

Agenda for a meeting of the Performance & Strategy Committee to be held in the Council Chambers, District Office, 15 Galileo Street, Ngaruawahia on **MONDAY, 13 FEBRUARY 2023** commencing at **9.30am**.

1. APOLOGIES AND LEAVE OF ABSENCE

2. CONFIRMATION OF STATUS OF AGENDA

3. DISCLOSURES OF INTEREST

*

The register of interests is no longer included on agendas, however members still have a duty to disclose any interests under this item.

4. STRATEGY REPORTS

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| 4.2 | Submission on Natural and Built Environmental & Spatial Planning Bill | 9 |

5. PERFORMANCE REPORTS

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| 5.1 | 2023 – First & Second Quarter Non-Financial Performance Results | 50 |
| 5.2 | Treasury Risk Management Policy Compliance Report to 31 December 2022 | 73 |
| 5.3 | Financial Performance Summary for the Six Months to 31 December 2022 | 80 |
| 5.4 | Approved Counterparty Review | 90 |
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| 5.6 | Chief Executive Business Plan | 130 |

GJ Ion
CHIEF EXECUTIVE

TERMS OF REFERENCE AND DELEGATION

| | |
|----------------------------|---|
| Reports to: | The Council |
| Chairperson: | Cr Janet Gibb |
| Deputy Chairperson: | Cr Marlene Raumati |
| Membership: | The Mayor, all Councillors |
| Meeting frequency: | Six-weekly |
| Quorum: | Majority of members (including vacancies) |

Purpose:

The Performance & Strategy Committee is responsible for:

1. Setting the broad vision and direction for the District's Long Term Plan, determine specific outcomes that need to be met to deliver on Council's vision, develop and monitor strategies to achieve those goals.
2. Monitoring of Council's strategy, and performance (both financial and non-financial) against the Long Term Plan and Annual Plan.
3. Determining financial matters within its delegations and Terms of Reference and making recommendations to Council on financial matters outside its authority.
4. Guiding and monitoring Council's interests in Council Controlled Organisations (CCOs), Council Organisations (COs) and subsidiaries.

In addition to the common delegations, the Performance & Strategy Committee is delegated the following Terms of Reference and powers:

Terms of Reference - Strategy:

1. Develop and agree strategy and plans for the purposes of consultation (including those required under schedule 10 of the Local Government Act 2002).
2. Recommend to Council strategy and plans for adoption, that underpin Council's Long Term Plan.
3. Monitor and review adopted strategies and plans.
4. To monitor and provide advice on the development and implementation of growth and development strategies, land use, and spatial plans in line with national policy requirements.

Terms of Reference – Performance:

1. To monitor Council's financial strategy, and performance against that strategy.
2. To monitor Council's non-financial performance framework as set out in the Long Term Plan.
3. To receive quarterly reports on the Chief Executive's Business Plan.
4. To provide clear direction to Council's CCOs and COs on Council's expectations, including feedback on draft statements of intent.
5. To receive six-monthly reports of Council's CCOs and COs, including on board performance.

6. To undertake any reviews of CCOs and agree CCO-proposed changes to their governance arrangements, except where reserved for full Council's approval.
7. To monitor Council's investments and Local Government Funding requirements in accordance with Council policy and applicable legislation.

The Committee is delegated the following powers to act:

- Approval of:
 - a. the increase or decrease of the number of members on CCO and CO boards;
 - b. appointments to, and removals from, CCO and CO boards; and
 - c. a mandate on Council's position in respect of remuneration proposals for CCO and CO board members to be presented at Annual General Meetings.
- Approval of letters of expectation for each CCO and CO.
- Approval of statements of intent for each CCO and CO.
- Exercise the Council's powers as a shareholder, or as given under a trust deed, in relation to a CCO or CO, including (but not limited to) modification of constitutions and/or trust deeds, granting shareholder approval of major transactions where required, or exempting CCOs in accordance with the Local Government Act 2002. For clarity, this delegation includes the approval or otherwise of any proposal to establish, wind-up or dispose of any holding in, a CCO or CO.
- Monitor work programme of Future Proof, Waikato Plan, Growth Strategy and cross-boundary issues.
- Approval of any process for making decisions where additional operating expenditure or capital expenditure funding, or deferred capital expenditure, is required.
- Approval of all insurance matters which exceed the delegation of the Chief Executive or other staff, including considering legal advice from the Council's legal and other advisers, approving further actions relating to insurance issues, and authorising the taking of formal actions
- Review and make recommendations to Council in relation to Fees & Charges (after consultation with relevant community boards or committees).
- Review and recommend to Council the adoption of the Annual Report.
- Approval of transactions in relation to investments in accordance with Council policy.
- Approval of contractual and other arrangements for supply and services, and revenue generating contracts, which exceed the Chief Executive's delegations, but exclude contracts or arrangements that are reserved for the Council or another committee's approval.
- Approval of rating issues where these exceed the delegated authority of officers or are an appeal against officer decisions. For clarity, this excludes decisions that are required, by law, to be made by the Council.
- Approval to write-off outstanding accounts that exceed officer delegations.

| | |
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| To | Performance and Strategy Committee |
| Report title | Submission on Hamilton City’s Draft Urban Growth Strategy |
| Date: | 13 February 2023 |
| Report Author: | Jim Ebenhoh – Planning and Policy Manager |
| Authorised by: | Clive Morgan - General Manager Community Growth |

1. Purpose of the report

Te Take moo te puurongo

The purpose of this report is to inform the Performance and Strategy Committee (the Committee) of the submission that was lodged on 18 November 2022 to Hamilton City Council on the Draft Hamilton Urban Growth Strategy.

2. Executive summary

Whakaraapopototanga matua

The Hamilton Urban Growth Strategy is Hamilton City Council’s spatial vision for the city, first approved in late 2008. A refreshed version of the Strategy was open for consultation in October and November 2022, and can be viewed here: https://storage.googleapis.com/hccproduction-web-assets/public/Uploads/Documents/Strategies/24703-HCC-H.U.G.S-Strategy_V15_WEB-SPREAD.pdf.

The attached submission was lodged on 18 November 2022 to Hamilton City Council on the Draft Hamilton Urban Growth Strategy. Due to time constraints in relation to available Committee meetings, the submission was approved by the Council’s Submission Forum, as per its agreed 2022-2025 Governance Structure.¹

¹ NOTE: The following process can be used in the event that a submission cannot be presented to the relevant committee prior to the due date for submission:

a. The Mayor, Deputy Mayor, Chairpersons of the Infrastructure, Sustainability & Wellbeing, and Performance & Strategy Committees (together, ‘the Submission Forum’) may jointly approve a submission

b. Officers will circulate the submission to the Submission Forum for approval, providing at least 24 hours for the review of the submission. All Committee members must be notified of the submission so as to enable feedback to be provided via the Submission Forum.

c. Each member of the Submission Forum will confirm by response whether they approve the submission or have any feedback on the submission

d. Where possible, a consensus of the Submission Forum members should be sought. If required, a majority view will prevail.

The submission is largely supportive of the draft Strategy, which includes the following key outcomes:

- Grow up and out from the central city
- Grow along transport corridors
- Support the development of quality greenfield neighbourhoods

These outcomes are consistent with the strategic direction set by the Future Proof partnership to which Waikato District Council belongs, in particular the Hamilton – Waikato Metropolitan Spatial Plan approved in 2020 (<https://futureproof.org.nz/h2a/metrospatialplan>).

3. Staff recommendations

Tuutohu-aa-kaimahi

THAT the Performance and Strategy Committee receives the report.

4. Next steps

Ahu whakamua

Hamilton City Council's Strategic Growth Committee will be considering a deliberations report on submissions later this month, and then is expected to adopt the strategy (with any amendments) at a later date.

5. Attachments

Ngaa taapirihanga

Attachment 1 – Submission to Hamilton City Council on draft Hamilton Urban Growth Strategy, 18 November 2022.

18 November 2022

Chief Executive

Hamilton City Council

Private Bag 3010

Hamilton

Postal Address

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New Zealand

0800 492 452

www.waikatodistrict.govt.nz

Submitted online:

<https://haveyoursay.hamilton.govt.nz/city-planning/draft-hugs-strategy/consultation/subpage.2020-09-30.2699536971/>

Dear Sir

SUBMISSION ON DRAFT HAMILTON URBAN GROWTH STRATEGY

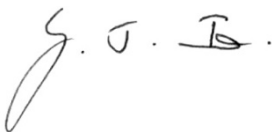
Thank you for the opportunity to submit on the Draft Hamilton Urban Growth Strategy.

Please find attached the Waikato District Council's submission, which has had governance approval.

We do not wish to be heard in support of our submission, but are happy to clarify any points raised or discuss any of the content.

Should you have any queries, please do not hesitate to contact Jim Ebenhoh, Planning and Policy Manager, jim.ebenhoh@waidc.govt.nz, or phone 0800 492 452.

Yours faithfully



Gavin Ion

CHIEF EXECUTIVE

Waikato District Council continues to support the collaborative approach that is being taken by our respective Councils, with regard to cross-boundary planning issues and through our mutual participation in the sub-regional Future Proof partnership. The Draft Hamilton Urban Growth Strategy reflects the principles and approach of this joint planning work, such as on the Hamilton-Waikato Metropolitan Spatial Plan.

Overall, the document reads well, addresses the relevant themes (health and wellbeing of the Waikato River; environment; improved travel choices; climate change; and working with neighbouring councils).

The document is a necessary planning layer that sits under the Hamilton-Waikato Metropolitan Spatial Plan, informing the District Plan and Long Term Plan.

It is pleasing that working with neighbouring councils is acknowledged, as this fits in with the planning and delivery ethos of Future Proof.

Our key comments include the following:

1. The map on page 7 (The Changing Shape of Hamilton) could be confusing to readers in terms of what it is trying to convey – for example, the reader might think that there are 180,000 people in the northernmost area labelled '2022', whereas that is meant to be the cumulative population across the entire city. It is recommended that shaded areas instead be referenced in a colour-coded table with the associated population at each point in time.
2. We support outcome 1 - Specifically the target of achieving 70% intensification over the long term in the central city.
3. We support outcome 2 – The inclusion of grow along transport corridors. This maximises the key corridor connections that are identified in the Hamilton-Waikato Metropolitan Spatial Plan and were carried through into Future Proof.
4. We understand the rationale behind including the section on Principles for out-of-boundary development however as it stands it is not clear to the reader that these link to Future Proof or that there is more detail that sits behind the numbered 7-point list in Future Proof and soon to be in the Regional Policy Statement. Consider including a link or reference to these documents to help readers.
5. The Purpose of the Strategy states that it will guide where, when and how Hamilton Kirikiriroa will grow. It's about homes and jobs. However, the when does not feature. It is recommended that some thought be given to staging and sequencing of the growth cells to inform transport and three waters investments. Timing (even if indicative) with regards to the overall pattern of the city's growth for the 'committed' greenfield areas, central city and employment areas will help with appropriate infrastructure investment and roll-out to support growth both from the City's perspective and with respect to neighbouring councils (where cross-boundary infrastructure is concerned). Doing so will help with the alignment of appropriate funding and financing arrangements for cross-boundary infrastructure, especially with regards to three waters investments and supporting growth along corridors through appropriate transport investments.



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| To | Performance and Strategy Committee |
| Report title | Submission to the Select Committee of Parliament on the Natural and Built Environment Bill and the Spatial Planning Bill |
| Date: | 13 February 2023 |
| Report Author: | Yvonne Legarth - Principal Policy Planner |
| Authorised by: | Clive Morgan - General Manager Community Growth |

1. Purpose of the report

Te Take moo te puurongo

The purpose of this report is:

To provide the Performance and Strategy Committee with a submission on the Natural and Built Environment Bill (NBE Bill) and the Spatial Planning Bill (SP Bill).

AND

To recommend that the Performance and Strategy Committee resolve to lodge the attached submission on the Natural and Built Environment Bill (NBE Bill) and the Spatial Planning Bill (SP Bill) for the consideration of the Select Committee.

AND

To note that Waikato District Council was granted an extension, and must lodge any submission it wishes to make by 19 February.

2. Executive summary

Whakaraapopototanga matua

Parliament has announced that the Resource Management Act (RMA) is to be repealed and replaced with three different pieces of legislation. The Select Committee have invited submissions to be made on the Natural and Built Environment Bill (NBE Bill) and the Spatial Planning Bill (SP Bill).

The three replacement Acts will be the:

- Natural and Built Environment Act (NBA) to provide for land use and environmental regulation (this would be the primary replacement for the RMA)
-

- Spatial Planning Act (SPA) to integrate with other legislation relevant to development, and require long-term regional spatial strategies
- Climate Change Adaptation Act (CAA) to address complex issues associated with managed retreat and funding and financing adaptation.

The first two of the above Bills are open for consultation and submissions can be made to the Select Committee.¹ Waikato District Council has been granted an extension, and must lodge any submission it wishes to make by 19 February.

The purpose of this report is to recommend that the Mayor and Councillors lodge the attached submission on the Natural and Built Environment Bill (NBE Bill) and the Spatial Planning Bill (SP Bill) for the consideration of the Select Committee.

3. Staff recommendations Tuutohu-aa-kaimahi

THAT the Performance and Strategy Committee resolves to lodge the attached submission on the Natural and Built Environment Bill (NBE Bill) and the Spatial Planning Bill (SP Bill) with the Select Committee (Environment Committee).

4. Background Koorero whaimaarama

Parliament has announced that the Resource Management Act (RMA) is to be repealed and replaced with three different pieces of legislation.

The policy intent is for a more 'streamlined' outcomes with a focus on enabling development within limits and mandatory targets for ecological integrity and human health and more integrated central government direction through a single statutory National Planning Framework (NPF).

The Cabinet agreed objectives for the new system are:

1. Protect and where necessary restore the natural environment, including its capacity to provide for the wellbeing of present and future generations.
2. Better enable development within environmental biophysical limits including a significant improvement in housing supply, affordability and choice, and timely provision of appropriate infrastructure, including social infrastructure.
3. Give effect to the principles of Te Tiriti o Waitangi to provide greater recognition of te ao Māori, including mātauranga Māori.

¹ The third of those Bills (Climate Change Adaptation) is yet to begin the formal process.

4. Better prepare for adapting to climate change and risks from natural hazards as well as mitigating the emissions that contribute to climate change.
5. Improve system efficiency and effectiveness, and reduce complexity, while retaining appropriate local democratic input

Previous engagement in the process

The Council has made previous submissions throughout the process, on the:

- Randerson Report: Resource Management System: A Comprehensive Review (2020)
- Exposure Draft on NBEA (July 2021)
- Discussion Document on RM Reform (Feb 2022)

Submissions can be made to the Select Committee on the draft legislation

Two of the Bills intended to replace the RMA are now draft legislation, and are now going through final round of consultation and submissions to a Select Committee before being enacted. These are:

- the Natural and Built Environment Bill (NBE Bill), and
- the Spatial Planning Bill (SP Bill).

The third Bill is the Climate Change Adaptation Act (CAA), that has not yet been introduced as a Bill or progressed to the submission stage.

Waikato District Council (Council) has sought, and was granted an extension to lodge a submission by 19 February. There is an opportunity to speak to the Select Committee and, following the consideration of submissions, the Select Committee is to report back to Parliament by 22 May 2023.

Draft submissions by other organisations

Local Government NZ (LGNZ) has prepared a comprehensive draft submission, as has Taituarā. Many of the issues Council staff have identified are already raised in the LGNZ draft submission, and have also been identified by sub- regional partners (Hamilton City Council and Waikato Regional Council).

A workshop that was held on 26 January provided an overview of the issues identified to date, and provided a forum for Councillors to consider whether a draft submission prepared by staff addressed Council's views on the Natural and Built Environment Bill (NBE Bill), and the Spatial Planning Bill (SP Bill), and to discuss the approach and scope of submission points in the draft LGNZ submission on the same Bills.

Since then, this Council's draft has been revised, and recirculated for further refinement.

Key decision points

Key decision points for the Council's draft submission are:

1. Does Council want to submit that the elements of protection and management of effects be strengthened to 'safeguard' certain values? (e.g. vulnerable and threatened species² and their habitats, and the values of the Waikato River be safeguarded). This is included in the attached draft submission, based on Councillor feedback to date.
2. Does Council agree that the Future Proof and Waikato 2070 (and subsequent amendments) should be recognised in the new Bills, and retained in the transition processes? This is included in the attached draft submission, based on Councillor feedback to date.
3. Does Council generally support the LGNZ submission; and each of the LGNZ submission points identified in our draft? This is included in the attached draft submission, based on Councillor feedback to date.
4. Does the Council wish to support the HCC submission, that is that the Bills are unworkable in their current form, and should be withdrawn (i.e support the approach in the HCC draft submission). This is not included in the attached draft submission, based on Councillor feedback to date.

5. Discussion and analysis Taataritanga me ngaa tohutohu

The attached draft submission contains submission points, and an Appendix that sets out possible redrafting solutions.

Concerns about funding and resourcing are raised in the submission, and as a general point (rather than redrafting) in the Appendix for relief. It is recommended that a submission point ask the Select Committee to explore different and innovative funding solutions, rather than specifying options. In the event that Council does elect to speak to the Select Committee, specific examples can be provided at that time. However, It is recommended that the Select Committee seek that advice from their own officials, as they will have greater access to resources to explore more possibilities.

Discussion on the Key decision points:

1. *Does Council want to submit that the elements of protection and management of effects be strengthened to 'safeguard' certain values? (e.g. vulnerable species and their habitats, and the values of the Waikato River be safeguarded).*

² IUCN Red List of Threatened Species – Nine categories – The categories of Vulnerable, Endangered and Critically Endangered species are considered to be threatened with extinction.

One of the key changes in the replacement Bills is a new purpose, and a new effects management framework. The new effects management framework allows more flexibility to allow activities that may have significant adverse effects. Including a submission point that strengthens the System Outcomes to include 'safeguarding' important values is recommended so that where there are values that are so vulnerable or significant, there is a legislative layer that supports protection as a priority, rather than the management of adverse effects on those values in day to day decisions.

The alternative is to rely on engagement in the National Planning Framework and Regional Spatial Strategies and (regional) Natural and Built Environment Plans to ensure those values have adequate protection in the objectives, policies and rules that apply, while allowing discretion for decision makers to ultimately decide on how effects will be managed.

2. *Does Council agree that Future Proof and Waikato 2070 (and subsequent amendments) should be recognised in the new Bills, and retained in the transition processes ?*

Future Proof and Waikato 2070 represent a recent body of work Council has undertaken with its sub-regional partners to provide strategic direction for growth and associated expenditure. It is recommended that the two Bills recognise Future Proof and Waikato 2070 as a way of securing that work in the new planning instruments and decision processes proposed by the Bills.

3. *Does Council generally support the LGNZ submission; and each of the LGNZ submission points identified in our draft ?*

It is recommended that the Council provides "general support" for the LGNZ submission and each of the submission points in the draft submission to the Select Committee. The use of the term 'generally support' means that Council agrees with the majority of the changes sought. In general the approach is in keeping with that of the Council.

4. *Does the Council wish to support the HCC submission, that is that the Bills are unworkable in their current form, and should be withdrawn (i.e support the approach in the HCC draft submission)?*

Council has the option of joining HCC in seeking that the Bills be withdrawn in their entirety. While there are some shared concerns, the government appears to have settled on its policy approach for the legislation change, and the Bills reflect that. It is recommended that Council seeks changes rather than the withdrawal of the Bills. This is because seeking changes is more likely to get traction considering the short timeframe allocated for the Select Committee to hear submissions prior to the general election.

5.1 Options

Ngaa koowhiringa

Staff have assessed that there are three reasonable and viable options for the Committee to consider.

This assessment reflects the level of significance (see paragraph 6.1) and the limited time available to engage in this process. The options are set out in the table below.

| Options | | Recommendation |
|----------|---|--|
| Option 1 | Do not lodge a submission on the two Bills | This is not the recommended approach as this is important legislation and Council has significant concerns. |
| Option 2 | Lodge the attached submission focusing on the issues of particular concern to the Waikato District, and support the submission points made by other organisations, where appropriate. | This is the recommended option. The draft submission deals with matters that are of specific interest or concern to the Waikato District, and references other issues addressed in submission made by other organisations. |
| Option 3 | Lodge a comprehensive submission on all concerns | This is not the recommended approach because of the very limited time involved to undertake the analysis. Many of the issues are already addressed in submission made by other organisations. |
| | | |

Staff recommend Option 2 because the issues of specific interest to the district will be raised with the Select Committee in the Council's submission, and supporting the submission points of other organisations takes the opportunity to demonstrate that the concerns raised apply more widely. A submission point that is widely supported is more likely to be effective and result in changes being made to the legislation.

5.2 Financial considerations

Whaiwhakaaro puutea

The costs of making a submission, and speaking to the Select Committee, are part of the budget baseline for policy work. The replacement legislation is likely to have indirect costs that mean the Council must find the resources to participate on the development of the new planning instruments, and in implementation and monitoring processes.

5.3 Legal considerations **Whaiwhakaaro-aa-ture**

Relevant legislation is the:

- the Natural and Built Environment Bill (NBE Bill), and
- the Spatial Planning Bill (SP Bill).

A copy of the draft submission has been provided to Legal for their input. Staff confirm that the preferred option (option 2 to lodge a submission specific to Waikato District and where appropriate, support submissions made by other organisations) complies with the Council's legal and policy requirements.

5.4 Strategy and policy considerations **Whaiwhakaaro whakamaaherehere kaupapa here**

The report and recommendations are consistent with the Council's policies, plans and prior decisions. A submission point is that the legislation recognise the existing planning instruments such as Future Proof and Waikato 2070 (and amendments).

5.5 Maaori and cultural considerations **Whaiwhakaaro Maaori me oona tikanga**

Some advice has been sought from relevant staff on Māori issues arising from the two Bills. Advice on mana whenua issues was limited due to the short timeframes involved in developing the draft submission. A key concern is the lack of detail on 'how' local iwi and hapu representation will occur, and how the concepts of mātauranga Māori and kaitiakitanga will be put in place.

The two Bills enhance opportunity for Māori involvement in the planning, decision making and monitoring processes, and require the Treaty of Waitangi be given effect to. The submission supports this, and raises a matter of capacity and funding for that work.

5.6 Climate response and resilience considerations **Whaiwhakaaro-aa-taiao**

The decisions sought by, and matters covered in, this report are have climate change implications and the submission points are in accordance with the Council's [Climate Response and Resilience Policy](#) and [Climate Action Plan](#).

Advice has been sought from the Council's Senior Advisor- Climate Action, and matters raised have been included in the submission. The submission raises some concerns about the integration of these two Bills with the Climate Adaptation Bill that is yet to come.

5.7 Risks

Tuuraru

There are no risks, however the submission is an opportunity to request changes to be made to the two Bills that will improve the implementation of the proposed legislation and outcomes for Waikato District.

6. Significance and engagement assessment

Aromatawai paahekoheko

6.1 Significance

Te Hiranga

The decisions and matters of this report are assessed as of low significance, in accordance with the Council's [Significance and Engagement Policy](#). However, this report is part of a broader legislative process that is, or may be in future, assessed as of moderate/high significance. That broader process is not directly within the functions or scope of influence of Waikato District Council.

6.2 Engagement

Te Whakatuutakitaki

There are no legislative requirements for engagement, and no further engagement is planned.

| Highest level of engagement | Inform | Consult | Involve | Collaborate | Empower |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>Tick the appropriate box/boxes and specify what it involves by providing a brief explanation of the tools which will be used to engage (refer to the project engagement plan if applicable).</i> | N/A | | | | |

State below which external stakeholders have been or will be engaged with:

| Planned | In Progress | Complete | |
|--------------------------|--------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Internal |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Community Boards/Community Committees |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Waikato-Tainui/Local iwi and hapuu |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Affected Communities |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Affected Businesses |
| <input type="checkbox"/> | <input type="checkbox"/> | ✓ | Other (Please Specify) Local Government NZ, Hamilton City Council, Waipa City Council, Waikato Regional Council have been exchanging draft copies of relevant submissions as these were developed. |

7. Next steps Ahu whakamua

If the recommendation to lodge the submission is approved, the submission will be lodged by 13 February 2023, and an opportunity may be taken to speak to the Select Committee.

8. Confirmation of statutory compliance Te Whakatuuturutanga aa-ture

As required by the Local Government Act 2002, staff confirm the following:

The report fits with Council's role and Committee's Terms of Reference and Delegations. Confirmed

The report contains sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages (*Section 5.1*). Confirmed

Staff assessment of the level of significance of the issues in the report after consideration of the Council's Significance and Engagement Policy (*Section 6.1*). Low

| | |
|---|-----------|
| The report contains adequate consideration of the views and preferences of affected and interested persons taking account of any proposed or previous community engagement and assessed level of significance (<i>Section 6.2</i>). | Confirmed |
| The report considers impact on Maaori (<i>Section 5.5</i>) | Confirmed |
| The report and recommendations are consistent with Council's plans and policies (<i>Section 5.4</i>). | Confirmed |
| The report and recommendations comply with Council's legal duties and responsibilities (<i>Section 5.3</i>). | Confirmed |

9. Attachments

Ngaa taapirihanga

Attachment 1 – Submission to the Select Committee of Parliament on the Natural and Built Environment Bill and the Spatial Planning Bill

Attachment 2 – Appendix 1 to the above submission with recommended changes and redline amendments

Revised 7 Feb 2023

Appendix 1 Recommendations

Appendix 1 sets out some possible drafting changes but it should be noted other issues have not been addressed.

Funding solutions

Investgate innovative funding options and tools to manage the impact on ratepayers of the dual planning regimes, and to assist with the delivery of services, affordable housing and community housing and infrastructure.

Provide Central Government funding for capacity building and funding of Māori participation in the new processes and with the National Māori Entity.

Development of the National Planning Framework

Include the ability for local authorities to have meaningful and timely participation in the development of the National Planning Framework.

Natural and Built Environment Bill - Suggested changes shown as ~~strike-out~~, and additions shown in red and underlined.

s3 Purpose of this Act

The purpose of this Act is to—

- (a) enable the use, development, and protection of the environment in a way that—
 - (i) supports the well-being of present generations without compromising the well-being of future generations; and
 - (ii) promotes outcomes for the benefit of the environment; and
 - (iii) complies with environmental limits and their associated targets; and
 - (iv) avoids as a priority, and remedies or mitigates any adverse effects of activities on the environment ~~manages adverse effects~~; and
- (b) recognise and uphold te Oranga o te Taiao.

s5 System outcomes

terms that have already been interpreted by the Courts would be helpful, an example might be to add ‘safeguard vulnerable species and their habitats’ into the s5 System Outcomes to manage the risks involved with offsetting adverse effects where values are so significant or vulnerable that offsetting or ‘minimising’ adverse effects is inadequate. The Council considers that the definition of ‘environment’ in the Bill omits important matters that

To assist in achieving the purpose of this Act, the national planning framework and all plans must provide for the following system outcomes:

- (aa) safeguards vulnerable species and their habitats
- (ab) safeguards the significant values associated with the Waikato River
- (ac) gives effect to Te Ture Whaimana

- (a) the protection or, if degraded, restoration, of—
 - (i) the ecological integrity, mana, and mauri of—
 - (A) air, water, and soils; and
 - (B) the coastal environment, wetlands, estuaries, and lakes and rivers and their margins; and

- (C) indigenous biodiversity:
- (ii) outstanding natural features and outstanding natural landscapes:
- (iii) the natural character of the coastal environment (including the coastal marine area), wetlands, and lakes and rivers and their margins:
- (b) in relation to climate change and natural hazards, achieving—
- (i) the reduction of greenhouse gas emissions:
- (ii) the removal of greenhouse gases from the atmosphere:
- (iii) the reduction of risks arising from, and better resilience of the environment to, natural hazards and the effects of climate change:
- (iv) avoiding locating new development in areas identified as high risk natural hazard areas; and outside of these areas, subdivision, use and development is provided for where natural hazard risk can be adequately managed and the risk is not exacerbated or transferred to adjoining sites.
- (c) well-functioning urban and rural areas that are responsive to the diverse and changing needs of people and communities in a way that promotes—
- (x) the well-being of both urban and rural communities
- (i) the use and development of land for a variety of activities, including for housing, business use, parks and open spaces, and primary production; and
- (ii) the ample supply of land for development, to avoid inflated urban land prices; and
- (ii) housing choice and affordability; and
- (ii) an adaptable and resilient urban form with good accessibility for people and communities to social, economic, and cultural opportunities, community services;
- (iii) promotes the key urban design qualities in the New Zealand Urban Design Protocol (Published by MFE March 2005)¹; and
- (d) the availability of highly productive land for land-based primary production:
- (e) the recognition of, and making provision for, the relationship of iwi and hapū and the exercise of their kawa, tikanga (including kaitiakitanga), and mātauranga in relation to their ancestral lands, water, sites, wāhi tapu, wāhi tūpuna, and other taonga:
- (f) the protection of protected customary rights and recognition of any relevant statutory acknowledgement:
- (g) the conservation of cultural heritage (including regional and local heritage values):
- (h) enhanced public access to and along the coastal marine area, lakes, and rivers:
- (i) the ongoing and timely provision of infrastructure services to support the well-being of people and communities.

s6 Decision-making principles

To assist in achieving the purpose of this Act, the Minister and every regional planning committee, and all decision makers in making decisions under the Act, must—

- (a) provide for the integrated management of the environment; and
- (b) actively promote the outcomes provided for under this Act; and
- (c) recognise the positive effects of using and developing the environment to achieve the outcomes; and
- (d) manage the effects of using and developing the environment in a way that achieves, and does not undermine, the outcomes; and
- (e) manage the cumulative adverse effects of using and developing the environment.
- (f) give effect to Te Ture Whaimana
- (g) have regard to existing strategic policies and planning instruments

¹ NZ Urban Design Protocol <https://environment.govt.nz/publications/new-zealand-urban-design-protocol/>

(2) If, in relation to making a decision under this Act, the information available is uncertain or inadequate, all persons exercising functions, duties, and powers under this Act must favour—

- (a) caution; and
 - (b) a level of environmental protection that is proportionate to the risks and effects involved.
- (3) All persons exercising powers and performing functions and duties under this Act must recognise and provide for the responsibility and mana of each iwi and hapū to protect and sustain the health and well-being of te taiao in accordance with the kawa, tikanga (including kaitiakitanga), and mātauranga in their area of interest.

s7 Interpretation

In this Act, unless the context otherwise requires,—

...

environment means, as the context requires,—

- (a) the natural environment, ecosystems and their constituent parts;
- (b) people and communities and the built environment that they create:
(bb) the natural or physical qualities and characteristics of an area that contribute to people's appreciation of its pleasantness, aesthetic coherence, and cultural and recreational attributes;
- (c) the social, economic, aesthetic, and cultural conditions that affect the matters stated in paragraphs in (a), (b), and (c) ~~(a) and (b)~~ or that are affected by those matters

s14 Duty to avoid, minimise, remedy, offset, or provide redress for adverse effects

(1) Every person has a duty to, in the first instance to avoid adverse effects on vulnerable species and their habitats, and on the values of the Waikato River, and to avoid, minimise, remedy, offset, or take steps to provide redress for any adverse effect on the environment arising from an activity carried on by or on behalf of the person, whether or not the activity is carried on in accordance with—

- (a) any of **sections 26 to 30**;
 - (b) any applicable limits or targets;
 - (c) a framework rule, a plan rule, a resource consent, or a designation.
- (2) The duty referred to in **subsection (1)** is not of itself enforceable against any person, and no person is liable to any other person for a breach of that duty.
- (3) However, **subsection (2)** does not limit the following powers:
- (a) the power conferred by **section 700** to make an enforcement order;
 - (b) the power conferred by **section 708** to serve an abatement notice.

s61 Effects management framework

The **effects management framework** is a means of managing adverse effects as follows:

(aa) to avoid adverse effects on vulnerable species and their habitats, and on the values of the Waikato River; then

- (a) adverse effects must be avoided wherever practicable;
- (b) any adverse effects that cannot be avoided must be minimised wherever practicable;
- (c) any adverse effects that cannot be avoided or minimised must be remedied wherever practicable;
- (d) any remaining adverse effects that cannot be avoided, minimised, or remedied must be offset wherever practicable;
- (e) if adverse effects remain after applying the requirements, in that order, of **paragraphs (a) to (d)**, the activity cannot proceed unless redress is provided by enhancing the relevant aspect of the environment.

s109 Plans must be consistent with regional spatial strategies

Every plan must be consistent with the relevant regional spatial strategy, [Future Proof 2022 and Waikato 2070 and amendments](#), unless and to that extent that—

- (a) new information becomes available that supersedes the information used to determine the content of the regional spatial strategy; and
- (b) there is a significant change in circumstances or in the physical environment since the regional spatial strategy was developed (for example, a major environmental or economic event).

