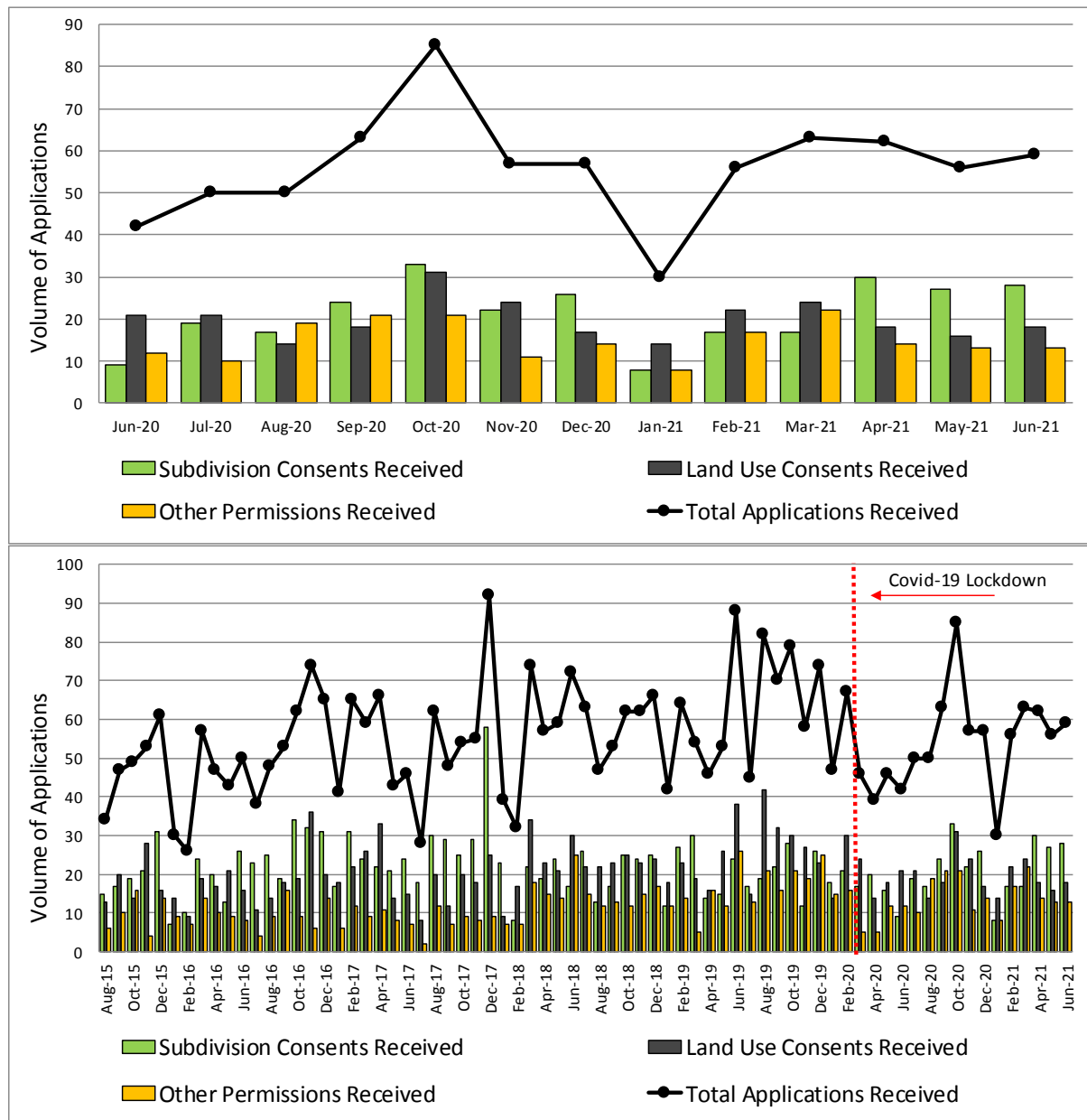
## Tangata Whenua Chapter

Staff have drafted a Tangata Whenua Chapter to be consulted on with hapū/iwi/whanau. This has been prepared in accordance with the National Planning Standards. Time has been reserved at the July 2021 Te Huinga hui for staff to discuss translation options for the Chapter and to seek feedback from Te Huinga members prior to bringing this back to Te Karearea. As part of this project, staff have been working with Te Huinga representatives as well as informal consultation with hapū members to discuss improvement of Council's current iwi/hapū contact database. This updated database is intended to direct more meaningful and effective engagement with Māori.

## Resource Consents

### Resource Consent Processing

During June 2021 59 applications were received. Since February 2021 the numbers have been consistent as shown on the graph below. Applications are dominated by subdivision (28), with 18 land use applications and other 13 permissions.



