

Finance and Corporate Committee Agenda

Date: Thursday, 28 June, 2018

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 Stu Bell
Cr Gavin Benney
Cr Crichton Christie
Cr Vince Cocurullo
Cr Tricia Cutforth
Cr Sue Glen
Cr Phil Halse
Cr Cherry Hermon
Cr Greg Innes
Cr Greg Martin
Cr Sharon Morgan
Cr Anna Murphy

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

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Finance and Corporate Committee – Terms of Reference

Membership

Chairperson: Councillor Shelley Deeming

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

Meetings: Monthly

Quorum: 7

Purpose:

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

Key responsibilities include:

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

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

Delegations

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

Finance and Corporate Committee Meeting Minutes

Date: Thursday, 31 May, 2018
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 Stu Bell
Cr Gavin Benney
Cr Crichton Christie
Cr Vince Cocurullo
Cr Tricia Cutforth
Cr Sue Glen
Cr Phil Halse
Cr Cherry Hermon
Cr Greg Innes
Cr Greg Martin
Cr Sharon Morgan
Cr Anna Murphy

Scribe **C Brindle (Senior Democracy Adviser)**

1. Declarations of Interest

Item 5.3 Northland Event Centre Trust - Recruitment of Trustee.

2. Apologies

There were no apologies.

3. Confirmation of Minutes of Previous Finance and Corporate Committee Meeting

3.1 Minutes Finance and Corporate Committee Meeting 26 April 2018

Moved By Cr Vince Cocurullo
Seconded By Cr Cherry Hermon

That the minutes of the Finance and Corporate Committee meeting held on Thursday 26 April 2018, having been circulated, be taken as read and now confirmed and adopted as a true and correct record of proceedings of that meeting.

Carried

4. Decision Reports

4.1 Treasury Risk Management Policy (Including the Liability Management Policy and Investment Policy) Review

Moved By Cr Stu Bell

Seconded By Her Worship the Mayor

That the Finance and Corporate Committee:

1. Approves amendments to the Treasury Risk Management Policy which includes:
 - a. The Liability Management Policy
 - b. The Investment Policy

Carried

5. Information Reports

5.1 Financial Report for the 10 months ending 30 April 2018

Moved By Cr Phil Halse

Seconded By Cr Sue Glen

That the Finance and Corporate Committee notes the operating results for the ten months ending 30 April 2018.

Carried

5.2 Corporate Capital Projects Report for the month ending 30 April 2018

Moved By Cr Anna Murphy

Seconded By Cr Cherry Hermon

That the Finance and Corporate Committee notes the Corporate Capital Projects Report for the month ending 30 April 2018.

Carried

5.3 Northland Event Centre Trust - Recruitment of Trustee

Moved By Cr Sue Glen

Seconded By Cr Tricia Cutforth

That the Finance and Corporate Committee notes the recruitment process to fill the vacant trustee position on the Northland Events Centre Trust.

Carried

Further Motion

Moved By Cr Phil Halse

Seconded By Cr Crichton Christie

That Whangarei District Council formally recognises Warwick Syers, the previous Chair of the Northland Events Centre Trust, for his nine years of service to the Trust.

Carried

Declaration of Interest: Cr Halse as Trustee to the Northland Event Centre Trust.

5.4 Operational Report - Finance and Corporate - May 2018

Moved By Cr Greg Innes

Seconded By Cr Vince Cocurullo

That the Finance and Corporate Committee notes the operational report for May 2018.

Carried

6. Public Excluded Business

There was no public excluded business.

7. Closure of Meeting

The meeting concluded at 9.48am.

Confirmed this 28th day of June 2018

Cr Shelley Deeming (Chairperson)

4.1 Whangarei Art Museum Trust – Statement of Intent 2018 - 2019

Meeting: Finance and Corporate Committee
Date of meeting: 28 June 2018
Reporting officer: Dominic Kula (General Manager Strategy and Democracy)

1 Purpose

To adopt the Whangarei Art Museum Trust Statement of Intent (SOI) in accordance with Section 64 of the Local Government Act 2002.

2 Recommendation

That the Finance and Corporate Committee Adopts the 2018 - 2019 Statement of Intent for the Whangarei Art Museum Trust.

3 Background

Whangarei Art Museum Trust (WAMT) is a Council Controlled Organisation (CCO), incorporated as a board under the Charitable Trusts Act.

At its meeting in December 2017, Council changed the exemption status of WAMT to non-exempt. WAMT are now required to fulfil the Local Government Act 2002 (LGA) reporting requirements for CCOs, as outlined under Table One.

Table One: CCO Reporting Requirements

Requirement	Timing
CCO must produce a Draft Statement of Intent (SOI)	Before 1 March each year
Council must agree to the draft SOI or provide commentary to the CCO on modifications	The CCO must consider any commentary from Council within two months, by 1 May
CCO must provide a Final SOI to Council	Prior to 30 June
CCO must produce a Half Yearly Report to Council	Within two months after the end of the first half of each financial year (by 28 February)
CCO must produce an Annual Report	Within three months of the end of the financial year (by 31 October)

At the December 2017 meeting Council outlined the high-level expectations to inform the development of a draft SOI, with a Letter of Expectation then being sent to WAMT. The High-level Expectations contained within the letter are outlined in Table Two.

Table Two: High-level Expectations contained in the Letter of Expectation

Governance	<ul style="list-style-type: none"> ▪ Performance review of trustees ▪ Health and Safety commitments ▪ Being a good employer e.g. staff engagement, training ▪ Managing risk ▪ Ensuring legislative compliance e.g. Official information ▪ Long term planning and vision ▪ Funding requirements and financial management
Operation of Whangarei Art Museum (WAM)	<ul style="list-style-type: none"> ▪ Annual performance measures <ul style="list-style-type: none"> - Community engagement and education - Marketing and communications - Exhibition planning - Collection management - Operational management and facilities
Hundertwasser Art Centre with Wairau Māori Art Gallery (HAC)	<ul style="list-style-type: none"> ▪ Project management against milestones ▪ Risk management (project specific) ▪ Communication, publication, relationship with the community ▪ Health and Safety (project specific) ▪ Financial management

4 Discussion

The draft SOI was presented to this committee on 29 March 2018 for feedback, with feedback from the committee then being considered by WAMT.

4.1 Changes incorporated into the final SOI

- The format and content of the performance information has been aligned with the Letter of Expectation;
- Specific objectives for WAM and HAC for the 2018-2019 year have been included;
- Performance measures aligning to WAMT's objectives have been included;
- Operational indicators for WAMT and HAC;
- Additional funding for the 2018-2019 financial year was not approved by Council and the SOI and financials have been adjusted to reflect this.

The Statement of Intent has been reviewed for fulfilment of the reporting obligations provided for in Section 64, Schedule 8, clause 9 (contents of the statement of intent) of the LGA.

4.2 Future reporting to Council

This is the first Statement of Intent produced by WAMT post de-exemption. As per table one above, WAMT is required to report to Council via its half yearly and annual reports. The Statement of Intent will also be reviewed by Council in March 2019.

4.3 Funding arrangements

For the 2019/2020 financial year, council and WAMT will move from funding through the community funding programme to a funding agreement, to be negotiated by WAMT with Council. The work for this funding agreement is to be completed later this year.

5 Significance and engagement

Having considered Council's Significance and Engagement Policy, this decision does not trigger the significance criteria outlined in the policy and the public will be informed via Agenda publication on the website.

6 Attachments

Whangarei Art Museum Trust – Statement of Intent 2018/2019

whangarei art museum

te manawa toi

Statement of Intent

1 July 2018 to 30 June 2019

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Chair's Introduction

Active and vibrant Arts and Culture activity and facilities are a key element in the enhancement of the identity, value and character of a community. Progressive cities around the world now regard the health of its arts and culture environment just as important as other environmental and infrastructure elements and invest accordingly. This is reflected in a number of City Councils in New Zealand now developing active arts and culture strategies.

Whangarei is now in a rapid period of growth as our natural lifestyle attributes are recognised. As growth spreads out from other major cities, particularly Auckland, we are attracting residents that expect their community to have a vibrant arts and culture sector.

Whangarei and Northland are blessed with an abundance of artistic and cultural talent, probably one of, if not the richest, of any district in New Zealand. However, the facilities and support to the districts arts and culture sector has lacked vision and been seriously underfunded. Whangarei Art Museum has operated with this underfunding for many years now. It has now reached a critical level where its continued service delivery and standards can no longer be sustained.

At a time when this critical point has been reached Whangarei's arts and visitor profile is about to transition from that of a small regional city to one of international significance. The construction and opening in 2020 of the Hundertwasser Art centre with Wairau Maori Gallery will be the catalyst for the transformation of the city in economic terms. It will also open up the opportunity to become recognised as the artistic centre of New Zealand and place the city on the world stage in this regard.

The Board of the Whangarei Art Museum Trust, and many in our community, see this opportunity and are working with dedicated vision and passion to see it realised. They however, cannot achieve this in isolation. The potential is so great and the transition so significant that it can only be achieved in close cooperation with a District Council that has vision, commitment and the leadership to step forward and undertake the bold decisions that are required. We are at a crossroads. The decisions made in the next twelve months will define our district for decades to come.

Grant Faber

Chair of Whangarei Art Museum Trust

Purpose of Statement of Intent

This annual Statement of Intent (SOI) publicly states the activities and intentions of the Whangarei Art Museum Trust (WAMT) and the objectives to which those activities will contribute. This SOI has been created through liaison with Whangarei District Council and includes performance measures, operational indicators and targets as the basis of organisational accountability.

About Whangarei Art Museum Trust

Whangarei Art Museum

The Trust operates to the following principles

- To be responsible for the establishment and management of an art museum
- To properly maintain, catalogue, conserve and display works of art including the art collection of the Council (as such is available to the Trust)
- To support stimulate and enhance the artistic and cultural life of the Whangarei district
- To purchase, collect and show quality works of art to enhance and enlarge the present collection
- To encourage and accept bequests and gifts of art works
- To establish a fund to enable the purchase of historic and current works of art
- To organise and hold exhibitions to create a greater appreciation of the arts
- To provide affordable and suitable access for both residents and visitors of the Whangarei district to art exhibitions
- To seek both active and passive participation in the arts
- To promote the Whangarei Art Museum and to attract touring exhibitions and encourage artists to exhibit their work
- To maximise the benefits of an art museum for the Whangarei district and encourage the people of the Whangarei district and elsewhere to visit
- To consult with and involve the community of the Whangarei district in the operation of the Art Museum.
- To facilitate the exchange of ideas, experience and expertise in visual arts
- To foster an awareness of art and its implementation in all practical forms and to show the need for art in daily life and to encourage its use
- To hold classes and lectures so as to improve the practice and understanding of art in all its visual forms
- To conduct and facilitate art research.

Hundertwasser Art Centre with Wairau Maori Art Gallery (HAC)

Whangarei Art Museum Trust will be the eventual operator and owner of the Hundertwasser Art Centre with Wairau Art Gallery. The land portion will be leased from the Whangarei District Council.

The HAC is unique to New Zealand. It will be a stunning art work on a grand scale, boasting the last authentic Hundertwasser building in the world and the only museum outside of Vienna hosting his art. It will also be New Zealand's only curated gallery of Maori contemporary art. The centre will provide Northland an iconic drawcard as a nationally and internationally recognised cultural facility and tourist attraction. The HAC project will strongly contribute to the economic development and tourism growth for the region, alongside expanding New Zealand's Arts

and Cultural community internationally. The centre will spark employment growth, an enhanced sense of place and pride in establishing a truly multicultural attraction.

The HAC will consist of the following as key attractions:

1. The Hundertwasser designed building (refer below image)
2. 50 original or key Hundertwasser artworks (valued at approximately \$16m) to be supplied, on a rotation basis, by the Hundertwasser foundation in Vienna. This will be the largest collection of Hundertwasser artworks outside of Vienna.
3. The Wairau Maori Art Gallery, which will be curated, will contain contemporary Maori art on a three-month rotation.
4. Café and Retail Store.



Construction of the HAC will commence in June 2018. This will be a 30 month build. The final project design includes considerable changes to both the foundations and the structure of the building as compared to earlier Whangarei District Council plans, primarily for additional seismic strengthening. The finished art centre will be substantially heavier than other buildings of similar size, due to the extensive exterior finishing and the forested living roof.

The revised construction methodology requires substantial below-ground foundation work as well as the complete deconstruction of the existing former Northland Regional Council Harbour Board building. All materials suitable for recycling and repurposing will be salvaged from the building, removed from site and brought back to be incorporated during the finishing phase of the project.

The design of the building's unique internal spaces and external finishing remains unchanged from the original model, created in Vienna by the Hundertwasser Non Profit Foundation as the ultimate template for the finished art centre.

Approach to Governance

The governance of the Whangarei Art Museum is the responsibility of a Trust board comprised of seven Trustees, four approved by the Whangarei District Council with the Trust able to appoint a further three Trustees.

Whangarei Art Museum Trust (WAMT) actions and direction are determined by the Trust Deed, which details the objectives of the Trust. These include both the operation of the Art Museum and the requirement to support, stimulate and enhance the artistic and cultural life of the Whangarei District.

As the majority of Trustees are appointed by the Whangarei District Council, WAMT is a Council Controlled Organisation (CCO) but it retains independent operation and governance.

This independence is essential to protecting the charitable status of the Whangarei Art Museum. It ensures the museum retains eligibility for charitable funding and that it remains the appropriate organisation to receive art works from benefactors who wish to make bequests to an organisation that operates in the interests of the greater community.

The operation of the Whangarei Art Museum Trust is audited annually by Audit New Zealand and reports to Whangarei District Council.

The Whangarei Art Museum Trust comprises the following members;

- Grant Faber (Chair)
- Kirsty Hughes (Deputy)
- Sharon Morgan
- Andy Britton
- Keatley Te Moananui Hopkins
- Thomas Biss
- Carin Wilson

Strategic Direction

Our Vision

Whangarei Art Museum (WAM) is a place of community and unharnessed potential to reach local and visiting audiences with concepts developed through art. As home to the city's art collection we are dedicated to its conservation by operating to Museums Aotearoa standards and committed to showing fresh exhibitions promoting local arts, as well as touring artwork from New Zealand and beyond. In April 2017, our Mayor Sheryl Mai enjoyed a visit and wrote that Whangarei Art Museum was "world class in Whangarei" - a standard we are proud to strive for as the only regional gallery north of Auckland.