Functions

In s643 to 647 Add responsibilities for [giving effect to Te Ture Whaimana](#) into the functions and responsibilities of the Ministers, and of local authorities.

Schedules

[Add criteria](#) for the identification of cultural heritage, sites of national, regional and local significance, and significant natural areas.

Spatial Planning Bill

Integrate the Spatial Planning Bill with the Natural and Built Environment Bill; and recognise existing spatial planning and strategic planning instruments.

Transitional processes

Develop detailed transitional processes, and make it clear what rules, objectives and policies have legal effect and are to be considered in decisions.; and when more weighting is to be given to the new legislation.

Funding

Resolve the question of funding and capacity, particularly in the transitional phase.

Development of the Regional Spatial Plan

Include the ability to appeal decisions on the Regional Spatial Plan to the Environment Court

Final Draft – 7 February 2023

Waikato District Council – workshop – DRAFT submissions on RMA Replacement Bills

[this page to be deleted prior to lodging submissions]

Links

Natural and Built Environment Bill (NBE Bill)

<https://www.legislation.govt.nz/bill/government/2022/0186/latest/LMS501892.html>

Parliament website:

https://www.parliament.nz/en/pb/bills-and-laws/bills-proposed-laws/document/BILL_129831/natural-and-built-environment-bill

Spatial Planning Bill (SP Bill)

<https://www.legislation.govt.nz/bill/government/2022/0187/latest/LMS545761.html>

Parliament website:

https://www.parliament.nz/en/pb/bills-and-laws/bills-proposed-laws/document/BILL_129832/spatial-planning-bill

LGNZ – draft submission on NBE amendment bill

<https://www.lgnz.co.nz/assets/Uploads/feb301adeb/LGNZ-Submission-on-the-Resource-Management-Amendment-Bill-7-November-2019.pdf>

MFE on the Government’s RM Reform objectives

<https://environment.govt.nz/what-government-is-doing/areas-of-work/rma/resource-management-system-reform/>

Committee Staff
 Environment Committee
 Parliament Buildings
 Wellington
 en@parliament.govt.nz

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Natural and Built Environment Bill

Waikato District Council's submission on the Natural and Built Environment Bill

[19] February 2023

Covering letter

Committee Staff
Environment Committee
Parliament Buildings
Wellington

en@parliament.govt.nz

To the Environment Committee

Submission on the Natural and Built Environment Bill

1. Submitter details (name of individual/organisation and address).

This submission is from **Waikato District Council**.
Te Kaunihera aa Takiwaa o Waikato
Poutaapeta Mahi: Private Bag 544, Ngaruawahia 3742
Waahi Mahi: 15 Galileo Street, Ngaruawahia

2. We wish to appear before the committee to speak to our submission.

Contact details:
Jim Ebenhoh
Planning & Policy Manager
Jim.Ebenhoh@waidc.govt.nz
027 250 6736

A. General submission

3. Waikato District Council (**Council**) wishes to make the following general comments in relation to the proposed reform to the resource management system.

4. The Council generally supports the need for reform, and the intent of the replacement legislation (Natural and Built Environment Bill and Spatial Planning Bill) to provide a simpler, more efficient resource management system that both enables development and protects the environment. The planning framework should recognise the constraints of, and the values that are important to local communities as well as delivering on national and regional outcomes.
5. The Bills are long and complex, and a number of improvements could be made to ensure the purpose and outcomes are clear and workable; and that the interpretation of the Bill less likely to need to be tested before the Courts. At this stage it is difficult to know whether the planning system has been simplified, can deliver both development and environmental protection, and will be more efficient and less costly.
6. It is not possible for this submission to respond to the Bill in the level of detail that would be desirable in the tight submission timeframe, particularly as this was through the holiday break and followed closely behind the local government elections. Therefore our submission focuses solely on our key issues. Appendix 1 to this submissions sets out some possible drafting changes that are intended to address issues raised in this submission. There are other issues not addressed and we encourage the Select Committee to inquire into possible amendments more broadly and to identify changes that could improve the integration and workability of these two Bills, and the Climate Change Bill that is to follow.
7. The Council generally supports the submission points made by Local Government NZ (LGNZ) in its submission. Key issues for the Waikato District are:
 - The loss of local voice. Territorial Authorities will be responsible for implementing plans prepared at a regional level that they have limited input into or influence over. There are very different local issues, values and constraints that should be recognised in planning instruments.

A key concern for Council is the reduction in the functions and roles of a territorial authority in preparing and developing the planning instruments, and the reduced potential for the local community to have a say and influence the decisions that affect them.

Council has concerns about its voice being lost amongst so many councils currently located within the Waikato Region. Representation is not clearly defined although Schedule 8 of the Bill, s3(2)(d). Schedule 8 indicates the membership of the committees may be based on the different populations of the individual local authorities. This creates a real a risk that urban areas with larger populations will have a larger portion of representation on the committees, to the detriment of areas where populations are smaller (including rural, natural and coastal areas). Many of those areas also have vastly different issues and risks to urban areas.

In areas where there are more than one or two iwi, or representation at hapu level may be appropriate, the level of representation on the Regional Planning Committees needs have representative for each group in its membership. The funding and capacity of iwi (and local authorities) to engage in these processes needs to be addressed. The Bill needs to be amended to recognise a need for representation of each iwi on the

Regional Planning Committees (RPCs); and in a forum to engage in the development of the National Planning Framework. There are capacity and funding issues that need to be addressed by Central Government.

- Proposed arrangements for supporting Regional Planning Committees (RPCs) are complex and present funding and resourcing challenges for councils.

This is another key concern for Council. Local government funding comes through the annual plan and long-term planning processes. This means the ratepayer carries the additional costs of both existing and new processes. The administration of the replacement legislation increases the costs and resources necessary to participate in, and implement the replacement planning legislation, at the same time as completing an existing plan review (at the appeal stage) and administering the existing plans. The replacement legislation and new planning instruments will mean many of the same issues that have recently been dealt with will need to be revisited.

- The two Bills contain a number of new definitions, terms and clauses, some of which are used inconsistently. Council is concerned that the use of new definitions or terms will result in additional costs to local authorities in the interpretation of those being clarified or established through court proceedings that generate costs for councils and communities. In addition, there are some concerns around interpretation and implementation.
- There is a need for central government to invest more in its reform programme, so that the costs don't fall exclusively to local government; this includes the transitional provisions and funding and resourcing to support iwi/Māori to participate meaningfully in the new system.
- There is potential for misalignment both between the three pieces of resource management reform legislation, and with other major reforms that have the potential to change the structure of local government and how services are delivered.



1

- The Government’s work on the proposed Climate Adaptation Bill is on a significantly slower track and is yet to be released, but all three pieces of legislation are supposed to work in conjunction with each other, and there is an unclear hierarchy between the three pieces of legislation. The delayed Climate Adaptation Bill increases the risk for inconsistency, and uncertainty about which of the three Bills have primacy or are subject to the others.
 - The purpose of the Spatial Planning Bill implies that it is subject to the Natural and Built Environment Bill. It is unusual for a strategic framework to sit below the more detailed planning instruments. The relationship must be clear if the Spatial Planning Bill is to provide for the development and implementation of long-term, strategic spatial planning across New Zealand over a 30-year-plus time span, and to integrate planning across different legislative frameworks (as stated in the explanatory note). A solution may be to integrate the two Bills into one.
 - Council is concerned with the lack of clarity around the transition from the current legislation to the new system. This will make it difficult for local authorities to implement existing plans, plan for future growth, and to implement existing strategic instruments.
8. The proposal for three pieces of legislation to replace the Resource Management Act (RMA) has resulted in a suite of Bills that form a complex system, with the relationship between those Bills is unclear.

It is intended that the bulk of direction for planning instruments sits in documents outside of the Bills, with as yet unknown provisions in a future planning framework. The bulk of direction for planning instruments will be provided for in the National Planning

¹ Source: Wellington City Council Pre-Election Report for 2022 <https://wellington.govt.nz/news-and-events/news-and-information/our-wellington/2022/07/what-will-local-government-look-like-in-2025>

Framework (NPF) and associated regulations. The variable timing and complexity potentially make finalising existing district plans, and long-term planning difficult to implement in circumstances where a change of government, or Minister's directions, may result in new provisions, direction and policy.

The ability to address national issues at a local level will require an understanding of how those issues relate to the local environment and evidence based testing of policy options as these might apply 'on the ground'. Council supports the submission point made by Waikato Regional Council, that input from local government and communities will be critical in developing the first NPF. Central government must enable public participation and ensure that the NPF provides for legitimacy, sustainability and workability. There needs to be sufficient time to consider and understand the ramifications of the NPF in order to prepare effective and efficient new strategies and plans.

The strategic direction for future planning and integration is in a different Bill, that has a stated purpose to provide for regional spatial strategies that are to achieve the purpose of the Natural and Built Environment [Act 2022], and the system outcomes set out in that Act. Council considers that better alignment between the longer term Spatial Planning Bill and the tools in the Natural and Built Environment Bill could be achieved by amalgamating the two.

The variable timing and complexity potentially make long-term planning difficult to implement in circumstances where a change of government, or Minister's directions, may result in new provisions, direction and policy.

Waikato District Council agrees with the submission point made by the Waikato Regional Council that the uncertainty caused by the potential for changes in policy, and the transition period to the new system will affect work on key priorities, unless councils are resourced to run simultaneous programmes of work under RMA and towards the new system.

9. The relative importance of outcomes is difficult to understand, so future weighting cannot be predicted. Section 5 of the NBEA sets out the System Outcomes, but does not provide a hierarchy between the outcomes, nor does it provide any direction which could be relied upon in circumstances where all of the relevant outcomes may not be able to be achieved.

The bill could also benefit from the addition to s5(c) to enable decision-makers to promote community wellbeing. Councils need to be able to plan and respond to local circumstances in order to promote well-functioning urban environments and deliver growth, infrastructure and community services in the right places. The community values residential amenity, and easy access to local shops and parks. Building good sustainable safe communities requires both housing and services, with access to transport options, employment, education, parks and other services.

10. The Regional Planning Committee (RPC) will not be democratically elected therefore are unlikely to have the same level of accountability that is currently in place with local authorities. It is unclear whether local communities may have any influence on the Minister's National Planning Framework. It is important for workability and implementation that decisions are informed and made at a local level, where people can comment on and influence decisions that affect them.

11. The transitional role and weight of the provisions in the various plans prepared to give effect to the Minister’s direction and the existing National Policy Statements (NPS) and the New Zealand Coastal Policy Statement (NZCPS) needs to be clearly prescribed in the transitional arrangements to ensure matters are not relitigated.
12. In both Bills², Te Ture Whaimana is recognised as the primary direction-setting document for the Waikato and Waipā Rivers and activities within their catchments affecting the rivers; and
- prevails over any inconsistent provision in the national planning framework; and
 - is deemed to be part of any plan that affects the Waikato or Waipā River or activities within the catchment of the river,
 - is deemed to be part of any regional spatial strategy that affects the Waikato or Waipā River or activities within the catchment of the river,
 - .. and the remainder of the strategy must give effect to Te Ture Whaimana

While the two Bills recognise Te Ture Whaimana, the System Outcomes, decision making principles, and functions of local authorities are silent. The Council considers that Te Ture Whaimana should be added to the System Outcomes, decision making principles, and the responsibility to give effect to Te Ture Whaimana should be specified in the relevant functions and responsibilities of Ministers, and regional and territorial authorities. The priority to be placed on restoring and protecting the health and wellbeing of the Waikato River and responsibilities to do so should be integrated through the planning instruments and be made clearer.

B. Waikato District

² Natural and Built Environment Bill: Under Part 3 National Planning Framework
s 35 Te Ture Whaimana and Spatial Planning Bill: Under Part 2 Regional Spatial Strategies- s21 Te Ture Whaimana



Source WAIKATO BLUEPRINT DISTRICT AND LOCAL AREA BLUEPRINTS
WAIKATO DISTRICT COUNCIL JUNE 2019

Waikato District

The Waikato District is north of the city of Hamilton, and takes in an area that encompasses most of the northern Waikato Plains and also the Hakarimata Range. The Waikato District spans more than 400,000 hectares between Hamilton City and Auckland City, and has substantial social and economic relationships with those two cities. The main population centres are Ngāruawāhia, Huntly, Tuakau, Pōkeno, Raglan, and Te Kauwhata (the largest being Huntly with approximately 7800 people) and multiple villages of various sizes. The 2022 population of the district was around 88,900.³ The district makes a significant contribution to New Zealand's gross domestic product.

The district is mainly rural in character, and contains wetlands, the flood plain of the Waikato River and several small lakes, of which the largest is Lake Waikare. The main industries in the district are dairy farming, forestry, and coal mining.

³ Stats NZ, July 2022 Subnational population estimates.



Waikato River

Waikato District Council's area of responsibility sits across the majority of the traditional rohe ('region') of Waikato Tainui, the tangata whenua ('people of the land') of the Waikato region. There are four principal tribes that comprise the Tainui waka. They are Hauraki, Ngaati Maniapoto, Ngaati Raukawa and Waikato.⁴ Thirty-nine of the sixty-eight Waikato-Tainui marae sit within the Waikato District Council's boundaries. The Council works to ensure that views and interests of these marae communities are considered in decision-making and planning.

⁴ Source: www.waikatotainui.com



Tūrangawaewae marae on River Road in Ngāruawāhia, on the banks of the Waikato River (above)



Raglan Beach – Waikato District (above)



Waikato River – Ngaruawahia – Waikato District (above)

The Council, as the consenting and regulatory authority, manages land uses in large rural areas which include significant ecological environments.

Council has recently undertaken a district plan review in accordance with Schedule 1 of the RMA (the decisions on the Waikato Proposed District Plan were released in January 2021). That review resulted in significant expenditure and is still subject to appeals to the Environment Court.

In addition, Council is also part of the joint project relating to the Future Proof Strategy and Waikato 2070 which prepare blueprints for the urban environments within the district.

C. Specific comments

Council wishes to make the following specific comments in relation to the proposed legislation.

Funding

A primary concern Council has with the changes driven through the reform package is the need to fund the development and implementation of the planning instruments, and increasing the capacity of Māori to engage in those processes. The costs of this are difficult to anticipate, and as stated above are compounded during the very long transitional period when dual systems will operate. This places an additional burden on the ratepayer, where resources have so recently been applied to the review of the plans prepared under the RMA. The primary source of funds for community services, and building community well-being is ratepayer funding.

a. Te Tiriti o Waitangi and Te ao Māori (mātauranga Māori),

The Council supports improved recognition and obligations in respect of Te Tiriti and the integration of Te ao Māori (mātauranga Māori), but also notes that the model for representation on the Regional Planning Committee may need to be more flexible. Representation and engagement in the Waikato will be complicated with additional iwi/hapu/marae when compared to other parts of the country, and the need for resourcing to engage with them properly; and for mana whenua to be able to participate in these processes. Mana whenua prefer to speak for themselves rather than have other do that for them. The loss of a local voice is a concern.

When terms like mātauranga Māori and kaitiakitanga are used in legislation, there needs to be capacity, funding and processes that enable proper application of those things in accordance with tikanga Maori.

b. Capacity for monitoring

Council anticipates that the new process may be more enabling in terms of more permitted activities. A likely consequence of more permitted activities will be a higher reliance on monitoring of land use activities to ensure compliance with the plan provisions

The new process may be anticipating a higher reliance on monitoring of activities against the plan provisions. The cost recovery for monitoring is difficult, and an increase in costs to ratepayers to fund additional monitoring needs to be addressed. The Select Committee should investigate mechanisms that funds and supports a greater capacity for gathering the evidence to support plan provisions, hearing processes, and increase in monitoring activities for compliance, to match the increase in permitted activities enabled by the Bill or the National Planning Framework.

Council also recommends that the Select Committee consider recommending the development of a nationally consistent approach to data collection, storage, sharing and usage which could improve reporting, monitoring, compliance and environmental outcomes.

c. Investigate innovative funding options

Initiatives designed to promote community well-being, affordable and public housing are less likely to be delivered by market forces, and are likely to need Council support. It is possible that the two Bills result in enabling activities and development where the costs that are not recoverable from a development contribution. Council supports submission points made by other submitters that recommend central government investigates the use of economic instruments and funding tools to assist Council with the costs of implementing and administering the new planning regime.

Integration of the three Bills

Waikato District Council is concerned that the Natural and Built Environment Bill and Spatial Planning Bill are not being accompanied by the Climate Adaptation Bill. The three Bills need to work well together. There are complex issues associated with land use, use and protection of natural resources, and managed retreat that need to be addressed in planning instruments. The integration and interpretation of the two Bills that are the subject of submissions; and the Climate Adaptation Bill that is to follow will impact upon the costs, workability and implementation of the planning regime.

Remedial action for climate change is likely to require strategic long term planning, and spatial planning, but potential options could be compromised by planning decisions on land use that are being made now.

Climate change is intrinsically connected to sustainability in a feedback loop (climate change impacts all areas of sustainability and climate change affects sustainability). It is not evident in the System Outcomes or decision making principles what the priority or expectations are, or how conflicts between matters are to be addressed in decisions.

Climate change mitigation and adaptation will require significant resourcing and feasible alternatives. In the interim, decisions made under these two Bills should not allow development on unsuitable land or planning decisions that may exacerbate risk to people or property pending the introduction and passing of the third (Climate Change) Bill.

The System Outcomes, functions and decision making requirements, and the planning tools that implement them, should specifically address matters such as:

- managing activities that may contribute to climate change and increasing natural hazard risk,
- controlling inappropriate land use in flood prone areas and overland flow paths
- the potential effects of natural hazards on people and properties, recognising that the use of hard engineering solutions might in turn encourage building in high risk areas.

The contents of the National Planning Framework, Regional Spatial Plans and Natural and Built Environment Plans (and any supporting guidelines) should be amended to include provisions to ensure that land remains available for infrastructure changes such as increased water storage, areas of land for disposal of wastewater, and that overland flow paths for stormwater are not compromised.

Transitional provisions for climate change and natural hazards

Planning for existing and future urban areas includes planning for climate change and natural hazards.

Some local authorities, including Waikato District Council have already investigated hazard risk in their districts and inserted chapters into their plans to deal with natural hazard risk and climate change. There are local issues such as mine subsidence areas that might be missed in the National Planning Framework. These provisions should be specifically recognised and ‘saved’ in the transitional processes to ensure the matters are not relitigated.

Delivering Sustainable Outcomes

The explanatory note states that “... *The purpose of the NBE Bill updates the RMA’s focus on sustainable management.*” Sustainability is not directly dealt with in the purpose of the two Bills, and Outcomes are not clearly articulated in terms of broader sustainability. The stated intention of the replacement Bills could be re-enforced by referring to sustainable outcomes, and establishing priorities that promote a long term sustainable future.

The United Nations Brundtland Commission defined sustainability as “meeting the needs of the present without compromising the ability of future generations to meet their own needs.” This is also in keeping with the Māori concept of everything being connected, and the use of resources and decisions made today must not negatively affect future generations.

The priorities for ensuring environmental, social and economic outcomes are not clearly articulated in the Bill. If a priority is to be placed on the concept of sustainability and managing the use and protection of resources in a manner that retains capacity for future generations, that priority needs to be clearer in the Purpose of the Bills, and in the System Outcomes. The concept of ‘... supporting the well-being of present generations without compromising the well-being of future generations..’ is supported, but the use of the term

‘well-being’ could be open to wide interpretation and seems to be more subjective. The RMA purpose used the term “safeguard” for specified matters and that term has a clearer meaning.

The NBE Bill s3 Purpose includes “... managing adverse effects ..” and this seems weaker than the sustainable management outcomes of the RMA that require avoidance in some instances. The more directive wording in ‘avoid’ enables protection of specific values where these are so vulnerable that management through mitigation or offsetting is inappropriate.

Interpretation and use of terms

Where new terms are used, or the directive wording from the RMA might be read as downgraded (‘avoid, remedy or mitigate’ vs ‘manage’ and ‘safeguard’ vs ‘protect’) this can be interpreted as a deliberate policy change and will affect weighting of matters in decisions. If the intention is to improve environmental protection (or outcomes) more directive language needs to be used, and relative priorities clearly stated.

Where the Bill introduces new terms and new meanings for existing terms, the transitional arrangements need to specify which definition is relevant. For example, the usual practice is that plans do not repeat a definition where it is used in the RMA or in a NPS. The transitional process should deal with the ‘legal effect’ of changed definitions, retaining the current interpretation until such time as the replacement plans are completed.

As identified in the submissions of other organisations, some of the terms used in the Bill are ambiguous, open ended, open to broad interpretation, and in some instances are inconsistent. Open ended terms and definitions are unhelpful. Where possible the use of terms that have already been interpreted by the Courts would be helpful, an example might be to add ‘safeguard vulnerable species and their habitats’ and ‘safeguard the values associated with the Waikato River and its tributaries’ into the s5 System Outcomes to manage the risks involved with offsetting adverse effects where values are so significant or vulnerable that offsetting or ‘minimising’ adverse effects is inadequate.

The Council considers that the definition of ‘environment’ in the Bill omits important matters that should be retained to assure the well-being of communities. The importance of residential amenity is recognised and added to the definition of ‘environment’.

While it is unclear why ‘historic heritage’ is replaced with ‘cultural heritage’. Council supports the matters included in the definition dealing with ‘cultural heritage’.

Planning instruments should reflect local interests

Waikato DC is in a relatively unique situation being between two metro areas and having large rural areas and a number of small towns. Te Ture Whaimana⁵ is an additional factor that is identified in the Bill, and needs to be articulated in the System Outcomes and

⁵ Te Ture Whaimana – The Vision and Strategy for the Waikato River - <https://waikatoriver.org.nz/wp-content/uploads/2019/03/Vision-and-Strategy-Reprint-2019web.pdf>

accountabilities; and would benefit from a sub-committee structure that has the ability to deal with issues that have a local focus.

The focus on regional planning instruments and a regional planning committee making decisions may not be agile enough to deal with local differences and values. In order to address the range of issues involved in improving the management of the natural and built environment, the Regional Planning Strategies and Natural and Built Environment Plans are not likely to be simple or short instruments, and the preparation and implementation of them will benefit from more local representation in decision making forums.

Given the number of local authorities within any one region, the plans will have to address the issues affecting each local community. The process for the development of individual plans and associated hearings can take a significant amount of time. There are multiple groups in these processes to contend with and many conflicting interests to try and balance. It is on that basis that Council is concerned as to the reality of condensing down the current number of district and regional plans into a single Natural and Built Environment Plan(s) for a region.

Amendments should be made to include provision for sub-committees of the Regional Planning Committee (RPC). It may also be appropriate to consider delegation to the Chief Executive of a local authority, or to elected members where there are issues that are of particular local interest. This type of structure can effectively manage a greater workload and devote more time to discussing/analysing and reviewing specific issues. The sub-committee structure could be of assistance with consultation, and relationships with mana whenua.

Roles, functions and powers of a territorial authority

The Bill only requires that a territorial authority ‘participate with the regional planning committee’ in the preparation of a plan⁶, is responsible for monitoring and enforcement of the general duties,⁷ implementing and administering the Regional Planning Committee’s plan and Regional Spatial Strategy.⁸ The drafting suggests that the role of a territorial authority may be limited to that of a submitter, or perhaps an advisor. Council is of the view that the participation a territorial authority should include the involvement in the actual preparation of a plan ‘in conjunction with’ the RPC.

In order to deliver on the functions and matters in s645 and s646 of the Bill, the territorial authority needs appropriate tools in place, including funding and appropriate plan provisions. This is not assured if the territorial authority only has the role of a submitter, and a limited role in preparing the plan and decisions on the plan. Decision makers will hear from a range of submitters with different interests, and in hearing those submissions must address competing interests.

There needs to be adequate representation for Waikato District in regional planning committees, and a population based representation system is not suitable where there are multiple iwi, large rural areas and significant environmental interests.

⁶ NBE Bill s645(1)(a)

⁷ NBE Bill s645(1)(c)

⁸ NBE Bill s645(5)

A mechanism is needed to ensure that those implementing the plans have real influence over the plan provisions. The local interests need to be reflected in the plan to promote community well-being. Community Outcomes must be given effect to, or integrated into Regional Planning Strategies and Plans. As mentioned already in this submission, a sub-committee of the Regional Planning Committee (RPC) could assist with this.

Transitional arrangements

The transitional arrangements are unclear, and the commencement of parts of the Bill may proceed at different times. There is added complexity in implementing the suite of planning instruments during the transitional phase, which could last for some time. It must be very clear when certain elements take effect and what weight is to be given to elements that are undergoing change.

Council submits that, any district plan which had recently undergone a review (including the Proposed Waikato District Plan) should be recognised through the transitional arrangements to ensure that the provisions are considered in future decisions on the Regional Spatial Strategies and Natural and Built Environment Plans. This would secure existing plan provisions and strategies, and clarify the weight to be given to those recent plan instruments, recognising the work and resources the Waikato District Council has put into producing a planning instrument which clearly gives effect to relevant National Policy Statements and National Environmental Standards, takes into account the specific district wide issues and the consultation that was undertaken as part of that work .

As mentioned above, there are funding implications in running dual processes during the transitional period.

Future Proof Strategy and Waikato 2070 (and their amendments)

The Council supports strategic planning, and consider that it is important that sub-regional growth strategies are recognised in the Regional Spatial Strategies (RSS).

In order to deal with projected growth and manage the diversity of local interests, the Council is a participant in a growth strategy called ‘Future Proof’.

Waikato District Council is in the Waikato Region and as a partner in Future Proof⁹ and has undertaken significant strategic planning for future growth management with an implementation plan specific to the Hamilton, Waipā and Waikato sub-region within the context of the broader Hamilton-Auckland Corridor and Hamilton-Waikato Metropolitan areas.

The strategy provides a framework to manage growth in a collaborative way for the benefit of the Future Proof sub-region both from a community and a physical perspective.

⁹ Future Proof is a joint project set up by the partners (including local and central government) to consider how the sub-region should develop in the future. See link <https://waikatorc.sharepoint.com/sites/externalsharing/Shared%20Documents/Forms/AllItems.aspx?id=%2Fsites%2Fexternalsharing%2FShared%20Documents%2FDigital%20%2D%20general%2FFuture%2DProof%2Dstrategy%2FFPS%2Dfull%2Ddocument%2Epdf&parent=%2Fsites%2Fexternalsharing%2FShared%20Documents%2FDigital%20%2D%20general%2FFuture%2DProof%2Dstrategy&p=true&ga=1>

This approach is needed to manage growth in a staged and coordinated manner and to address complex planning issues, especially cross-boundary matters.

The Bill should identify existing strategic planning instruments such as ‘Future Proof’ and Waikato 2070 as a Regional Spatial Strategy as a transitional arrangement pending the completion of the new plans and strategies prepared under the replacement legislation.

Many local authorities have prepared Strategic planning layers - in the case of Waikato the Future Proof work could provide a strategic framework for decisions, a possibility is to ‘deem’ the Future Proof Strategy’ to be a Regional Spatial Strategy until such time as it is replaced by one prepared under the Bill. This would recognise the investment made and process of collaboration between the participating local authorities; and assist with the decisions during the transition period.