## Resource Consents

Significant applications received during June 2021 include a proposal for an annual electronic music festival over 4 days for up to 5,000 people at Waimatenui Road (near the WDC/KDC boundary), a proposal to dispose of 114,000m<sup>3</sup> of peat fill from a subdivision at One Tree Point to farm land at Pyle Road, an 8 lot subdivision at South Road, Waipu and a 6 lot subdivision at Apotu Road, Kauri.

### Hearings

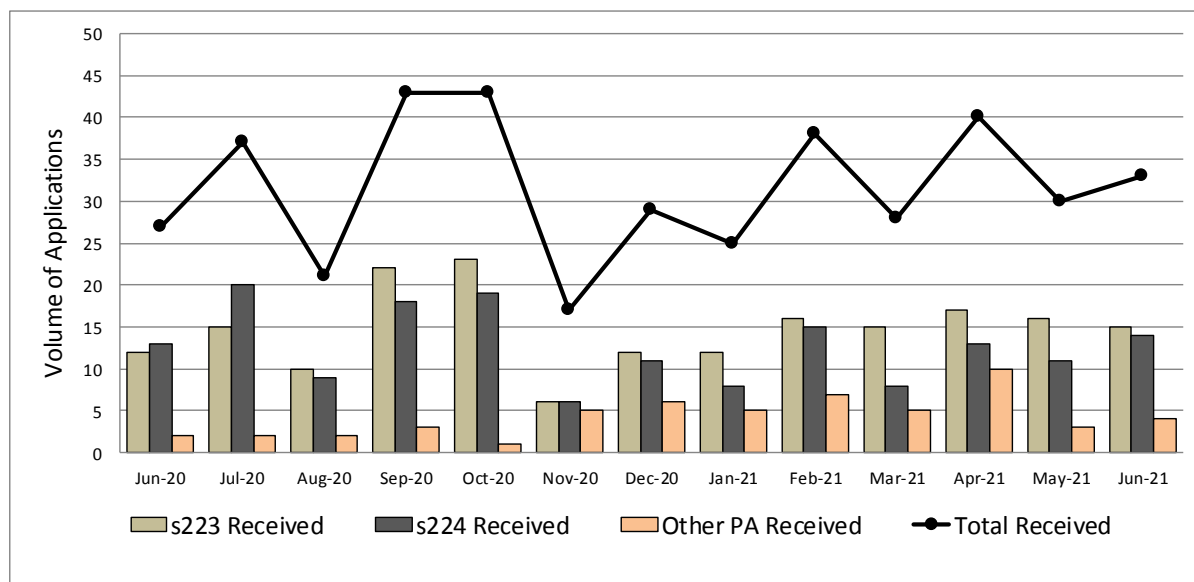
An objection to costs was heard by Council's Exemptions and Objections Sub Committee in early June 2021.

### Appeals

There are no current appeals.

### Post-Approval

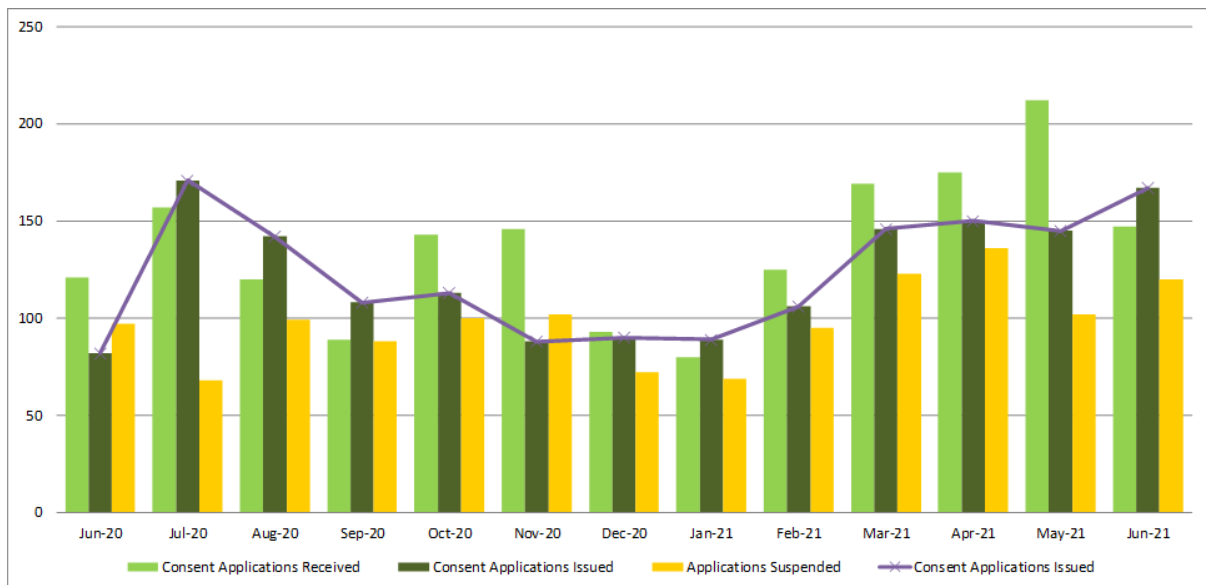
The up/down volumes of post-approval applications continued during June 2021 with 33 applications received. There were 15 survey plan approvals, 14 completion certificates and 4 other post-approval permissions over this period.