Operating Environment

As a Council Controlled Organisation (CCO), WAM relies on funding from the Whangarei District Council.

By New Zealand standards, WAM sits at the bottom of the regional museum funding table. It currently receives the lowest level of public funding, both in absolute terms and on a dollar per capita basis; and operates off the lowest revenue and cost base of its peers (source: Martin Jenkins final report - March 2017).

Despite significant growth in visitors in recent years WAM has reached a point where continued growth will be restricted due to:

- Insufficient budget to enhance exhibition programmes
- Staff constraints.
- Lack of budget for effective marketing
- Inherent issue with gallery visibility.

The collection is something for Whangarei to treasure and WAM is committed to its ongoing preservation. There is no annual budget allocated that would allow WAM for capital build, art acquisition or restoration and conservation of the collection.

Strategic Framework

The Whangarei Art Museum reports to the Whangarei District Council via a statement of intent, half-yearly and annual reports. In addition, the annual accounts are audited by Audit New Zealand and are included in the Whangarei District Council annual report.

Funding Information

As a CCO of the Whangarei District Council, the majority of operational funding is made available by the Whangarei District Council.

For 2018/2019, this funding, made available via a grant, amounts to \$390,000 plus \$176,175 for building rental, which is charged back. Of this funding \$28,000 is only available by way of 1:1 subsidy against external funding. Funding for 2019/2020 assumes the same level of funding. Funding for the 2019/2020 financial year will be via a funding agreement process, which will be negotiated during 2018.

Strategic Objectives

Whangarei Art Museum

Funding

The split of total funding in the current year is funding from WDC at 94%, and other funding (including donations, other grants, event related income) at 6%. The competition for organisations seeking community funding continues to be high and has become more challenging. There are few funders that will support operational funding which is WAM's greatest need. Further, capital funding opportunities are limited as the building is a Whangarei District Council asset. With the Trust being responsible for fundraising for the HAC in accord with the community referendum requirements, WAM's operations have been unable to apply to some potential funders due to their "one grant per entity" rules.

Ongoing funding from Whangarei District Council is necessary to achieve WAM's objectives as outlined below:

Staffing

The current staffing mix is made up of the following core part-time staff:

- Director/Curator (position currently vacant due to resignation)
- Assistant Curator
- Engagement and Administration Coordinator (currently on maternity leave)
- Coordinator of Media, Exhibition and Events
- Exhibition Technician

The rest of the team are made up of three casual staff and volunteers who work weekends and during exhibition installation weeks. The current team is very effective despite the increasing workload. However, the current staffing levels are inadequate for effective operation and this places a notable strain on the staff. Staff turnover as a result is higher than desirable for a sustained effective operation. There is an immediate need to increase staffing by one full time equivalent (FTE).

Visibility

In the last year, we successfully worked to gain significant growth in our annual visitor numbers. However, the main feedback we get is that the gallery is hidden behind the I-site. Locals who have lived their entire lives in Whangarei seem oblivious to WAM's existence and people are missing out on what we are working so hard to show.

We will continue to work with Whangarei District Council to gain more visibility. However, this linked to a current low budget available of only \$12,000 annually for advertising, limits the outcome potential of further growth in visitor numbers.

Storage

Storage has become a major factor in what can and can't be achieved at WAM. For example, if we can't store the crates from a touring show we can't receive nor exhibit it. There is little alternative space to currently rely on and the collection space requires a constant controlled environment so can't be used as overflow for gallery equipment. Further, the loading dock space is often filled from floor to ceiling with crates or equipment such as tables, plinths and ladders. Our processes and workload would benefit hugely from some relief storage.

The further expansion of the Region's art collection is restricted by the lack of available storage and we have had to delay/decline bequest opportunities.

Lighting

Lighting can make or break an exhibition and we are at the stage where upgrades are required. In the last month, we have worked with Potter Electrical to change one of three gallery spaces to LED lighting and will continue to upgrade as funds become available. However, the current systems lag behind current gallery standards and are costly and time consuming to maintain. Capital investment is needed.

Exhibitions

We continue to offer a quality selection of exhibitions annually that engage, stimulate and challenge the gallery visitor. Making more quality events is constrained by the lack of funding to promote and hold them. We want to work with the council to continue to grow visitor numbers and better serve the Community's needs. WAM welcomes anyone and everyone, free daily but we hope to reach out to new audiences. For example, the recent Kauri Project exhibition was popular with people who love the outdoors. The Habitat for Humanity exhibition held in October connected us with another market while being mutually beneficial to raising awareness for their very worthy cause.

Air-conditioning

Air conditioning plays a vital role for us to meet our requirements for artwork insurance, loan agreements and the conservation of the collection. Keeping on top of maintenance is important but we need to upgrade our units to provide the best possible environment. Currently Gallery Two does not meet the required Gallery standards for air control and therefore limits what we can exhibit. Again, capital investment is needed.

Education programme

WAM could be a resource for school art curriculums, encourage creativity within the community with workshops and school holiday programs and be a place for families to spend time together. WAM, through voluntary and internal resource, has now set up the Education Centre however this is currently underutilized due to lack of staff. Without further staffing resource, we are unable to offer an education programme which should be a core part of our community offering.

In the longer term, WAMT wants to seek the development of:

Visitor Lobby

Its common practice for galleries and museums to have a lobby for administration and welcoming visitors- WAM would benefit from having a lobby nearer the front doors of the building to assist with visibility and encourage walk-ins.

Shop/Retail space

Based on visitor feedback there is a market for retail within WAM. We hope one day to stock quality merchandise from local sources that compliments the gallery.

Specific Objectives 2018-2019

Whangarei Art Museum

The 2018-2019 year will be one of review and refocus for WAM as a result of two major drivers:

- 1) Funding constraints: As outlined the funding for WAM operations is now below sustainable levels. The requested level of funding increase was declined by WDC. Gallery operations will need to be tailored to work within the allocated funding.
- 2) The commencement of the HAC project means that the transition from the existing Hub galleries to a combined Hub and HAC arts precinct will start. This will involve the progressive reorganization of staffing to form a combined organisational structure. The governance and management perspective will change to embrace the "one organisation" approach which will be required going forward.

Specific areas of focus for the year will be:

- a) Hub Gallery services profile. The funding shortfall means that continuing to operate the gallery seven days per week and with three operating galleries is unlikely to be achievable. Reduction in the number of exhibition galleries and a possible reduction in operating days will be evaluated and a new service profile adopted.
- b) Collection management. WAM has been dealing with a long-standing legacy issue regarding the standard of collection management. While some work to address this was completed in the 2016-2017 year, shortage of funding and the resultant lack of resource meant that this work was not completed to the required standard. Priority will be given in the 2018-2019 year to a full collections re-assessing project involving the core (approximately 600 works) collection. As an adjunct to this project the WAM collections management policy is in need of review and has been deferred over recent years due to a lack of resource. This will be updated and resulting from this some realignment of the WAM collection may take place. WAM will need to secure suitable contract staffing to carry out this work as they do not have the required expertise in house.
- c) Visitor engagement. Given the anticipated changes in gallery exhibition profile and possible changes in opening days every effort will be made to ensure visitor engagement is retained. WAM has achieved strong growth in visitor numbers in recent years. A drop in visitor numbers is unlikely to be avoided although all efforts will be made to retain a high level of visitor interest while achieving gallery operations within the available budget.

Hundertwasser Arts Centre with Wairau Maori Art Gallery

At this stage of the project our key objectives are:

Staffing

The staffing of the HAC will commence with the first position (WAM/HAC General manager) being advertised in June 2018. It is intended that the role is filled by late 2018. This role will be the senior manager across the combined HAC, WAM arts precinct.

Funding

To secure all agreed and pledged funding over the construction period.

Stakeholder relations

To meet and manage all expectations from our stakeholders, including the Vienna Foundation, Funders, Whangarei District Council and the community.

Fundraising

To continue fundraising to meet the needs for fit out and operational expenses required prior to opening.

Risk Management

To mitigate risk through adequate insurance (construction and Indemnity), best practice Health and Safety management practices and appropriate Project Management and Governance practices.

Performance Measures

WAMT set of performance measures and targets which form the basis for accountability to delivering our key strategic objectives and priorities. These will be reported on in accordance with Local Government Act 2002 requirements.

WAMT will continue to work internally, and with Council, on the development of performance metrics.

Performance Measure	2018/19 Target	2019/20 Target	2020/21 Target	Notes
To operate within agreed financial budgets	Actual spend ≤ budget	Actual spend ≤ budget	Actual spend ≤ budget	
Visitor satisfaction maintained	New measure	Satisfaction ≥ 2018/19 result	Satisfaction ≥ 2018/19 result	Satisfaction survey methodology to be adjusted to set a measurable baseline
Collection management undertaken	600 works reassessed	1000 works reassessed	1000 works reassessed	
Review operation hours, and exhibition numbers to meet agreed funding	Review completed	Review implemented	Review implemented	
Regular reporting on HAC project covering: <ul style="list-style-type: none"> • cost vs. budget • progress against milestones • public satisfaction • health and safety • project governance • risk 	Quarterly reporting	Quarterly reporting	Quarterly reporting	

Operational Indicators

In addition to statutory performance measures WAMT has a number of operational indicators that it will measure progress against internally. These measures are for internal business management/planning and will not be reported on under Local Government Act 2002 requirements.

WAMT Governance

Action	Comments	Responsible	Reporting
The Board to act in accordance with the Institute of Directors "Four Pillars of Governance" guide.	<ul style="list-style-type: none"> ▪ Independent review, by the IOD. Satisfactory rating – dependent on funding 	Chairperson	Once
Health and Safety commitments	<ul style="list-style-type: none"> ▪ Staff and Board are informed of and updated on Health and Safety requirements 	Director/WDC	Ongoing and Annual

Being a good employer	<ul style="list-style-type: none"> All paid staff has at least half yearly reviews which form part of their Professional Development programme All staff have defined development paths with relative training, budget permitting 	Director	Ongoing
Risk Management	<ul style="list-style-type: none"> Annual update of Strategic Risk and scoring in accordance with AS/NZS ISO 31000:2009 Appropriate Insurance – independently assessed 	Director/Trustees	Ongoing and Annual
The Board to adhere to Legislative and Trust Deed requirements	<ul style="list-style-type: none"> Clean opinion -as part of Annual audit by Audit NZ LGOIMA requests are answered within statutory timeframes All legislative requirements met 	Chairperson Director Trust	Ongoing and Annual
Regular Governance meetings	<ul style="list-style-type: none"> Eleven Board meetings per year, mostly each month Minutes of all meetings kept 	Chairperson	Monthly
Effective and best practice financial management	<ul style="list-style-type: none"> Monthly accounts prepared by WDC and approved by Board Full GAAP accounting reporting Annual audited accounts. Monthly forecast review of exhibitions budget by WAMT 	Director/Trustees/ WDC	Monthly
Monitoring of annual plan objectives and KPI's.	<ul style="list-style-type: none"> Board monitors progress at each meeting Annual report completed at end of financial year Ongoing update of SOP's and policies 	Director/Trustees	Monthly/Annual

Whangarei Art Museum

Action	Comments	Responsible	Reporting
Communication to WDC timely and appropriate	<ul style="list-style-type: none"> Key issues notified promptly Full briefing of nominated WDC coordinator Coordinator to attend Board meeting if possible 	Chairperson/ Director/WDC	As Required

SOI and Business planning ensures future needs	<ul style="list-style-type: none"> ▪ Draft SOI and annual plan completed by Feb and fully developed by June ▪ WAM to develop a five to ten year plan. 	Director/Trustees	To WDC February / June
Budget Planning ensures future needs for coming year	<ul style="list-style-type: none"> ▪ Proposed Operating Budget in place by beginning of financial year ▪ Forward operating expense budget submitted to WDC for year plus one 	Director/ Trustees/ WDC	Annual
Programmes, events plan in place	<ul style="list-style-type: none"> ▪ Exhibition plan including objectives and educational elements completed on a rolling basis with minimum 18 month horizon 	Director/Assistant Curator	Monthly
Effective Marketing and Communications	<ul style="list-style-type: none"> ▪ Marketing plan for financial year in place by the end of November 	Director/Trustees	Ongoing
Visitor numbers and Web site stats reviewed against objectives	<ul style="list-style-type: none"> ▪ Annual visitors increase of 10% on 2017/18 	Director	Monthly
Community and visitor feedback obtained on regular basis as input to planning	<ul style="list-style-type: none"> ▪ Annual visitor survey plus focused visitor feedback mechanisms will be developed to capture meaningful data. Overall satisfaction rating of 85% achieved 	Director/Staff	Annual
Volunteer engagement	<ul style="list-style-type: none"> ▪ A skilled and engaged team of volunteers is maintained as essential to WAM Operations ▪ Skill and knowledge levels enhanced with volunteer programme. Four volunteers on board at any time. 	Director/Visitor Experience Coordinator	Ongoing
Seeking external funding	<ul style="list-style-type: none"> ▪ WAM is active in sourcing funding for specific projects wherever it identifies a project that qualifies ▪ Sponsors are sought for targeted exhibitions with objective of \$20,000 pa new funding this year 	All Staff	Ongoing
Increased community and stakeholder engagement	<ul style="list-style-type: none"> ▪ Ongoing programme to engage more widely with the community, particularly using schools and education as link to community: <ul style="list-style-type: none"> - Minimum of 2 community projects per year 	Director/Staff/Trust ees	Ongoing

	<ul style="list-style-type: none"> - Community Gallery showcases local artists annually ▪ A minimum of eight exhibitions per year. 		
Operational Education Centre	<ul style="list-style-type: none"> ▪ Resource funding gained to commence education programmes with schools and with WAM exhibitions as staffing requirements and funding achieved 	WAM staff	By 30 June 2019
Facilities	<ul style="list-style-type: none"> ▪ Aircon 1 upgrade confirmed and Aircon 2 upgrade as funding achieved 	Board/Director	By 30 June 2019
Facilities	<ul style="list-style-type: none"> ▪ Offsite storage options researched and proposal discussed with WDC 	WDC/Board/Director	By 30 June 2019

Hundertwasser Arts Centre with Wairau Maori Art Gallery

Key Operational Indicators for the HAC construction project in financial year 2018/19 which will be the first year in the construction phase of the project.