Regional Spatial Strategies

While Council is supportive of RSS, the Council shares the concern expressed by the Waikato Regional Council that there should be provision for a hearing on the RSS, and a requirement to report back to local authorities any decision that was materially different to a plan that was notified.

The Council is also concerned that Regional Planning Committees (RPCs) do not appear to have any funding source in relation to the preparation and development of plans, and for hearings. If the funding of the RPC is to sit with local authorities, funding will need to come through long term plans which councils develop through the Local Government Act. There is a significant disconnect between who is writing the implementation plan and the statutory responsibilities and functions for implementing them.

Responsibilities to give effect to Te Ture Whaimana

Te Ture Whaimana is specifically recognised, but no decision maker or local authority functions have been identified. The Bill should include responsibilities for giving effect to Te Ture Whaimana in the functions and responsibilities of a local authority, and in the System Outcomes.

Te Oranga o te Taiao, environmental management and its importance

Waikato District Council supports an emphasis in the Bill on Te Oranga o te Taiao, environmental management and its importance

System Outcomes (s5) and decision making principles (s6)

The System Outcomes (s5) should refer to ‘all decision makers’, not just Ministers and the Regional Planning Committee (RPC). The decision making principles (s6) should be amended to refer to all people making decisions under the Act.

The System Outcomes and decision making principles will be the sections that decisions are ‘tested’ against. These need to recognise that where there are local values and differences, these should be recognised in plans and strategies. A mechanism is needed to ensure values of local interest are recognised and provided for in the Regional Spatial Strategy and Natural and Built Environment Plans; e.g cultural heritage and landscapes of regional or local value.



Whangamarino Historic Walk - Whangamarino Redoubt and Te Teoteo's Paa – Waikato District

The responsibilities and functions for the System Outcomes should all be specifically assigned in the functions and responsibilities of a local authority. It is noted that historic heritage appears in the functions of a regional council, but this is a subset of cultural heritage (as used in the interpretation section) but other factors included in ‘cultural heritage’ are not specified as a function.

To assist with the development of well-functioning urban and rural areas, the System Outcomes in s5(c) should also refer to good urban design practices, community services and development that is designed to form and support well-functioning communities.



Walkways and places of interest in the Waikato district - Harker Reserve Waikato District



Council services – Waikato District

Waikato District Council supports the submission made by Hamilton City Council (HCC) that deals with well-functioning urban environments, and that the Bill should be amended to ensure that residential amenity is retained. Outlook, and views of special places are important considerations for urban amenity, sense of place and well-being. Promoting quality outlook and controlling the dominance effects of development on neighbours and on public property promotes the well-being of those that are less mobile; and assists with passive security and positive places. The importance of adequate space for local parks and reserves, and open spaces to community well-being should also be recognised as part of desirable urban outcomes.

The Council agrees that the risks of poor quality development and poorly designed urban areas can be extensive and long lived, and delivering the System Outcomes for well-functioning urban and rural areas may be impossible to deliver without enabling decision makers to consider open space, views and amenity traits. As Hamilton City Council says in its submission: *“The impact that quality of the built environment has on everyday life and social outcomes should not be underestimated. The social, economic and environmental costs of poor-quality development, especially in higher density environments are well documented given the plethora of ‘worst-case scenario’ examples that exist internationally. Such developments occurring in Aotearoa New Zealand are a possibility when wider assessments of a development with their surrounding environment are not appropriately given or allowed. Reform should be careful not to ‘swing the pendulum’ too far away from amenity concerns in this regard.”*

Effects management framework

The difficulty with identifying and managing issues through an effects management framework was identified as a problem with the variability and implementation of the sustainable management purpose of the RMA. The Courts found that the directive language used in Part 2 of the RMA and in plans was helpful for understanding what outcomes were intended.

The RMA s5(c) requirement to ‘avoid, remedy or mitigate adverse effects’, is downgraded in s3 of the Bill to ‘manage adverse effects’. The effects management framework in s61 of the Bill has been amended to avoid wherever practicable’ and includes minimised and offsetting. The language used is less directive, and suggests trade-offs are appropriate in all instances. There may be instances where restoration or mitigation is not appropriate and this should be reflected in the management framework. In addition, “trade-offs can be unclear (particularly when offsetting is an option), and actual effects may be unknown. Where an effect management framework is used, the effects may occur locally, while the benefits accrue regionally or nationally. The legislation should ensure that offsets require effects to be

managed or offset locally, that trade-offs are limited to ‘like with like’. Council therefore recommends that the Bill and s61 should be amended to recognise that there are values and interests that are so irreversible or vulnerable that only avoidance is appropriate.

The effects management frameworks should be strengthened to ensure significant values can be protected. The hierarchy should be clear that avoidance is required in the first instance; that in some instances avoidance is required where the effects are significant and irreversible and the values so vulnerable that the System Outcomes will not be met.

Other amendments include identifying values where permitted activities are not appropriate i.e vulnerable species and their habitats, irreplaceable heritage (sites of significance to Māori and archaeological sites); and adding a schedule with criteria for central government and local authorities to use identifying those sites, areas or values of significance.

Plan hierarchy

The planning hierarchy and relationship between the National Planning Framework, regional spatial strategies, implementation plans, and Natural and Built Environments Act plans should be made clearer. The Spatial Planning Bill appears to be subservient to the Natural and Built Environments Bill. The suite of planning instruments and the hierarchy between them needs to be clearly stated.

The right of appeal

A core concept in developing plans for the community and reflecting community interests is the ability to test decisions that impact upon the community. An appeal to the High Court on a point of law is too onerous from a resource perspective which prevents such action being taken by the community which may be affected by the decision. Council recommends that the Select Committee consider an amendment which enables appeals of plans and strategies to the Environment Court, thus making it more accessible. If there is a concern about the workload of the Environment Court, the Select Committee could obtain advice on whether to require persons to demonstrate standing that applies beyond the interests of the general public.

Plan development and private plan changes

The process for accepting and processing private plan changes, and recovering the costs of that process is unclear and needs to be included in the Bill. This should include criteria for decisions to accept or reject applications received from private individuals or organisations.

Permitted Activity Notices

The Permitted Activity Notice process has some potential for enabling activities that would otherwise need a consent. However, the Bill needs to include some additional criteria for the planning tools and conditions in s156 of the Bill (noting s156 is an open ended and unlimited list). To provide certainty and assist with enforcement, the management plan or report under s156(3)(c) must contain objectives and processes, and monitoring and reporting provisions, work done by an appropriately qualified person needs to be done in accordance with a design, (perhaps with certification afterwards). This would ensure that Council has a record to facilitate compliance. In addition, Council recommends that any report or assessment by iwi should be provided by a representative who has been identified as having the relevant mandate by mana whenua.

Resource consent processes

The replacement plans are prepared at a regional level, and applications are made to the “relevant local authority”. Currently, applications required under the district plan are administered by the district council, and applications required under regional plans are administered by the regional council. It is unclear in the Bill which the authority will be responsible for making decisions on specific matters.

Recommendations

See Appendix 1

Appendix 1 sets out some possible drafting changes but it should be noted other issues have not been addressed.

Spatial Planning Bill

Waikato District Council's submission on the Spatial Planning Bill

[19] February 2023

Covering letter

Committee Staff
Environment Committee
Parliament Buildings
Wellington

en@parliament.govt.nz

To the Environment Committee

Submission on the Spatial Planning Bill

1. Submitter details (name of individual/organisation and address).

This submission is from Waikato District Council.

Te Kaunihera aa Takiwaa o Waikato

Poutaapeta Mahi: Private Bag 544, Ngaruawahia 3742

Waahi Mahi: 15 Galileo Street, Ngaruawahia

2. We wish to appear before the committee to speak to our submission.

Contact details:

Jim Ebenhoh

Planning & Policy Manager

Jim.Ebenhoh@waidc.govt.nz

027 250 6736

General submission

3. We wish to make the following comments.

4. The Waikato District Council generally supports the need for reform and the intent of the Spatial Planning Bill to contribute to a simpler, more efficient RM system and provide for the development and implementation of long-term, strategic spatial planning, coordinates and integrates decisions through the development of long-term regional spatial strategies (RSS).

5. This submission focuses solely on the key issues. There are issues that have not been addressed in this submission, and we encourage the Select Committee to inquire into possible amendments more broadly and to identify changes that could improve the

integration and workability of these two Bills, and the Climate Change Bill that is to follow.

6. We support the general intent of the Bill, however the relationship between the strategic layer and the other Bill that it is to implement has difficulties. The relationship with the third Bill that is yet to be produced is even less clear.
7. The Council generally supports the submission points made by Local Government NZ (LGNZ) in its submission
8. It is recommended that the Spatial Planning Bill be integrated into the Natural and Built Environment Bill. We consider that a strategy should describe a clear vision, describe long term goals, and set direction; and that the more detailed planning instruments in the Natural and Built Environment Bill should refer to it and be subject to the strategic layer. The purpose of the Spatial Planning Bill is instead to implement the Natural and Built Environment Bill.

Specific comments and recommendations:

9. The proposal for three pieces of legislation to replace the Resource Management Act (RMA) has resulted in a suite of Bills that form a complex system, with the relationship between those Bills is unclear. Together, the Bills are long and complex, and the relationship between them is open to interpretation. At this stage it is difficult to know whether the planning system has been simplified, can deliver both development and environmental protection, and will be more efficient and less costly.

Funding

10. A primary concern Council has with the changes driven through the reform package is the need to fund the development and implementation of the planning instruments, and increasing the capacity of Māori to engage in those processes. The costs of this are difficult to anticipate, and as stated above are compounded during the very long transitional period when dual systems will operate. This places an additional burden on the ratepayer, where resources have so recently been applied to the review of the plans prepared under the RMA. The primary source of funds for community services, and building community well-being is ratepayer funding.

Investigate innovative funding options

Initiatives designed to promote community well-being, affordable and public housing are less likely to be delivered by market forces, and are likely to need Council support. It is possible that the two Bills result in enabling activities and development where the costs that are not recoverable from a development contribution. Council supports submission points made by other submitters that recommend central government investigates the use of economic instruments and funding tools to assist Council with the costs of implementing and administering the new planning regime.

Integration of the three Bills

Waikato District Council is concerned that the Natural and Built Environment Bill and Spatial Planning Bill are not being accompanied by the Climate Adaptation Bill. The three Bills need to work well together. There are complex issues associated with land use, use and protection of natural resources, and managed retreat that need to be addressed in

planning instruments. The integration and interpretation of the two Bills that are the subject of submissions; and the Climate Adaptation Bill that is to follow will impact upon the costs, workability and implementation of the planning regime.

9. The Spatial Planning Bill does not need to be a separate piece of legislation. Incorporating the strategic layer into the Natural and Built Environment Bill has potential to improve the relationship between the two, avoid potential inconsistencies and duplication; and may also improve monitoring and implementation.
10. There is a lack of clarity around arrangements for transition to and implementation of the new system. This is making it difficult for councils to plan, and to implement existing strategic instruments.
11. The interaction between National Planning Framework and Regional Spatial Strategies (RSS), and the RSS implementation plans; and the planning instruments prepared and implemented under the Natural and Built Environment Bill must be made very clear to avoid potential for litigation. Existing strategic planning instruments should be recognised in the RSS, and should be ‘deemed’ to be RSS in the transitional processes. Time and resources have been expended to work with our communities to develop Future Proof and Waikato 2070. The Natural and Built Environment Plans should give effect to these existing instruments and future amendments.

Te Tiriti o Waitangi and Te ao Māori (mātauranga Māori)

12. The Council supports improved recognition and obligations in respect of Te Tiriti and the integration of Te ao Māori (mātauranga Māori), but also notes that the model for representation on the Regional Planning Committee may need to be more flexible. Representation and engagement in the Waikato will be complicated with additional iwi/hapu/marae when compared to other parts of the country, and the need for resourcing to engage with them properly; and for mana whenua to be able to participate in these processes.

Te Ture Whaimana

13. Te Ture Whaimana is recognised in both Bills,¹⁰ as the primary direction-setting document for the Waikato and Waipā Rivers and activities within their catchments affecting the rivers. This is supported by the Council. Noting that the vision and Strategy for the Waikato River should be recognised in the System Outcomes, given effect to in the Regional Spatial Strategies, and the functions and responsibilities of the Minister, various authorities and decision-makers needs to be clear.

Recommendations

See Appendix 1

¹⁰ Natural and Built Environment Bill: Under Part 3 National Planning Framework s 35 Te Ture Whaimana and Spatial Planning Bill: Under Part 2 Regional Spatial Strategies- s21 Te Ture Whaimana

Appendix 1

Appendix 1 sets out some possible drafting changes but it should be noted other issues have not been addressed.

Suggested amendments

| | |
|---------------------|---|
| To | Performance and Strategy Committee |
| Report title | 2022/23 First and Second Quarter Non-Financial Performance Results |
| Date: | 13 February 2023 |
| Report Author: | Anthea Sayer - Corporate Planner |
| Authorised by: | Clive Morgan - General Manager Community Growth |

1. Purpose of the report

Te Take moo te puurongo

To inform the Performance and Strategy Committee on the non-financial performance results for the first and second quarters of 2022/23.

2. Executive summary

Whakaraapopotanga matua

These first and second quarter non-financial performance results are for the period 1 July 2022 to 30 September 2022 and then 1 July 2022 to 31 December 2022 respectively.

For the second quarter to 31 December 2022, 69% of Key Performance Indicators (KPIs) have been 'achieved', 6% are 'within 5% of their target' to be achieved and 25% have been 'not achieved'.

3. Staff recommendations

Tuutohu-aa-kaimahi

THAT the Performance and Strategy Committee receives the 2022/23 First and Second Quarter Non-Financial Performance Results report.

4. Background

Koorero whaimaarama

The KPIs were adopted as the non-financial performance measures for the 2021-2031 Long Term Plan.

There are 63 KPIs that are reported in the Annual Report:

- 17 are measured monthly
- 31 are measured quarterly
- 4 are measured half-yearly, and
- 11 are measured annually.

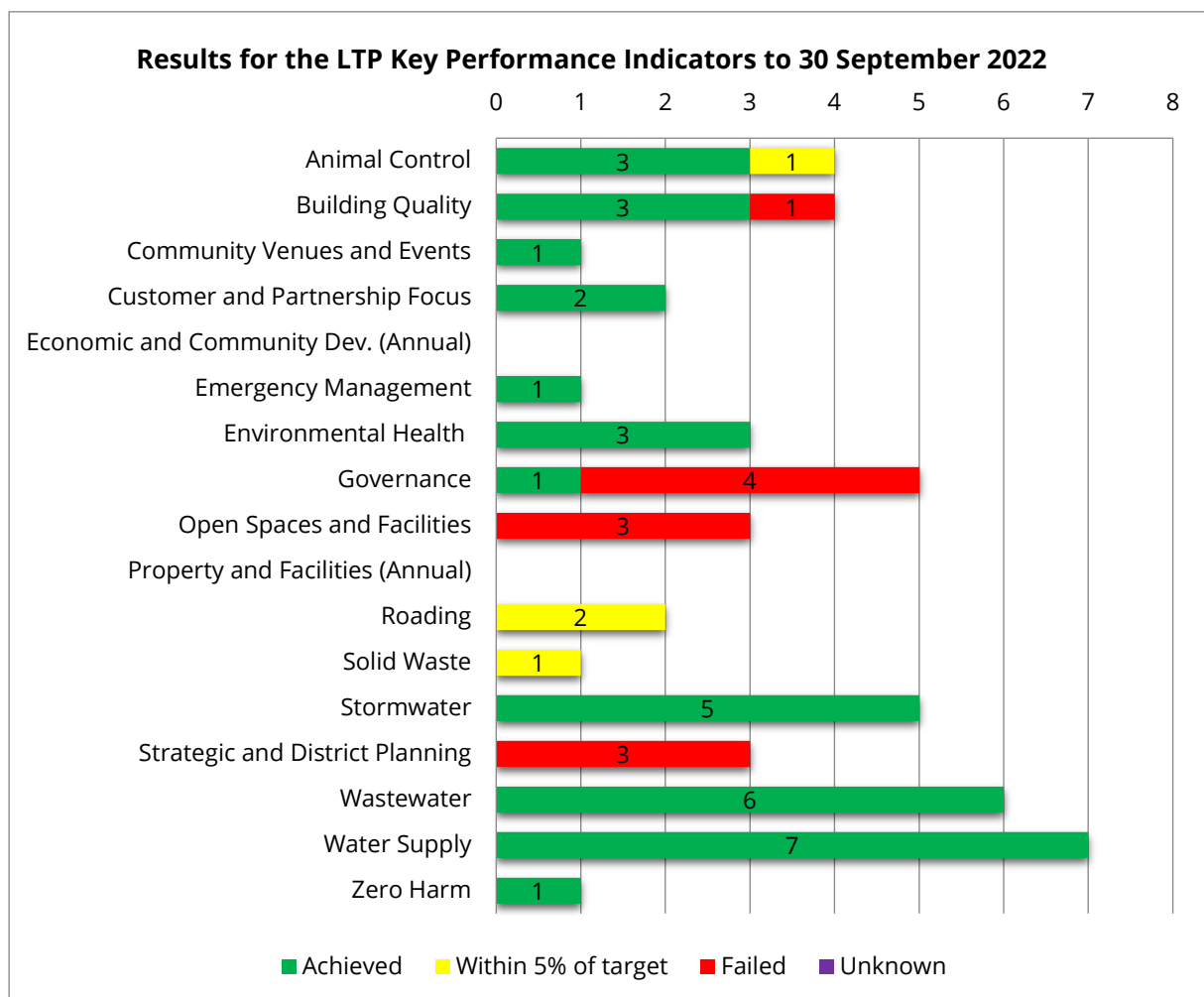
The full results are attached to this report.

Results are reported on every quarter to the Performance and Strategy Committee and are used to inform the Annual Report.

5. Discussion Matapaki

5.1 First Quarter – 1 July to 30 September 2022

The graphs below show the number of KPIs that were ‘achieved’, ‘within 5% of target’ or were ‘not achieved’, grouped by activity for the first quarter.



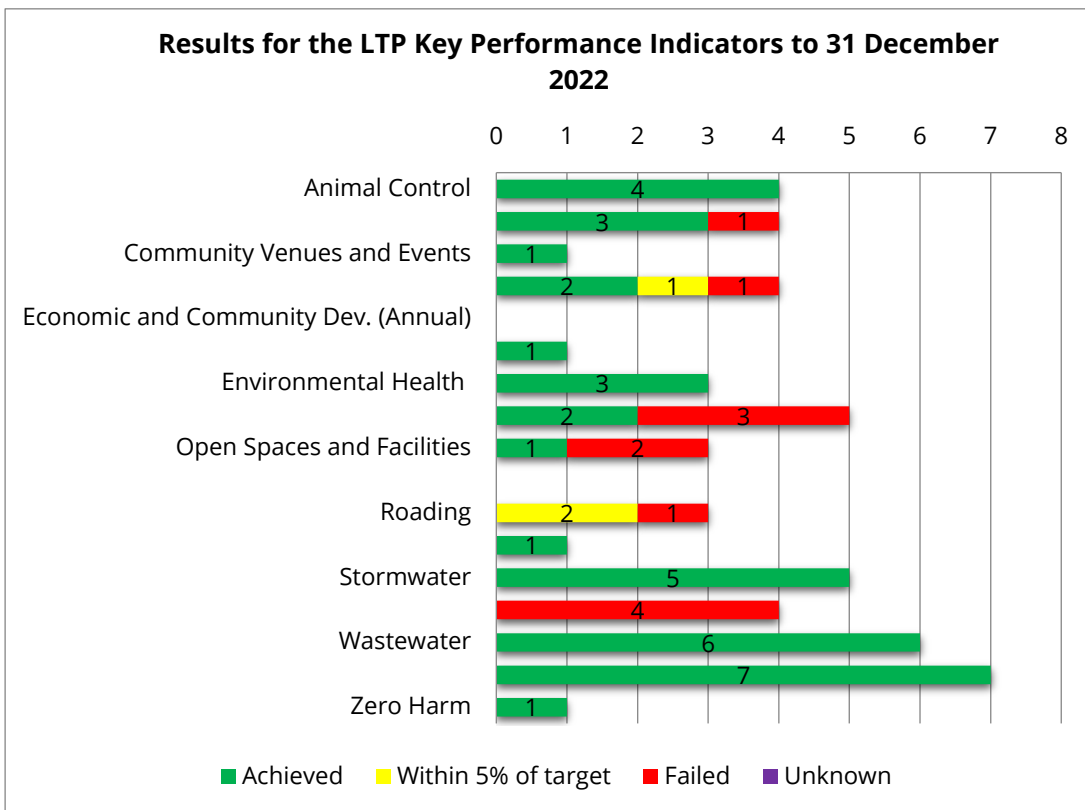
| Achieved | Within 5% of target | Not achieved | Unknown |
|----------|---------------------|--------------|---------|
| 69% | 8% | 23% | 0% |

Comparative year-to-date results

| | 2019/2020 | 2020/2021 | 2021/22 | 2022/23 to 30 September 2022 |
|-----------------------|-----------|-----------|-----------|------------------------------|
| Achieved | 53 (67%) | 54 (67%) | 42 (67%) | 33 (69%) |
| On track | 10 (13%) | 11 (13%) | 6 (9%) | 4 (8%) |
| Not achieved | 16 (20%) | 17 (20%) | 15 (24%) | 11 (23%) |
| Unknown | | | | |
| TOTAL MEASURES | 79 | 79 | 63 | 52 |

5.1 Second Quarter – to 31 December 2022

The graphs below show the number of KPIs that were 'achieved', 'within 5% of target' or were 'not achieved' grouped by activity to 31 December 2022.



| Achieved | Within 5% of target | Not achieved | Unknown |
|----------|---------------------|--------------|---------|
| 69% | 6% | 25% | 0% |

Comparative year-to-date results

| | 2019/2020 | 2020/2021 | 2021/22 | 2022/23 to 31 December 2022 |
|-----------------------|-----------|-----------|-----------|-----------------------------|
| Achieved | 53 (67%) | 54 (67%) | 42 (67%) | 37 (71%) |
| On track | 10 (13%) | 11 (13%) | 6 (9%) | 3 (6%) |
| Not achieved | 16 (20%) | 17 (20%) | 15 (24%) | 12 (23%) |
| Unknown | | | | |
| TOTAL MEASURES | 79 | 79 | 63 | 52 |

5.3 Where we have not met the target as of the end of the second quarter

Building: Two new Building Review Officers have been employed. While these officers are being trained, the team have continued to use contractors and it is anticipated that timeframes and performance will improve in the remaining quarters.

Customer and Partnership: Feedback indicates that customers are unhappy with the outcome of their interactions with council. Staff are currently investigating how this can be improved.

Governance: As discussed at previous meetings, meeting the Councillor availability KPI target can be dependent on what consultative processes are being carried out. A review is underway to ensure the survey questions are more relevant.

The percentage of customers satisfied that the Council are consulting on the right issues and ease of access and clarity of information stayed steady with targets not been reached. Staff are working on how to improve these results in future quarters noting that Council now has a Senior Community Engagement Advisor to improve our engagement with the community.

Open Spaces and Facilities: An increase in vandalism and levels of cleanliness are reflected in the results. These issues are common during this peak time of year. Contractors are responsive and continue to do an exceptional job.

Staff will investigate options regarding the Parks and Reserves results which are likely impacted due to the closing of the Horotiu dog park.

Roading: The team has cleared the backlog of requests, but still has vacancies within the team which is impacting responsiveness.

Strategic and District Planning: COVID and staff resourcing are still impacting the consent monitoring and parking patrol activities. New staff have been recruited which will help improve future results.

6. Attachments

Ngaa taapirihanga

Attachment 1 – 2022/23 First Quarter Non-Financial Performance Results

Attachment 2 – 2022/23 Second Quarter Non-Financial Performance Results



Waikato District Council

Scorecard Report

Period: Jul-22 - Sep-22

Scorecard Name
2021-24 LTP KPI reporting by Activity - All KPIs

56
Date From
01-Jul-2022

Date To
30-Sep-2022

LINKED ITEMS

UNIT

TARGET

ACTUAL

INDICATOR

2021-24 LTP KPI reporting by Activity - Animal Control

LTP - The percentage of aggressive dog behaviour complaints, where immediate risk to public safety is present, that has council personnel on site within 1 hour

%

95.00

97.50



COMMENTS: Target achieved

LTP - The percentage of complaints regarding stray stock that have council personnel on site within 1 hour

%

95.00

100.00



COMMENTS: Target achieved

LTP - Complete Engagement and Education Visits throughout the district

#

30.00

29.00



COMMENTS: The visits included preschools, primary and intermediate schools, and dogs in libraries visits.

LTP - The Percentage of Known Dogs currently Registered

%

70.00

80.03



COMMENTS: 15989 known dogs,, 12796 registered dogs, 3193 unregistered dogs. 80.03% registered percentage.

2021-24 LTP KPI reporting by Activity - Building Quality

LTP - The percentage of existing buildings with building WOFs that are monitored and audited for compliance annually - YTD

%

8.25

12.00



COMMENTS: Once again good progress being made with auditing this category of buildings. Our Pool/Compliance Officer is being trained in this area we expect to be able to met the target.

LTP - The percentage of buildings that provide sleeping care or paid accommodation which are audited for compliance annually - YTD

%

25.00

43.00



COMMENTS: Good progress being made to audit these buildings with access becoming more available and our Pool/Compliance Officer is being trained in this area we expect to be able to met the target.

LTP - The percentage of swimming pools that are inspected for compliance annually - YTD

%

8.25

9.79



COMMENTS: YTD we have completed 9.79% of the pool inspections. Our dedicated Pool/Compliance inspector is having a positive impact on catching up on our historic pool inspections as well as maintaining inspections on the pools currently due.

LTP - The percentage of building consent applications which are processed within 20 working days - YTD

%

98.00

92.89



COMMENTS: Whilst we've now got the processing timeframes under control (still using contractors) the YTD percentage reflects the impact of staff shortages and contractors going over the timeframes. The team is currently training our two new Building Review Officers to a level that will allow us to dispense with contractors and enable us to meet our statutory timeframes going forward. The contractors have been spoken to regarding their timeframes and we expect their performance to improve.

2021-24 LTP KPI reporting by Activity - Community Venues and Events

| | | | | |
|---|---|------|------|--|
| LTP - The number of events workshops held each year to support event organisers | # | 0.00 | 0.00 | |
|---|---|------|------|--|

COMMENTS: We are currently in the planning stage and have a sound splash workshop with staff and SS organisers booked in for Monday 10 October and a community focused workshop in November.

2021-24 LTP KPI reporting by Activity - Customer and Partnership Focus

| | | | | |
|---|---|-------|-------|--|
| LTP - The % of customers satisfied with the overall service received when contacting the council. | % | 70.00 | 71.00 | |
|---|---|-------|-------|--|

COMMENTS: Our performance was stable over the first quarter but there is room for improvement.

| | | | | |
|--|---|------|------|--|
| LTP - Average level of effort to conduct business with council. (On a scale of 1 - 5 (5 being high effort) how much effort did it take to conduct your business with council?) | # | 2.50 | 2.50 | |
|--|---|------|------|--|

COMMENTS: Our performance was stable over the first quarter but there is room for improvement.

| | | | | |
|---|---|--|--|-------------|
| LTP - Net Promoter Score (level of likelihood that library users will recommend to friends and family their library as a place to go) | % | | | Half Yearly |
|---|---|--|--|-------------|

| | | | | |
|--|---|--|--|-------------|
| LTP - Level of customer satisfaction that the quality of libraries resources meets their needs | % | | | Half Yearly |
|--|---|--|--|-------------|

2021-24 LTP KPI reporting by Activity - Economic and Community Development

| | | | | |
|---|---|--|--|----------|
| LTP - Business perception Survey average rating is above target | # | | | Annually |
|---|---|--|--|----------|

2021-24 LTP KPI reporting by Activity - Emergency Management

| | | | | |
|--|---|--|--|----------|
| LTP - The evaluation of annual exercise as a measure of effectiveness of training delivery | % | | | Annually |
|--|---|--|--|----------|

| | | | | |
|--|---|-------|-------|--|
| LTP - Council maintains a minimum number of trained staff to Intermediate level, to fulfil core Emergency Operations Centre roles. | # | 50.00 | 77.00 | |
|--|---|-------|-------|--|

COMMENTS: Council currently has 77 staff trained to an Intermediate level. The Resilience Team is currently working on identifying further staff members to develop into emergency management leadership roles to provide business continuity for emergency management if we were to activate our EOC for a response. Alongside this piece of work, we are considering what business continuity needs to be built into teams to allow all identified staff to be redeployed to an emergency response, whilst maintaining business operations.