## Building Department

### Building Consents Received, Issued and Suspended

Consenting activity remains at a sustained and buoyant level with continued confidence in the residential development area. Consent activity in June 2021 steadied somewhat, however there is still a significant backlog of consents, many of which are suspended due to requests for information.

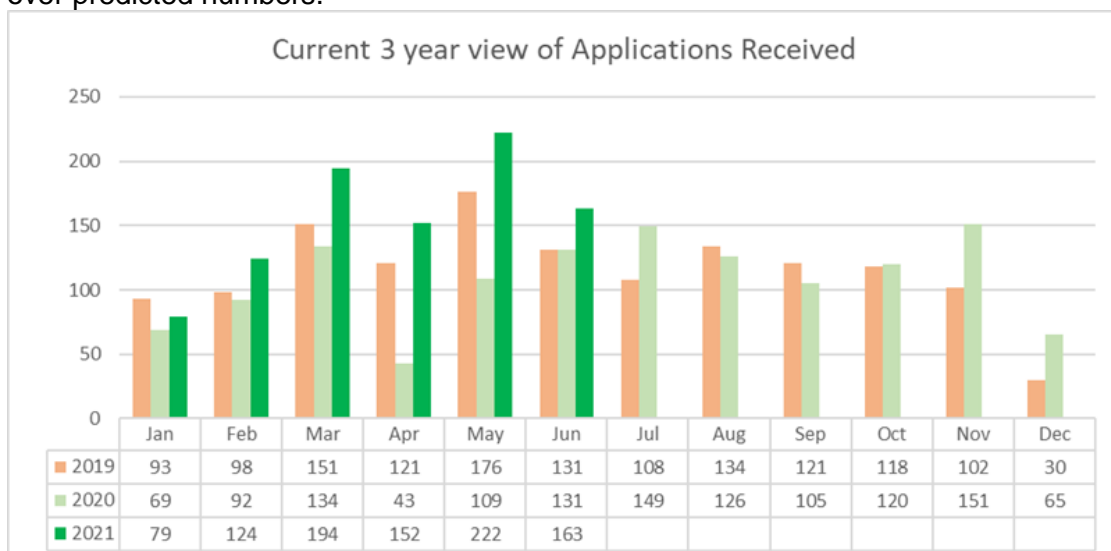


### Building Consent Performance Indicators

Performance Indicators				
Function	Measure	Indicators	June	Year to date average
Building consents granted	20 days	Statutory	73%	89%
Inspections completed within 48hrs	48hrs	Annual plan (95%)	99%	99%
LIMs	10 days	Statutory	98%	99%
PIMs	20 days	Statutory	73%	72%

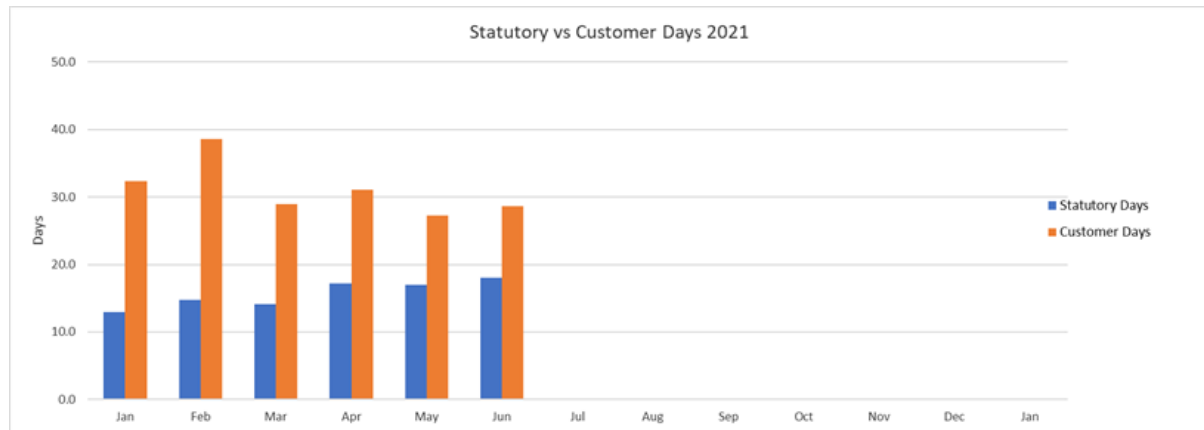
### Three Year View of Building Consents Received