Action	Comments	Responsible	Reporting
Cost vs budget The budgeted cost of work that has actually been performed in carrying out the scheduled tasks during the specific time period	Cost Predictability/Forecast final cost <ul style="list-style-type: none"> ▪ Variation cost, attributable to approved change orders for construction between the projected construction cost at project point "Available for Use" and the estimated construction cost at the date "Commit to Construct", expressed as a percentage of the estimated construction cost at "Commit to Construct" date.. Measure <5% 	Board/Director/Project Manager	Quarterly
Time Predictability The estimated time for work that has actually been performed in carrying out the scheduled tasks during the specific time period.	<ul style="list-style-type: none"> ▪ Change in timeframe, attributable to client approved change orders for construction (originating from the client / client representative) between the projected actual construction time at "Available for Use" and the estimated construction time at "Commit to Construct", expressed as a percentage of the estimated construction time at "Commit to Construct" date. Measure <5% 	Board/Director/Project Manager	Quarterly

Quality Control	Public Satisfaction <ul style="list-style-type: none"> ▪ Number of complaints made to WDC or WAM from the public- within WDC acceptable levels as per RFS / Complaints Handling Policy. ▪ Time taken to resolve to within WDC satisfaction levels as set out in RFS / Complaints Handling Policy 	Board/Director/Project Manager	Acknowledgement of complaints within 48 hours of being received. Endeavour to resolve complaint within 15 working days.
Health and Safety	<ul style="list-style-type: none"> ▪ Reportable accidents - Operational Reportable accidents per 100,000 hours worked. To be developed with Contractor. ▪ Lost time accidents- Operational Lost time incidents per 100,000 hours worked. Less than Industry average of 5.6 (ANZSIC level 1.2). ▪ Satisfactory outcome from Independent Audit by Work Safe approved auditor (funding dependent). 	Project Manager/ Contractor/Board/Director/WDC	Quarterly
Project Governance	<p>Best practice project governance to be achieved.</p> <ul style="list-style-type: none"> ▪ Monthly Project Control Group (minuted) ▪ WDC liaison committee (minuted) ▪ WAM project management Board (minuted) ▪ Health and Safety best practices management as above. 	Project Manager/ Contractor/Board/Director/WDC	Monthly
Risk Management	<ul style="list-style-type: none"> ▪ Appropriate Insurance – independently assessed 		

Financial Information

The financial information provided in this Statement of Intent only relates to the operation of the Whangarei Art Museum. Financial information for the Hundertwasser Arts Centre project will be provided in later iterations as the project progresses.

PROSPECTIVE STATEMENT OF COMPREHENSIVE INCOME

	BUDGET 30 June 2019	BUDGET 30 June 2020	BUDGET 30 June 2021
Income			
Other Revenue	32,480	37,480	42,480
Council Funding	544,175	554,939	565,917
Interest revenue	400	400	400
Donations	3,500	3,500	3,500
Total Income	580,555	596,319	612,297
Less Expenses			
Employee Related Costs	179,900	191,480	205,292
Other expenses	387,336	386,747	387,847
Administration Expenses			
Total Expenses before depreciation	567,236	578,227	593,138
Net Surplus (Loss) before depreciation	13,319	18,091	19,159
Depreciation	12,340	12,340	12,340
Net Surplus (Loss) before tax	979	5,751	6,819
Tax Expense	-	-	-
Net Surplus / (Deficit)	979	5,751	6,819
	30 June 2019	30 June 2020	30 June 2021
Total capital expenditure	10,000	15,000	15,000

PROSPECTIVE STATEMENT OF MOVEMENTS IN EQUITY

	30 June 2019	30 June 2020	30 June 2021
Opening Equity as at 1 July	3,509,747	3,510,726	3,516,478
Plus Profit (Loss) for the year	979	5,751	6,819
Total increase/(decrease) in equity	979	5,751	6,819
Closing Equity as at 30 June	3,510,726	3,516,478	3,523,297

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

	30 June 2019	30 June 2020	30 June 2021
Equity	3,510,726	3,516,478	3,523,297
Total Equity	3,510,726	3,516,478	3,523,297
Current Assets			
Cash and Cash equivalents	1,327,083	1,345,175	1,364,334
Trade and other receivables	43,717	43,717	43,717
	1,370,800	1,388,892	1,408,051
Current Liabilities			
Trade and other payables and accruals	55,819	55,819	55,819
Working Capital	1,314,981	1,333,073	1,352,232
Non Current Assets			
Property plant and equipment	2,195,745	2,183,405	2,171,065
Long Term Liability			
Deferred income tax liability	-	-	-
Total Net Assets	3,510,726	3,516,478	3,523,297

1 Statement of accounting policies for the year ended 30 June 2019

1.1 Reporting entity

The Whangarei Art Museum Trust (WAMT) is incorporated as a trust under the Charitable Trusts Act 1957, is domiciled in New Zealand and registered under the Charities Act 2005, registration number CC28917. It is an exempt organisation under Section 7 of the Local Government Act 2002.

2 Summary of significant accounting policies

2.1 Basis of preparation

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared on the assumption that WAMT will continue to operate in the foreseeable future.

The financial statements have been prepared on a going concern basis. WAMT is reliant on Council's continued support of its operations. Council has included funding for WAMT in its Annual Plan to 30 June 2019 upon which Council will review the level of funding for the following financial year. WAMT has also received a letter of support from Council to ensure its going concern basis for a period of one year from the date of the approval of these financial statements.

The Board has elected to apply PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) on the basis that WAMT does not have public accountability (as defined) and has total annual expenses of less than \$2 million.

Goods and services tax

WAMT is registered for GST. All amounts in the financial statements are recorded exclusive of GST, except for debtors and creditors, which are stated inclusive of GST.

Functional and presentation currency

The financial statements are presented in New Zealand dollars.

Revenue and expenses

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services, excluding Goods and Services Tax, rebates and discounts. Revenue is recognised as follows:

(i) Grants and donations

Council, government, and non-government grants and donations are recognised as revenue when the funding is received unless there is an obligation to return the funds if conditions of the grant are not met ("use or return condition"). If there is such an obligation, the grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

(ii) Pledges

Pledges are not recognised as revenue as WAMT is unable to control the access to the funds. Pledges are disclosed as a contingent asset when the money is pledged and recognised as revenue when the pledged money is received.

(iii) Donated assets

Revenue from donated assets is recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the value of the asset is readily obtainable and significant.

(iv) Interest income

Interest revenue is recorded as it is earned during the year.

v) Sale of goods

Revenue from the sale of goods is recognised when the goods are sold to the customer.

(vi) Volunteer services

Volunteer services received are not recognised as revenue or expenditure as WAMT is unable to reliably measure the fair value of the services received.

(vii) Advertising, marketing, administration, overhead, and fundraising costs

These are expensed when the related service has been received.

2.2 Bank accounts and cash

Bank accounts and cash include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

2.3 Debtors

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

2.4 Property, plant and equipment

Property, plant, and equipment (excluding donated assets) are recorded at cost, less accumulated depreciation and impairment losses. WAMT does not revalue its property, plant and equipment. WAMT undertakes periodic impairment assessments of its property, plant and equipment.

(i) Artworks and donated assets

Purchased artworks are recognised at cost. Donated assets are recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the current value of the asset is readily obtainable and significant. Significant donated assets for which current values are not readily obtainable are not recognised. Artworks have an indefinite useful life and are not depreciated. Impairment is recognised if identified as below.

(ii) Asset sales

For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amount.

(iii) Use of assets

For an asset to be used by the Trust, the asset is impaired if the value to the Trust in using the asset falls below the carrying amount of the asset.

Depreciation

Depreciation is provided on a straight-line basis at rates that will write off the cost of the assets over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Class of PP&E	Estimated useful life	Depreciation rates
Leasehold improvements	10-100 years	1%-10%
Office equipment	2-10 years	20%-50%
Plant and equipment	6-60 years	1.6%-17%
Computer equipment	2-5 years	20%-50%
Artworks	Indefinite	-

2.5 Investments

Investments comprise investments in term deposits with banks, listed bonds, and listed shares.

Deposits with banks are initially recorded at the amount paid. If it appears that the carrying amount of the investment will not be recovered, it is written down to the expected recoverable amount.

2.6 Creditors and accrued expenses

Creditors and accrued expenses are measured at the amount owed.

2.7 Lease expense

Lease payments are recognised as an expense on a straight-line basis over the lease term.

2.8 Tier 2 PBE Accounting Standards applied

WAMT has not applied any Tier 2 Accounting Standards in preparing its financial statements.

4.2 Whangarei District Airport Statement of Intent - 2018/2019

Meeting: Finance and Corporate Committee
Date of meeting: 28 June 2018
Reporting officer: Mike Hibbert (Commercial Property Portfolio Manager)

1 Purpose

To adopt the Whangarei District Airport Statement of Intent (SOI) in accordance with Section 64 of the Local Government Act 2002.

2 Recommendation

That the Finance and Corporate Committee adopts the Statement of Intent 2018/2019 for the Whangarei District Airport.

3 Background

The Statement of Intent has been reviewed for appropriateness in relation to the delivery of services, management and governance of the Whangarei District Airport and obligations to meet Section 64, Schedule 8, clause 9 (contents of the statement of intent) under the Local Government Act 2002.

Attached is the Statement of Intent 2018/2019 for the Whangarei District Airport.

Included in this SOI are:

- Airport Compliance costs to implement new Civil Aviation Authority Safety Management System (SMS):
 - Safety Management System (SMS) plan development and implementation
 - Provision for new signage and flood lighting associated with rule changes.
 - Possible crash/fire requirements
- Increases to contract fees and maintenance
 - New Airport Management contract
 - Ground Maintenance contract
 - Runway remarking/Maintenance
- Increased revenue opportunities:
 - Car Parking charges as resolved by Council including barrier arm capital investment.
 - Increased Landing Fees schedule
 - Secure parking and rental car space provisions

4 Significance and engagement

Having considered the Significance and Engagement Policy this proposal or decision is not considered significant and the public will be informed via Agenda publication on the website.

5 Attachments

Whangarei District Airport - Statement of Intent 2018/19

Whangarei District Airport



Statement of Intent

For the Year Ending 30 June 2019

Whangarei District Airport

Statement of Intent For the Year Ending 30 June 2019

The following statement has been prepared in accordance with The Local Government Act 2002, (s9, Schedule Eight).

Introduction

The Whangarei District Airport (Airport), situated at Onerahi in Whangarei, is operated under a joint venture partnership agreement between the Whangarei District Council (Council) and the Crown, represented by the Ministry of Transport (MoT). The day-to-day operational activities of the Airport are managed under the aegis of Council by way of a management contract with a contractor (currently Northland Aviation Limited). The Airport acts as a gateway to the Whangarei District and Northland, and this aspect remains a focus of Council in providing an airport service of high quality and efficiency.

a. Objectives

- i. That the Airport is operated as a fully serviceable District Airport for the use of visitors, residents and ratepayers of the Whangarei District;
- ii. That the short and long term objectives of the Airport operation meet the needs of scheduled and non-scheduled aviation operators and their customers;
- iii. That standards of safety are promoted and maintained, recognising New Zealand Civil Aviation Authority (CAA) and other safety and health requirements;
- iv. That the Airport is operated with regard to appropriate environmental practices, legislation, and in recognition of the designation requirements in the District Plan.

b. Governance

The airport is owned and operated under a joint venture agreement between the Whangarei District Council and the Crown. Council operates the airport as the Airport Authority under the Airport Authorities Act 1966 (s3). Day to day management is effected by way of a management contract with Northland Aviation Limited.

c. Nature and Scope of Activities to be Undertaken

- i. The Airport Authority is engaged in operating the Airport in a cost effective and efficient manner to meet the objectives set out above, and in accordance with the terms of the Aerodrome Operating Certificate issued by the Civil Aviation Authority;
- ii. Meet the Civil Aviation Authority certification requirements;
- iii. The Authority will continue to seek opportunities to widen its revenue base in areas consistent with the Airport operation. Such activities include leasing land within the Airport precinct for aviation related activities and reviewing both existing charges and exploring other options.

d. The Ratio of Consolidation Shareholders' Funds to Total Assets, and the Definitions of Those Terms

The airport is operated as a joint venture with the land being owned 100% by the Crown, buildings and lighting being owned 100% by Council, and runways, plant and equity being 50% owned by the Crown and 50% by Council. The ratio of the joint venture partners' funds to total assets is calculated as at 30 June 2017 as 98.7%.

e. Financial Statements

See Appendix A.

f. Performance Measures

Performance Measure	2018/19 Target	How
To operate within agreed financial budgets	Actual spend ≤ budget	Meet annual forecast as detailed in appendix A Financial Statement
Maintain user satisfaction	>75%	Record and report very satisfactory and satisfactory ratings through annual user survey
Maintain Airport Certification	To meet certification standards as required by CAA. Implement Safety Management System (SMS)	Fulfil expectations of CAA as determined by annual CAA Audit Meet required legislative timeframes
Health & Safety	Achieve overall decline in incidents	Manage and review Health & Safety policies and procedures
Explore economic development opportunities	Encourage new business development and existing business expansion.	Engage alternate aviation and airport service providers and enable existing business to grow through lease management and land use consent process

g. Distribution of Accumulated Profits and Capital Reserves

There is to be no distribution of accumulated profits or capital reserves to Joint Venture Partners during the year.

h. Information to be Provided to Partners During the Year

- i. Monthly report on financial position including variance reporting on revenue and expenditure comparing actual figures with estimated figures, and statement of monthly financial position to be provided to the Airport Authority Board (via Whangarei District Council Property Manager/Finance Team);
- ii. Management to report via email to Council staff on notable events and seek approval prior to any extraordinary expenditure;
- iii. Annual financial estimates, for operational activities and capital expenditure, to the Joint Venture Partners;
- iv. Report all findings, documenting all suggestions, no later than 30 June of each operating year for the purpose of improving customer satisfaction;
- v. Annual Statement of Intent to the Airport Authority Board;
- vi. Annual financial statements, including statement of accounting policies; statement of balance sheet; statement of income; statement of movements in equity; statement of cash flows; notes to the financial statements and Auditors' report to be provided to Joint Venture Partners together with Auditors' management letter;
- vii. Annual statement of performance, based upon performance measures to be provided to Joint Venture Partners;
- viii. Half yearly report including financial statements (as detailed in (v) above) and financial forecast for the balance of the year to be provided to the Joint Venture Partners.

i. Statement of Procedures for Acquisition of Shares by Partners in Other Entities

Partners will not acquire shares in any other organisation related to the Airport operation without the prior written agreement of both Joint Venture Partners.

j. Activities for Which the Board Seeks Compensation From any Local Authority

Council has provision in its capital estimates for the expenditure of funds on non-aviation related items at the Airport as a community contribution to amenities at the airport and occasional capital sum investment in the assets owned by Council at the airport.

k. Commercial Value of the Joint Venture Partners' Investment in the Group and the Manner in Which, and the Times at Which, That Value is to be Reassessed

The commercial value of the partners' investment is set out in the statement of accounting policies included in this statement. It is noted that the land is a restricted asset and revaluation on a commercial basis would be misleading. The financial statements for the year ended 30 June 2017 record the total equity in the partnership of \$5,014,605 (2016 \$5,039,212).