2021-24 LTP KPI reporting by Activity - Environmental Health

| | | | | |
|---|---|-------|-------|--|
| LTP - The percentage of food operations that are required to be verified annually that are verified - YTD | % | 65.00 | 65.00 | |
|---|---|-------|-------|--|

COMMENTS: This is a yearly KPI target. The quarterly KPI has been affected by the delay and cancellation of verification by food business due to sickness, staff shortage, and financial issues currently faced by the hospitality sector. The team is working to reschedule verifications to meet the quarterly targets.

| | | | | |
|--|---|--|--|----------|
| LTP - The percentage of medium or higher risk category licensed premises inspected annually. | % | | | Annually |
|--|---|--|--|----------|

| | | | | |
|---|---|-------|-------|--|
| LTP - Percentage of excessive noise complaints responded to within agreed timeframes. (Due to geographical characteristics of the district response times will vary in different parts of the district) | % | 85.00 | 92.00 | |
|---|---|-------|-------|--|

COMMENTS: Target achieved

| | | | | |
|--|---|-------|--------|--|
| LTP - The percentage of hazardous land use information (Hail) reports that will be completed within 10 working days. | % | 90.00 | 100.00 | |
|--|---|-------|--------|--|

COMMENTS: Target achieved

2021-24 LTP KPI reporting by Activity - Governance

| | | | | |
|--|---|-------|-------|--|
| LTP - Percentage of customers satisfied with the availability of their Councillor. | % | 75.00 | 44.00 | |
|--|---|-------|-------|--|

COMMENTS: The Councillors would like to review the questions for this measure as they do not believe they are sufficient to get an accurate measure. Staff will set a meeting with the Deputy Mayor to discuss in the new year.

| | | | | |
|---|---|-------|-------|--|
| LTP - Percentage of customers satisfied that council consults with the community regarding the right issues | % | 50.00 | 30.00 | |
|---|---|-------|-------|--|

COMMENTS: Corporate Planning will work with the Senior Community Engagement Advisor to understand why there is a disconnect between what Council consults on what issues the community expects us to consult on.

| | | | | |
|--|---|-------|-------|--|
| LTP - Percentage of customers satisfied with the ease of access and clarity of information regarding key community issues. | % | 53.00 | 30.00 | |
|--|---|-------|-------|--|

COMMENTS: It's hard to rationalise the low result for this KPI and there could be a number of contributing factors. The local election campaign was happening during this period with activity predominantly focused on driving voting behaviour. The voter turnout was at an all time low across the country and this lack of general engagement with local governance matters could also be a factor.

| | | | | |
|--|---------|-------|-------|--|
| LTP - Percentage of minutes of all open meetings that are made publicly available via the Council's website. | 59 % | 98.00 | 70.00 | |
| <i>COMMENTS:</i> With the number of additional meetings being held, particularly for PDP we have been unable to maintain a 98% KPI for the month of September. It is anticipated that with elections coming up we will be able to finalise minutes by mid October. | | | | |

| | | | | |
|---|---|------|------|--|
| LTP - Number of formal hui held with iwi, mana whenua and hapu groups | # | 1.00 | 9.00 | |
| <i>COMMENTS:</i> Target met. | | | | |

2021-24 LTP KPI reporting by Activity - Open Spaces and Facilities

| | | | | |
|---|---|-------|-------|--|
| LTP - Percentage of customers who are satisfied with Public toilets in the residents satisfaction survey. | % | 75.00 | 59.00 | |
| <i>COMMENTS:</i> An Increase in vandalism is reflected in the results. Contractors are responsive but perception is still poor. Will continue to ensure our contractors respond to complaints of maintenance and repair issues. | | | | |

| | | | | |
|---|---|-------|-------|--|
| LTP - Percentage of Customers who are satisfied with Parks And Reserves, including sports fields and playgrounds overall | % | 85.00 | 78.00 | |
| <i>COMMENTS:</i> Council's expectations is that visitors manage their own rubbish and based on this comment this may not have happened in this case we will work with contractors to review this. There was grant funding towards the Skatepark in Tuakau and funding for bollards is provided by central Government. | | | | |

| | | | | |
|---|---|-------|-------|--|
| LTP - Percentage of customers who are satisfied with the presentation of WDC cemeteries. | % | 85.00 | 74.00 | |
| <i>COMMENTS:</i> Cemeteries have been progressing well this quarter. Currently working on annual update to berms. These should be completed by Feb/March 2023. Other improvements are replacing of bench seats in some cemeteries. Removal of conifers in RSA section of Waerenga Cemetery. All improvements to the presentation of the cemeteries. | | | | |

2021-24 LTP KPI reporting by Activity - Property and Facilities

| | | | | |
|--|---|--|--|----------|
| LTP - WDC Carbon road map shows an improving trend in energy efficiency / emission reduction | % | | | Annually |
|--|---|--|--|----------|

2021-24 LTP KPI reporting by Activity - Roading

| | | | | |
|--|---|--|--|----------|
| LTP - The percentage of footpaths that fall within the level of service or service standard that is set out in the LTP | % | | | Annually |
|--|---|--|--|----------|

| | | | | |
|--|---|--|--|-------------|
| LTP - The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number. | # | | | Half Yearly |
|--|---|--|--|-------------|

| | | | | |
|--|---|-------|-------|--|
| LTP - The percentage of customer service requests relating to roads to which we respond within the timeframes specified. | % | 95.00 | 90.87 | |
|--|---|-------|-------|--|

COMMENTS: Target not met as team is currently under resourced and it is a busy time due to weather calls.

| | | | | |
|--|---|-------|-------|--|
| LTP - The percentage of customer service requests relating to footpaths responded to within the timeframe specified in LTP | % | 95.00 | 92.45 | |
|--|---|-------|-------|--|

COMMENTS: Target not met as team is currently under resourced and it is a busy time due to weather calls.

| | | | | |
|---|---|--|--|----------|
| LTP - The average quality of ride on a sealed local road network, measured by smooth travel exposure. | % | | | Annually |
|---|---|--|--|----------|

| | | | | |
|---|---|--|--|----------|
| LTP - The percentage of the sealed local road network that is resurfaced. | % | | | Annually |
|---|---|--|--|----------|

2021-24 LTP KPI reporting by Activity - Solid Waste

| | | | | |
|---|---|-------|-------|--|
| LTP - Customer Satisfaction with Waste Collection services. | % | 75.00 | 72.00 | |
|---|---|-------|-------|--|

COMMENTS: Includes both kerbside refuse and recycling. Refuse collection 80%. Recycling 68%

| | | | | |
|---|---|--|--|----------|
| LTP - Meet actions set within Waste Minimisation Management Plan (WMMP) | % | | | Annually |
|---|---|--|--|----------|

2021-24 LTP KPI reporting by Activity - Stormwater

| | | | | |
|--|---|------|------|--|
| LTP - Stormwater - The number of flooding events that occurred throughout the district | # | 5.00 | 0.00 | |
|--|---|------|------|--|

COMMENTS: None lodged in system (checking with IM if report working correctly)

| | | | | |
|---|---|------|------|--|
| LTP - Stormwater - The number of habitable floors affected in a stormwater flooding event expressed per 1000 properties connected to the councils stormwater system per event | # | 0.30 | 0.00 | |
|---|---|------|------|--|

COMMENTS: 0

| | | | | |
|--|---|--------|------|--|
| LTP - Stormwater - The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site. | m | 120.00 | 0.00 | |
|--|---|--------|------|--|

COMMENTS: No Service Requests lodged for Stormwater in the quarter

| | | | | |
|--|---|------|------|--|
| LTP - Stormwater - The number of complaints received by Council about the performance of its stormwater system, expressed per 1000 properties connected to the stormwater system | # | 4.00 | 0.00 | |
|--|---|------|------|--|

COMMENTS: No complaints lodged for Stormwater in the quarter (checking with IM if report working correctly)

| | | | | |
|---|---|------|------|--|
| LTP - Stormwater - Council's level of compliance with resource consents for discharge from its stormwater system, measured by the number of abatement notices, infringement notices, enforcement orders and convictions received in relation those resource consents. | # | 0.00 | 0.00 | |
|---|---|------|------|--|

COMMENTS: 0

2021-24 LTP KPI reporting by Activity - Strategic and District Planning

| | | | | |
|--|---|-------|-------|--|
| LTP - Percentage of resource consent applications which are processed within the statutory time frames | % | 98.00 | 91.42 | |
|--|---|-------|-------|--|

COMMENTS: 89 consents were issued in September and 180 issued YTD. 7 consents were issued outside of statutory timeframes in September; and 23 YTD. 242 out of the 268 (or 91.42%) consents have been issued within timeframes YTD which means the performance indicator will move from amber to red this month.

The reasons are: consistently high monthly average of applications are continuing to be lodged; reports are prepared under two plan frameworks; staff sickness/staff turnover, lack of consultant capacity (planners and engineers); high commitments to Business Improvement Projects; applicants and their agents are also increasingly refusing to agree to time extensions beyond doubling of timeframes, which our staff can do in special circumstances.

Actions being taken include: recruiting for more planners; contracting more consultants; doubling timeframes for all aspects of processing applications and seeking agreement where necessary with applicants to extend beyond double timeframes; allocating like consents (location/type of proposal) to the same planner where possible; allocating increasing numbers to consultants (currently 36% of consents being processed by consultant planners), including utilisation of Irish planning consultants particularly less complex consents; processing increasing numbers of Marginal Temporary Activities (in lieu of standard land use consent applications) where appropriate; utilising a specific template for earthworks consents; increasing the number of people peer reviewing reports from 1 to 3 to cope with the increased complexity and number of reports; restricting level of service for Duty Planner service; placing a hold on non-mandatory services like Pre applications.

Taking into account the above factors, it is not anticipated that the number and or percentage of consents processed outside of statutory timeframes will decrease as the year progresses, and as stated above, our KPI will remain in red.

| | | | | |
|---|---|-------|-------|--|
| LTP - The percentage of current land use consents that are older than 2 years which have been monitored in the past 2 years | % | 80.00 | 46.00 | |
|---|---|-------|-------|--|

COMMENTS: As this data set measures monitoring conducted over the last two years, the full effect of COVID-19 is now visible. Resourcing, lockdowns, alert level changes and reduced staff hours as well as illness has impacted our ability to monitor and conduct site visits for lengthy periods of time. It is hoped that our current recruitment and revisit of our work program will assist in getting the workload back to a manageable level. Our workload continues to grow exponentially with limited resources available to meet the demand. The huge number of service requests (approximately 950 for this last year) also had some impact on our ability to meet all our responsibilities. **Please note that the significant drop (over the last three months) reflects the large number of routine monitoring events historically scheduled for June/July across the team. Staffing changes over the last twelve months have also impacted our ability to address the steadily increasing workload - with four new team members requiring training, after periods of vacancy.

| | | | | |
|--|---|-------|-------|--|
| LTP - The number parking patrols that are carried out in communities that have parking controls under the bylaw. | # | 42.00 | 29.00 | |
|--|---|-------|-------|--|

COMMENTS: We continue to be under-resourced in this space and compliance work across Bylaws, Parking and Freedom Camping is still being carried out by only one Officer. We are currently recruiting. Patrols are prioritised when possible but impacted by litter, abandoned vehicle workloads. A new part-time Compliance Officer joins our team in October which should in time significantly address patrol shortfalls.

| | | | | |
|---|---|--|--|-------------|
| LTP - The percentage of bylaws and policies, that are required by legislation, are reviewed within their statutory timeframes | % | | | Half Yearly |
|---|---|--|--|-------------|

| | | | | |
|--|---|--|--|----------|
| LTP - Adequate land supply (right type in right location) exists to cater for the growth and development of the District. Sufficient development capacity (as required by the National Policy Statement - Urban Development) is provided to meet expected short and medium term demand | % | | | Annually |
|--|---|--|--|----------|

2021-24 LTP KPI reporting by Activity - Wastewater

| | | | | |
|---|---|------|------|--|
| LTP - Wastewater - The number of dry weather sewerage overflows from Council's sewerage system, expressed per 1000 sewerage connections to that sewerage system | # | 3.00 | 0.24 | |
|---|---|------|------|--|

| | | | | |
|---|---|-------|------|--|
| LTP - Wastewater - The total number of complaints received by Council about odour, system faults, blockages, response to issues with its sewerage system.(expressed per 1000 connections to the sewerage system): | # | 10.00 | 1.42 | |
|---|---|-------|------|--|

| | | | | |
|---|---|--------|--------|--|
| LTP - Wastewater - The median resolution time where Council attends to sewage overflows resulting from a blockage or other fault in its sewerage system, from the time Council receives notification to the time personnel confirm resolution of the blockage or other fault. | m | 240.00 | 111.00 | |
|---|---|--------|--------|--|

| | | | | |
|--|---|-------|-------|--|
| LTP - Wastewater - The median attendance time where Council attends to sewage overflows resulting from a blockage or other fault in its sewerage system, from the time that Council receives notification to the time that service personnel reach the site. | m | 60.00 | 25.00 | |
|--|---|-------|-------|--|

| | | | | |
|--|---|------|------|--|
| LTP - Wastewater - Council's level of Compliance with resource consents for discharge from its wastewater system, measured by the number of abatement notices, infringement notices and enforcement orders <i>COMMENTS:</i> 0 | # | 2.00 | 0.00 | |
|--|---|------|------|--|

| | | | | |
|--|---|------|------|--|
| LTP - Wastewater - Council's level of Compliance with resource consents, measured by the number of Convictions for discharge from its wastewater system, <i>COMMENTS:</i> 0 | # | 0.00 | 0.00 | |
|--|---|------|------|--|

2021-24 LTP KPI reporting by Activity - Water Supply

| | | | | |
|---|---|-------|-------|--|
| LTP - Water Supply - The extent to which Councils drinking water supply (zones) complies with part 4 of the drinking water standards (bacteria compliance criteria) | # | 18.00 | 18.00 | |
|---|---|-------|-------|--|

| | | | | |
|--|---|-------|-------|--|
| LTP - Water Supply - The extent to which Councils drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria) | # | 15.00 | 15.00 | |
|--|---|-------|-------|--|

| | | | | |
|---|------|------|------|--|
| LTP - Water Supply - The median on site attendance time for a non-urgent call out, where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system | Days | 5.00 | 1.00 | |
|---|------|------|------|--|

| 63 | | | | |
|---|------|-------------|-------------|--|
| LTP - Water Supply - The median on site attendance time for an urgent call out where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system | m | 60.00 | 46.00 | |
| LTP - Water Supply - The median resolution time for a non-urgent call out where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system | Days | 5.00 | 1.00 | |
| LTP - Water Supply - The median resolution time for an urgent call out where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system | m | 240.00 | 161.00 | |
| LTP - Water Supply - The total number of complaints received by Council about drinking water clarity, taste, odour, water pressure or flow, continuity of supply and response to any of these issues (expressed per 1000 connections to the water system) | # | 25.00 | 2.93 | |
| LTP - Water Supply - The average consumption of drinking water per day per resident within the Waikato district | L | | Annually | |
| LTP - Water Supply - The percentage of real water loss from Council's networked reticulation system | % | | Annually | |
| 2021-24 LTP KPI reporting by Activity - Zero Harm | | | | |
| LTP - The number of total recordable injuries (TRI) at WDC. | # | 2.00 | 1.00 | |
| <i>COMMENTS:</i> No TRIs recorded for September. Lost Time Injury (LTI) event in July | | | | |
| Overall Performance | % | 0.00 | 0.00 | |



Waikato District Council

Scorecard Report

Period: Jul-22 - Dec-22

Scorecard Name
2021-24 LTP KPI reporting by Activity - All KPIs

65
Date From
01-Jul-2022

Date To
31-Dec-2022

LINKED ITEMS

UNIT

TARGET

ACTUAL

INDICATOR

2021-24 LTP KPI reporting by Activity - Animal Control

LTP - The percentage of aggressive dog behaviour complaints, where immediate risk to public safety is present, that has council personnel on site within 1 hour

%

95.00

96.10



COMMENTS: Target Achieved.

LTP - The percentage of complaints regarding stray stock that have council personnel on site within 1 hour

%

95.00

98.01



COMMENTS: Target Achieved.

LTP - Complete Engagement and Education Visits throughout the district

#

60.00

98.00



COMMENTS: Target achieved for this quarter and we are on track to achieve the annual target.

LTP - The Percentage of Known Dogs currently Registered

%

80.00

85.62



COMMENTS: 15870 known dogs in the district. 13588 registered, 2282 not registered.

2021-24 LTP KPI reporting by Activity - Building Quality

LTP - The percentage of existing buildings with building WOFs that are monitored and audited for compliance annually - YTD

%

16.50

23.00



COMMENTS: Good Progress being made with Audits, of buildings other than for sleeping. Buildings audited are in compliance

LTP - The percentage of buildings that provide sleeping care or paid accommodation which are audited for compliance annually - YTD

%

50.00

70.00



COMMENTS: Good Progress being made with Audits of buildings being used for sleeping, the Buildings audited are in compliance. There are however some buildings where access is not available and or the buildings are no longer in use.

LTP - The percentage of swimming pools that are inspected for compliance annually - YTD

%

16.50

18.35



COMMENTS: YTD we have completed 18.35% of the pool inspections. Our dedicated Pool/Compliance inspector is having a positive impact on catching up on our historic pool inspections as well as maintaining inspections on the pools currently due.

LTP - The percentage of building consent applications which are processed within 20 working days - YTD

%

98.00

71.90



COMMENTS: We are still using contractors and the YTD percentage reflects the impact of staff shortages and contractors going over the timeframes. The team is currently training our two new Building Review Officers to a level that will allow us to dispense with contractors and enable us to meet our statutory timeframes going forward. The contractors have been spoken to regarding their timeframes and we expect their performance to improve.

2021-24 LTP KPI reporting by Activity - Community Venues and Events

| | | | | |
|---|---|------|------|--|
| LTP - The number of events workshops held each year to support event organisers | # | 1.00 | 1.00 | |
|---|---|------|------|--|

COMMENTS: One workshop completed with sound splash organisers held on 10 October. Future workshops planned in the coming six months to cover ANZAC parades and other community events.

2021-24 LTP KPI reporting by Activity - Customer and Partnership Focus

| | | | | |
|---|---|-------|-------|--|
| LTP - The % of customers satisfied with the overall service received when contacting the council. | % | 70.00 | 66.00 | |
|---|---|-------|-------|--|

COMMENTS: Data during Q2 points to an increase effort to do business with council. Feedback indicates that customers are dissatisfied with the outcome of their interactions as council were unable to assist them or council didn't get back in touch with an outcome.

| | | | | |
|--|---|------|------|--|
| LTP - Average level of effort to conduct business with council. (On a scale of 1 - 5 (5 being high effort) how much effort did it take to conduct your business with council?) | # | 2.50 | 2.60 | |
|--|---|------|------|--|

COMMENTS: Data during Q2 points to an increase effort to do business with council. Feedback indicates that customers are dissatisfied with the outcome of their interactions as council were unable to assist them or council didn't get back in touch with an outcome.

| | | | | |
|---|---|-------|-------|--|
| LTP - Net Promoter Score (level of likelihood that library users will recommend to friends and family their library as a place to go) | % | 90.00 | 93.00 | |
|---|---|-------|-------|--|

COMMENTS: Customers remain highly likely to recommend us to friends and family. Library Staff are a key ingredient with 98% satisfaction with their interaction. As always there is room for improvement with our book selection, although still returning 84% satisfaction.

| | | | | |
|--|---|-------|-------|--|
| LTP - Level of customer satisfaction that the quality of libraries resources meets their needs | % | 90.00 | 91.00 | |
|--|---|-------|-------|--|

COMMENTS: Physical books remain the most valued resource we offer customers. 82% of our sample size of 210 customers use book collection. WiFi, office services, accessing information from staff, and computers are next most used ranging from 16-28%. Satisfaction with book selection is an area for improvement although traditionally, this is very difficult to improve the level of granularity some customers would like.

2021-24 LTP KPI reporting by Activity - Economic and Community Development

| | | | | |
|---|---|--|--|----------|
| LTP - Business perception Survey average rating is above target | # | | | Annually |
|---|---|--|--|----------|

2021-24 LTP KPI reporting by Activity - Emergency Management

| | | | | |
|--|---|--|--|----------|
| LTP - The evaluation of annual exercise as a measure of effectiveness of training delivery | % | | | Annually |
|--|---|--|--|----------|

| | | | | |
|--|---|-------|-------|--|
| LTP - Council maintains a minimum number of trained staff to Intermediate level, to fulfil core Emergency Operations Centre roles. | # | 50.00 | 77.00 | |
|--|---|-------|-------|--|

COMMENTS: Approximately 20% of org trained at an Intermediate (or above) level. Target met.

2021-24 LTP KPI reporting by Activity - Environmental Health

| | | | | |
|---|---|-------|-------|--|
| LTP - The percentage of food operations that are required to be verified annually that are verified - YTD | % | 75.00 | 90.00 | |
|---|---|-------|-------|--|

COMMENTS: Target achieved.

| | | | | |
|--|---|--|----------|--|
| LTP - The percentage of medium or higher risk category licensed premises inspected annually. | % | | Annually | |
|--|---|--|----------|--|

| | | | | |
|---|---|-------|-------|--|
| LTP - Percentage of excessive noise complaints responded to within agreed timeframes. (Due to geographical characteristics of the district response times will vary in different parts of the district) | % | 85.00 | 89.00 | |
|---|---|-------|-------|--|

COMMENTS: target achieved

| | | | | |
|--|---|-------|--------|--|
| LTP - The percentage of hazardous land use information (Hail) reports that will be completed within 10 working days. | % | 90.00 | 100.00 | |
|--|---|-------|--------|--|

COMMENTS: Target achieved

2021-24 LTP KPI reporting by Activity - Governance

| | | | | |
|--|---|-------|-------|--|
| LTP - Percentage of customers satisfied with the availability of their Councillor. | % | 75.00 | 43.00 | |
|--|---|-------|-------|--|

| | | | | |
|---|---|-------|-------|--|
| LTP - Percentage of customers satisfied that council consults with the community regarding the right issues | % | 50.00 | 29.00 | |
|---|---|-------|-------|--|

COMMENTS: Corporate Planning will work with the Senior Community Engagement Advisor to understand why there is a disconnect between what Council consults on what issues the community expects us to consult on.

| | | | | |
|--|---|-------|-------|--|
| LTP - Percentage of customers satisfied with the ease of access and clarity of information regarding key community issues. | % | 53.00 | 33.00 | |
|--|---|-------|-------|--|

COMMENTS: This quarter has seen a slight improvement on last and may also correlate with elections activity and interest in a new council. Additionally there have been a number of consultations taking place during this period with significant engagement around proposed changes to the local alcohol policy and the Ngaruawahia, Hopuhopu and Taupiri structure and town centre plans.

| | | | | |
|--|---|-------|--------|--|
| LTP - Percentage of minutes of all open meetings that are made publicly available via the Council's website. | % | 98.00 | 100.00 | |
|--|---|-------|--------|--|

COMMENTS: All unconfirmed minutes online within 10 working days if not sooner.

| | | | | |
|---|---|------|------|--|
| LTP - Number of formal hui held with iwi, mana whenua and hapu groups | # | 3.00 | 9.00 | |
|---|---|------|------|--|

2021-24 LTP KPI reporting by Activity - Open Spaces and Facilities

| | | | | |
|---|---|-------|-------|--|
| LTP - Percentage of customers who are satisfied with Public toilets in the residents satisfaction survey. | % | 75.00 | 56.00 | |
|---|---|-------|-------|--|

COMMENTS: Staff have seen a significant increase to vandalism at our toilets which have impacted these results. Irrespective of this, cleaning contractors are doing a great job and are quick to respond to any request. Staff will continue to work with contractors to maintain a high level of service and will investigate ways in which vandalism could be reduced.

| | | | | |
|--|---|-------|-------|--|
| LTP - Percentage of Customers who are satisfied with Parks And Reserves, including sports fields and playgrounds overall | % | 85.00 | 79.00 | |
|--|---|-------|-------|--|

COMMENTS: This result is below target and may be reflective of the need to close Horotiu Dog Park. Investigations are underway to replace this asset which will hopefully increase satisfaction in this area.

| | | | | |
|--|---|-------|-------|--|
| LTP - Percentage of customers who are satisfied with the presentation of WDC cemeteries. | % | 85.00 | 90.00 | |
|--|---|-------|-------|--|

COMMENTS: This result is above target and is an increase on past quarter results. Staff and contractors will continue to respond to requests and provide a high level of service to ensure ongoing satisfaction of these assets.

2021-24 LTP KPI reporting by Activity - Property and Facilities

| | | | | |
|--|---|--|--|----------|
| LTP - WDC Carbon road map shows an improving trend in energy efficiency / emission reduction | % | | | Annually |
|--|---|--|--|----------|

2021-24 LTP KPI reporting by Activity - Roading

| | | | | |
|--|---|--|--|----------|
| LTP - The percentage of footpaths that fall within the level of service or service standard that is set out in the LTP | % | | | Annually |
|--|---|--|--|----------|

| | | | | |
|--|---|------|------|--|
| LTP - The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number. | # | 2.00 | 3.00 | |
|--|---|------|------|--|

COMMENTS: Deaths and serious injuries are trending down compared to the same time last year which is a positive result.

Loss of control on bends continue to be the highest crash type with loss of control on straight and head on's, the next highest crash type.

Staff will investigate viable options to improve skid resistance. This involves water blasting to expose more stone chip or resurfacing the road with new chip seal.

| | | | | |
|--|---|-------|-------|--|
| LTP - The percentage of customer service requests relating to roads to which we respond within the timeframes specified. | % | 95.00 | 91.15 | |
|--|---|-------|-------|--|

COMMENTS: The roading team are working at a reduced staffing level for some time which resulted in a backlog of service requests. This has now been cleared and, once fully resourced, we expect to meet these targets consistently.

69

LTP - The percentage of customer service requests relating to footpaths responded to within the timeframe specified in LTP

%

95.00

90.83



COMMENTS: The roading team are working at a reduced staffing level for some time which resulted in a backlog of service requests. This has now been cleared and, once fully resourced, we expect to meet these targets consistently.

LTP - The average quality of ride on a sealed local road network, measured by smooth travel exposure.

%

Annually

LTP - The percentage of the sealed local road network that is resurfaced.

%

Annually

2021-24 LTP KPI reporting by Activity - Solid Waste

LTP - Customer Satisfaction with Waste Collection services.

%

75.00

76.00



COMMENTS: This result is above target. Despite this, staff will continue to monitor litter control as this is a known concern.

LTP - Meet actions set within Waste Minimisation Management Plan (WMMP)

%

Annually

2021-24 LTP KPI reporting by Activity - Stormwater

LTP - Stormwater - The number of flooding events that occurred throughout the district

#

5.00

0.00



COMMENTS: None reported.

LTP - Stormwater - The number of habitable floors affected in a stormwater flooding event expressed per 1000 properties connected to the councils stormwater system per event

#

0.30

0.00



COMMENTS: None reported.

LTP - Stormwater - The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site.

m

120.00

0.00



LTP - Stormwater - The number of complaints received by Council about the performance of its stormwater system, expressed per 1000 properties connected to the stormwater system

#

4.00

0.42



LTP - Stormwater - Council's level of compliance with resource consents for discharge from its stormwater system, measured by the number of abatement notices, infringement notices, enforcement orders and convictions received in relation those resource consents.

#

0.00

0.00



COMMENTS: None issued at the reporting period but one existing abatement from 2018/19

2021-24 LTP KPI reporting by Activity - Strategic and District Planning

| | | | | |
|--|---|-------|-------|--|
| LTP - Percentage of resource consent applications which are processed within the statutory time frames | % | 98.00 | 92.28 | |
|--|---|-------|-------|--|

COMMENTS: 64 consents were issued in December and 518 issued YTD. This is a monthly average of 86 YTD. At this rate the forecast end of this year will be just over 1000 consents issued. The previous year 1165 applications were issued, at a monthly average of 97. In December 6 consents were issued outside of statutory timeframes; and 40 YTD. 478 out of the 518 (or 92.28%) consents have been issued within timeframes YTD which means the performance indicator will remain red this month. Last year 38 consents were out of time for the entire financial year. At the current rate the number of consents issued out of time, is likely to be in the vicinity of 80.

The reasons are: consistently high monthly average of applications are continuing to be lodged; reports are prepared under two plan frameworks; staff sickness/staff turnover, lack of consultant capacity (planners and engineers); high commitments to Business Improvement Projects; applicants and their agents are also increasingly refusing to agree to time extensions beyond doubling of timeframes, which our staff can do in special circumstances.

Actions being taken include: recruiting for more planners; contracting more consultants; doubling timeframes for all aspects of processing applications and seeking agreement where necessary with applicants to extend beyond double timeframes; allocating like consents (location/type of proposal) to the same planner where possible; allocating increasing numbers to consultants (currently 45% of consents being processed by consultant planners), including utilisation of Irish planning consultants particularly less complex consents; processing increasing numbers of Marginal Temporary Activities (in lieu of standard land use consent applications) where appropriate; utilising a specific template for earthworks consents; increasing the number of people peer reviewing reports from 1 to 3 to cope with the increased complexity and number of reports; restricting level of service for Duty Planner service; placing a hold on non-mandatory services like Pre applications.

Taking into account the above factors, it is not anticipated that the number and or percentage of consents processed outside of statutory timeframes will decrease as the year progresses, and as stated above, our KPI will remain in red.

| | | | | |
|---|---|-------|-------|--|
| LTP - The percentage of current land use consents that are older than 2 years which have been monitored in the past 2 years | % | 80.00 | 43.00 | |
|---|---|-------|-------|--|

COMMENTS: As this data set measures monitoring conducted over the last two years, the full effect of COVID-19 is visible. Resourcing, lockdowns, alert level changes and reduced staff hours as well as illness has impacted our ability to monitor and conduct site visits for lengthy periods of time. It is hoped that our current recruitment successes and revisit of our work program will assist in getting the workload to a manageable level. Our workload continues to grow exponentially with limited resources available to meet the demand. The huge number of service requests (approximately 950 for this last year) also had some impact on our ability to meet all our responsibilities. Staffing changes over the last twelve months have also impacted our ability to address the steadily increasing workload - with four new team members requiring training, after periods of vacancy. It must also be noted that this KPI focuses specifically on older consents - consents granted in the last two years are also monitored by our Officers but are not reflected in this data set.

| | | | | |
|--|---|-------|-------|--|
| LTP - The number parking patrols that are carried out in communities that have parking controls under the bylaw. | # | 84.00 | 63.00 | |
|--|---|-------|-------|--|

COMMENTS: Getting on track with patrols now that the delegation issue has been resolved. It is expected that we will be able to meet monthly parking patrols from this month onwards. The team will attempt to make up lost ground over these next 6 months.

| | | | | |
|---|---|-------|-------|--|
| LTP - The percentage of bylaws and policies, that are required by legislation, are reviewed within their statutory timeframes | % | 95.00 | 88.00 | |
|---|---|-------|-------|--|

COMMENTS: Council currently has 14 policies required by legislation and 11 bylaws. Three policies are out of date, but under review:

- Appointing Directors and Trustees to Council Controlled Organisations Policy ;
- Code of Conduct;
- Standing Orders.