The trend is still rising for building consent applications and the team are at capacity. This quarter is up compared to both 2018 (86 applications or 15%) and 2019 (131 or 25%). For the current financial year a forecast of over 1600 applications is now expected some 150 over predicted numbers.



### Statutory days versus customer days

The team is working very hard to reduce time frames in both areas. This measure area will be subject to increases in time if application levels remain at the current levels due to capacity restrictions and the quality of applications and need for RFIs.



### How are we addressing this increasing volume of applications?

In conjunction with the results of the Andrew Minturn report, we are working on the following;

- Collaboration with the industry pre-lodgement to ensure a better quality of application is received, thus minimising the requirement for RFIs and incidence of suspension.
- Secured a panel of contractors to process consents, rather than just relying on one contractor with limited capacity.
- Further upskilling our in-house team by exploring opportunities to be part of Auckland's BCA training scheme for intensive learning. Two members of staff are currently booked on this course.
- Adopting the Alpha One system used by many New Zealand local authorities, to improve our longer term efficiency.

### Alpha One

The adoption of the Alpha One processing software is progressing with a go live date planned for Monday 30 August 2021.

This system provides a specialised customer friendly digital portal for Building Consent applications and uploading of relevant information throughout the consenting and inspection process. Once consent has been loaded and accepted, customers can track the progress of their application via their own "dashboard", right through to issuing of CCC.

Initial introduction of the system has taken place with key Building staff during May 2021. There is some TechOne integration work to be undertaken during June 2021 and then further staff training through July 2021 and August 2021. There is a communications plan to ensure that we inform the public and users of the changes to our system.

### Staffing

Paul Cook, our previous Building Control Manager left WDC on 14 May 2021. Lesley Ashcroft, Customer Services Manager is acting in this position until a new Manager is recruited. The role is now being readvertised.

Caroline Wilson, Team Leader, Building Support has also left our employ. This role has not yet been advertised due to some potential structural changes within that team.

Mark Murray, Team Leader, Building Consents will be retiring on 23 July 2021. This role is currently being readvertised.

## Health and Bylaws

### Environmental Health

Environmental Health services provided under the three main legislative provisions (Alcohol, Food & Health) continued throughout the month with a final focus of achieving our goal of 100% compliance with performance measures.

### Bylaws

#### **Dog Control Act 1996 – dog registrations**

Council recently adopted dog registration fees for the year 2021/22, applicable as of 1 July 2021. Generally, fees increased by \$32 across all categories, except for 'working' dogs, which increased by \$11. \$10 of the \$32 increase was to ensure that cost recovery remained in line with the Revenue & Financing Policy provisions of 90% (user pays) vs. 10% (from general rates) recovery guidelines. The remaining \$22 was put aside to pay for the agreed upon 'enhancements' of dog control services (more staff, resources, and better proactive enforcement).

For 'Early Bird' specials, this has seen de-sexed dog fees increase from \$54 to \$86 and 'standard' dogs (not de-sexed) from \$68 to \$100.

Our new standard fee of \$100 is substantially lower than the fees previously charged by eight of the 12 North Island Council's we compare ourselves with (including KDC and FNDC), with only three being slightly lower. It is important to note that we compare our 2021/22 fees with the fees charged by these councils during last year (2020/21) and that any subsequent fee increases by these councils have not been considered.

Despite our best efforts to be up front and highlight the positive aspects of the service enhancements, as a reason for the increases, the increase in fees has resulted in some negative publicity on social media platforms, including apparently a petition against the increases being circulated. However up until 29/06/2021, we've received only 20 formal written complaints/objections to these higher fees.

Also, as of 29 June 2021, council has already received and processed 2,500 registration renewals for the coming year, thus compares favourably with 1,750 dogs for the same period last year, which shows that our message to register early and avoid higher costs is getting through.

The increase in fees was necessary to ensure that the services required from us by legislation are able to be funded. As dog registration fees for the 2021/22 year have been adopted by Council resolution any review of cost vs. income can't be done until the next round of Fees & Charges reviews and adoption.