Appendix A : Statement of Financial Statement

Statement of Accounting Policies

1.1 Reporting entity

The Whangarei District Airport is a Council controlled organisation as defined under section 6 of the Local Government Act 2002. The Airport is administered by the Whangarei District Council in a joint venture operation with the Ministry of Transport and is domiciled in New Zealand.

2 Significant accounting policies

2.1 Basis of preparation

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared on the assumption that the Airport will continue to operate in the foreseeable future.

The Board has elected to apply PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting Accrual (Public Sector) on the basis that the Airport does not have public accountability (as defined) and has total annual expenses of less than \$2 million.

Goods and services tax

The Airport is registered for GST. All amounts in the financial statements are recorded exclusive of GST, except for debtors and creditors, which are stated inclusive of GST.

Functional and presentation currency

The financial statements are presented in New Zealand dollars.

2.2 Revenue and expenses

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services, excluding Goods and Services Tax, rebates and discounts. Revenue is recognised as follows:

(i) Grants

Council, government, and non-government grants are recognised as revenue when the funding is received unless there is an obligation to return the funds if conditions of the grant are not met ("use or return condition"). If there is such an obligation, the grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

(ii) Interest income

Interest revenue is recorded as it is earned during the year.

(iii) Sale of services

Revenue from the sale of services is recognised when the services are provided to the customer.

(iv) Administration, overheads and other costs.

These are expensed when the related service has been received.

2.2 Income tax

Tax expense is calculated using the taxes payable method. As a result, no allowance is made for deferred tax. Tax expense includes the current tax liability and adjustments to prior year tax liabilities.

2.3 Bank accounts and cash

Bank accounts and cash include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown as current liabilities in the statement of financial position.

2.4 Debtors

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a doubtful debt expense.

2.5 Property, plant and equipment

Property, plant, and equipment is recorded at cost, less accumulated depreciation and impairment losses.

(i) Asset sales

For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amount.

(ii) Use of assets

For an asset to be used by the Airport, the asset is impaired if the value to the Airport in using the asset falls below the carrying amount of the asset.

Depreciation

Depreciation is provided on a straight-line basis at rates that will write off the cost of the assets over their useful lives. The useful lives of major classes of assets have been estimated as follows:

Class of PP&E	Estimated useful life
Land	Indefinite
Airside	0-140 years
Buildings	4-40 years
Landside	0-140 years
Sundries	5-64 years
Services	0-40 years

2.6 Investments

Investments comprise investments in terms deposits with banks.

Deposits with banks are initially recorded at the amount paid. If it appears that the carrying amount of the investment will not be recovered, it is written down to the expected recoverable amount.

2.7 Creditors and accrued expenses

Creditors and accrued expenses are measured at the amount owed.

2.8 Lease expense

Lease payments are recognised as an expense on a straight-line basis over the lease term.

2.9 Tier 2 PBE Accounting Standards applied

The Airport have not applied any Tier 2 Accounting Standards in preparing its financial statements.

2.10 Changes in Accounting Policies and Transition to the new PBE SFR-A (PS) Standards

This is the first set of financial statements prepared using the new PBE SFR-A (PS) standard, and comparative information for the year ended 30 June 2014 has been restated to comply with the new standard. The significant adjustments arising on transition to the new standard are provided in note 16.

(i) Income tax

Income tax is calculated using the tax payable method, therefore no deferred tax has been calculated for the current year. This treatment differs to prior years where the deferred tax method was used on a voluntary basis. It was determined that using the deferred tax method provided no additional benefit. This change in accounting treatment has resulted in an adjustment to the comparative tax expense and deferred tax liability, as well as an adjustment to the comparative years opening retained earnings balance.

PROSPECTIVE STATEMENT OF COMPREHENSIVE INCOME

	BUDGET 30 June 2019	BUDGET 30 June 2020	BUDGET 30 June 2021
Income			
Landing fees	350,000	360,000	370,000
Sundry income advertising	8,000	8,000	8,000
Other Recoveries	6,000	6,000	6,000
Operational Recoveries	22,000	22,000	22,000
Rent received	145,000	150,000	150,000
Interest received	10,000	10,000	10,000
Carpark Income	97,000	130,000	130,000
Total Income	638,000	686,000	696,000
Less Expenses			
Airfield Expenses			
Drainage	5,000	5,000	5,000
Fencing	1,000	1,000	1,000
Grounds R&M	44,000	44,000	44,000
Runway R&M	20,000	10,000	10,000
Lighting R&M	15,000	15,000	15,000
Other R&M	20,000	20,000	20,000
	105,000	95,000	95,000
Terminal Expenses			
Insurance	13,000	13,260	13,525
Cleaning	30,000	32,000	32,500
Advertising	3,000	3,000	3,000
Rates	21,602	22,380	23,241
Electricity	32,000	32,000	32,000
Weather station	4,000	7,000	4,250
Security	8,000	8,000	8,000
Other expenses	15,200	15,200	15,200
	126,802	132,840	131,716
Administration Expenses			
Management Fee	266,248	266,248	266,248
Telephone	1,600	1,600	1,600
Audit fees	20,000	20,000	20,000
Accounting Fees	13,000	13,000	13,000
Certification	2,000	2,000	2,000
Conferences	4,500	4,500	4,500
Other Professional fees	20,500	20,500	5,500
	327,848	327,848	312,848
Total Expenses before depreciation	559,650	555,688	539,564
Net Surplus (Loss) before depreciation	78,350	130,312	156,436
Depreciation	221,205	225,929	230,448
Net Surplus (Loss) before tax	- 142,855	- 95,617	- 74,012

Tax Expense	-	-	-
Net Surplus / (Deficit)	-	142,855	-
	30 June 2019	30 June 2020	30 June 2021
Capital Expenditure			
Electric gate for Main Entry Airside	11,000		
Replace Computer		3,000	
Lighting (Main entry)	5,000		
Runway repair/seal	54,000		
Parking Installation Barrier Arm	160,000		
Sealed CarPark Extension	90,000		
Other	10,000		
Total capital expenditure	330,000	3,000	-

PROSPECTIVE STATEMENT OF MOVEMENTS IN EQUITY

	30 June 2019	30 June 2020	30 June 2021
Opening Equity as at 1 July	4,961,266	4,818,411	4,722,794
Plus Profit (Loss) for the year	- 142,855	- 95,617	- 74,012
Total increase/(decrease) in equity	- 142,855	- 95,617	- 74,012
Closing Equity as at 30 June	4,818,411	4,722,794	4,648,782

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

	30 June 2019	30 June 2020	30 June 2021
Equity	4,818,411	4,722,794	4,648,782
Total Equity	4,818,411	4,722,794	4,648,782
Current Assets			
Cash and Cash equivalents	664,787	795,099	951,535
Trade and other receivables	62,500	62,500	62,500
	727,287	857,599	1,014,035
Current Liabilities			
Trade and other payables and accruals	65,000	65,000	65,000
Working Capital	662,287	792,599	949,035
Non Current Assets			
Property plant and equipment	4,156,124	3,930,195	3,699,747
Long Term Liability			
Deferred income tax liability	-	-	-
Total Net Assets	4,818,411	4,722,794	4,648,782

4.3 Northland Regional Landfill Limited Partnership (NRLLP) – Statement of Intent 2018-1019

Meeting: Finance and Corporate Committee
Date of meeting: 28 June 2018
Reporting officer: David Lindsay (Solid Waste Engineer)

1 Purpose

To adopt the Northland Regional Landfill Limited Partnership (NRLLP) Statement of Intent (SOI) in accordance with Section 64 of the Local Government Act 2002.

2 Recommendation

That the Finance and Corporate Committee adopts the 2018 - 2019 Statement of Intent for Northland Regional Landfill Limited Partnership (NRLLP).

3 Background

The Draft Statement of Intent (SOI) was endorsed by the Finance and Corporate Committee on 22 February 2018. The Significant Accounting Policies have been edited in the final version to improve clarity.

Attached is the Final Statement of Intent 2018/2019 for NRLLP.

NRLLP's SOI includes 'high level' performance targets. More detailed and specific targets are set and monitored within the entity through its annual Business Plan. These are not included in the SOI for business confidentiality reasons.

Note: Alan Adcock, GM Corporate / CFO, has a governance relationship with NRLLP as a Director on behalf of Whangarei District Council. Any potential conflicts of interest this causes are dealt with as circumstances dictate.

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 Attachments

Northland Regional Landfill Limited Partnership (NRLLP) – Statement of Intent 2018/2019

**NORTHLAND
REGIONAL
LANDFILL LIMITED
PARTNERSHIP**

**STATEMENT OF INTENT
2018/2019**

NORTHLAND REGIONAL LANDFILL LIMITED PARTNERSHIP Statement of Intent

For the Year Ending 30 June 2019

The following statement has been prepared in accordance with The Local Government Act 2002, (s9, Schedule Eight).

1. Introduction

The Northland Regional Landfill Limited Partnership (NRLLP) comprises two limited partners; Whangarei District Council (WDC) and Northland Waste Limited (NWL). The General Partner is Whangarei Waste Limited (WWL). The operation is governed by a joint venture agreement under which neither party has absolute control of the organisation but is deemed a Council Controlled Organisation (CCTO) by virtue of the Local Government Act (LGA).

The main activity of the partnership is to operate the Puwera Landfill and provide waste disposal facilities in the Whangarei District.

NRLLP is a For Profit Entity operating as a best practice business financially, environmentally, socially and culturally.

2. Background

Following a competitive process seeking requests for proposals, NRLLP was formed on 2 July 2009 and purchased the consented Puwera Landfill and Resort RRP from WDC.

The design and build of the Landfill was undertaken by Quay Contracting Limited (QCL). Subsequent management and development of facilities is undertaken by QCL

3. Associated Interests of Partners

WDC domestic rubbish collections and rural transfer stations waste contribute to Puwera waste streams.

NWL and related companies collection operations acquire waste from throughout Whangarei, Far North and North Auckland which contribute to Puwera waste streams.

QCL is a subsidiary of NWL.

In December 2017 WDC awarded the Whangarei District domestic solid waste collection and recycling collection contracts to NWL following a competitive tender round. The contracts run from 1 July 2019 for a 5+2+2 term.

4. Objectives

4.1 The long term objectives of the partnership are set out in the partnership agreement and are included in Appendix A of this document.

4.2 Specific Objectives for 2018/2019:

- a. Maintain processes to divert green waste from the waste stream.
- b. To determine whether to build a recycling sorting plant at the Resort facility for acceptance of recycling materials from the Whangarei district.
- c. Continue to investigate opportunities to attract waste from throughout the region and northern Auckland area to increase profitability.
- d. Sell or utilise the landfill gas streams if economically viable

5. Governance

The Northland Regional Landfill Limited Liability Partnership is a Council Controlled Trading Organisation as defined by Section 6 of the Local Government Act 2002 and is a 50/50 partnership between the limited partners, WDC and NWL. The partnership is constituted under the Limited Partnerships Act 2008 and is governed by the limited partnership agreement dated 30 June 2009 and which may be amended from time to time by agreement between the Partners.

The management of the partnership is undertaken by the general partner (WWL), a company registered under the Companies Act 1993 which is jointly owned by WDC (Group A shares) and NWL (Group B shares). This company is governed by four directors, two group A directors and two Group B directors appointed by the respective shareholders. No remuneration is paid by the company to the directors, the shareholders will pay the directors appointed by them as they see fit. A quorum consists of one Group A director and one Group B director.

6. Nature and Scope of Activities to be Undertaken

The scope of activities of the Limited Partnership will be:

- a. to own and operate disposal facilities including haulage of conforming waste to the Puwera Landfill;
- b. to undertake post-closure responsibilities including capping, contouring and monitoring of the Puwera Landfill;
- c. to own, operate and manage the ReSort RRP and the recycling plant if it is decided to proceed with the build;
- d. to conduct other waste collection and disposal activities as the Parties agree shall be dealt with by the Limited Partnership from time to time;
- e. to promote and conduct recycling and waste minimisation activities within the operating area and investigate and develop further minimisation opportunities, consistent with the organisations profit objectives.
- f. to investigate and, where appropriate, promote and/or undertake clean fill operations in the defined operating area.

7. Performance Measurement and Reporting

The following information will be available to WDC based on an annual balance of 30 June.