It is anticipated the policies will be current by the end of the third quarter.
All bylaws are current.

| | | | |
|--|---|--|----------|
| LTP - Adequate land supply (right type in right location) exists to cater for the growth and development of the District. Sufficient development capacity (as required by the National Policy Statement - Urban Development) is provided to meet expected short and medium term demand | % | | Annually |
|--|---|--|----------|

2021-24 LTP KPI reporting by Activity - Wastewater

| | | | | |
|---|---|------|------|--|
| LTP - Wastewater - The number of dry weather sewerage overflows from Council's sewerage system, expressed per 1000 sewerage connections to that sewerage system | # | 3.00 | 0.71 | |
|---|---|------|------|--|

| | | | | |
|---|---|-------|------|--|
| LTP - Wastewater - The total number of complaints received by Council about odour, system faults, blockages, response to issues with its sewerage system.(expressed per 1000 connections to the sewerage system): | # | 10.00 | 2.76 | |
|---|---|-------|------|--|

| | | | | |
|---|---|--------|--------|--|
| LTP - Wastewater - The median resolution time where Council attends to sewage overflows resulting from a blockage or other fault in its sewerage system, from the time Council receives notification to the time personnel confirm resolution of the blockage or other fault. | m | 240.00 | 111.00 | |
|---|---|--------|--------|--|

| | | | | |
|--|---|-------|-------|--|
| LTP - Wastewater - The median attendance time where Council attends to sewage overflows resulting from a blockage or other fault in its sewerage system, from the time that Council receives notification to the time that service personnel reach the site. | m | 60.00 | 31.00 | |
|--|---|-------|-------|--|

| | | | | |
|--|---|------|------|--|
| LTP - Wastewater - Council's level of Compliance with resource consents for discharge from its wastewater system, measured by the number of abatement notices, infringement notices and enforcement orders | # | 2.00 | 0.00 | |
|--|---|------|------|--|

COMMENTS: None issued at the reporting period but one issued at Te Kauwhata for a previous reporting period. Works underway to resolve.

| | | | | |
|--|---|------|------|--|
| LTP - Wastewater - Council's level of Compliance with resource consents, measured by the number of Convictions for discharge from its wastewater system, | # | 0.00 | 0.00 | |
|--|---|------|------|--|

COMMENTS: None issued in this financial year.

2021-24 LTP KPI reporting by Activity - Water Supply

| | | | | |
|---|---|-------|-------|--|
| LTP - Water Supply - The extent to which Councils drinking water supply (zones) complies with part 4 of the drinking water standards (bacteria compliance criteria) | # | 18.00 | 18.00 | |
|---|---|-------|-------|--|

| | | | | |
|--|---|-------|-------|--|
| LTP - Water Supply - The extent to which Councils drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria) | # | 15.00 | 15.00 | |
|--|---|-------|-------|--|

| | | | | |
|---|------------|-------------|-------------|--|
| LTP - Water Supply - The median on site attendance time for a non-urgent call out, where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system | 72 Days | 5.00 | 1.00 | |
| LTP - Water Supply - The median on site attendance time for an urgent call out where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system | m | 60.00 | 51.00 | |
| LTP - Water Supply - The median resolution time for a non-urgent call out where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system | Days | 5.00 | 1.00 | |
| LTP - Water Supply - The median resolution time for an urgent call out where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system | m | 240.00 | 143.00 | |
| LTP - Water Supply - The total number of complaints received by Council about drinking water clarity, taste, odour, water pressure or flow, continuity of supply and response to any of these issues (expressed per 1000 connections to the water system) | # | 25.00 | 6.42 | |
| LTP - Water Supply - The average consumption of drinking water per day per resident within the Waikato district | L | | Annually | |
| LTP - Water Supply - The percentage of real water loss from Council's networked reticulation system | % | | Annually | |
| 2021-24 LTP KPI reporting by Activity - Zero Harm | | | | |
| LTP - The number of total recordable injuries (TRI) at WDC. | # | 2.00 | 1.00 | |
| <i>COMMENTS:</i> No TRIs recorded for December. Lost Time Injury (LTI) event in July | | | | |
| Overall Performance | % | 0.00 | 0.00 | |

| | |
|---------------------|---|
| To | Performance and Strategy Committee |
| Report title | Treasury Risk Management Policy – Compliance Report as at 31 December 2022 |
| Date: | 13 February 2023 |
| Report Author: | Colin Bailey, Finance Manager |
| Authorised by: | Alison Diaz, Chief Financial Officer |

1. Purpose of the report

Te Take moo te puurongo

The purpose of this report is to inform the Performance and Strategy Committee of compliance with the Treasury Risk Management Policy.

2. Executive summary

Whakaraapopototanga matua

Council is required under the Local Government Act 2002 (LGA) to have a number of key financial policies in place. The Treasury Risk Management Policy (TRMP), developed in conjunction with our Treasury advisors PwC, contains Council's Liability Management and Investment Policies, as per sections 104 and 105 of the LGA.

The TRMP provides the framework for all of Council's borrowing and investment activities, defines key responsibilities and the operating parameters within which borrowing, investment and related risk management activities are to be carried out. This quarterly report outlines Council's compliance with the measures contained within the TRMP.

All areas of the treasury risk management are within policy limits for the December quarter with the exception of:

- (# 12): Balanced budget benchmark (revenue / expenses): The benchmark requires Revenue (excluding development contributions) to be equal to or more than Expenses at the 30 June balance date. For the six months to 31 December 2022, Revenue is \$4m less than Expenses, or 95% of Expenses.
 - Depreciation exceeds budget by \$2.0m as a result of the 30 June 2022 asset revaluations being higher than expected.
-

- Consultant costs exceed budget are \$0.8m higher than budget mainly in Consents and Building Quality, required to cover staff vacancies and high workloads.
- Revenue from Fees and Charges is below budgeted levels despite workloads being high, as revenue is recognised at completion of key tasks (e.g. inspections)

It is noted the year to date variances, with the exception of depreciation, are mainly timing issues and it is anticipated the year end position is likely to meet the benchmark.

3. Staff recommendations **Tuutohu-aa-kaimahi**

That the Performance and Strategy Committee receives the Treasury Risk Management Compliance report.

4. Attachments **Ngaa taapirihanga**

Attachment 1: Treasury Risk Management Policy 2022

Waikato District Council

Treasury risk management policy - Compliance report

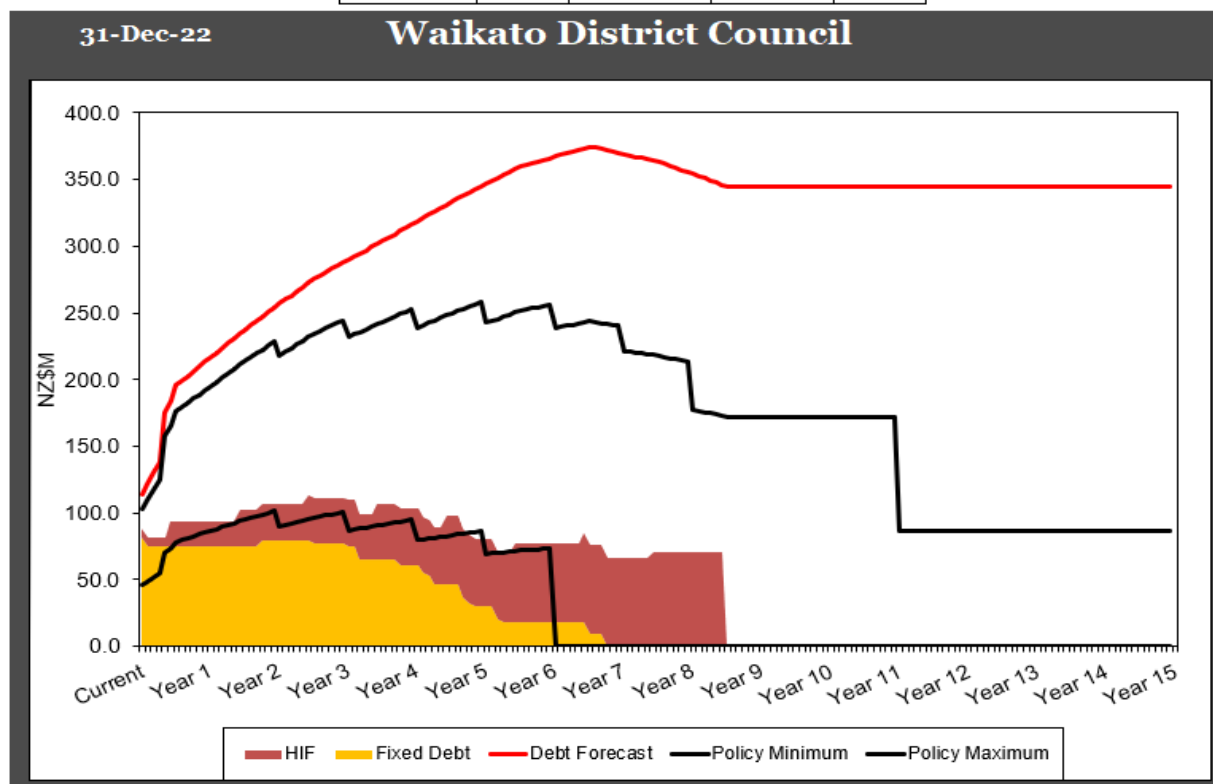
As at 31 December 2022

| | Policy criteria | Policy limit | Actual | Within policy? |
|---|---|---|---|--|
| 1 | The percentage of net external debt to annual revenue Net external debt = Total annual revenue = | <175% Net external debt is defined as total external debt less liquid financial assets/investments Total annual revenue is defined as earnings from rates, grants and subsidies, user charges, interest, dividends, financial and other revenue and excludes non-government capital contributions (e.g. developer contributions and vested assets). | 59.9% | ✓ |
| 2 | Net interest expense on net external debt as a percentage of total annual revenue Net interest expense = | <20% | 2.7% | total interest and financing costs less interest income ✓ |
| 3 | Net interest expense on net external debt as a percentage of planned annual rates | <25% | 3.9% | ✓ |
| 4 | Liquidity ratio Liquidity = | >110% | 128% | Liquidity is defined as external debt plus available committed bank facilities plus liquid investments divided by current external debt ✓ |
| 5 | <u>Interest rate benchmark chart</u> Comparison of actual monthly and year-to-date interest payable, including the cost of swaps in place vs borrowing the total debt amount at the combined average of the 90-day bill rate and the five-year investor swap rate over the last two years. | | | |
| 6 | Actual borrowing costs are <= budgeted borrowing costs Current month Year to date | <u>Budget</u> \$480,750 \$2,884,500 | <u>Actual</u> \$371,885 \$2,243,797 | ✓ ✓ |

| 7 | Current interest rate swaps (including forward starts) | <u>Amount</u> | <u>Effective date</u> | <u>Termination date</u> | <u>Fixed rate</u> |
|---|---|--|-----------------------|--|-------------------|
| | | \$ | | | (if effective) |
| | | 3,000,000 | 22-Jun-13 | 22-Mar-23 | 4.00% |
| | | 6,000,000 | 31-Oct-17 | 31-Jan-27 | 3.67% |
| | | 2,000,000 | 1-Mar-19 | 1-Dec-25 | 3.85% |
| | | 2,000,000 | 25-Sep-17 | 25-Feb-27 | 3.67% |
| | | 2,000,000 | 22-Jun-17 | 23-Jun-25 | 3.52% |
| | | 3,000,000 | 22-Mar-23 | 22-Jun-29 | |
| | | 4,000,000 | 25-Mar-24 | 25-Sep-26 | |
| | | 4,000,000 | 25-Mar-24 | 25-Mar-27 | |
| | | 4,000,000 | 23-Sep-24 | 23-Sep-27 | |
| | | 3,000,000 | 21-Oct-24 | 21-Oct-27 | |
| | | 10,000,000 | 30-Sep-19 | 28-Sep-29 | 3.55% |
| | | 5,000,000 | 30-Jun-20 | 29-Jun-29 | 3.63% |
| | | 10,000,000 | 28-Feb-19 | 27-Feb-26 | 3.33% |
| | | 10,000,000 | 28-Aug-18 | 30-Aug-27 | 3.37% |
| | | 10,000,000 | 28-Feb-18 | 28-Feb-28 | 3.33% |
| | | 2,000,000 | 19-Jun-19 | 19-Mar-28 | 3.10% |
| | | 2,000,000 | 19-Jun-19 | 19-Mar-27 | 3.28% |
| | | 3,000,000 | 20-Apr-22 | 21-Oct-30 | 4.06% |
| | | 3,000,000 | 20-Apr-22 | 23-Oct-29 | 4.08% |
| | | 4,000,000 | 22-Jun-22 | 24-Sep-29 | 3.99% |
| | | 3,000,000 | 23-Jun-22 | 23-Sep-30 | 3.92% |
| | | 2,000,000 | 21-Jun-22 | 21-Aug-28 | 4.09% |
| | | 4,500,000 | 23-Jun-22 | 21-Dec-29 | 3.97% |
| | | 3,000,000 | 22-Jun-22 | 24-Sep-29 | 4.05% |
| | | 4,000,000 | 23-Jun-22 | 23-Mar-29 | 3.97% |
| | | 3,000,000 | 23-Jun-22 | 23-Mar-29 | 3.97% |
| | | 4,000,000 | 23-Jun-22 | 23-Mar-28 | 4.06% |
| | | 115,500,000 Total swaps | | | |
| | | 97,500,000 Total "live" swaps | | | |
| | | Average interest rate of live swaps | | | 3.66% |
| 8 | Forward start period to be no more than 24 months <u>unless</u> there is a match with the expiry date of an existing swap of the same notional amount | | | 5 swaps with start periods > 24 months forward all are matched with existing swaps | |
| 9 | <u>Counterparty credit risk - swaps</u> | | | | |
| | NZ registered banks (each) | \$30m | | | |
| | - ANZ / National | | \$0m | ✓ | |
| | - ASB | | \$0m | ✓ | |
| | - BNZ | | \$17.98m | ✓ | |
| | - HSBC | | \$0m | ✓ | |
| | - Westpac | | \$0m | ✓ | |

10 Council's net external debt should be within the following fixed/floating interest rate risk control limits.:

| Debt period ending | \$m | Policy criteria | Actual | Within policy |
|--------------------|-----|-----------------|--------|---------------|
| Current | 114 | 40% - 90% | 78% | ✓ |
| Year 1 | 217 | 40% - 90% | 43.3% | ✓ |
| Year 2 | 257 | 35% - 85% | 41.4% | ✓ |
| Year 3 | 290 | 30% - 80% | 37.8% | ✓ |
| Year 4 | 319 | 25% - 75% | 32.4% | ✓ |
| Year 5 | 347 | 20% - 70% | 23.4% | ✓ |
| Year 6 | 367 | 0% - 65% | 21.0% | ✓ |
| Year 7 | 369 | 0% - 60% | 18.1% | ✓ |
| Year 8 | 354 | 0% - 50% | 19.9% | ✓ |
| Year 9 | 345 | 0% - 50% | 0.0% | ✓ |
| Year 10 | 345 | 0% - 50% | 0.0% | ✓ |

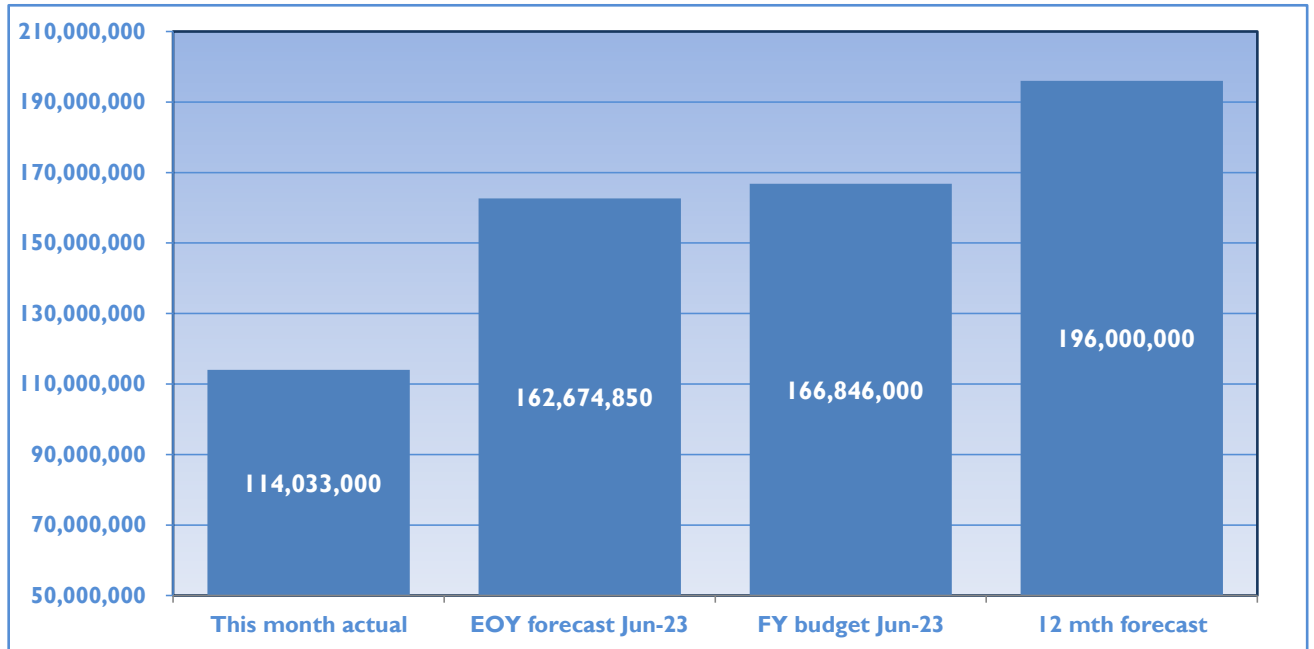


| | Policy criteria | Policy limit | Actual | Within policy? |
|----|---|--------------|--------|----------------|
| 11 | Debt affordability benchmark - limit on debt (actual debt <= limit on debt) | <= \$287.5m | \$114m | ✓ |
| 12 | Balanced budget benchmark (revenue / expenses) | >=100% | 95% | * |
| 13 | Essential services benchmark (CAPEX / dep'n - infrastructure) | >=100% | 134% | ✓ |
| 14 | Debt servicing benchmark (borrowing costs / revenue) borrowing costs = | <15% | 2.8% | ✓ |

finance expenses per statement of comprehensive revenue and expense

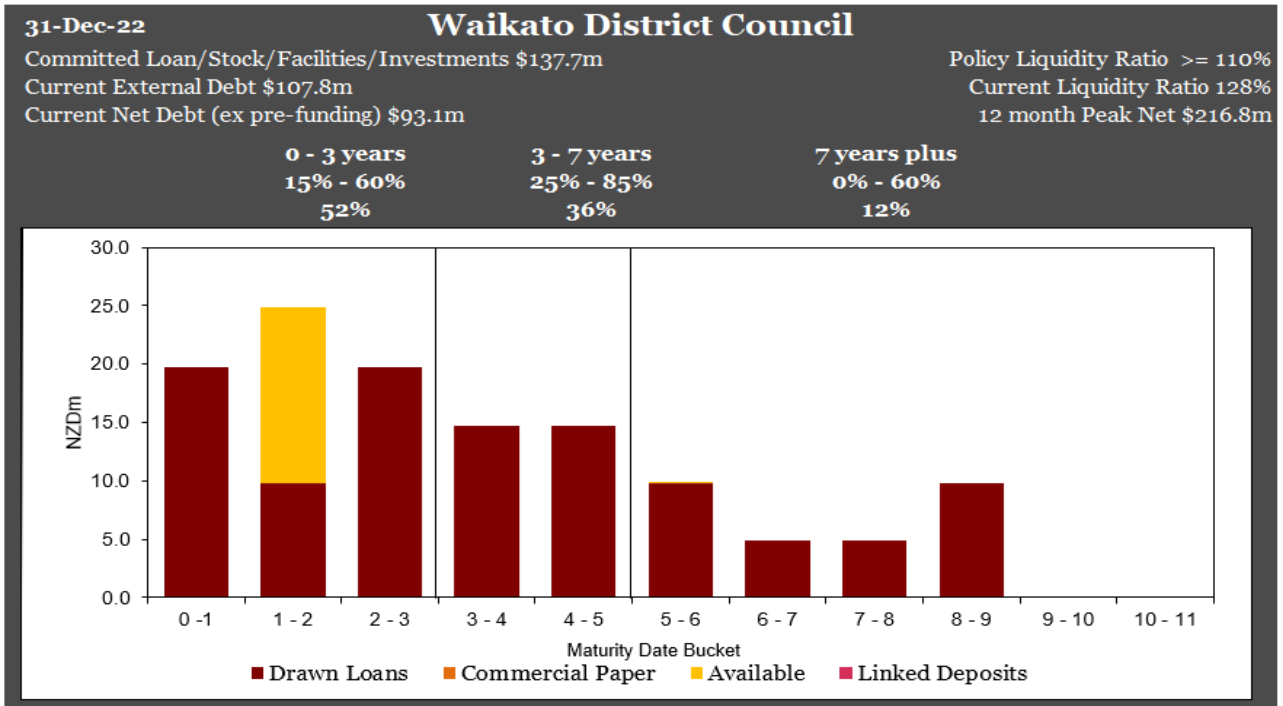
15 Borrowing at December 2022

This graph depicts actual borrowing - LGFA plus bank (BNZ).



| | | | | |
|----|---|---------------|---------------|---|
| 16 | Actual monthly (gross) borrowing is within end-of-year budget | \$166,846,000 | \$114,033,000 | ✓ |
|----|---|---------------|---------------|---|

| | | | | |
|----|---|-----------|-----|---|
| 17 | <u>The maturity profile of the total committed funding in respect of all loans and committed facilities</u> | | | |
| | 0 to 3 years | 15% - 60% | 52% | ✓ |
| | 3 to 7 years | 25% - 85% | 36% | ✓ |
| | 7 years plus | 0% - 60% | 12% | ✓ |



| | | | | |
|-----------|---|------------------------------------|-----------------------------|-----------------------------|
| 18 | Financial assets | | | \$'000 |
| | <i>Share investments held for strategic purposes</i> | | | |
| | Local Authority Shared Services Limited | | | 220 |
| | Waikato Regional Airport Limited | | | 32,945 |
| | Strada Corporation Limited | | | 700 |
| | Civic Financial Services Limited | | | 42 |
| | <i>Investments held to reduce the current ratepayer burden</i> | | | |
| | Community loans as below | | | 891 |
| | <i>Short-term investments held for liquidity & working capital requirements</i> | | | |
| | Bank & cash balances | | | 296 |
| | Short-term bank deposits | | | 14,700 |
| | Total investments | | | \$35,094 |
| | For treasury purposes, LGFA borrower notes are netted off against related borrowing | | | |
| 19 | Community loans | | | |
| | <u>Borrower</u> | <u>Current balance \$\$</u> | <u>Maturity date</u> | <u>Interest rate</u> |
| | Tamahere Community Loan | 393,895 | Jul-33 | All at 5.36% |
| | Hukanui Golf Club Loan | 26,011 | Jan-32 | |
| | Port Waikato Community Loan | 471,572 | Jul-45 | |
| | | <u>\$891,478</u> | | |
| | Policy criteria | Policy limit | Actual | Within policy? |
| 20 | <u>Counterparty credit risk - investments</u> | | | |
| | NZ Government | unlimited | \$0m | ✓ |
| | NZD resistered supranationals | \$20m | \$0m | ✓ |
| | LGFA | \$20m | \$2.154m | ✓ |
| | NZ registered banks (each) | \$20m | | |
| | - ANZ / National | | \$3.675m | ✓ |
| | - ASB | | \$3.675m | ✓ |
| | - BNZ | | \$3.675m | ✓ |
| | - HSBC | | \$0m | ✓ |
| | - Westpac | | \$3.675m | ✓ |
| 21 | <u>Counterparty credit risk - total</u> | | | |
| | NZ registered banks (each) | \$50m | | |
| | - ANZ / National | | \$3.675m | ✓ |
| | - ASB | | \$3.675m | ✓ |
| | - BNZ | | \$21.655m | ✓ |
| | - HSBC | | \$0m | ✓ |
| | - Westpac | | \$3.675m | ✓ |

| | |
|---------------------|---|
| To | Performance and Strategy Committee |
| Report title | Financial Performance Summary for the six months to 31 December 2022 |
| Date: | 13 February 2023 |
| Report Author: | Colin Bailey, Finance Manager |
| Authorised by: | Alison Diaz, Chief Financial Officer |

1. Purpose of the report

Te Take moo te puurongo

To inform the Performance and Strategy Committee on the financial performance against the Annual Plan 2022/23 and those budgets carried forward from the 2021/2022 financial year.

2. Executive summary

Whakaraapopototanga matua

This attached Financial Performance Summary provides an at a glance view of revenue and expenses for the six months to 31 December 2022, capital expenditure and key reserve balances as at 31 December 2022. Key items to note are:

- **Financial Performance Summary**
 - The overall financial performance and key reserve balances are as expected, apart from the delayed vesting of State Highway 1 to Council (shown as income).
 - The movement in reserve balances are as expected.
 - Council's surplus of Revenue over Expenses for the year to date is \$2.0 million compared to the planned surplus of \$68.2 million, due to the delay in the vesting of assets (see above).
 - Subsidies and Grants are lower than planned due to lower than anticipated activity levels (work programme delays).
 - Personnel costs are below plan due to difficulties and delays in recruiting staff to fill vacancies.
 - Other expenses are tracking above budget mainly due to staff shortages resulting in higher than planned costs for consultants, particularly in the Consents and Building Quality areas.
-

- **Capital Expenditure**

- Capital expenditure for the six months to 31 December 2002 is \$27.8 million, in line with the previous year but below the year to date budget of \$56.1 million. The establishment of the Enterprise Project Management Office and agreed action plan will result in higher capital expenditure going forward.
- In summary, Sustainable Communities (\$5.6 million), Roading (\$8.8 million) and Three Waters (\$11.6 million) are the primary areas of year to date underspend.

The indicative financial statements, as appended to this report, show actuals against the prior year's actuals (rather than comparing actuals to budget) for the for the first six months of the relevant years. Key variances are outlined below:

- **Statement of Comprehensive Revenue and Expense (Profit and Loss):**

- Revenue is higher than the prior year due to rates increases as indicated in the Long Term Plan 2021/2031 and growth in General and Targeted Rates. Net penalty income from late and non-payment of Rates (after remissions) is marginally higher than the previous year.
- Depreciation and amortisation expense is higher than the prior year due to depreciation of additions to fixed assets as well as on higher asset values following the 2021/22 year end revaluations.
- Personnel costs are higher than prior year due to the higher headcount and market movement increases.
- Other expenses are higher than last year due to higher activity costs in the Roading and Three Waters.

- **Statement of Financial Position (Balance Sheet):**

- Cash and Cash Equivalents are higher than prior year due to timing of funds on short term deposit.
 - Debtors are higher than prior year due to rates increases and growth in the district as well as higher outstanding rates and water-by-meter overdue balances.
 - Prepayments are higher than prior year due to full year insurance premiums being invoiced and paid earlier than the previous year.
 - Other current assets are higher due to assets (land) held for sale.
 - Creditors and Other Payables are marginally higher than the prior year due to capital expenditure timing.
 - Other Liabilities are lower than prior year due to the reduction in the liability associated with interest rate swap contracts. Market interest rates are now above the contracted swap rates. If this situation continues until the year end, this account will be shown as an asset.
-

- **Debt**

- Total borrowing amount to \$114 million, compared to \$95 million in the prior year. The increase was required to fund capital expenditure and is broken down between loans from the Local Government Financing Authority (LGFA) (\$15 million) and Housing Infrastructure Fund (HIF) \$4 million). The HIF debt funds growth infrastructure in Te Kauwhata and is interest free, the benefit of which is passed onto developers.
- It is noted that the current debt level is lower than planned, as a direct result of the lower than planned capital expenditure. Please refer to Capital Expenditure above.
- Council has sufficient headroom in the debt cap for the planned expenditure.

3. Staff recommendations **Tuutohu-aa-kaimahi**

THAT the Policy and Strategy Committee receives the Financial Performance Summary for the six months to 31 December 2022.