#### **Armourguard Enforcement Statistics**

These are now reported quarterly and compared with the same quarter last year. The next quarterly report is due next month or the period ending June 2021. However, next month will also see the provision of a yearend report for these services.

### Strategy

#### **2021 - 2031 Long Term Plan / Corporate Planning**

The Long Term Plan was adopted by Council on 24 June 2021. Following adoption, staff have been working through some minor corrections to the document as well as preparing correspondence to be sent out to all submitters informing them of the final decision and the key changes that have been made.

Staff are now focusing on the 2020-21 Annual Report, in particular the reporting of performance measures. Results from the Residents Survey have been received and will be distributed to Council review along with the Annual Report in September 2021.

### **Climate change**

Public feedback on the Draft Climate Action Plan has closed. 140 items of feedback were received. This has been summarised into a report which will be shared with Te Huinga and Council for feedback and direction on any further changes in response to the feedback.

### **Bylaw review programme**

A Council briefing covering the Animals Bylaw and the Class 4 Gambling and Board Venue Policy was held on 26 May 2021. Feedback received from this briefing included agreement to proceed with the review of the Animals Bylaw. Staff are working through options to inform the statement of proposal, which will include proposals for cat management.

### **Placemaking Programme**

A Council briefing was held on the 15 June to seek feedback the draft plans and actions. Staff are proceeding with the third and final round of engagement with the community. This will begin on 9 July.

### **Housing**

Kainga Ora have been invited to present to Council at a briefing on 20 July to outline their housing proposals and plans for Whangarei. The presentation will be given by Andrew McKenzie (Chief Executive) and Jeff Murray (Northland Regional Director).

## **Democracy & Assurance**

### **Mayor's Office**

The Mayor's office is progressing collation of Council's memorabilia register. Staff are currently working on recording all memorabilia in buildings in preparation for the move to the civic centre next year. Support will be given by the wider department when the process gets to the point of labelling memorabilia.

Citizenship ceremonies are back on for the remainder of the year, this is with assistance from the venue and events team. Council usually have around 40 Citizens plus 90 guests at each citizenship ceremony.

The civic honours nomination process is in progress and the team are now planning for the event following the ratification of nominees at the June Council meeting.

The Mayor's office finds that there is an increase in ratepayer communication during the winter. This is driven by our customers identifying and escalating their concerns, particularly in the infrastructure space. Staff notice sharp increase in request and issues arising from roading and sealing, as well as housing related concerns. There has also been a significant increase in media attention and requests for comments from the Mayor due to recent crime in the city, Three Waters decision and changes in funding for state highways.

### **Democracy Team**

The Democracy team supported two Council and eight Committee meetings, three Council Briefings and three Council Workshops in June 2021. In addition, thirty-two alcohol licence applications were put through to the District Licensing Committee for consideration and processing.

### **Representation Review 2021**

On 24 June 2021, Council adopted the Initial Proposal for the review of representation arrangements for formal consultation with the community. Consultation will take place between 30 June 2021 and 31 July 2021. The Initial Proposal booklet and Submission Form can be found on the [Have Your Say page](#) on Council's website.

### **Assurance Team**

The assurance team has supported the June Risk and Audit Committee and has been working on insurance renewal for the public liability and professional indemnity which renewed at 4pm on 30<sup>th</sup> June 2021. The cost of the renewal of Public liability and professional indemnity insurance has increased by 35%, this is due to a hard market with a number of large claims in the public sector recently. The costs relating to both the environmental impairment insurance and the brokers fee have not changed. Work will begin soon on the renewal for all other insurance policies including material damage and underground infrastructure.

### **Council Controlled Organisations**

Under the LGA CCO's must provide their final Statement of Intent (SOI) to Council by 30 June 2021. The Whangarei District Airport's final SOI has already be adopted by the Strategy, Planning and Development Committee on 17 June 2021. The remaining SOIs will be included on the agenda for the July Committee meetings.

Council recently appointed Rob Forlong as a new director for the exempt Springs Flat Contractors Limited CCO and updated the trustees for the NECT trust until October, to include Cr. Benney and Dominic Kula alongside Cr. Halse.

### **Official Information Requests**

25 LGOIMA requests were received in June, and 141 have been received this year. The June requests related to the following topics:

- Hundertwasser funding
- Dog control, dog euthanasiation, and dog registration fees
- Noise complaints
- Subdivision files and building consents
- Matapouri Bay fencing, sand extraction, and proposed toilets
- Council meetings
- Semenoff Stadium roof
- Northland Emergency Services Trust (lease and noise restrictions)
- Recycling
- Significant natural areas



**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. {Section 7(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.*