7.1 Annual Report

Within three months after the end of each financial year, the Board shall deliver to the WDC, audited financial statements in respect of that financial year, containing the following information:

- a. Audited financial statements for that financial year consisting of;
 - i. Statement of Financial Position;
 - ii. Statement of Comprehensive Income;
 - iii. Statement of Performance against Financial and Non-Financial Performance Targets;
 - iv. Auditor's report
 - v. such other statements as may be necessary to fairly reflect the financial position of the Company and its subsidiaries, the resources available to the Company and its subsidiaries and the financial results of the operations of the Company and its subsidiaries.

7.2 Financial Performance Targets

Indicative Financial Performance Targets:

To operate at a Profit

7.3 Non-Financial Performance Targets

Indicative Non-Financial Performance Targets:

To open both the Puwera Landfill and Re-Sort facilities for a minimum of 40 hours each week.

NRLLP to ensure that its principal contractor, employed to run Puwera Landfill and Resort, maintains standards for its Health and Safety Management System equivalent to the disbanded ACC scheme which had previously been adopted.

Ensure no serious harm incidents occur at all operational sites owned by NRLLP

Ensure Resort facilitates a minimum of 40% diversion away from landfill of all material being handled through the site

Maintain compaction of 0.7 tonnes of placed refuse per cubic metre of airspace used.

Ensure 6 months landfill capacity is maintained at all times

Achieve a minimum of 70% landfill gas destruction

8. The Ratio of Consolidated Partners Funds to Total Assets, and the Definitions of Those Terms

At the date of formation the ratio of partners' funds to total assets was 23% (\$3M equity, \$10M liabilities and \$13M assets). The \$10m liability was vendor finance from WDC for the acquisition of the properties. Partners' funds means capital contribution from partners. Total assets means the book value of all assets of the partnership.

At 30 June 2017, net equity (partners funds) is \$16.45 million, liabilities \$8.366 million and assets \$24.82million. The ratio of partners funds to total assets was 66%.

9. Statement of Accounting Policies

As outlined in Appendix B.

10. Financial Statements

Due to the commercial sensitivity of the business, prospective financial statements are not included with the Statement of Intent.

11. Distribution of Accumulated Profits and Revaluation Reserves

All profits are allocated to Partners Current Accounts effective at balance date.

Unrealised Capital Gains are held in Revaluation Reserve and classified as Equity.

12. Information to be Provided to Partners During the Year

- i. Annual financial estimates, for operational activities and capital expenditure, to the Limited Partners;
- ii. Annual Statement of Intent to the WDC Finance and Support Committee;
- iii. Half Year Financial Statements (unaudited), including Statement of Financial Position; Statement of Financial Performance; Statement of Movements in Equity
- iv. Half Year progress against Statement of Performance, based upon Performance Measures to be provided to Limited Partners
- v. Annual Financial Statements, including Statement of Accounting Policies; Statement of Financial Position; Statement of Financial Performance; Statement of Movements in Equity; Statement of Cash flows; Reconciliation of Surplus after Taxation to Cash flow from Operating Activities; Notes to the Financial statements and Auditors' Report to be provided to Limited Partners together with Auditors' Management Letter;
- vi. Annual Statement of Performance, based upon Performance Measures to be provided to Limited Partners.

13. Statement of Procedures for Acquisition of Shares by Partners in Other Entities

Partners will not acquire shares in any other similar organisation without the prior written agreement of both Joint Venture Partners.

14. Activities for Which the Board Seeks Compensation From any Local Authority

It is expected there will be no activities for which the board will seek compensation.

15. Commercial Value of the Joint Venture Partners' Investment in the Group and the Manner in Which, and the times at Which, That Value is to be Reassessed

As at 30 June 2017 net equity (partner's funds) amounted to \$16.454 million.

- . It is not proposed to seek an independent assessment of the commercial value of the entity.

16. Treaty of Waitangi Statement of Commitment

Northland Regional Landfill Limited Partnership as a WDC CCTO, understands local body obligations to the Treaty of Waitangi and expects that the Treaty of Waitangi will be honoured.

Appendix A

Extract from WWL NRLLP Shareholders/Limited Partnership Agreement dated 30 June 2009

Long term Objectives for the Limited Partnership

The objectives of the Limited Partnership are to:

- (a) Develop and operate the Puwera Landfill so that it is capable of serving the Waste disposal needs of the Shareholders and the Partners to the Limited Partnership and the Northland Region and providing competitive Waste disposal services to third party Waste operators and other local authorities within the Operating Area in an environmentally sound and economically efficient manner and in accordance with all relevant resource consents.
- (b) Operate as a successful business including achieving sufficient earnings to support the continued operations of the Limited Partnership and to achieve an appropriate risk adjusted return on investment;
- (c) Manage the Waste stream so enough Waste is secured to ensure that the Landfill is operated to its commercial advantage taking into account the benefits of maximising the life of the Landfill and financial return to the Shareholders and the Partners to the Limited Partnership .
- (d) Ensure construction and operation of the Landfill is undertaken in such a manner as to maximise the life of the Landfill, both for Stage One of the Landfill as contemplated by the existing resource consents and for any future stages.
- (e) Operate the ReSort:RRP as a transfer station to serve the needs of the Whangarei District in an environmentally sound and economically efficient manner and in so doing ensure that current levels of service, including services such as Hazardous Wastes collection and vegetation separation, are maintained with operations to be undertaken using the best practicable option.
- (f) Promote Waste Minimisation where it is financially viable to do so.
- (g) Be responsive to the market demand for its services in terms of the criteria of quantity, quality and price.
- (h) Develop business plans consistent with WDC's Waste Management and Minimisation Plan and all relevant statutory and regulatory obligations.

- (i) Behave in an environmentally sustainable manner by promoting and maintaining the standards of environmental protection applied by the RMA and to minimise the impact of its activities on the environment.
- (j) Comply with relevant provisions of the LGA applying to a CCTO.
- (k) Promote and maintain standards of health and safety in accordance with all applicable statutes and regulations, and including best practice.
- (l) Act as a good employer and effectively manage staff.
- (m) Commit to consult with and be sensitive to the concerns of the Landfill and ReSort:RRP host communities.
- (n) Act as a good corporate citizen with regard to its business dealings and relations with key stakeholders and tangata whenua and the Northland community.
- (o) Be customer focussed and ensure good customer relationships and service provision.
- (p) Enter into and manage procurement contracts to deliver the Limited Partnership's services.
- (q) Maximise long run economic and environmental benefits to key stakeholders.

Appendix B

1 Statement of accounting policies

Reporting Entity

Northland Regional Landfill Limited Liability Partnership (the Partnership) is a joint venture between Whangarei District Council and Northland Waste Limited as limited partners and Whangarei Waste Limited as a general partner.

The Partnership is domiciled in New Zealand and is a council-controlled trading organisation as defined under section 6 of the Local Government Act 2002, by virtue of the Council's right to appoint 50% of the directors to the Board and the corresponding voting rights controlled by Council.

The primary objective of the Partnership is to provide waste facilities in the Whangarei District.

The financial statements for the Partnership are for the year ended 30 June 2017, and were approved by the general partner on 30 September 2017. The entity's owners or others have no power to amend the financial statements after issue.

Basis of preparation

Statement of compliance

The financial statements of the Partnership have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement

to comply with generally accepted accounting practice in New Zealand (NZ GAAP). The partnership is a Tier 2 RDR reporting entity by virtue of not being publically accountable and has expenses of less than \$30 million.

The financial statements comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for profit oriented entities.

Measurement base

The financial statements have been prepared on a historical cost basis.

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars. The functional currency of the Partnership is New Zealand dollars (NZ\$).

Changes in accounting policies

There have been no significant changes in accounting policies during the year.

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.

Any commitments and contingencies are disclosed exclusive of GST.

Income tax

The Partnership incurs no taxation expense or tax liability. Taxable Surplus or Loss is borne by each partner according to profit share arrangements.

Any withholding tax or imputation credits arising from investment income are taken to the respective Partner Current Accounts.

Equity

Equity is measured as capital contributions of the Partners; Current Accounts of the Partners to the extent that they have not been authorised for distribution in the next financial year; and Revaluation Reserves.

Segment reporting

The Partnership operates in one business segment, waste disposal, and in one geographical segment, Northland.

Critical accounting estimates and assumptions

In preparing these financial statements, the Partnership has made estimates and assumptions concerning the future.

These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are :

Aftercare provisioning
Cell Construction

5.1 Financial Report for the 11 months ending 31 May 2018

Meeting: Finance and Corporate Committee
Date of meeting: 28 June 2018
Reporting officer: Alan Adcock (General Manager – Corporate/CFO)

1 Purpose

To provide the operating result for the eleven months ending 31 May 2018.

2 Recommendation

That the Finance and Corporate Committee notes the operating results for the eleven months ending 31 May 2018.

3 Background

Operating Result – Full Year Forecast

The year to date position is a surplus of \$18.9 million, compared to a budgeted surplus of \$9.0 million, resulting in a favourable variance of \$9.8 million.

The forecast completed in May indicates a net surplus for the financial year ending 30 June 2018 of \$15.0 million compared with a budgeted surplus of \$9.6 million, resulting in a favourable variance of \$5.4 million.

Capital Project Expenditure

The Capital Projects expenditure as at 31 May 2018 is currently \$19.1 million less than budget. Council is forecasting to spend a total of \$54.9 million against the \$75.3 million budget, with a forecast carry forward of \$24.4 million. The major carry forwards are:

New Council Premises	\$7.2m
LED Streetlight upgrades	\$2.7m
Sports and Recreation LoS (Pohe Island development)	\$1.9m
New Airport evaluation	\$1.3m
Seawall renewals (Ngunguru)	\$1.3m
Wastewater City LoS (primarily Tarewa tank)	\$1.0m
Parihaka transmission mast upgrade	\$0.9m
Cycleways (Rail Corridor)	\$0.8m

External Net Debt and Treasury

Total net external debt at the end of May 2018 was \$107.4 million compared to year to date revised budgeted net debt of \$130.2 million, resulting in net debt being \$22.8 million under budget.

WDC Treasury Operations

As at 31 May 2018 cash and term deposits held of \$34.6 million was comprised of:

- \$10.0 million of term deposits relating to short term borrowings not yet required.
- \$22.0 million of term deposits relating to excess cash not currently required due to the May rates instalment.
- \$2.6 million of cash on hand.

Economic Outlook

No change to the Official Cash Rate (OCR) during May. The Reserve Bank has stated it is expecting the OCR remain at this level “for a considerable period of time”.

Long term US rates fell significantly during May as a result of political uncertainty in Italy as well as trade tensions between the US/China. However rates recovered during June as the US Federal Reserve signalled more future interest rate increases as a result of strong US data.

Long term NZ rates have followed suit, decreasing from 3.26% to 3.08% during May but has since increased back to 3.20% in June.

4 Accounts receivable and arrears

Total arrears as at 31 May 2018 was \$3.6 million compared to \$4.6 million in the previous year.

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. Monthly key indicators
2. Monthly activity summary
3. Monthly income statement
4. Capital projects expenditure – graphs
5. Treasury report

**MONTHLY KEY INDICATORS
MAY 2018**



	YTD to May 2018					Full Year Forecast			
	YTD (Surplus)/ Deficit	Revised Budget (Surplus)/ Deficit	Variance (Surplus)/ Deficit	YTD Indicator	YTD Trend Current / previous month	Full Year Forecast (Surplus)/ Deficit	Revised Budget (Surplus)/ Deficit	Variance (Surplus)/ Deficit	Full Year Indicator
	\$ m	\$ m	\$ m			\$ m	\$ m	\$ m	
OPERATING									
Total Rates	(85.0)	(84.3)	(0.7)	●		(93.0)	(92.4)	(0.6)	●
User Fees	(19.3)	(18.8)	(0.5)	●		(21.0)	(20.7)	(0.3)	●
Operating Subsidies and Grants	(6.2)	(6.3)	0.1	●		(6.4)	(6.6)	0.2	●
Total Operating Income	(115.5)	(112.7)	(2.8)	●	↑	(126.4)	(124.3)	(2.1)	●
Personnel Costs	23.8	25.9	(2.1)	●		26.2	28.2	(2.0)	●
Professional Fees / R&M / Asset Operating Expenditure	25.3	25.7	(0.4)	●		29.4	29.4	0.0	●
Other Operating Expenditure	24.3	25.1	(0.8)	●		30.1	30.0	0.1	●
Total Operating Expenditure	115.6	122.0	(6.4)	●	↓	132.6	136.8	(4.2)	●
(Surplus)/Deficit from Operations	0.1	9.3	(9.2)	●	↓	6.2	12.5	(6.3)	●
CAPITAL									
Capital Subsidies	(12.6)	(15.5)	2.9	●		(14.8)	(17.1)	2.3	●
Development Contributions	(6.1)	(2.7)	(3.4)	●		(6.5)	(3.0)	(3.5)	●
Total Capital Income	(19.0)	(18.3)	(0.7)	●	↓	(24.1)	(22.7)	(1.4)	●
External Net Debt	107.4	130.2	(22.8)	●					
Net Interest on debt	5.8	7.0	(1.2)	●		6.6	7.6	(1.0)	●
Total (Surplus) / Deficit	(18.9)	(9.0)	(9.9)	●	↓	(15.0)	(9.6)	(5.4)	●

Note: The above information includes excerpts taken from the Monthly Income Statement. The shaded lines above represent key totals from the Monthly Income Statement but are not totals of the lines above.

KEY	
●	Favourable to budget
●	Unfavourable, but within 5% of budget
●	Unfavourable, over 5% of budget
↑	Favourable to previous month
↓	Unfavourable to previous month

Key Contributors to Unfavourable Variances

The full year forecast unfavourable variance for subsidies is partly due to carrying forward part of the LED streetlight upgrade.