4. Attachments **Ngaa taapirihanga**

Attachment 1 – Indicative Financial Performance Summary for the six months to 31 December 2022

Attachments 2a and 2b – Indicative Statement of Comprehensive Revenue and Expense (Profit & Loss) and notes as at 31 December 2022

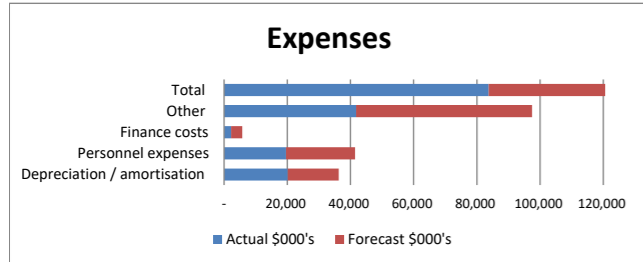
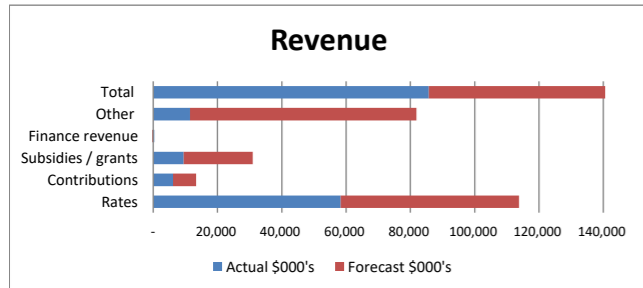
Attachment 3a, 3b and 3c – Statement of Financial Position (Balance Sheet) and notes as at 31 December 2022

AT A GLANCE

The vesting of State Highway 1 (through Huntly) to Council that is planned for the 2022/23 financial year is not yet finalised. This is the main variance contributing to the surplus for the year to date being behind expectations. Rates income is above forecast levels due to capital value in the district being higher than assumed through the LTP. Operating expenses are lower than anticipated due to lower activity levels and timing of the overall work plan. Asset valuations at 30 June 2022 were higher than expected which increases depreciation expenses. Capital expenditure YTD is \$27.8 million behind budgeted levels and in line with the previous year.

| | Dec-22 | Open Bal |
|---------------------------------|---------------|---------------|
| | \$000's | \$000's |
| Reserve Balances Summary | | |
| Restricted reserves | 513 | 197 |
| Council reserves | 26,915 | 29,251 |
| Development contributions | (29,787) | (28,825) |
| Replacement funds | 32,597 | 27,527 |
| Targeted rate reserves | (16,407) | (15,016) |
| Total | 13,831 | 13,134 |

| | Dec-22 | Open Bal |
|--|-----------------|-----------------|
| | \$000's | \$000's |
| Key reserves (included in balances above) | | |
| Disaster recovery | 2,035 | 1,825 |
| Hamilton East Property proceeds | 2,308 | 2,308 |
| Structure plan non-growth reserve | 2,214 | 2,109 |
| Northgate development area | (5,304) | (5,210) |
| Pokeno Structure plan | (13,227) | (13,112) |
| Tamahere Structure plan | (1,952) | (1,915) |
| DW water targeted rate | (14,936) | (14,412) |
| DW wastewater targeted rate | (3,845) | (4,399) |
| Total | (32,707) | (32,806) |



FINANCIAL PERFORMANCE SUMMARY

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For the six months to 31 December 2022

| | Actual \$000's | FY Forecast \$000's | % usage | YTD Variance \$000's | Ref. |
|---|----------------|---------------------|------------|----------------------|------|
| Revenue | | | | | |
| Rates | 58,329 | 113,744 | 51% | (1,457) | 1 |
| Development and financial contributions | 6,153 | 13,326 | 46% | 510 | 2 |
| Subsidies and grants | 9,472 | 30,959 | 31% | 6,007 | 3 |
| Finance revenue | 357 | 50 | 714% | (332) | 4 |
| Other revenue | 11,429 | 81,867 | 14% | 29,505 | 5 |
| Total revenue | 85,739 | 239,946 | 36% | 34,234 | |
| Expense | | | | | |
| Depreciation and amortisation expense | 20,124 | 36,271 | 55% | (1,989) | 6 |
| Personnel expenses | 19,614 | 41,404 | 47% | 1,088 | 7 |
| Finance costs | 2,244 | 5,770 | 39% | 640 | 8 |
| Other expenses | 41,751 | 97,443 | 43% | 6,971 | 9 |
| Total operating expenses | 83,734 | 180,887 | 46% | 6,710 | |
| Surplus (deficit) before tax | 2,006 | 59,059 | 3% | 27,524 | |

The net operating surplus of \$2.0 million is \$27.5 million behind year to date expectations in overall terms.

Items to note are as follows:

Income

- Favourable - Rates income affected by higher than estimated capital values. The surplus has been committed to fund an expected leaky building claim.
- Unfavourable - Development and financial contribution income is below expectations largely due to the relative timing of the development cycle.
- Unfavourable - Subsidies are linked to progress of physical work programmes.
- Favourable - Interest rates on deposits are higher than anticipated, plus funds on deposit are higher than planned due to lower than anticipated capital expenditure.
- Unfavourable - The budget allowed for \$54 million of roading assets to be vested with Council. \$38 million of this relates to State Highway 1 for which revocation has not yet occurred.

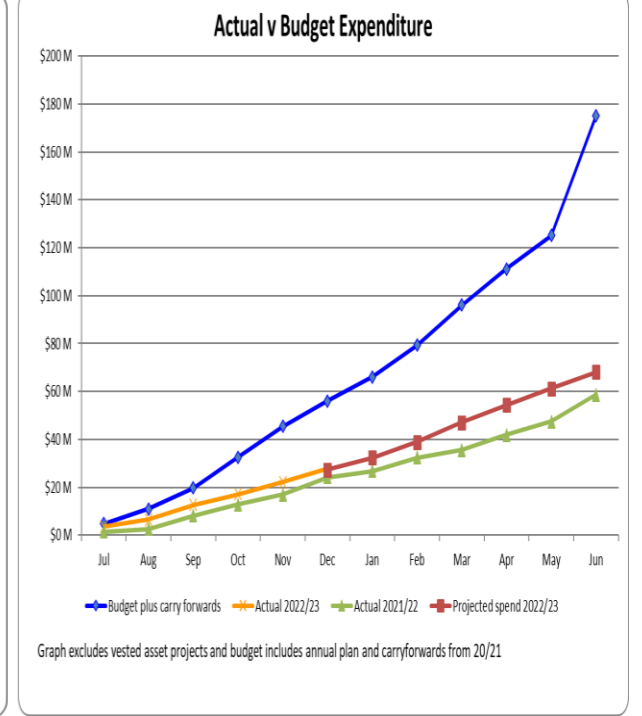
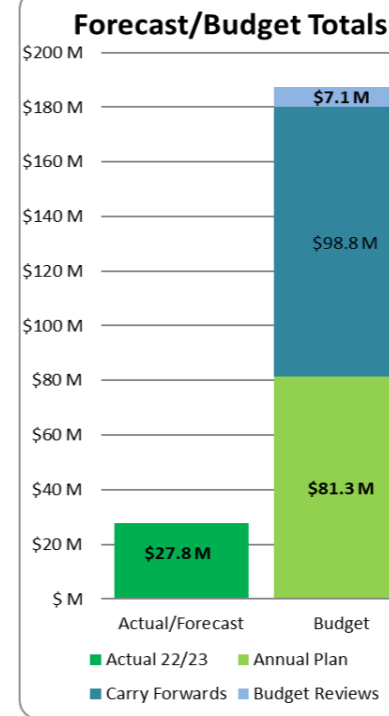
Expense

- Unfavourable - Higher than anticipated year end asset valuations resulted in depreciation being higher than budget.
- Favourable - Staff vacancies in many areas of the organisation.
- Favourable - Low levels of capital expenditure have resulted in lower than anticipated borrowings and consequently interest costs.
- Favourable - Relative to timing of work programmes.

| Net Operating Surplus (Deficit) Breakdown | Actual \$000's | FY Forecast \$000's | Variance \$000's | Favourable (F) / Unfavourable (U) |
|---|----------------|---------------------|------------------|---|
| Roading | (452) | 65,821 | 33,363 | U - Timing of vested asset revenue |
| Water | 1,034 | (298) | (1,183) | F - Watercare activity levels below expectations |
| Wastewater | 3,004 | 3,292 | (1,358) | F - Watercare activity levels below expectations |
| Stormwater | (380) | (1,840) | (540) | F - Watercare activity levels below expectations |
| Sustainable Communities | 350 | 408 | (146) | F - Fees and charges and cost recoveries higher than budget |
| Sustainable Environment | (1,955) | (3,328) | 291 | U - Activity expenditure higher than budget |
| Governance | (81) | (414) | (126) | F - Tracking ahead of forecast deficit due to unfilled vacancies and low activity expenditure. |
| Organisational Support | 322 | (4,582) | (2,613) | F - Low levels of activity expenditure |
| Total Group of Activities | 1,842 | 59,059 | 27,688 | |
| General rate usage | 164 | - | (164) | F - The general rate income recognised currently exceeds the amount of general rate used. This number adjusts throughout the year relative to activity expenditure. |
| Surplus (deficit) | 2,006 | 59,059 | 27,524 | |

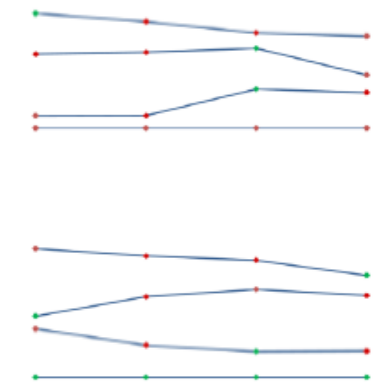
| Capital expenditure | Actual \$000's | FY Budget \$000's | Variance |
|----------------------------------|----------------|-------------------|---------------|
| Organisational Support | 1.7 | 12.3 | -10.6 |
| Roading | 8.8 | 49.7 | -40.8 |
| Stormwater | 0.0 | 8.9 | -8.9 |
| Sustainable Communities | 5.5 | 45.0 | -39.4 |
| Sustainable Environment | 0.1 | 4.1 | -3.9 |
| Wastewater | 4.5 | 39.7 | -35.2 |
| Water Supply | 7.1 | 27.7 | -20.6 |
| Total Group of Activities | 27.8 | 187.3 | -159.5 |

The "FY Budget" shown above relates to the first year of the LTP, including projects undertaken by developers on behalf of council plus any carry forward works from 2021/22.



Current Working Capital

| | |
|-----------------------------|----------------------|
| Current Assets | \$100,079,237 |
| Cash & cash equivalents | \$16,629,241 |
| Debtors & other receivables | \$79,516,224 |
| Prepayments | \$3,930,917 |
| Other current assets | \$2,855 |
| Current Liabilities | \$77,516,697 |
| Accounts Payable | \$61,889,740 |
| Deposits & Bonds | \$240,970 |
| Accrued expenses | \$15,385,987 |
| Rates in advance | \$0 |
| Working capital | \$22,562,540 |
| Current ratio | 1.29 |



Limit on Total Debt

| | | |
|----------------------------|----------------------|---------------------------------|
| Limit on Total Debt | \$287,511,000 | |
| Current Borrowing | \$114,033,000 | 39.7% of limit; 68% of budget |
| Plan Debt 22/23 | \$166,846,000 | \$52.8M headroom ; 58% of limit |

Waikato District Council
Statement of comprehensive revenue and expense
As at 31 December 2022

| Note | 31 Dec 2022 | 31 Dec 2021 |
|--|-------------------|-------------------|
| Revenue | | |
| I Rates, including targeted water supply rates | 58,328,864 | 54,233,461 |
| Development and financial contributions | 6,152,965 | 6,621,171 |
| Subsidies and grants | 9,472,197 | 14,155,995 |
| Finance income | 356,856 | 94,274 |
| Other income | 11,428,581 | 12,523,146 |
| Total income | 85,739,463 | 87,628,046 |
| Expense | | |
| Depreciation and amortisation expense | 20,124,257 | 17,117,005 |
| 2 Personnel costs | 19,614,076 | 18,010,509 |
| 3 Finance expenses | 2,244,393 | 2,234,082 |
| 4 Other expenses | 41,751,155 | 39,026,225 |
| Total expenditure | 83,733,880 | 76,387,821 |
| Operating surplus (deficit) before tax | 2,005,582 | 11,240,225 |

Waikato District Council
Notes - Statement of comprehensive revenue and expense
As at 31 December 2022

| Note | 31 Dec 2022 | 31 Dec 2021 |
|--|-------------------|-------------------|
| 1 | | |
| <u>Rates, including targeted water supply rates</u> | | |
| General rate | 33,185,301 | 31,352,525 |
| Uniform annual general charge | 6,141,904 | 5,821,636 |
| <i>Total general rates income</i> | <u>39,327,205</u> | <u>37,174,162</u> |
| Community centres & facilities | 433,435 | 423,835 |
| Wastewater | 7,676,405 | 6,734,792 |
| Refuse & waste management | 2,687,377 | 2,453,870 |
| Metered water supply rates | 3,197,481 | 3,173,800 |
| Other water rates | 2,798,346 | 2,343,941 |
| Stormwater | 1,281,354 | 1,129,998 |
| Community boards | 137,424 | 136,067 |
| <i>Total targeted rates income</i> | <u>18,211,823</u> | <u>16,396,302</u> |
| plus: Penalties revenue | 1,188,007 | 1,021,632 |
| Total rates revenue | <u>58,727,035</u> | <u>54,592,095</u> |
| less: Rate remissions | (398,171) | (358,634) |
| Net rates revenue | <u>58,328,864</u> | <u>54,233,461</u> |
| 2 | | |
| <u>Personnel costs</u> | | |
| Salaries & wages | 18,895,386 | 17,385,117 |
| Kiwisaver contributions | 500,593 | 420,666 |
| ACC levies | 53,881 | 59,871 |
| Fringe benefit tax | 89,226 | 67,873 |
| Mileage reimbursements | 42,932 | 17,800 |
| Other personnel costs | 32,058 | 59,182 |
| Total personnel costs | <u>19,614,076</u> | <u>18,010,509</u> |
| 3 | | |
| <u>Finance expenditure</u> | | |
| External interest expense | 2,243,797 | 2,233,457 |
| Interest on reserves | 596 | 625 |
| Total finance expenditure | <u>2,244,393</u> | <u>2,234,082</u> |
| 4 | | |
| <u>Other expenses</u> | | |
| Audit fees | 108,877 | 112,341 |
| Activity expenditure | 41,417,807 | 38,623,041 |
| Debt write-off | 5,284 | - |
| Penalties written-off | 237,554 | 259,937 |
| Treasury administration | 13,095 | 30,906 |
| Asset adjustments | (31,462) | - |
| Total other expenses | <u>41,751,155</u> | <u>39,026,225</u> |

Waikato District Council
Statement of financial position
As at 31 December 2022

| Note | 31 Dec 2022 | 31 Dec 2021 |
|---------------------------|----------------------|----------------------|
| ASSETS | | |
| Current assets | | |
| | 16,629,241 | 11,267,798 |
| 1 | 83,194,293 | 76,747,753 |
| | 3,930,917 | 1,348,482 |
| 2 | 6,549,752 | 107,362 |
| | 110,304,203 | 89,471,396 |
| Non-current assets | | |
| 3 | 37,796,732 | 31,958,137 |
| | 625,000 | 600,000 |
| | 1,867,963 | 2,324,545 |
| 4 | 2,187,813,625 | 1,849,850,583 |
| | 2,228,103,319 | 1,884,733,266 |
| | 2,338,407,522 | 1,974,204,662 |
| LIABILITIES | | |
| 5 | 77,516,697 | 74,987,560 |
| 6 | 5,839,631 | 20,298,327 |
| 7 | 114,033,000 | 95,000,000 |
| | 197,389,328 | 190,285,887 |
| | 2,141,018,194 | 1,783,918,775 |
| | 2,141,018,194 | 1,783,918,775 |
| EQUITY | | |
| | 1,214,467,121 | 1,146,279,730 |
| | 2,005,582 | 11,240,225 |
| 8 | 8,127,496 | 9,319,062 |
| | 18,370,261 | 15,968,517 |
| | 513,137 | 194,872 |
| | 32,597,494 | 25,712,895 |
| | (16,407,340) | (13,789,160) |
| | (29,787,029) | (28,163,943) |
| | 880,799,295 | 596,706,470 |
| | 30,332,176 | 20,450,106 |
| | 2,141,018,194 | 1,783,918,775 |

*The financial statement set out above should be read in conjunction with the notes
set out on the following pages*

Waikato District Council
Notes to the financial statements
As at 31 December 2022

| | <u>31 December 2022</u> | <u>31 December 2021</u> | | | | |
|---|-------------------------|-------------------------|----------------------|----------------------|---------------------|----------------------|
| 1 Debtors & other receivables | | | | | | |
| Accruals | 4,847,792 | 5,194,799 | | | | |
| Rates receivable | 74,613,597 | 68,567,358 | | | | |
| Sundry debtors | 7,932,861 | 8,263,136 | | | | |
| GST refund due (payable) | (3,566,273) | (4,166,860) | | | | |
| | 83,827,978 | 77,858,432 | | | | |
| Provision for doubtful debts | (633,685) | (1,110,679) | | | | |
| Net debtors & other receivables | 83,194,293 | 76,747,753 | | | | |
| 2 Other current assets | | | | | | |
| Cattle | 2,855 | 107,362 | | | | |
| Non-current assets held for sale | 6,546,897 | - | | | | |
| Total other current assets | 6,549,752 | 107,362 | | | | |
| 3 Investments in other entities | | | | | | |
| Community loans | 874,495 | 450,379 | | | | |
| Strada Corporation Ltd | 700,000 | 700,000 | | | | |
| NZ Local Government Insurance | 42,085 | 39,509 | | | | |
| Waikato Regional Airport Ltd | 32,944,611 | 23,065,117 | | | | |
| BNZ - Term deposit | 861,886 | 5,855,488 | | | | |
| Local Authority Shared Services Ltd | | | | | | |
| LASS shares | - | - | | | | |
| Waikato Regional Transport Mod | 112,500 | 112,500 | | | | |
| Shared Valuation Database Serv | 106,674 | 106,674 | | | | |
| LGFA borrower notes | 2,154,481 | 1,628,470 | | | | |
| Total investments | 37,796,732 | 31,958,137 | | | | |
| 4 Property, plant & equipment (PP&E) | | | | | | |
| | 31 December 2022 | 31 December 2021 | | | | |
| | Cost / Val'n | Accum | Cost / Val'n | Accum | Book value | |
| | | dep'n | | dep'n | | |
| Bridges | 303,784,645 | (3,321,933) | 300,462,712 | 257,102,644 | (2,826,033) | 254,276,611 |
| Buildings | 74,839,349 | (1,522,509) | 73,316,841 | 56,784,126 | (3,521,132) | 53,262,994 |
| Computers | 3,199,511 | (2,085,637) | 1,113,874 | 2,634,967 | (1,748,810) | 886,157 |
| Drainage | 2,756,176 | (17,655) | 2,738,521 | 2,496,339 | (15,564) | 2,480,775 |
| Furniture | 1,906,659 | (1,446,131) | 460,528 | 1,877,931 | (1,311,951) | 565,980 |
| Land | 201,343,900 | - | 201,343,900 | 148,245,461 | - | 148,245,461 |
| Land under roads | 110,268,123 | - | 110,268,123 | 109,642,733 | - | 109,642,733 |
| Library books | 7,213,673 | (5,764,669) | 1,449,004 | 6,664,659 | (5,372,187) | 1,292,472 |
| Office equipment | 1,404,420 | (1,297,429) | 106,991 | 1,404,420 | (1,277,083) | 127,337 |
| Parks and reserves | 75,576,332 | (2,084,268) | 73,492,065 | 50,251,547 | (1,299,818) | 48,951,729 |
| Plant | 5,841,909 | (3,751,711) | 2,090,198 | 5,602,156 | (3,583,109) | 2,019,047 |
| Roading | 921,296,786 | (7,853,569) | 913,443,217 | 789,895,030 | (6,642,549) | 783,252,482 |
| Stormwater | 94,108,638 | (610,921) | 93,497,717 | 83,183,726 | (549,723) | 82,634,002 |
| Transfer stations | 2,978,484 | (51,704) | 2,926,780 | 1,771,192 | (38,878) | 1,732,315 |
| Wastewater | 169,297,909 | (1,834,200) | 167,463,709 | 139,576,367 | (1,827,043) | 137,749,323 |
| Water | 171,603,222 | (1,857,565) | 169,745,656 | 150,494,868 | (1,840,126) | 148,654,742 |
| Work in progress | 73,893,789 | - | 73,893,789 | 74,076,424 | - | 74,076,424 |
| Total PP&E | 2,221,313,525 | (33,499,901) | 2,187,813,625 | 1,881,704,589 | (31,854,006) | 1,849,850,583 |

Waikato District Council
Notes to the financial statements
As at 31 December 2022

| Note | 31 December 2022 | 31 December 2021 | |
|--|-------------------------|-------------------|--------------------|
| 5 Creditors & other payables | | | |
| Trade payables | 61,889,740 | 62,666,846 | |
| Deposits & bonds | 240,970 | 240,486 | |
| Accrued expenses | 15,393,444 | 12,056,947 | |
| Rates in advance | (7,457) | 23,280 | |
| Total creditors & other payables | 77,516,697 | 74,987,560 | |
| 6 Other liabilities | | | |
| Employee entitlements | 5,182,645 | 5,268,957 | |
| Provisions | 2,208,114 | 2,461,101 | |
| Derivative financial instruments | (1,551,128) | 12,568,269 | |
| Total other liabilities | 5,839,631 | 20,298,327 | |
| 7 Borrowings | | | |
| Non current portion of borrowing | 93,033,000 | 80,000,000 | |
| Current portion of borrowing | 21,000,000 | 15,000,000 | |
| Total borrowings | 114,033,000 | 95,000,000 | |
| 8 Reserve movements | Balance as at | Movements | Opening |
| | 31 December 2022 | | balance |
| Council reserves | 18,370,261 | 10,880,527 | 29,250,788 |
| Restricted reserves | 513,137 | (36,050) | 477,087 |
| Replacement funds | 32,597,494 | (5,070,194) | 27,527,301 |
| Targeted rate reserves | (16,407,340) | 1,391,138 | (15,016,202) |
| Development contributions | (29,787,029) | 962,074 | (28,824,955) |
| per Reserve balance report | 5,286,522 | 8,127,496 | 13,414,018 |
| Revaluation reserves | 880,799,295 | - | 880,799,295 |
| Fair value through other comprehensive revenue and expense | 30,332,176 | - | 30,332,176 |
| Total other reserves | 916,417,994 | 8,127,496 | 924,545,490 |

| | |
|---------------------|---|
| To | Performance and Strategy Committee |
| Report title | Approved Counterparty Review February 2023 |
| Date: | 13 February 2023 |
| Report Author: | Colin Bailey, Finance Manager |
| Authorised by: | Alison Diaz, Chief Financial Officer |

1. Purpose of the report

Te Take moo te puurongo

The purpose of this report is to inform the Performance and Strategy Committee of approved Treasury Risk Management Policy counterparty credit ratings.

2. Executive summary

Whakaraapopotanga matua

Treasury related transactions (borrowing and/or investing) can only be entered into with organisations specifically allowed for under Council’s Treasury Risk Management Policy.

Credit ratings quantify the ability of these organisations to meet their financial obligations. Counterparty limits are approved on the basis of long-term and short-term credit ratings of A- and above and A2 or above respectively.

Specific financial limits are in place for each Counterparty to appropriately manage credit exposure. Adherence to Counterparty limits is reported quarterly, while credit ratings are reviewed on an ongoing basis with any material credit downgrades dealt with immediately. The Standard & Poors ratings are reported to the Committee every six months and any changes noted.

The current credit ratings are shown in the table below:

| | Long Term | | Short Term | | Within Policy? |
|---------------------|-----------|--------|------------|--------|----------------|
| | S&P | Policy | S&P | Policy | |
| ANZ Bank | AA- | A- | A-1+ | A2 | ✓ |
| ASB Bank | AA- | A- | A-1+ | A2 | ✓ |
| Bank of New Zealand | AA- | A- | A-1+ | A2 | ✓ |
| HSBC | AA- | A- | A-1+ | A2 | ✓ |
| Westpac | AA- | A- | A-1+ | A2 | ✓ |

3. Staff recommendations **Tuutohu-aa-kaimahi**

That the Performance and Strategy Committee receives the Counter Party review report.

4. Attachments **Ngaa taapirihanga**

Nil

| | |
|---------------------|---|
| To | Performance and Strategy |
| Report Title | Resident Perception Survey – Quarter 1 Results |
| Date: | 22 December 2022 |
| Report Author: | Reece Turner – Customer Experience Manager |
| Authorised by: | Sue O’Gorman - General Manager Customer Support |

1. Purpose of the report

Te Take moo te puurongo

The purpose of this report is to provide the Performance and Strategy Committee (P&S) with a high-level update on the insights gained from the data collected from the Quarterly Resident Perception Survey for July – September 2022. This survey data provides the basis for a number of the Long Term Plan Key Performance Indicators which are being presented separately in this agenda.

2. Executive summary

Whakaraapopotanga matua

The Resident Perception Survey is undertaken quarterly by Key Research.

The survey is conducted quarterly with participants being randomly selected from our Electoral Roll. Residents are contacted via post and given the option to complete an online or hardcopy survey.

This report outlines the insights from the survey on:

- a. what we are doing well – areas of significant improvement and celebrating where our results are above all of the Councils benchmarking average; and
- b. what we need to work on – areas of significant decrease in resident satisfaction, and our plans for that.

The survey is reviewed by the Resident’s Survey Action Team – which are a cross organisational group of staff that are the functional business owners that receive data from this survey. This group analyses the data and looks to see if there are any drivers that are influencing the data and also if there are actions that can be put in place to improve what we do to improve the experience we deliver to our customers.

In addition to this report, the Annual Residents Surveys Benchmarking Report 2021/2022 for our organisation is also being presented.

It should be noted that the delay in presenting this information was due to a delay in the data being provided and the elections falling in October 2022 – this is the first available committee meeting. The second quarterly report will be a more comprehensive report that will be presented at the next Performance and Strategy Committee meeting.

3. Staff recommendations Tuutohu-aa-kaimahi

THAT the Performance and Strategy Committee receives the Resident Perception Survey report.

4. Discussion Matapaki

4.1 Areas of significant improvement in resident satisfaction

There are no significant areas of improvement noted

4.2 Areas of significant decrease in resident satisfaction

- The sealed roading network
- Invoices are clear and correct
- Council staff's understanding of what you wanted

4.3 Areas of Concern from Benchmarking Report

- Value for Money
- Litter, Illegal dumping and Graffiti

4.4 Survey Result Analysis

The sealed roading network. Dissatisfaction was similar when compared to the same quarter in 2021 however overall customer satisfaction reduced by 10%. As we are aware the inclement weather experienced across the country in the last 12 months has had some significant impacts on the quality of our roading network.

Council staff's understanding of what you wanted – During the first quarter, we saw a dip in the results in this customer service area. However, satisfaction levels were up 6% when compared to the same quarter last year. There has been turnover in the Contact Centre – with the majority of these staff moving to roles in other parts of our broader organisation. However, with over 60% of our Contact Centre staff still learning the role a dip in these results would be expected while their knowledge and confidence grows.

Litter, Illegal dumping and Graffiti: As indicated in all of Council benchmarking survey measuring us against 19 other New Zealand Councils, we are at the bottom end of this survey area. During Q1, Tuakau-Pookeno and Huntly Wards both had over 50% of respondents say they were dissatisfied with litter, illegal dumping and graffiti.

During previous discussions around this topic, it was felt that roadside litter and illegal dumping were the contributing factor, however further analysis of Service Request statistics may indicate that graffiti and illegal dumping are the core issue for our communities.

During the last financial year, we received the following service request volumes.

Illegal dumping: 693

Graffiti: 250

Litter: 44

4.5 Celebration (performance above All of Council Benchmarking Average)

| Topic | Satisfaction percentage % | All of Council satisfaction benchmark average |
|-------------------------------------|----------------------------------|--|
| Public Facilities and Open Spaces | 78% | 74% |
| Waste management | 79% | 70% |
| Reliability of Water Supply | 84% | 83% |
| Quality of Water | 72% | 67% |
| Sewage/Wastewater systems | 78% | 75% |
| Libraries | 86% | 86% |
| Cemeteries | 87% | 79% |
| Maintenance of footpaths | 50% | 49% |
| Water Rates are fair and reasonable | 41% | 35% |

5. Next steps Ahu whakamua

5.1 Billing

Work has commenced with the Finance, Customer Delivery and Communication teams to review the Rates Invoice letter. Alignment with councils' online payment gateway and payment options is key.

5.2 Litter, Illegal dumping and Graffiti:

Feedback is required from Elected Members on what they are seeing and hearing within their communities to help Council to determine its next steps and to provide a clearer action plan on the way forward.

6. Attachments Ngaa taapirihanga

Waikato District Council 2021-22 Quarter 1 Resident Perception Survey Snapshot

Waikato District Council 2021-22 Benchmarking Report

Q1-2022/23

Total

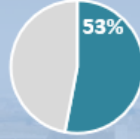
%7-10

Benchmarking

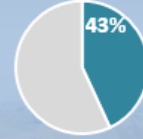
Overall Performance



Overall reputation



Overall value for money



Overall core services



Overall quality of life



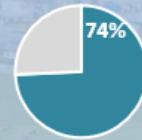
Overall public toilet



Local parks and reserves including sports fields / playgrounds



Overall cemeteries



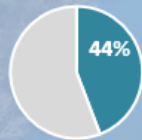
Regular kerbside collection service



Effort to conduct business with council

2.5

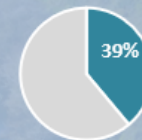
Availability of local councillor



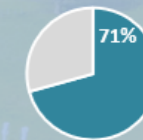
Council engages regarding key issues



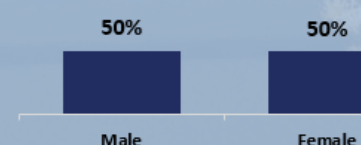
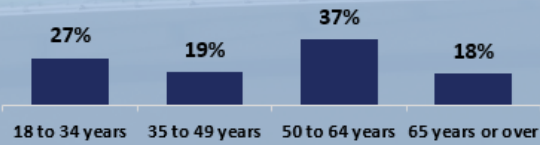
Ease of access and clarity of information



Overall services received



Sample Profile - Total



Age

Gender



Councils' Annual Residents Surveys Benchmarking Report 2021/2022



Research background



Research Objectives

The specific objectives of this research were:

- To understand residents' satisfaction with services and facilities provided by Councils across New Zealand.
- To benchmark the key performance indicators against other Councils overall and Councils of the same level to put the Annual Residents' Surveys' results into context.



Method

- Mail to online or telephone surveys were undertaken with 18 different Councils across New Zealand in 2021/2022, including 15 District Councils, 3 City Councils.
- Respondents were selected at random from the Council region Electoral Roll or via a purchased telephone database for the area.
- The questionnaires were designed in consultation with Councils and were structured to provide a comprehensive set of measures relating to core activities, services and infrastructure, and to provide a wider perspective of performance. This includes assessment of reputation and knowledge of Council's activities.
- Post data collection, the samples were weighted to be exactly representative of key population demographics for each area based on the 2018 Census.
- At an aggregate level the survey has an expected 95% confidence interval (margin of error) between +/- 3.2% and +/-4.8%.
- Maximum, minimum and average scores for key performance indicators are shown and benchmarked based on 18 Council's performances. Questions used are either identical or closely related allowing for comparison.
- To allow better and more extensive benchmarking several measures are presented as an average score of all related measures in the relevant section.