MONTHLY ACTIVITY SUMMARY

MAY 2018

YTD to 31 May 2018						Full Year Forecast			
	Actual YTD (Surplus) / Deficit \$m	Budget YTD (Surplus) / Deficit \$m	Variance (Surplus) / Deficit \$m	YTD Indicator	YTD Trend Current / previous month	Full Year Forecast (Surplus) / Deficit \$m	Revised Budget (Surplus) / Deficit \$m	Variance (Surplus) / Deficit \$m	Full Year Indicator
Total Council	(18.9)	(9.0)	(9.8)	●	↓	(15.0)	(9.6)	(5.4)	●
Transportation	7.7	5.4	2.3	●	↓	10.7	8.6	2.1	●
Water	(5.7)	(3.1)	(2.6)	●	↑	(3.8)	(1.4)	(2.4)	●
Solid Waste	(3.6)	(3.3)	(0.3)	●	↓	(2.7)	(2.9)	0.2	●
Waste Water	(7.9)	(5.9)	(2.0)	●	↑	(6.9)	(5.0)	(1.9)	●
Storm Water	3.4	4.2	(0.8)	●	↑	4.0	4.6	(0.6)	●
Flood Protection	(0.3)	(0.1)	(0.2)	●	↑	(0.2)	0.0	(0.2)	●
Community Facilities	15.8	17.8	(2.0)	●	↑	27.7	29.0	(1.3)	●
Economic Growth	1.3	1.7	(0.4)	●	↓	1.5	1.7	(0.2)	●
Planning & Regulatory	0.2	0.4	(0.2)	●	↑	6.8	6.8	0.0	●
Support Services	(29.7)	(26.1)	(3.6)	●	↑	(52.1)	(51.2)	(0.9)	●

KEY:

Favourable to budget



Unfavourable, but within 5% of budget



Unfavourable, over 5% of budget



Favourable to previous month



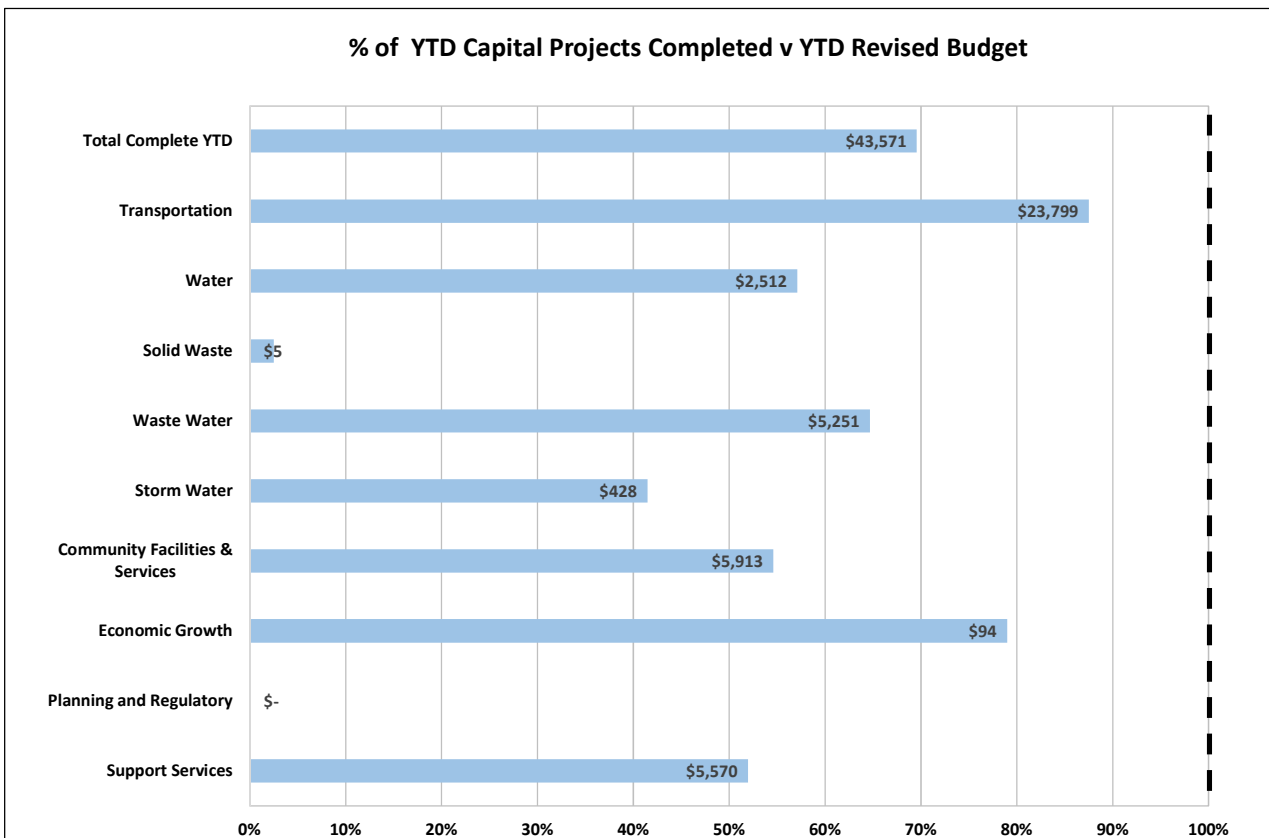
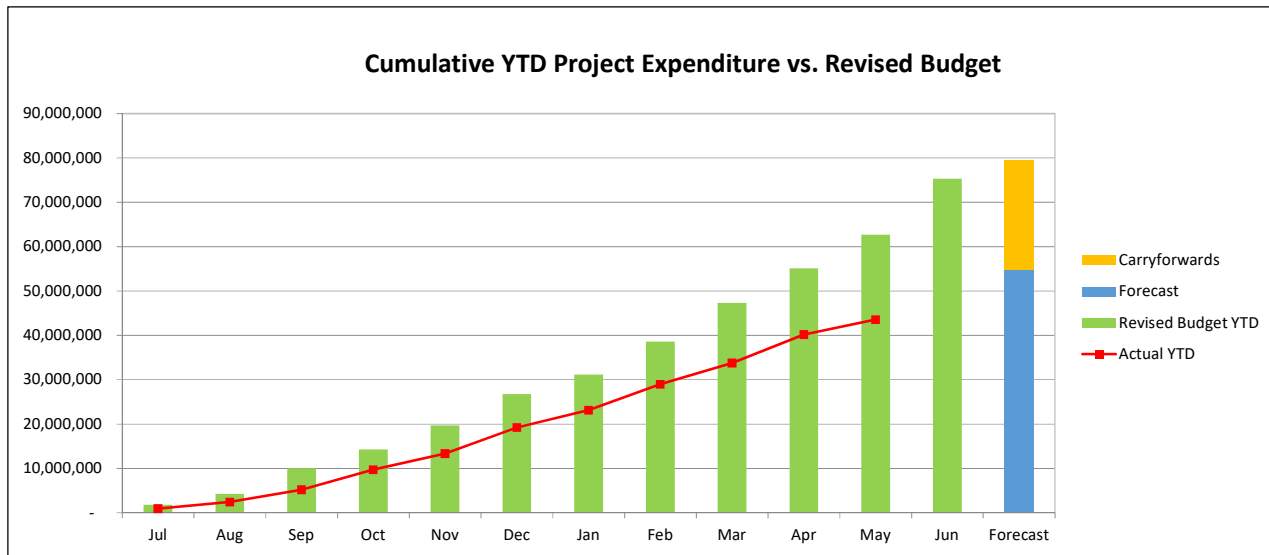
Unfavourable to previous month

MONTHLY INCOME STATEMENT

31 MAY 2018

Council Summary	Actual YTD \$000	Revised Budget YTD \$000	Forecast 2017-18 \$000	Revised Budget 2017-18 \$000	Variance 2017-18 \$000
Operating Income					
General Rates	(48,919)	(49,234)	(53,346)	(53,590)	244
Activity Targeted Rates	(23,488)	(23,307)	(25,647)	(25,486)	(161)
Metered water	(12,606)	(11,797)	(14,036)	(13,275)	(761)
User Fees	(19,346)	(18,776)	(20,957)	(20,744)	(213)
Other Income	(3,646)	(2,887)	(4,863)	(4,191)	(672)
Interest Received - Cash Balances	(1,250)	(386)	(1,206)	(394)	(813)
Operating Grants & Subsidies	(6,223)	(6,320)	(6,371)	(6,649)	278
Total Operating Income	(115,479)	(112,706)	(126,427)	(124,329)	(2,099)
Operating Expenditure					
Personnel Costs	23,836	25,941	26,194	28,174	(1,980)
Professional Fees	5,507	4,674	6,315	5,809	505
Repairs and Maintenance	15,150	16,860	17,625	18,710	(1,085)
Asset Operating Expenditure	4,628	4,184	5,459	4,854	605
Other Operating Expenditure	24,310	25,086	30,097	30,024	73
Depreciation	35,085	37,875	39,176	41,322	(2,145)
Interest Expense - External Borrowings	7,069	7,337	7,787	8,009	(222)
Total Operating Expenditure	115,584	121,957	132,591	136,840	(4,249)
(Surplus)/Deficit from Operations	106	9,251	6,164	12,511	(6,347)
Capital Income					
Capital Subsidies	(12,648)	(15,510)	(14,819)	(17,074)	2,255
Capital Scheme Rates	(32)	(32)	(35)	(35)	()
Lump Sum Contributions	(223)	(48)	(230)	(53)	(177)
Development Contributions	(6,064)	(2,685)	(6,526)	(3,028)	(3,499)
Non Cash - Vested Assets	0	0	(2,500)	(2,500)	0
Total Capital Income	(18,969)	(18,276)	(24,110)	(22,689)	(1,421)
Capital Grant Expenditure					
Capital grant expenditure	9	0	2,919	540	2,380
Total Capital Grants	9	0	2,919	540	2,380
(Surplus)/Deficit from Operating Capital	(18,960)	(18,276)	(21,191)	(22,150)	958
Total (Surplus)/Deficit	(18,854)	(9,025)	(15,027)	(9,638)	(5,389)

CAPITAL PROJECT EXPENDITURE AS AT 31 MAY 2018



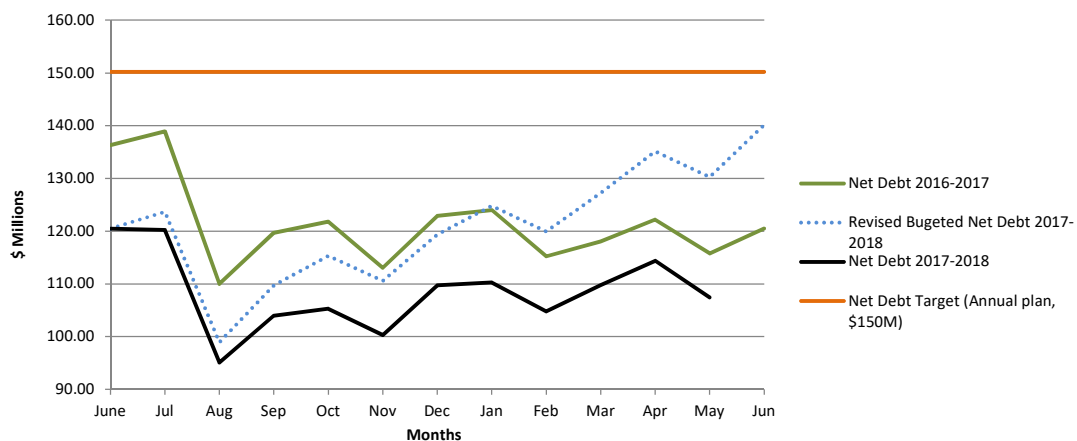
TREASURY REPORT
31 MAY 2018

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

Outlook: Stable

DEBT SUMMARY:**As at 31 May 2018**

External Debt		
Opening public debt as at 1 May 2018		142,000,000
Plus loans raised during month	-	
Less loan repayments made during month (Note: Facility movement has been netted)	-	
Net movement in external debt		-
Total External Debt		142,000,000
Less: Cash balances (excluding funds held on behalf)	2,595,731	
Term deposits (Funds held on deposit until required for project funding)	32,000,000	
Total cash and term deposits		34,595,731
Total Net External Debt		107,404,269
<i>Note: Council also holds \$2.0m of LGFA borrower notes. These are not included in net external debt as per Council's Treasury Risk Management Policy.</i>		
External debt is represented by:		
Less than 1 Year		29,000,000
1-3 Years		43,000,000
3-5 Years		30,000,000
Greater than 5 Years		40,000,000
Total		142,000,000

NET EXTERNAL DEBT COMPARED TO BUDGET:

Internal Funding		
Community Development Funds		10,237,521
Property Reinvestment Reserve - Available for Reinvestment	1,593,518	
Property Reinvestment Reserve - Accumulated	28,746,717	
		30,340,235
Water Reserve		37,367,555
Total		77,945,311

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

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

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

5.2 Corporate Capital Projects Report for the month ending 31 May 2018

Meeting: Finance and Corporate Committee
Date of meeting: 28 June 2018
Reporting officer: Alan Adcock (General Manager – Corporate/CFO)

1 Purpose

To provide the Corporate Capital Projects Report for the month ending 31 May 2018.

2 Recommendation

That the Finance and Corporate Committee notes the Corporate Capital Projects Report for the month ending 31 May 2018.

3 Background

This report provides an update on Corporate Capital Projects expenditure to date compared to budget, as well as the forecast spend for the year and carry forwards against budget.

4 Discussion

The Capital Projects expenditure for Corporate as at 31 May 2018 is currently \$6.0 million less than budget. Corporate is forecasting to spend a total of \$1.2 million against the \$10.3 million budget, with forecast carryforwards of \$8.9 million. \$7.2 million of this relates to the Council Premises which will be carried forward to next year following decisions made during the LTP process.

Delays in IT spend are primarily related to the timing that system upgrades are available from TechnologyOne which have affected the overall program.

5 Significance and engagement

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

6 Attachment

Corporate Capital Projects Report

CORPORATE CAPITAL PROJECTS REPORT

AS AT 31 May 2018

(Figures include both Operating and Capital Expenditure)

	Actual YTD \$000	Revised Budget YTD \$000	Variance YTD \$000	Full Year Forecast \$000	Full Year Revised Budget \$000	Forecast (Underspent)/ Overspent \$000	Forecast Carry Forwards \$000	Total (Underspent)/ Overspent \$000
Support Services								
<i>Business Improvement</i>								
Workflow Systems Development	0	125	(125)	0	158	(158)	158	0
Business Improvement Total	0	125	(125)	0	158	(158)	158	0
<i>Business Support</i>								
Council Premises	62	4,330	(4,268)	62	7,274	(7,212)	7,214	2
Council Vehicle Replacements	112	210	(98)	119	210	(91)	0	(91)
Information Centre Upgrade	22	148	(126)	22	148	(126)	0	(126)
Office Furniture	11	0	11	11	0	11	0	11
Business Support Total	207	4,688	(4,481)	215	7,632	(7,418)	7,214	(204)
<i>ICT</i>								
Accounts Payable Automation	37	60	(23)	37	60	(23)	0	(23)
Asset Management Software Upgrade	29	70	(41)	71	94	(23)	23	0
Computer Tech for Building, Animal Control & Parking	0	74	(74)	0	124	(124)	124	0
Decision Support System Development	0	80	(80)	0	80	(80)	80	0
Digitisation of Records	353	779	(426)	374	850	(476)	476	0
Electronic Agenda Management System	14	0	14	14	0	14	0	14
IB Project	50	53	(2)	50	53	(2)	0	(2)
IT Network Upgrades	0	60	(60)	20	60	(40)	40	0
Minor ICT Projects	48	0	48	30	0	30	0	30
OC Project	183	515	(332)	213	650	(437)	437	0
Performance Management System Development	38	135	(97)	80	174	(94)	94	0
Web & Intranet Development	12	287	(275)	45	337	(292)	292	0
ICT Total	764	2,112	(1,349)	935	2,482	(1,546)	1,566	19
<i>People & Capability</i>								
Office Furniture	11	9	2	9	10	(1)	0	(1)
People & Capability Total	11	9	2	9	10	(1)	0	(1)
Support Services Total	982	6,935	(5,953)	1,159	10,282	(9,123)	8,937	(186)
Total	982	6,935	(5,953)	1,159	10,282	(9,123)	8,937	(186)

5.3 Operational Report – Finance and Corporate – June 2018

Meeting: Finance and Corporate Committee
Date of meeting: 28 June 2018
Reporting officer: Alan Adcock (General Manager – Corporate/CFO)

1 Purpose

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

2 Recommendation

That the Finance and Corporate Committee notes the operational report for June 2018.

3 Background

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

This report provides a brief overview of some of the operational highlights for June 2018 and provides some further comment on future planned activities.

4 Significance and engagement

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

5 Attachment

Operational Report – Finance and Corporate – June 2018

Operational Report – Finance and Corporate – June 2018

Information Communications Technology (ICT)

ICT teams are working to capacity with the culmination of end of fiscal year activities. This is one of the busiest times of the year for the ICT staff. Recent staff departures of key business users from other departments have also affected several projects, creating a few resourcing issues which the teams are working through to resolve.

ICT Operations

While service levels for the month of May were ahead of target at 96.5%, the team's workload has increased significantly. However, the backlog of incidents and requests from April to May has decreased and indicates the team are responding to and resolving issues quickly. It also indicates that the Change Moratorium currently in place is assisting in keeping the service operating at optimum levels of resolution. There were no major or critical outages experienced during May. Cyber intrusion detection systems indicate that threat levels also remained consistent through the reporting period.

During May, the annual ICT audit was concluded with Audit NZ. There were no outstanding issues to address and no new issues raised, however the final audit report is still being finalised.

Operational activities include:

- Conducting a third-party security review
- Introducing a cyber training management plan
- Reviewing and managing minor work requests
- Infrastructure monitoring and support activities
- Application and Desktop support – business as usual.

ICT Projects

All Trilogy Phase 2 projects are continuing to progress well. There are a number of changes in staffing across the organisation which have had a direct impact on the projects in the programme, however teams are managing the knowledge shortfall and gaps well.

- **Upgrade Technology One to Ci Anywhere** – next software upgrade
 - Design Phase – Teams and Key Business Users are currently working through verification sessions to verify solution functionality in the upgrade.
- **Corporate Performance Management** – implementation of software to track, trace, monitor manage and report key performance indicators across Council.
 - Execution Phase – Final testing of Phase1 is still in progress and the team are on track for a Go Live of 30 July. This first phase will include the delivery of 2018 – 28 LTP performance measure tracking.
- **Website Platform Redevelopment (Digital Platform)** – Review and re-development of our existing WDC websites
 - Design Phase – Initial discovery and planning is now complete. The team are about to move into the design phase with many key business users involved in extensive design

workshops. These will occur across the July – August period. Sessions for input from Elected Members are being scheduled into the project plan.

- **Asset Management and GIS upgrade/replacement** – review, upgrade and/or replacement of the existing Asset Management system including a GIS (Spatial System) upgrade (necessary due to the dependencies between the software products)
 - Planning Phase – a closed RFP has been released. The RFP process is currently in progress and targeted to complete at the end of June.
- **Digitisation of Property Files** – Execution Phase
 - Land Use consent digitisation is currently in progress.

Finance

LTP

The Finance team has continued to review the LTP budgets and preparing to make the final changes following deliberations decisions. Updated financial reports are being prepared for scrutiny by AuditNZ.

Annual Report

Planning for YE 2018 is progressing both internally and through continued communication with Audit NZ. Focus is on items highlighted by Audit NZ in their audit planning document. Audit NZ have completed their interim audit, with the report to be tabled as an Agenda Item in the June Audit and Risk Committee.

Purchase to Pay

A work program has been established to address a number of areas for improvement in the purchase to pay process across the business. This is ongoing.

Revenue

Land Rates

Average property sales per month are 250, with 238 in April and 333 in May. Sales are tracking approximately 15% less than the previous two years.

Water Rates

Details of water rates transactions are as follows:

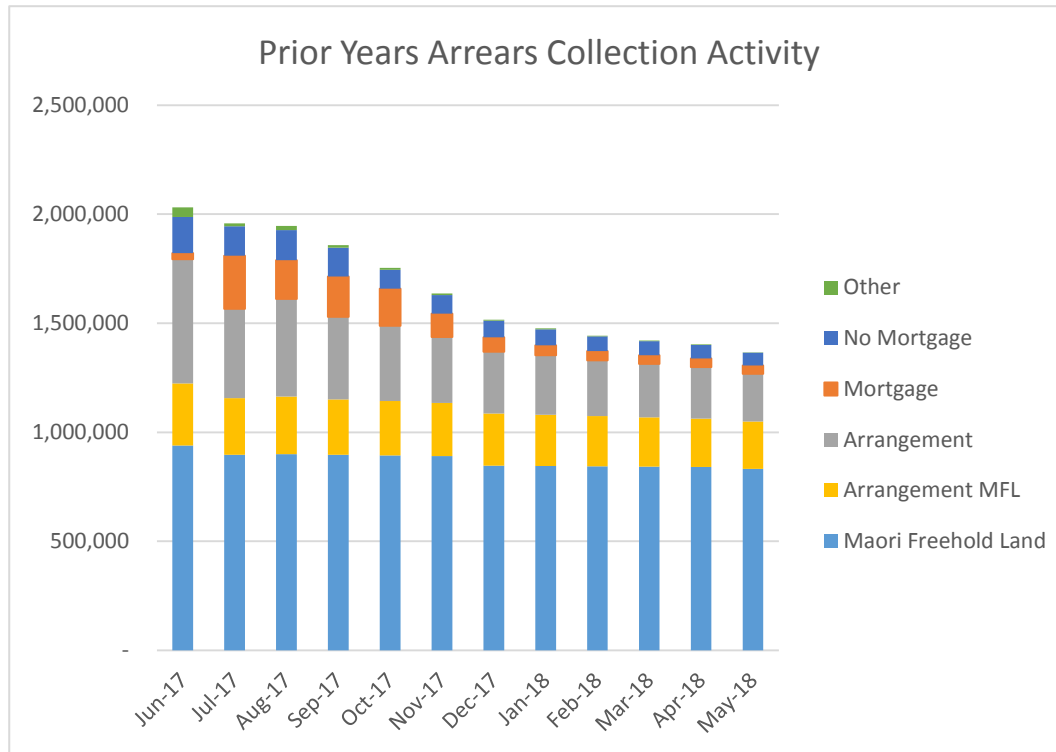
Water Rates Summary - May							
	Consumption	Supply Charge	Backflow	Special Reading Fee	Penalties	Excess Water Remission	Arrears
Amount(\$)	\$1,280,000	\$70,000	\$9,000	\$7,000	\$108,000	-\$43,000	327,000
Transactions (Number)	5,015	5,002	305	164	473	46	1,870
Average (\$)	255.23					- 934.78	

Collection and Recovery

Land rate arrears at 31 May are:

- \$1,871,000 (April \$1,919,000) of which:
 - \$1,357,000 (April \$1,402,000) relate to prior years' arrears.
 Māori Freehold Land comprises \$1,049,000 of prior years' arrears.

In May, we sent letters to ratepayers who received a penalty on the fourth instalment.



Water rates arrears are \$327,000 (1,870 debtors), with \$109,000 (686 debtors) being 90 days or more.

Sundry debtors' arrears are \$312,000 with \$214,000 being 90 days or more.

We have evaluated three different collection agencies for recovering debt that we have been unable to collect: Baycorp, Receivables Management Limited and Debt Management Central. We are currently using Baycorp and Receivables Management Limited with some success. Other councils recommended Debt Management Central a non-profit council organisation situated in the south of the North Island.

Business Improvement

The Business Improvement Department is heavily involved in a number of ICT Strategic Projects as well as a number of high priority business initiatives. Below is a breakdown of the progress of the high priority initiatives.

1. Reviewing and improving the Health and Safety (H&S) processes in relation to the organisation's Enterprise solutions.

Progress Made

Biggest Win: H&S Manager trained in using ProMapp, now self-sufficient in updating newly created processes and confidently creating new processes for other H&S policies.

- Updated Contractor Management Policy signed off.
- Workshop completed with Finance, Procurement and H&S Team. Agreement achieved on:
 - low level aspects of H&S Team creating TechOne Supplier record.
 - combined Welcome Letter (submitted to Communications and Graphics for approval)
 - new format and content of New Supplier form (submitted to Communications and Graphics for approval).
- Process workshop completed with H&S Team, WDC Rep and two Trilogy consultants. All processes now signed off.
- Training session with H&S Team & IT Training Co-ordinator completed.
- H&S Team open registration for end user contractor management training sessions.

Next Steps

- Task completed and formal handover to H&S team to conduct training sessions and own future process updates.
- Book Informational Walk Thru of tasks key outcomes and achievement.

2. Reviewing the Building Control Department processes and systems end-to-end, starting with the Building Consents process (and focussing on digitisation at this stage). This involves working with the department to understand the issues and current processes, then aligning these to the organisation's Enterprise solutions.

Progress Made

- The entire Building Consent process has been documented after workshops with representatives from all stages.
- An Options Analysis document has been produced specifying all known issues and suggestions for hardware, software and process improvements and automation.

Next Steps

- Currently reviewing the process and documentation in a third round of workshops. Final agreement expected by mid-July.
- Then moving on to document all other areas of Building Control. Quick wins to be agreed and implemented. Requirements to be documented.

3. Reviewing the Venues and Events Department (V&E) processes and systems end-to-end and in particular to understand the cost of delivery of various types of events so they can review and revise pricing and fees.

Progress Made

Have met with team leaders and staff members and mapped their operational processes in draft. Feedback has been received for most of these although further detailed work will be

required and further processes requiring mapping are being identified as the project progresses. This exercise has identified several inconsistencies and duplications which, if resolved, will create improved clarity and opportunities for improvement.

Examples include: the multiple storage of documents and information at Forum North; variations between the booking contracts used at the two venues; variations in the use of deposit invoices. The anticipated timeframe for completion of this piece of work is the end of May. A position statement is being prepared for approval by the Manager Venue and Events, which will be submitted to the General Manager Community.

4. Review how the organisation manages and controls projects and looks for improvements and consistency for controlling projects.

Progress Made

- Change strategy / project management approach has been completed and peer reviewed.

Next Steps

- Get consensus from Operational Leadership Team (OLT) and Strategic Leadership Team (SLT) for the change approach and action items.

5. Implement a Business Improvement 'Funnel' to direct and manage business process and system change to ensure all changes are prioritised and managed effectively and efficiently in a consistent manner across the organisation.

Progress Made

- Reviewed statement of work received from the vendor (Information Leadership)
- Draft business case completed.

Next Steps

- Get approval for Business case
- Approve statement of work from vendor
- Form project team and initiate build.

Business Support

Information Management

Uplifting of property files for digitisation has been the focus in the information management area and the work continues throughout the month of June. This is being done as part of the digitisation project and will represent a significant milestone.

Prompted by the emptying of archives space because of digitisation, as well as future planning for the new Council building, initial discussions have begun on the future requirements and options for management of physical records.

Procurement

Procurement support and advice continues to be available across the business.

The final draft of the Procurement Policy, and the final report for the internal audit of Procurement processes are now ready for presentation to SLT.

Procurement is in progress for:

- Civic Cleaning Services
- Security
- Building Warrant of Fitness (BWOFF)
- Towing Services
- Pensioner Housing
- Events Strategy Consultant

Property Assets

Civic Buildings

- Civic Building BWOFF Contract Management has been awarded to Building and Fire Protection Services.
- Register of interest process has been completed for the Civic Cleaning Contract. Short listed companies attended scheduled site visits on Thursday 14 June.
- Remodelling works across Forum North and Walton Plaza Levels 1 and 2 have been completed successfully.
- Tikipunga Library Carpark reconfiguration and extension has been approved.

Fleet

- A five-year vehicle replacement programme has been drafted. This will inform a report to SLT with recommendations.
- Provision of Vehicle Overspeed reports to department managers has seen a reduction in speeding incidences across the organisation. A good result – credit to department managers for following through on this.