Year on year change (%7-10)

2021/2022 Council Benchmarking

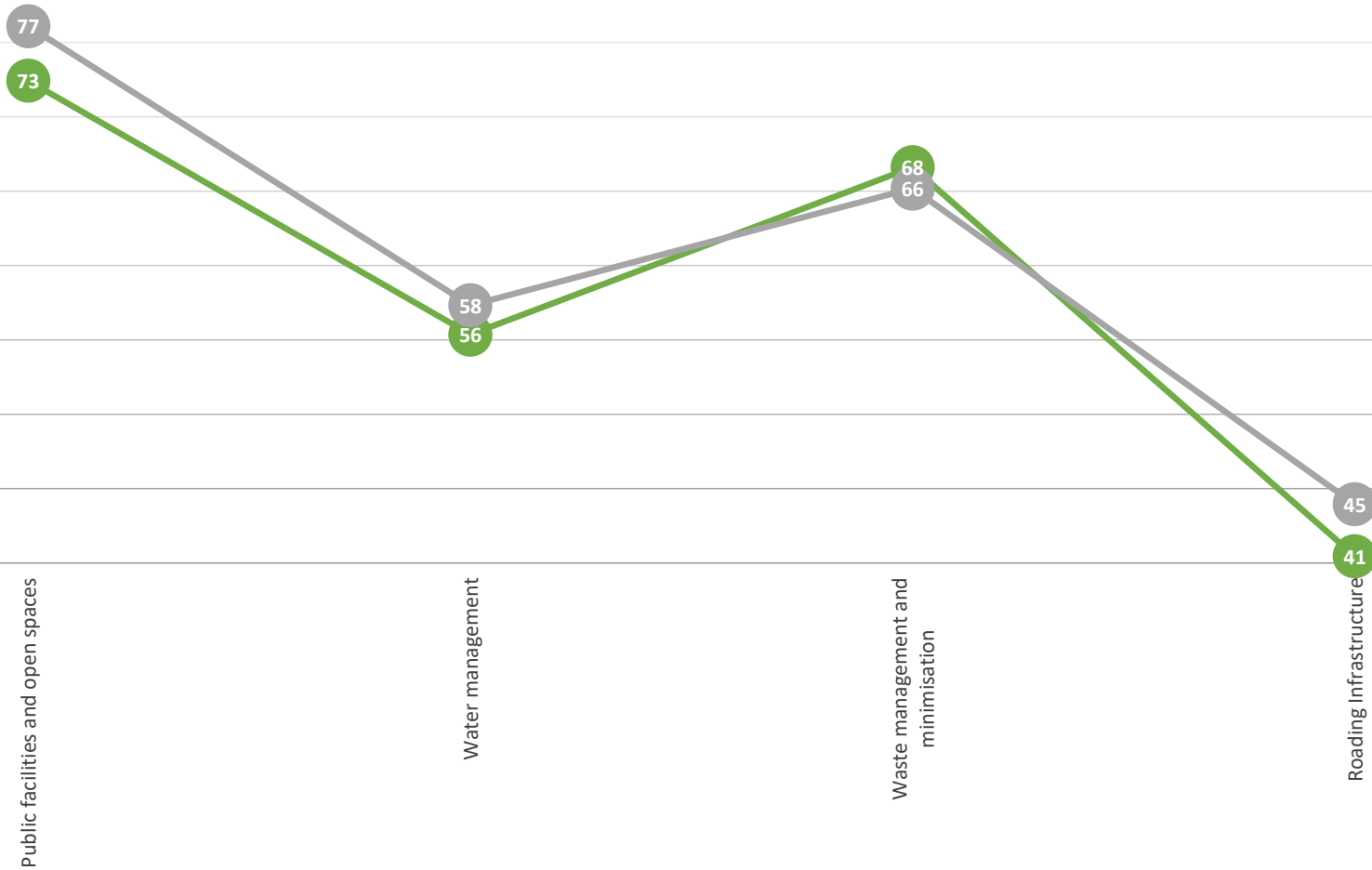
—●— All Councils' Average 2022 —●— 2021 Average



Year on year change (%7-10)

2021/2022 Council Benchmarking

All Councils' Average 2022 2021 Average



Overall measures

2021/2022 Council Benchmarking

— All Councils' Average 2022 — Min — Max — Waikato DC



Overall measures (All Councils)

| | % 7-10 | Your Council 2021/22 % | Average based on All Councils % | point diff % | Top performance % | point diff % | Lowest performance % | point diff % |
|---------------------------|---------------|-------------------------------|--|---------------------|--------------------------|---------------------|-----------------------------|---------------------|
| Overall satisfaction | | 49 | 47 | +2 | 69 | -20 | 18 | +31 |
| Overall reputation | | 53 | 48 | +5 | 77 | -24 | 12 | +41 |
| Core service deliverables | | 59 | 61 | -2 | 79 | -20 | 35 | +24 |
| Value for money | | 43 | 36 | +7 | 61 | -18 | 14 | +29 |
| Enquiry handling | | 69 | 60 | +9 | 85 | -16 | 31 | +38 |

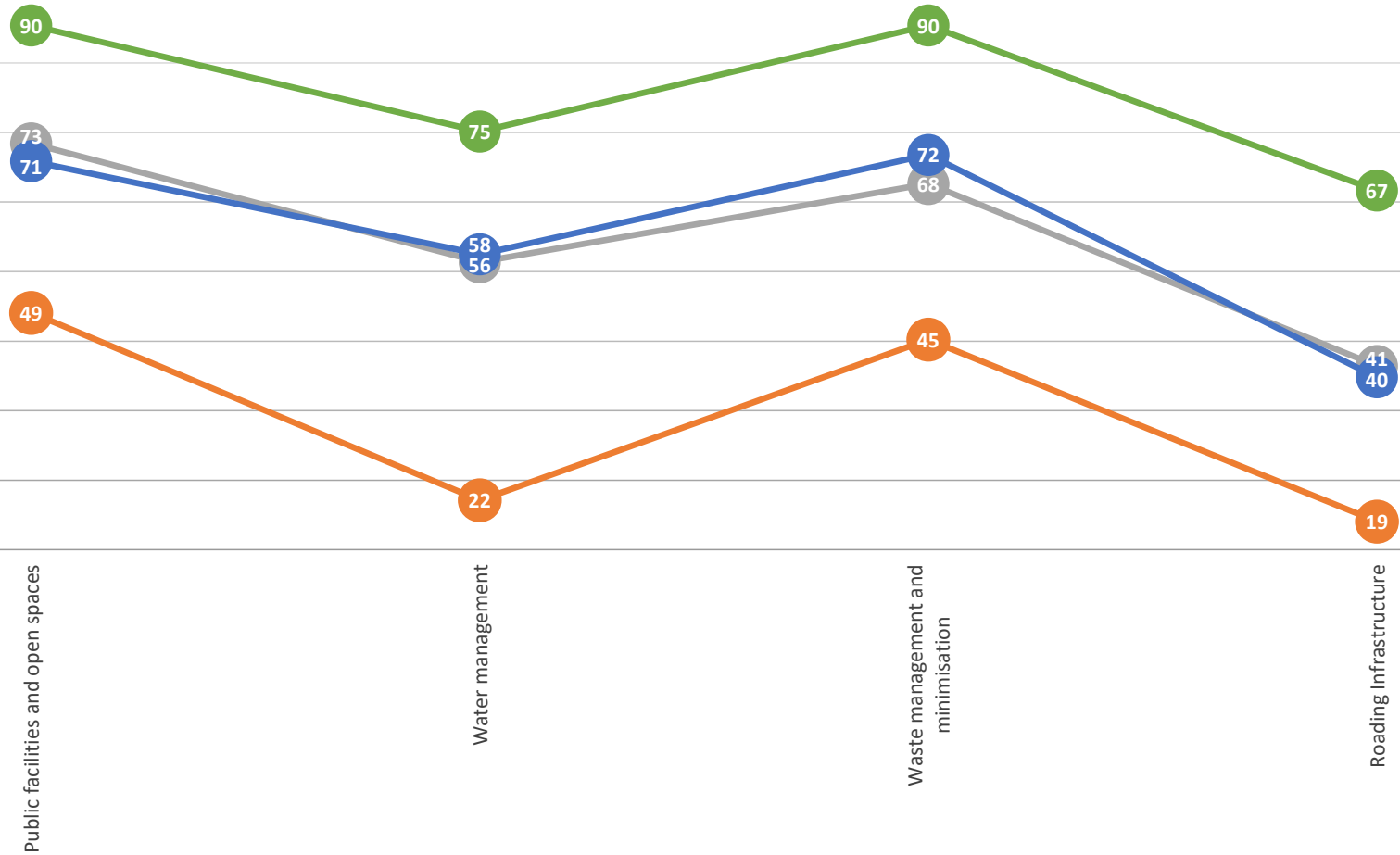
Overall measures (District Councils only)

| % 7-10 | Your Council 2021/22 % | Average based on All Councils % | point diff % | Top performance % | point diff % | Lowest performance % | point diff % |
|---------------------------|-------------------------------|--|---------------------|--------------------------|---------------------|-----------------------------|---------------------|
| Overall satisfaction | 49 | 49 | - | 69 | -20 | 18 | +31 |
| Overall reputation | 53 | 50 | +3 | 77 | -24 | 12 | +41 |
| Core service deliverables | 59 | 61 | -2 | 79 | -20 | 35 | +24 |
| Value for money | 43 | 37 | +6 | 61 | -18 | 14 | +29 |
| Enquiry handling | 69 | 60 | +9 | 85 | -16 | 31 | +38 |

Core service deliverables

2021/2022 Council Benchmarking

— All Councils' Average 2022 — Min — Max — Waikato DC



Core service deliverables (All Councils)

| | % 7-10 | Your Council 2021/22 % | Average based on All Councils % | point diff % | Top performance % | point diff % | Lowest performance % | point diff % |
|-----------------------------------|---------------|-------------------------------|--|---------------------|--------------------------|---------------------|-----------------------------|---------------------|
| Public facilities and open spaces | | 71 | 73 | -2 | 90 | -19 | 49 | +22 |
| Water management | | 58 | 56 | +2 | 75 | -17 | 22 | +36 |
| Waste management and minimisation | | 72 | 68 | +4 | 90 | -18 | 45 | +27 |
| Roading Infrastructure | | 40 | 41 | -1 | 67 | -27 | 19 | +21 |

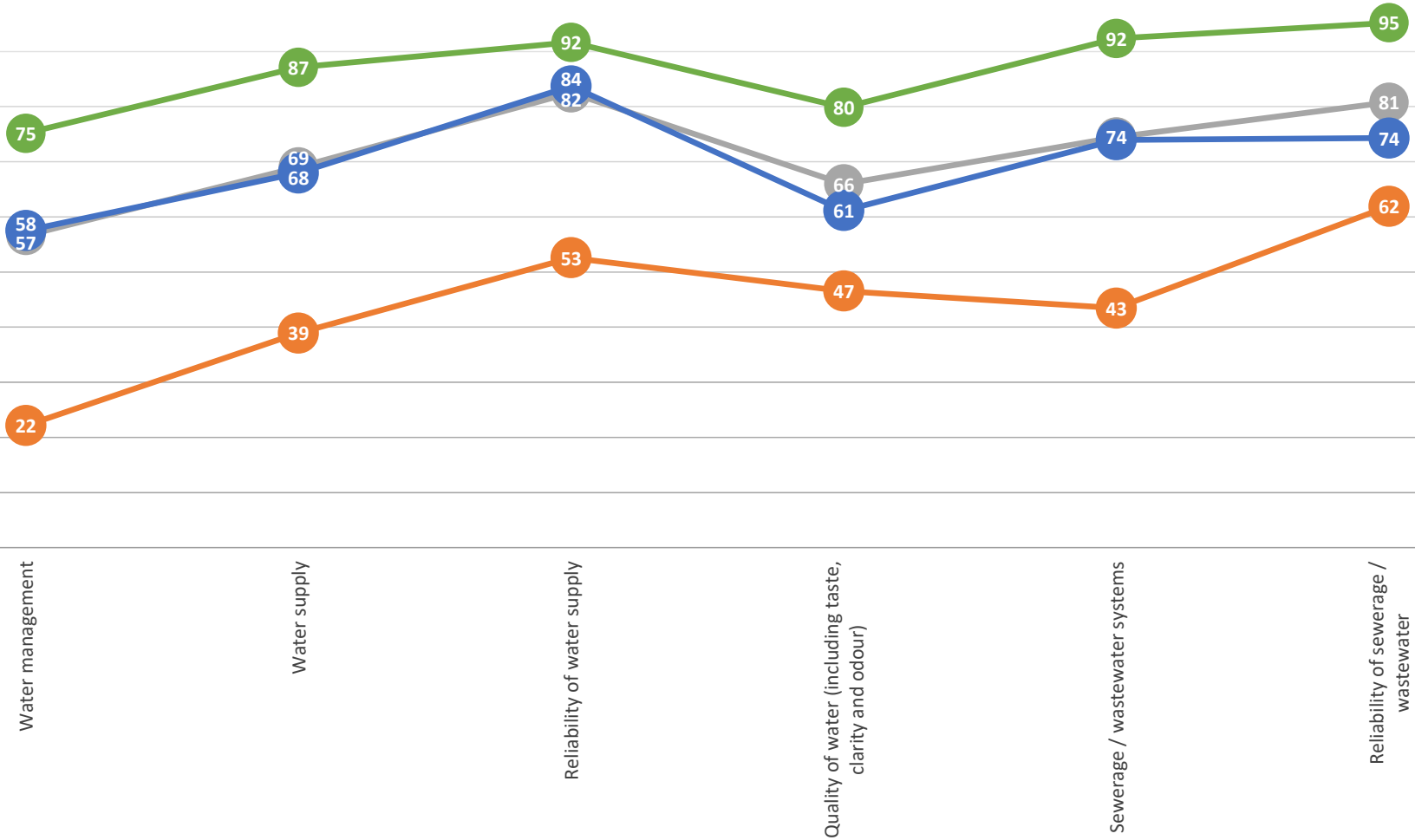
Core service deliverables (District Councils only)

| | % 7-10 | Your Council 2021/22 % | Average based on All Councils % | point diff % | Top performance % | point diff % | Lowest performance % | point diff % |
|-----------------------------------|---------------|-------------------------------|--|---------------------|--------------------------|---------------------|-----------------------------|---------------------|
| Public facilities and open spaces | | 71 | 73 | -2 | 90 | -19 | 49 | +22 |
| Water management | | 58 | 56 | +2 | 75 | -17 | 22 | +36 |
| Waste management and minimisation | | 72 | 68 | +4 | 90 | -18 | 45 | +27 |
| Roading Infrastructure | | 40 | 42 | -2 | 67 | -27 | 19 | +21 |

Three waters

2021/2022 Council Benchmarking

— All Councils' Average 2022 — Min — Max — Waikato DC



Three waters (All Councils)

| % 7-10 | Your Council 2021/22 % | Average based on All Councils % | point diff % | Top performance % | point diff % | Lowest performance % | point diff % |
|---|-------------------------------|--|---------------------|--------------------------|---------------------|-----------------------------|---------------------|
| Water management | 58 | 57 | +1 | 75 | -17 | 22 | +36 |
| Water supply | 68 | 69 | -1 | 87 | -19 | 39 | +29 |
| Reliability of water supply | 84 | 82 | +2 | 92 | -8 | 53 | +31 |
| Quality of water (including taste, clarity and odour) | 61 | 66 | -5 | 80 | -19 | 47 | +14 |
| Sewerage / wastewater systems | 74 | 74 | - | 92 | -18 | 43 | +31 |
| Reliability of sewerage / wastewater | 74 | 81 | -7 | 95 | -21 | 62 | +12 |

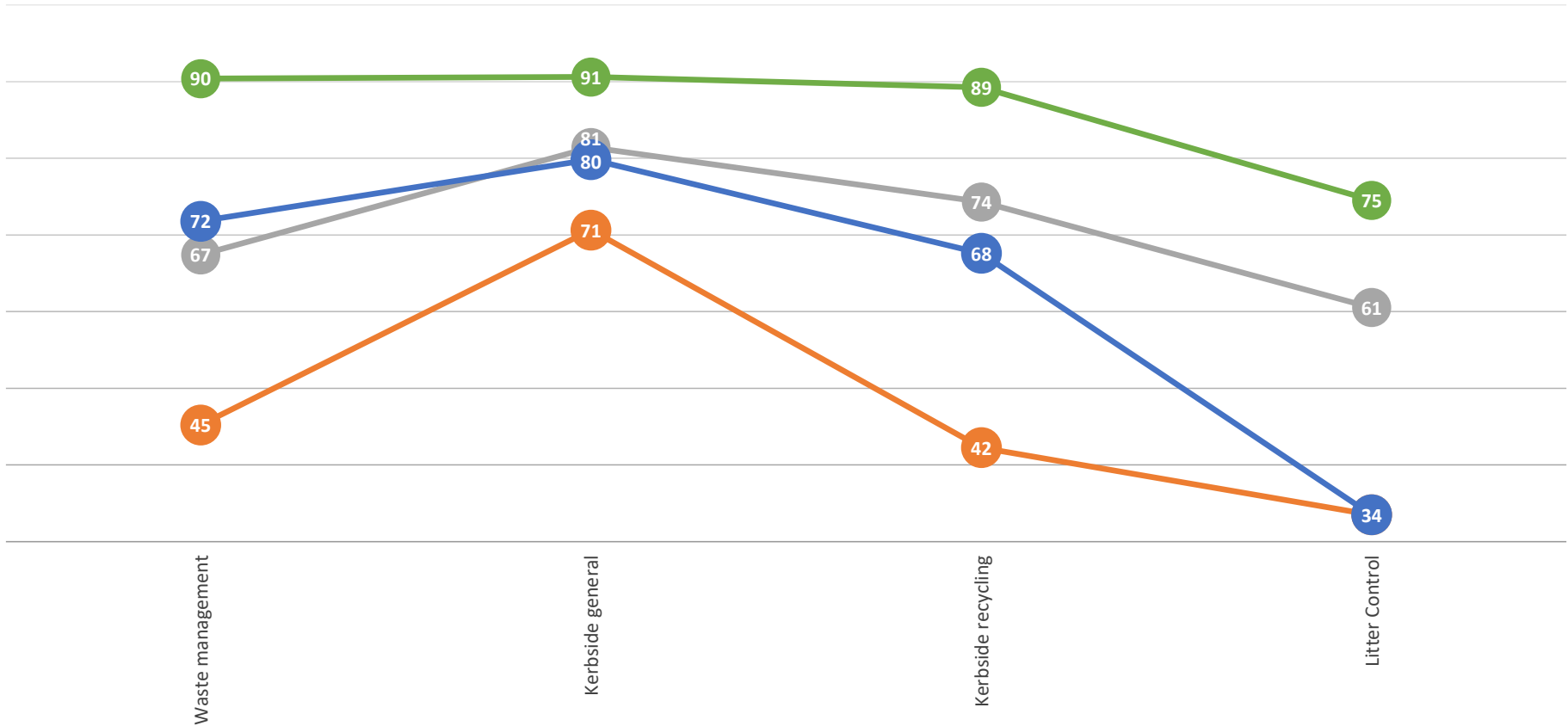
Three waters (District Councils only)

| | % 7-10 | Your Council 2021/22 % | Average based on All Councils % | point diff % | Top performance % | point diff % | Lowest performance % | point diff % |
|---|---------------|-------------------------------|--|---------------------|--------------------------|---------------------|-----------------------------|---------------------|
| Water management | | 58 | 56 | +2 | 75 | -17 | 22 | +36 |
| Water supply | | 68 | 68 | - | 87 | -19 | 39 | +29 |
| Reliability of water supply | | 84 | 82 | +2 | 92 | -8 | 53 | +31 |
| Quality of water (including taste, clarity and odour) | | 61 | 65 | -4 | 80 | -19 | 47 | +14 |
| Sewerage / wastewater systems | | 74 | 76 | -2 | 92 | -18 | 43 | +31 |
| Reliability of sewerage / wastewater | | 74 | 81 | -7 | 95 | -21 | 62 | +12 |

Waste management

2021/2022 Council Benchmarking

— All Councils' Average 2022 — Min — Max — Waikato DC



Waste management (All Councils)

| | % 7-10 | Your Council 2021/22 % | Average based on All Councils % | point diff % | Top performance % | point diff % | Lowest performance % | point diff % |
|--------------------|---------------|-------------------------------|--|---------------------|--------------------------|---------------------|-----------------------------|---------------------|
| Waste management | | 72 | 67 | +5 | 90 | -18 | 45 | +27 |
| Kerbside general | | 80 | 81 | -1 | 91 | -11 | 71 | +9 |
| Kerbside recycling | | 68 | 74 | -6 | 89 | -21 | 42 | +26 |
| Litter Control | | 34 | 61 | -27 | 75 | -41 | 34 | - |

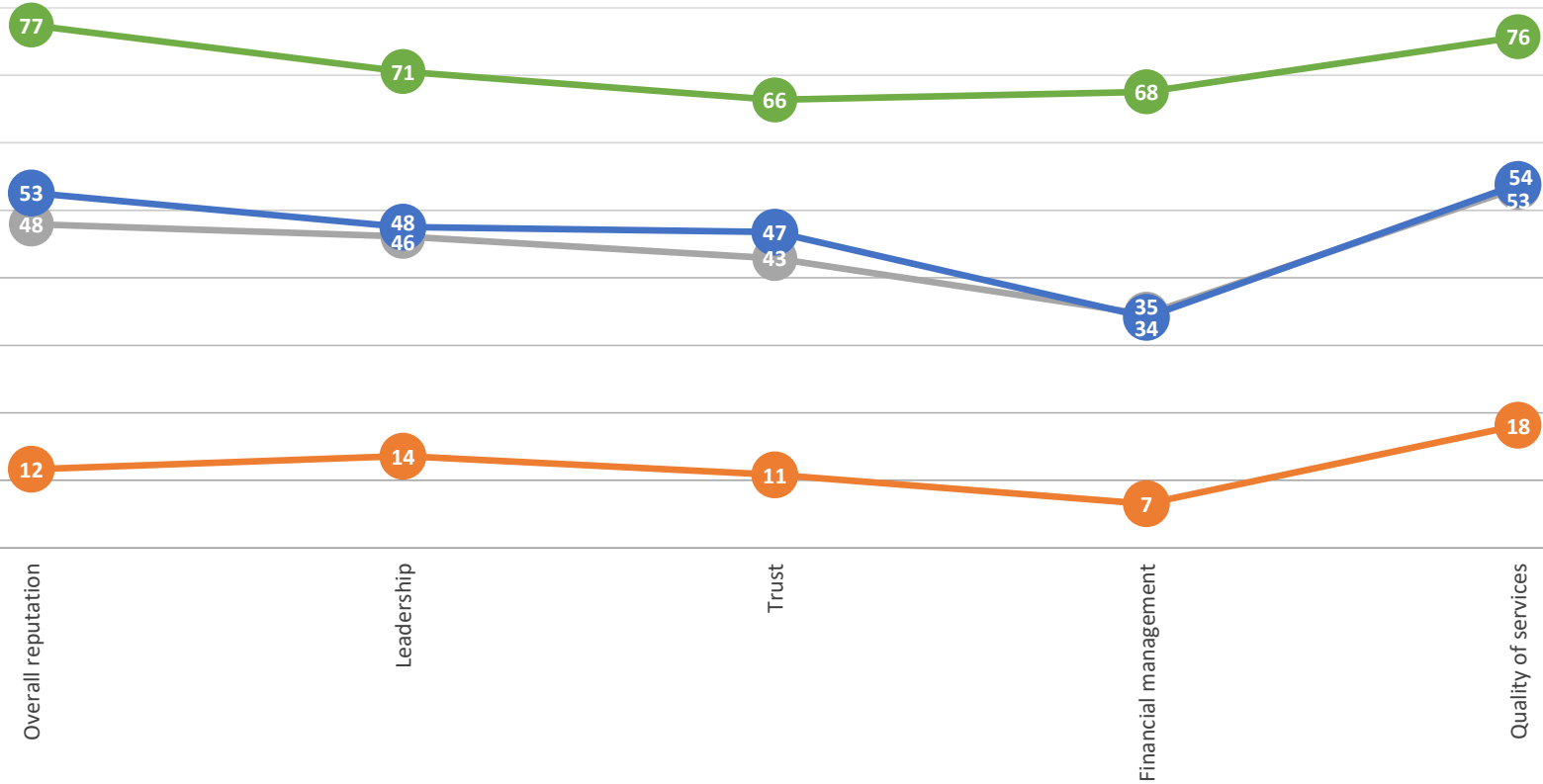
Waste management (District Councils only)

| | % 7-10 | Your Council 2021/22 % | Average based on All Councils % | point diff % | Top performance % | point diff % | Lowest performance % | point diff % |
|------------------|---------------|-------------------------------|--|---------------------|--------------------------|---------------------|-----------------------------|---------------------|
| Waste management | | 72 | 68 | +4 | 90 | -18 | 45 | +27 |
| Kerbside general | | 80 | 82 | -2 | 91 | -11 | 71 | +9 |
| Kerbside recycle | | 68 | 74 | -6 | 89 | -21 | 42 | +26 |
| Litter Control | | 34 | 61 | -27 | 75 | -41 | 34 | - |

Reputation

2021/2022 Council Benchmarking

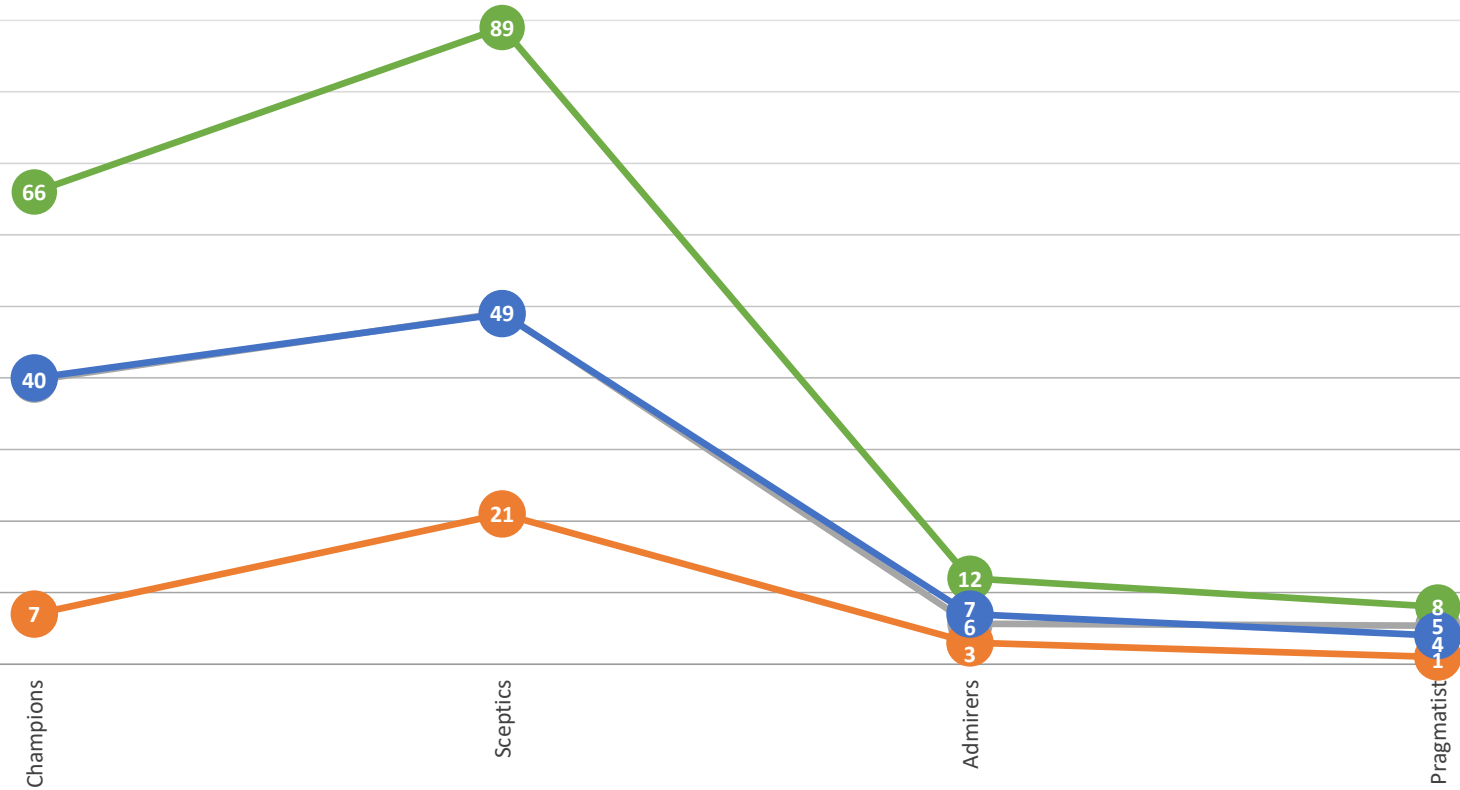
— All Councils' Average 2022 — Min — Max — Waikato DC



Reputation Profile

2021/2022 Council Benchmarking

— All Councils' Average 2022 — Min — Max — Waikato DC



Reputation (All Councils)

| | % 7-10 | Your Council 2021/22 % | Average based on All Councils % | point diff % | Top performance % | point diff % | Lowest performance % | point diff % |
|----------------------|---------------|-------------------------------|--|---------------------|--------------------------|---------------------|-----------------------------|---------------------|
| Overall reputation | | 53 | 48 | +5 | 77 | -24 | 12 | +41 |
| Leadership | | 48 | 46 | +2 | 71 | -23 | 14 | +34 |
| Trust | | 47 | 43 | +4 | 66 | -19 | 11 | +36 |
| Financial management | | 34 | 35 | -1 | 68 | -34 | 7 | +27 |
| Quality of services | | 54 | 53 | +1 | 76 | -22 | 18 | +36 |