Lease/Asset Management

- Succession planning and training in place for ongoing management of leases and licences for the business.

Communications

Brand

Work on the brand elevation project has now been incorporated within work on a new Communications Strategy, which is progressing well.

Graphics and Communications BAU

We handled weekly Council News production together with the usual communications and marketing content production service requests from within Council. Other campaigns worked on across the team included producing a range of Matariki Festival publicity, Urban Plan and Services pre-consultation, Representation Review pre-consultation, *Walking and Cycling Strategy*, What's On brochure, the new Whangarei Cultural Guide and Pohutukawa Coast. We have been finalising the business rules for the Image Library on Kete, which will eventually allow all staff to search and access digital images from any part of the organisation – rather than the current system that few users can access.

We are developing a short, animated video to clarify the different Communications department functions and will post this on Kete along with some general information on how we can best support staff.

Other campaigns our department begun working on this month include publicity for the Rates Rebate Scheme; graphics and editing work on Council's *Climate Change Strategy* and a 'Let Us Know' campaign that encourages customers to let us know when they see a problem e.g blocked drains, a broken streetlight or litter.

Long Term Plan

Writing, editing and production of the Long Term Plan has taken a significant portion of our time this month.

Internal Communications

Internal Communications included compiling the monthly All Staff PowerPoint presentation and collaborating with varied departments to produce content for Kete e.g. banners and news stories.

Mayoral communications

We researched and wrote speeches for the Mayor and Deputy Mayor, plus crafted the fortnightly Whangarei Report column highlighting housing issues and the funding injection/start of construction of the Hundertwasser building. We also managed communications for the Mayor's office including letters of complaint, congratulations, thanks, requests for mayoral media statements and articles for local publications.

Media and public relations

The following Council related matters were covered by the media in May:

- Annie Crummer to headline Matariki Festival
- Councillor Benney picking up rubbish
- Australian city inspired by Whangarei Quarry Gardens
- part of Kamo shared path opens
- new boot-cleaning station at AH Reed
- specialist inspectors for pool inspections
- Federated Farmers drop legal challenge controlling GMO use
- \$600,000 funding for Northland Rugby Union
- water off in Kamo
- increased spending on roads proposed in LTP
- asbestos cement watermain in Ruakaka ruptured
- painting in Ruakaka WDC and library foyer
- bridges closed on Hatea Loop on 27 May 2018
- locations for proposed civic centre
- part of Kamo Shared Path to open
- summer safe volunteers keep cars safe
- land proposed for Waipu adventure park sold
- Pohutukawa Coast free native trees available
- Ruakaka bus stop
- Parade for Black Sticks players
- Parihaka tracks upgrade
- Excellence award for Council staff and departments
- smoke free outdoor dining
- motel rates proposal canned
- Council re-branding
- praise for Cafler Park.
- Otangarei playground improvements
- moving Navy to Whangarei
- Smokefree outdoor areas for cafes
- possible site at Maunu cemetery for natural burials
- yachters create fund to give back to local community
- Maunu stone walls
- strong odour at Kioreroa Road waste water treatment plant
- Black Sticks parade
- Waipu volunteers
- Waipu Anzac Day
- stray dog attack in Waipu Caves Road
- Princes Road pohutukawa damage
- no plans to open Wendy's in Whangarei.
- suspicious fire in Tikipunga rugby clubrooms
- Mayor presents QSM to Joan Howse
- Rally of Whangarei
- removal of pipes on One Tree Point waterfront
- Residents angry part of Puriri Park to be used for state housing
- fire at Kensington toilets
- Mair's Landing listed as a heritage site
- tourism fund for partnership projects

- Rally of Whangarei
- demolition of Ballance site
- swimming pool fences
- GMO policy.

The following topics were raised in Letters to the Editor (Northern Advocate):

- NRU funding
- Maori wards
- money on car park
- progress on walkway
- Town Basin time ball
- Council rebranding
- Council spending
- Princes Road pohutukawa
- Port Road and Kioreroa Road intersection
- Puriri Park housing
- praise for Cafler Park
- Four lanes for State Highway
- natural burials
- Hihiaua auditorium.

Website and social media

Work is almost completed on the upcoming urban plan change pre-consultation. This will be dove-tailed into the *heretowhere* website with a go-live date on 13 June.

We are continuing to support planning and design of the new website under the ICT department's Digital Platform Project, together with monthly attendance at the ICT Think Tank and Digital Council.

Our social media and website activity includes the following:

- WhangareiNZ.com – attractions, accommodation and event information is updated approximately three times weekly; plus fresh content is created, published and refreshed bi-weekly
- Facebook / Whangarei:LoveltHere – posts made daily through the week and some weekends
- Facebook WDC & Twitter – share fresh stories weekly and post relevant news topics/events daily
- Neighbourly – link to website stories
- Instagram / WhangareiNZ – mostly destination marketing posts made daily
- main website – fresh news stories to our Latest news weekly.

People and Capability

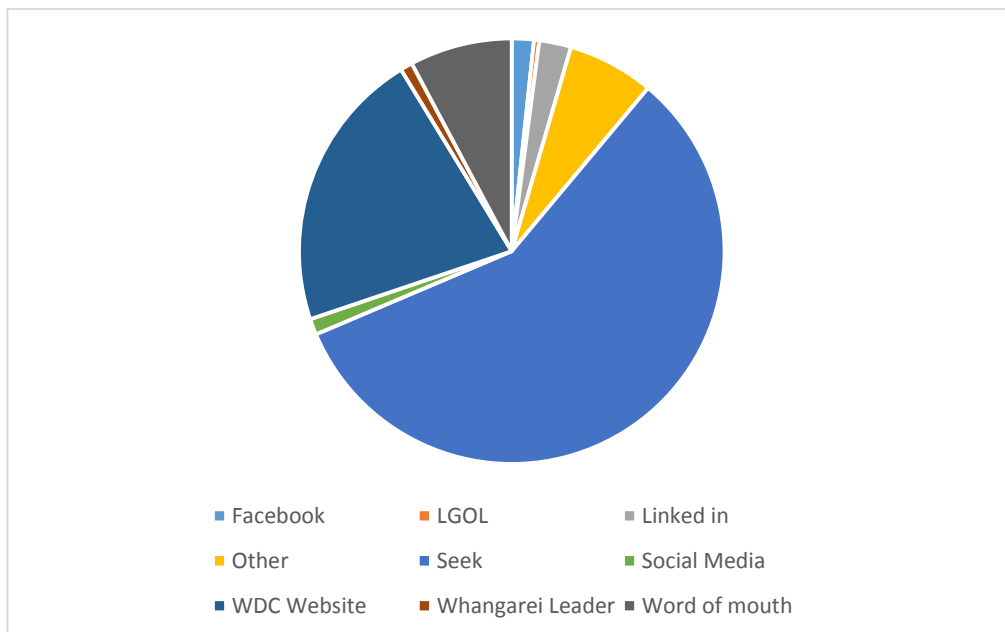
Our korero - Organisation survey

Our korero is a business survey looking at our progress in our new way of working. The survey questions are specifically written for local government organisations. The benchmark is made up of data from 1700 participants from eight other councils.

Next steps

We have communicated results through the organisation at both organisation and group levels. We are now working through departmental results, asking each department to identify two areas they would like to work on.

Job Applications – where are our applicants coming from?



New Employees, Transfers, Vacant Positions and Leavers

New Employees/Transfers	Name	Start Date
Team Leader – Infrastructure Planning	Sarah Irwin	7-May-18
Water Treatment Technician	Shane Gebhardt	14-May-18
Business Analyst	Rachel Welton	14-May-18
Support Assistant – Building Inspections	Lolly Muliipu	14-May-18
General Manager – Strategy & Democracy	Dominic Kula	21-May-18
Manager – Health & Bylaws	Reiner Mussle	21-May-18
Support Assistant – Health & Bylaws (Fixed Term)	Deb Martin	28-May-18
Roles filled and waiting to start	Name	Start Date
Building Control Officer	Riki Comins	5-Jun-18
Community Development Officer	Jacki Cooper	25-Jun-18
Senior Projects Engineer – NTA	Jon Wyeth	16-Jul-18
Traffic Engineer - NTA	Zander Cutang	TBA
Roles not yet filled	Status	
Laboratory Technician	Advertising	
Rates Rebates Administrators (Fixed Term)	Advertising	
Team Leader – Operations (Venues & Events)	Advertising	
Team Leader – Environmental Health	Advertising	
Manager – Democracy & Assurance	Readvertising	
PPE Accountant	Advertising	
Senior Planner – RMA Consents	Advertising	
Customer Services Representative	Advertising	
Bibliographic Services Librarian	Advertising	
Team Leader – Infrastructure Support & Contract Payments	Shortlisting	
District Plan Planner	Shortlisting	
Building Control Officer	1 offered, 1 remaining	
Roading Corridor Assistant	Shortlisting	
Manager – Infrastructure Development	Shortlisting	
Customer Services Representative	Shortlisting	
Bibliographic Services Librarian	Shortlisting	
Swimming Pool Inspectors - 2 (Fixed Term)	Shortlisting	
Swimming Pool Administrator (Fixed Term)	Shortlisting	
Project Manager	Shortlisting	
Systems Engineer	Interviewing	
Data Warehouse Administrator	Interviewing	
Team Leader – Rates	Interviewing	
Team Leader – Development Engineering	Under review	
Water Treatment Coordinator	Under review	
Leavers		
Ella Mowat	Planner – RMA Consents	
Anjala Lillywhite	Information Consultant	
Clover Lawson	Business Analyst	
Debbie Muckle	Senior Systems Accountant	
Adam Worley	Manager – District Development	
Lanieta Ramacake	Support Assistant – Building Inspections	
Rich Kerr	Manager - Finance	
Claudia Martin	Video & DVD Librarian	

Democracy and Assurance

The Democracy Team supported thirteen Council and Committee meetings and briefings. Forty-three liquor licence applications were processed for determination by the Chair of the District Licensing Committee.

Official information requests

Fourteen official information requests were received by council in the last month. The following is a summary of the May/June requests:

- Additional questions regarding Wright Road sealing.
- Information relating to two infringements for failing to microchip a dog in 2014 and 2015.
- Follow-up request from Ombudsman regarding Council response to a previous Ombudsman investigation.
- Request for supply of account information under the Social Security Act.
- Request for information relating to inspection/investigation of a sewerage system related issue at a specified address.
- Various questions regarding Denby Heights development contributions.
- Information relating to the purchase of DOC land adjacent to the sportsground at Maungakaramaea in 2009.
- All resource consent applications received by council since 1 January 2016 relating to the installation of any LED digital billboards.
- The terms of appointment for current members of Council's Disability Advisory Group.
- All building consent related information for a specified address.
- A range of data relating to Council's handling of requests for service in the last 12 months.
- Information on a Code of Conduct complaint.
- Information on the council's consideration of a potential lease of commercial property in the town basin.
- All complaint related information for two specified properties since 2016.

Audit and Risk

Internal Audit for the Procurement process has completed and final report will be available to the June Audit and Risk Committee.

All departments have reviewed their risk registers and information has been collated into the Risk report to be shared with the Audit and Risk Committee.

Staff continue to monitor insurance and process claims. The insurance renewal process has begun with the first renewal of statutory and employer's liability due at the end of this month.

Project work continues on the two new Kete based registers. These projects will bring Policy register and the delegations register to life within the Kete system to allow staff to monitor and update as changes are required. Ongoing ownership will sit with Audit and Risk Analyst, with external policies being managed by the strategy team.

Staff have undertaken liaison with operational departments to ensure updates to management comments for the Interim Audit NZ report. Responses collated and returned to Audit NZ to allow the final report to be included in the Audit and Risk Agenda for June.

Staff have also been involved in support for investigation and risk management of several incidents, including swimming pool audits.

Consultation and Engagement

Letters responding to those that submitted to the Long Term Plan have been drafted. Submitters will receive a generic letter outlining the changes made post deliberation and a link to the Long Term Plan document. Key WDC stakeholders that submitted on multiple issues will receive a more tailored response.

Submissions made on issues that are the mandate of other organisations (e.g. Northland Regional Council, Northland District Health Board) are being extracted from the database and forwarded to the appropriate organisation.

Work has now started on the development of a Council Consultation Programme. This aims to identify all the consultation activities implicated by the Long Term Plan 2018 - 28. This has been promoted at Operational Leadership Team and scheduling of meetings with individual teams has started.

Purpose:

- all consultation activities are transparent across the organisation
- all consultation activities are appropriately pitched and resourced
- consultation activity is maximised across work streams to avoid 'consultation fatigue'.

Maori Liaison and Development

Māori Relationships Department

Ongoing cultural advice and relationship building from the Māori Relationships Department include the following:

- Various matters raised by Ngati Kahu o Torongare to discuss with WDC.
 - Parihaka cenotaph with RSA
 - Cultural Impact Assessment for Awaroa River Rd subdivision
- Second hui with Terenga Paraoa marae regarding Porowini Ave/Lower Tarewa Road and Porowini Ave/Maunu Road intersection Improvements project.
- Coordination of the regional Te Pae Urungi hui for Māori Liaison staff from WDC, Northland Regional Council, Far North District Council and Kaipara District Council.
- Review of hapū cultural supervisor's health and safety requirements.
- Attendance at hui a hapū held by Te Parawhau, Ngatiwai, Te Waiariki, Te Whanau Whero and Te Akitai.
- Organising discussion of Māori Protocols at Team Leaders hui.
- Refuse, Wastewater and Storm water hui with Te Parawhau.
- Hihiaua project control group hui.
- Te Tumu Paeroa – Māori land development hui.
- Hui with Minister of Local Government Nanaia Mahuta regarding Papa Kainga Housing and proposed changes to Te Ture Whenua Maori.
- Taumata for the Prime Minister and Cabinet ministerial visit to Te Taitokerau regarding the government investment announcement hui in Otangarei (regional growth fund).
- Pre-Application hui for Papa Kainga proposal with landowners for Pehiaweri B1B and Rewarewa D.
- Opening of Kupe Exhibition at Whangarei Art Museum.

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.