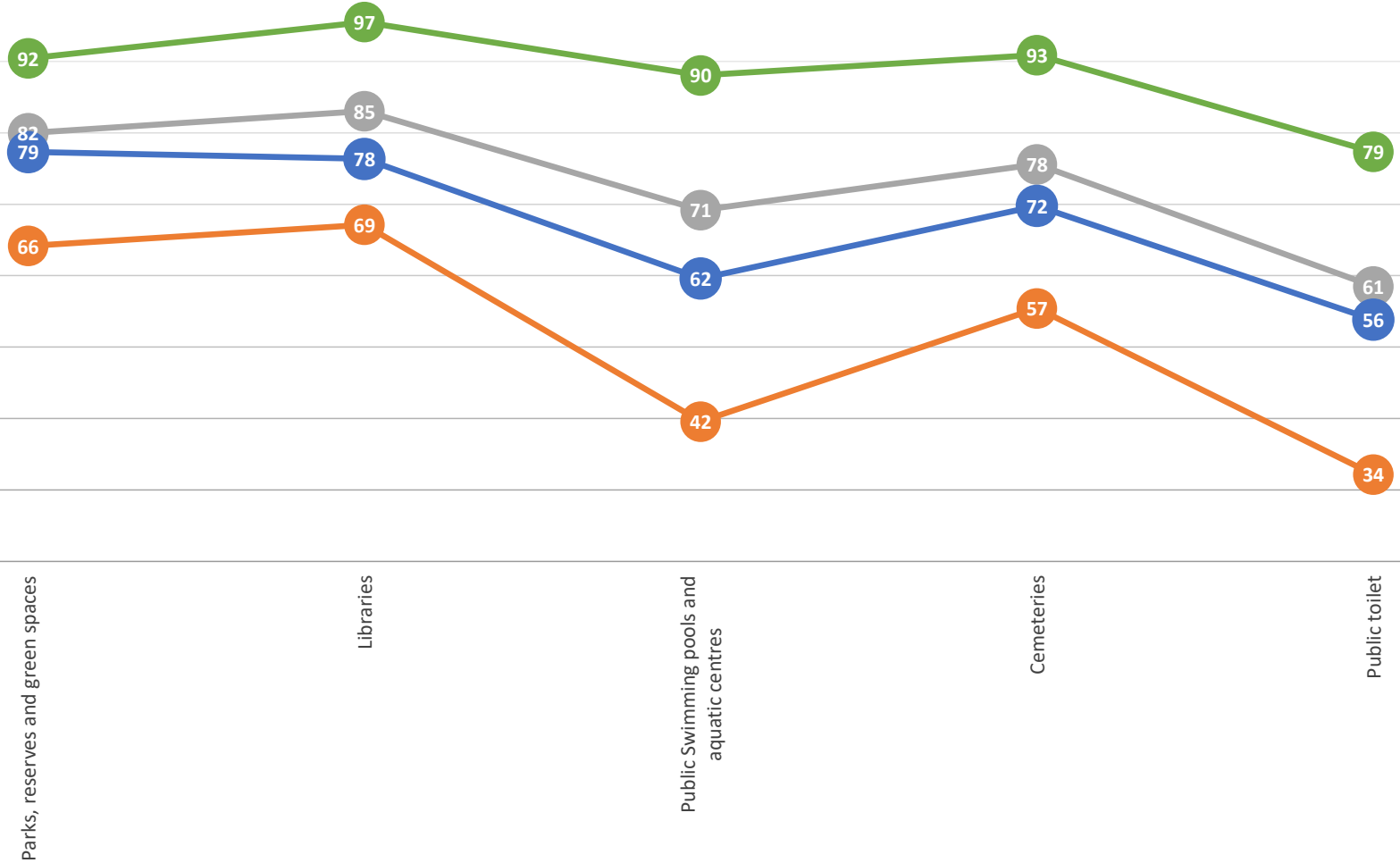
Reputation (District Councils only)

| | % 7-10 | Your Council 2021/22 % | Average based on District Councils % | point diff % | Top performance % | point diff % | Lowest performance % | point diff % |
|----------------------|---------------|-------------------------------|---|---------------------|--------------------------|---------------------|-----------------------------|---------------------|
| Overall reputation | | 53 | 50 | +3 | 77 | -24 | 12 | +41 |
| Leadership | | 48 | 47 | +1 | 71 | -23 | 14 | +34 |
| Trust | | 47 | 45 | +2 | 66 | -19 | 11 | +36 |
| Financial management | | 34 | 37 | -3 | 68 | -34 | 7 | +27 |
| Quality of services | | 54 | 54 | - | 76 | -22 | 18 | +36 |

Services and facilities

2021/2022 Council Benchmarking

— All Councils' Average 2022 — Min — Max — Waikato DC



Services and facilities (All Councils)

| | % 7-10 | Your Council 2021/22 % | Average based on All Councils % | point diff % | Top performance % | point diff % | Lowest performance % | point diff % |
|---|---------------|-------------------------------|--|---------------------|--------------------------|---------------------|-----------------------------|---------------------|
| Parks, reserves and green spaces | | 79 | 82 | -3 | 92 | -13 | 66 | +13 |
| Libraries | | 78 | 85 | -7 | 97 | -19 | 69 | +9 |
| Public Swimming pools and aquatic centres | | 62 | 71 | -9 | 90 | -28 | 42 | +20 |
| Cemeteries | | 72 | 78 | -6 | 93 | -21 | 57 | +15 |
| Public toilet | | 56 | 61 | -5 | 79 | -23 | 34 | +22 |

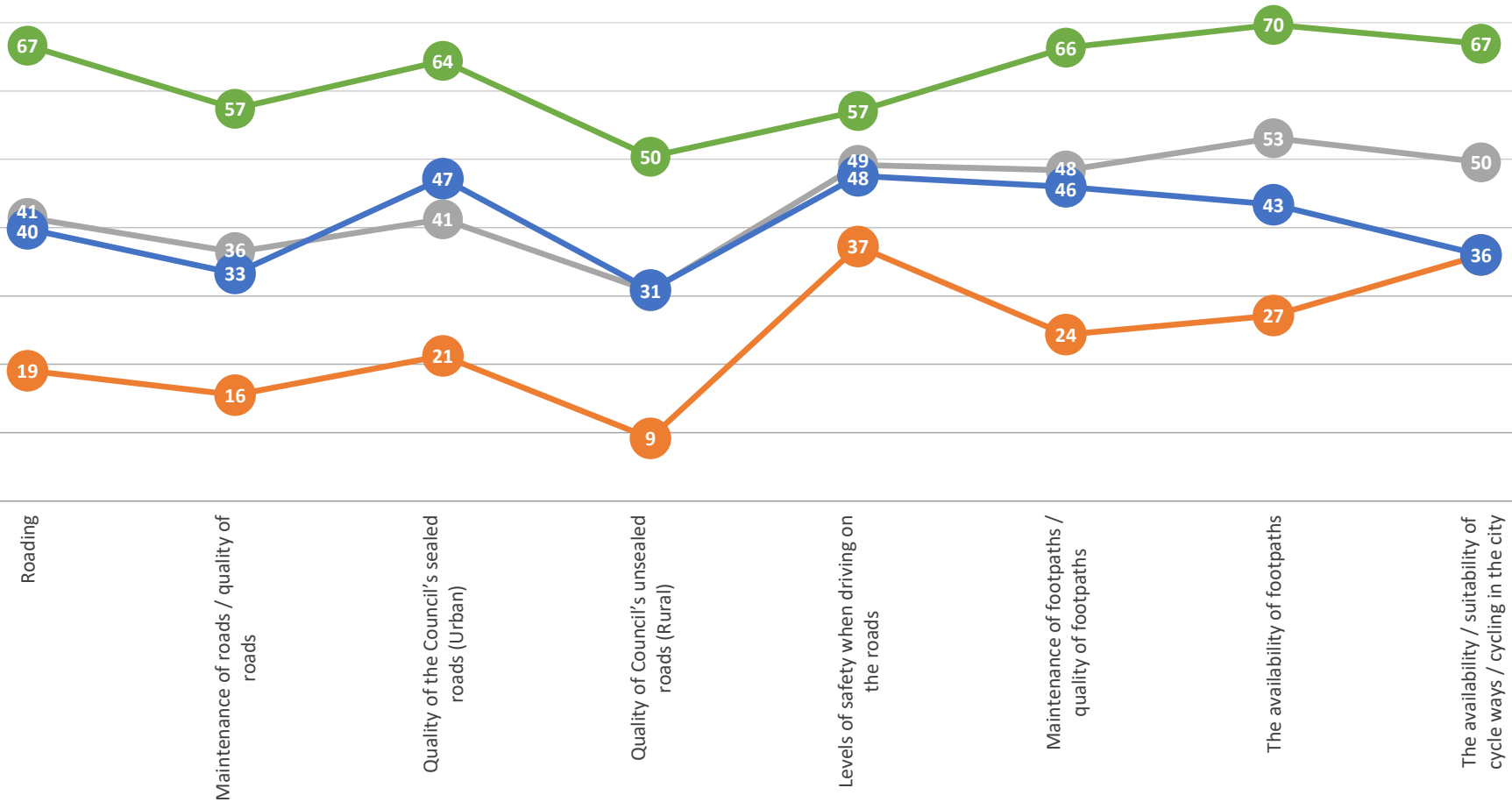
Services and facilities (District Councils only)

| | % 7-10 | Your Council 2021/22 % | Average based on All Councils % | point diff % | Top performance % | point diff % | Lowest performance % | point diff % |
|---|---------------|-------------------------------|--|---------------------|--------------------------|---------------------|-----------------------------|---------------------|
| Parks, reserves and green spaces | | 79 | 82 | -3 | 92 | -13 | 66 | +13 |
| Libraries | | 78 | 85 | -7 | 97 | -19 | 69 | +9 |
| Public Swimming pools and aquatic centres | | 62 | 71 | -9 | 90 | -28 | 42 | +20 |
| Cemeteries | | 72 | 78 | -6 | 93 | -21 | 59 | +13 |
| Public toilet | | 56 | 63 | -7 | 79 | -23 | 34 | +22 |

Roading infrastructure

2021/2022 Council Benchmarking

— All Councils' Average 2022 — Min — Max — Waikato DC



Roading infrastructure (All Councils)

| | % 7-10 | Your Council 2021/22 % | Average based on All Councils % | point diff % | Top performance % | point diff % | Lowest performance % | point diff % |
|--|---------------|-------------------------------|--|---------------------|--------------------------|---------------------|-----------------------------|---------------------|
| Roading | | 40 | 41 | -1 | 67 | -27 | 19 | +21 |
| Maintenance of roads / quality of roads | | 33 | 36 | -3 | 57 | -24 | 16 | +17 |
| Quality of the Council's sealed roads (Urban) | | 47 | 41 | +6 | 64 | -17 | 21 | +26 |
| Quality of Council's unsealed roads (Rural) | | 31 | 31 | - | 50 | -19 | 9 | +22 |
| Levels of safety when driving on the roads | | 48 | 49 | -1 | 57 | -9 | 37 | +11 |
| Maintenance of footpaths / quality of footpaths | | 46 | 48 | -2 | 66 | -20 | 24 | +22 |
| The availability of footpaths | | 43 | 53 | -10 | 70 | -27 | 27 | +16 |
| The availability / suitability of cycle ways / cycling in the city | | 36 | 50 | -14 | 67 | -31 | 36 | - |

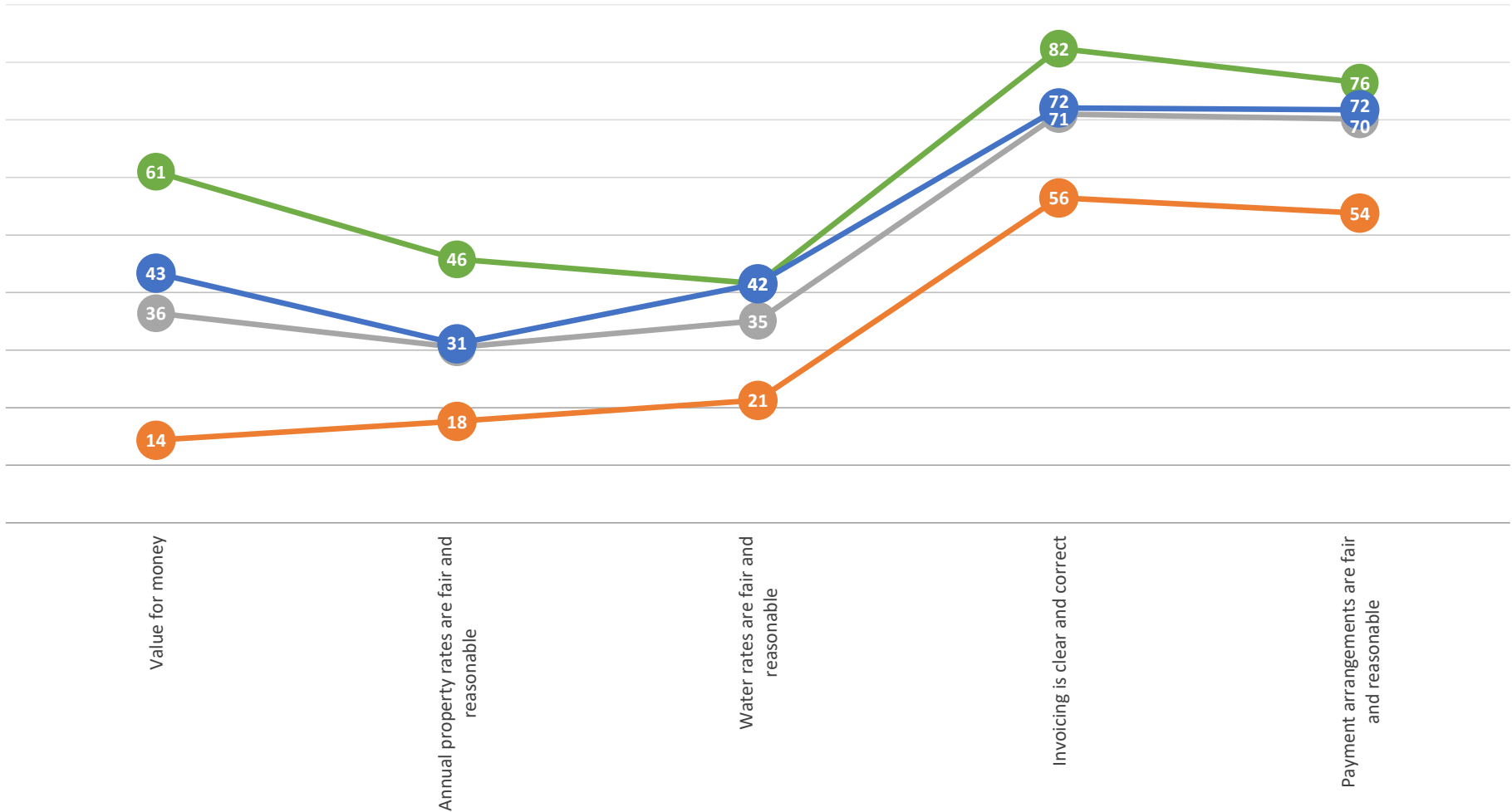
Roading infrastructure (District Councils only)

| % 7-10 | Your Council 2021/22 % | Average based on All Councils % | point diff % | Top performance % | point diff % | Lowest performance % | point diff % |
|--|------------------------------|--|--------------------|-------------------------|--------------------|----------------------------|--------------------|
| Roading | 40 | 42 | -2 | 67 | -27 | 19 | +21 |
| Maintenance of roads / quality of roads | 33 | 36 | -3 | 57 | -24 | 16 | +17 |
| Quality of the Council's sealed roads (Urban) | 47 | 41 | +6 | 64 | -17 | 21 | +26 |
| Quality of Council's unsealed roads (Rural) | 31 | 31 | - | 50 | -19 | 9 | +22 |
| Levels of safety when driving on the roads | 48 | 49 | -1 | 57 | -9 | 37 | +11 |
| Maintenance of footpaths / quality of footpaths | 46 | 47 | -1 | 61 | -15 | 24 | +22 |
| The availability of footpaths | 43 | 53 | -10 | 70 | -27 | 27 | +16 |
| The availability / suitability of cycle ways / cycling in the city | 36 | 50 | -14 | 67 | -31 | 36 | - |

Value for money

2021/2022 Council Benchmarking

All Councils' Average 2022 Min Max Waikato DC



Value for money (All Councils)

| | % 7-10 | Your Council 2021/22 % | Average based on All Councils % | point diff % | Top performance % | point diff % | Lowest performance % | point diff % |
|---|---------------|-------------------------------|--|---------------------|--------------------------|---------------------|-----------------------------|---------------------|
| Value for money | | 43 | 36 | +7 | 61 | -18 | 14 | +29 |
| Annual property rates are fair and reasonable | | 31 | 31 | - | 46 | -15 | 18 | +13 |
| Water rates are fair and reasonable | | 42 | 35 | +7 | 42 | - | 21 | +21 |
| Invoicing is clear and correct | | 72 | 71 | +1 | 82 | -10 | 56 | +16 |
| Payment arrangements are fair and reasonable | | 72 | 70 | +2 | 76 | -4 | 54 | +18 |

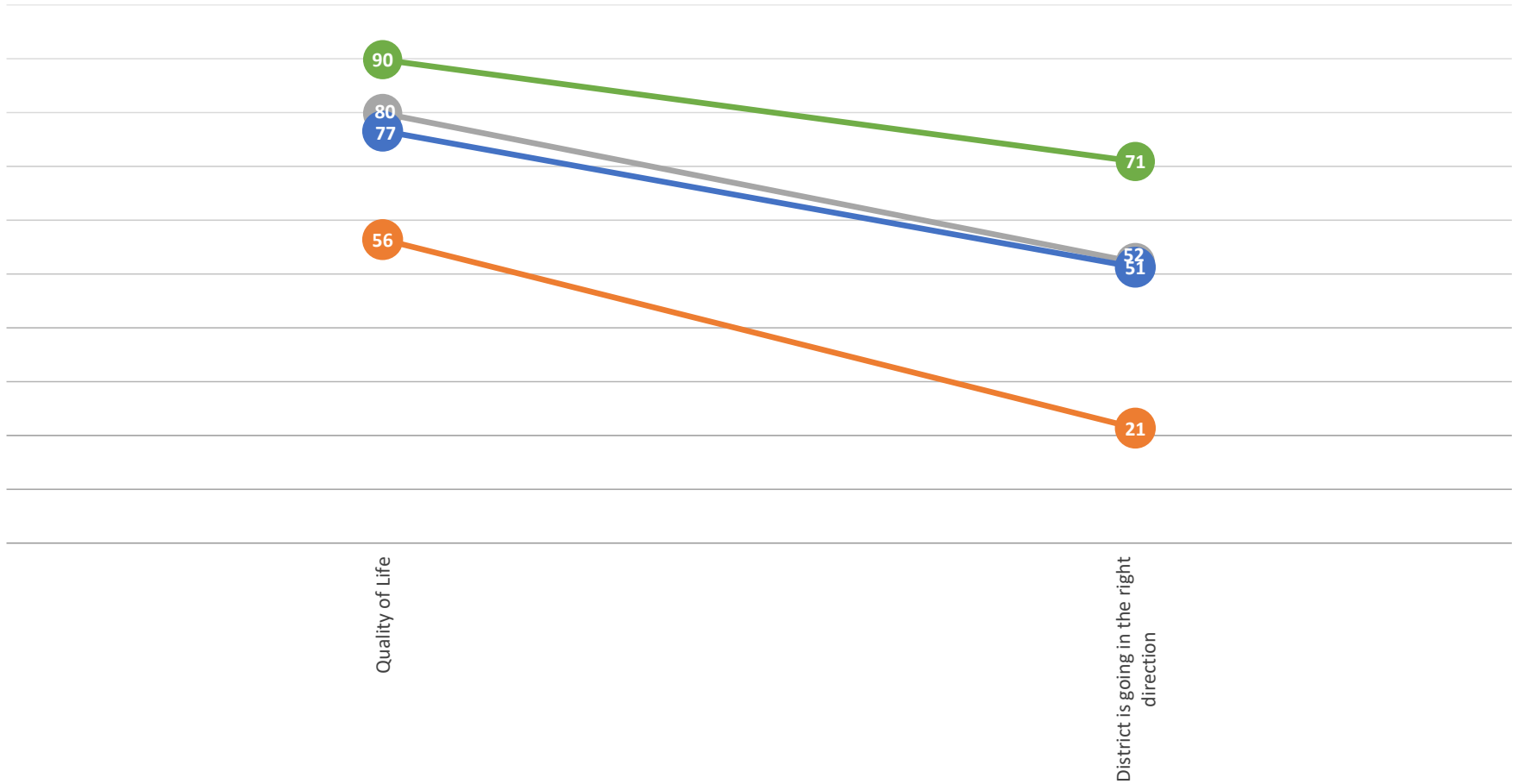
Value for money (District Councils only)

| | % 7-10 | Your Council 2021/22 % | Average based on All Councils % | point diff % | Top performance % | point diff % | Lowest performance % | point diff % |
|---|---------------|-------------------------------|--|---------------------|--------------------------|---------------------|-----------------------------|---------------------|
| Value for money | | 43 | 37 | +6 | 61 | -18 | 14 | +29 |
| Annual property rates are fair and reasonable | | 31 | 31 | - | 46 | -15 | 18 | +13 |
| Water rates are fair and reasonable | | 42 | 34 | +8 | 42 | - | 21 | +21 |
| Invoicing is clear and correct | | 72 | 71 | +1 | 82 | -10 | 56 | +16 |
| Payment arrangements are fair and reasonable | | 72 | 70 | +2 | 76 | -4 | 54 | +18 |

Sentiment

2021/2022 Council Benchmarking

— All Councils' Average 2022 — Min — Max — Waikato DC



Sentiment (All Councils)

| | % 7-10 | Your Council 2021/22 % | Average based on All Councils % | point diff % | Top performance % | point diff % | Lowest performance % | point diff % |
|--|---------------|-------------------------------|--|---------------------|--------------------------|---------------------|-----------------------------|---------------------|
| Quality of Life | | 77 | 80 | -3 | 90 | -13 | 56 | +21 |
| District is going in the right direction | | 51 | 52 | -1 | 71 | -20 | 21 | +30 |

Sentiment (District Councils only)

| | % 7-10 | Your Council 2021/22 % | Average based on District Councils % | point diff % | Top performance % | point diff % | Lowest performance % | point diff % |
|--|---------------|-------------------------------|---|---------------------|--------------------------|---------------------|-----------------------------|---------------------|
| Quality of Life | | 77 | 80 | -3 | 90 | -13 | 56 | +21 |
| District is going in the right direction | | 51 | 52 | -1 | 71 | -20 | 21 | +30 |

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| | |
|---------------------|---|
| To | Performance & Strategy Committee |
| Report title | Chief Executive’s Business Plan |
| Date: | 8 February 2023 |
| Report Author: | Gavin Ion, Chief Executive |

1. Purpose of the report

Te Take moo te puurongo

To update/inform the Committee on progress covering 2022/2023 business plan items.

2. Executive summary

Whakaraapopotanga matua

The Chief Executive’s Business Plan is a summary of progress on priority issues agreed by Councillors.

3. Staff recommendations

Tuutohu-aa-kaimahi

THAT the Policy & Regulatory Committee receives the update on the Chief Executive’s Business Plan.

4. Background

Koorero whaimaarama

The Plan is a summary of progress on specific issues. It enables staff and Councillors to focus on the big issues and ensures that attention is given to those things of strategic importance.

The Plan is in line with the Chief Executive’s Performance Agreement which was updated in June 2022 in preparation for the new financial year.

Work on the plan is underway in a difficult environment given resource and supply change issues.

5. Discussion and analysis

Taataritanga me ngaa tohutohu

The report contains the strategic issues that Council is focussed on. The Chief Executive's Business Plan is aligned to the Chief Executive's Performance Agreement. The underpinning criteria is the council vision of 'liveable, thriving and connected communities.'

The list of KPIs was updated in line with the Chief Executive's Performance Agreement Reports in June 2022.

A review of the KPIs has been scheduled with the Chief Executive's Performance Review Committee.

5.1 Options

Ngaa koowhiringa

This report is for information only and as an update on progress. No decision is being sought from the Committee other than to receive the report.

5.2 Financial considerations

Whaiwhakaaro puutea

This report covers the strategic goals set for the Chief Executive for the year. There will be financial implications as the various projects and initiatives are worked through. There are no immediate concerns at the time of this report.

5.3 Legal considerations

Whaiwhakaaro-aa-ture

There are potential legal issues that arise through the implementation of this work plan and these will be discussed with council if and when these come to light.

5.4 Strategy and policy considerations

Whaiwhakaaro whakamaaherehere kaupapa here

The report and recommendations are consistent with and give effect to Council's vision of 'Liveable, thriving and connected communities – He noohanga aahuru, he iwi whai ora, he hapori tuuhono tahi.'

5.5 Maaori and cultural considerations

Whaiwhakaaro Maaori me oona tikanga

Iwi and Tangata Whenua have been or will be consulted on at least some of the key projects or initiatives referred to in the report. Iwi are involved as a strategic partner of Council through our Joint Management Agreements and projects such as Raglan, Huntly and Te Kauwhata Wastewater Treatment plant upgrades and consent processes.

Iwi have been engaging in the waters management project, the Better Off funding assessments and with Council and central government through the Future Proof.

5.6 Climate response and resilience considerations

Whaiwhakaaro-aa-taiao

The matters in this report will impact on climate action but it is unclear what this will be until further progress on individual projects is made.

5.7 Risks

Tuuraru

As this report seeks to provide a general update only, it is anticipated that the risk level is low.

6. Significance and engagement assessment

Aromatawai paahekoheko

6.1 Significance

Te Hiranga

The matters covered in this report may be assessed as of high significance, in accordance with the Council's Significant and Engagement Policy.

6.2 Engagement

Te Whakatuutakitaki

Engagement on the contents of this report ha been low and internal.

The following areas are priorities in the communications and engagement approach:

- Keeping councillors informed of progress;
- Ensuring the development of strategic partnerships and relationships.

| Highest level of engagement | Inform | Consult | Involve | Collaborate | Empower |
|---|--|--------------------------|--------------------------|-------------|--------------------------|
| | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | ✓ | <input type="checkbox"/> |
| <i>Tick the appropriate box/boxes and specify what it involves by providing a brief explanation of the tools which will be used to engage (refer to the project engagement plan if applicable).</i> | Staff have worked collaboratively with our iwi/hapuu to maximise engagement on a range of activities and actions. Similarly, there has been consistent communication with a range of strategic partners and organisations. | | | | |

State below which external stakeholders have been or will be engaged with:

| Planned | In Progress | Complete | |
|--------------------------|--------------------------|--------------------------|---------------------------------------|
| ✓ | ✓ | <input type="checkbox"/> | Internal |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Community Boards/Community Committees |
| <input type="checkbox"/> | ✓ | <input type="checkbox"/> | Waikato-Tainui/Local iwi and hapuu |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Affected Communities |
| <input type="checkbox"/> | ✓ | <input type="checkbox"/> | Affected Businesses |
| <input type="checkbox"/> | ✓ | <input type="checkbox"/> | Other (Please Specify) |

7. Next steps Ahu whakamua

Regular updates will be provided on progress with delivery of the business plan.

8. Confirmation of statutory compliance Te Whakatuuturutanga aa-ture

As required by the Local Government Act 2002, staff confirm the following:

The report fits with Council's role and Terms of Reference and Delegations. Confirmed

The report contains sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages (*Section 5.1*). Confirmed

Staff assessment of the level of significance of the issues in the report after consideration of the Council's Significance and Engagement Policy (*Section 6.1*). Low

The report contains adequate consideration of the views and preferences of affected and interested persons taking account of any proposed or previous community engagement and assessed level of significance (*Section 6.2*). Confirmed

| | |
|--|-----------|
| The report considers impact on Maaori (<i>Section 5.5</i>) | Confirmed |
|--|-----------|

| | |
|---|-----------|
| The report and recommendations are consistent with Council's plans and policies (<i>Section 5.4</i>). | Confirmed |
|---|-----------|

| | |
|--|-----------|
| The report and recommendations comply with Council's legal duties and responsibilities (<i>Section 5.3</i>). | Confirmed |
|--|-----------|

9. Attachments

Nga taapirihanga

Attachment 1 – Chief Executive's KPI worksheet

Chief Executive's KPIs – 2022/2023

Overarching Council Vision: “Liveable, Thriving and Connected Communities”

Staff & Wellbeing Vision: “Work Safe, Home Safe”

| Key project/priority | Key deliverables/KPIs | Comments | |
|--|-----------------------|--|---|
| 1. Delivery and achievement of Annual Plan 2022/2023 (covers normal business activities, financial and non-financial performance measures and the delivery of the annual work programme) | 1.1 | The 2022/2023 Annual Plan is delivered within the agreed budget, and in accordance with variations approved by Council. Provide regular updates to the Strategy & Finance Committee on progress. | The organisation remains under pressure in many areas due to workload and resourcing issues. A financial review of the year indicates we are managing within budget. |
| | 1.2 | Capital Works are delivered within the agreed budget and in accordance with variations approved by Council. Provide regular updates on progress and any barriers to the delivery of the projects under the following key categories: a) 3 Waters (projects managed and delivered via Watercare) b) Roothing (project predominantly delivered through the Waikato District Alliance) c) Sustainable communities (largely blueprints, social & community related projects). | The Enterprise Project Management Office is now up and running to provide one team to oversee the delivery of our capital programme (excluding 3 waters). a) Watercare have indicated they expect to deliver \$155 million of the LTP capital programme in years 1-3 (we are midway through year 2). This is a shortfall of approximately \$21 million over the 3 year period. b) Additional funding has been allocated to the Waikato District Alliance contract to facilitate additional work to be undertaken by under this contract. c) Projects such as the Raglan Wharf are progressing. |
| | 1.3 | Advance social procurement through: | |

| Key project/priority | Key deliverables/KPIs | Comments | |
|---|--|--|--|
| | <ul style="list-style-type: none"> (a) Implementing the Sustainable Procurement Framework by 31 December (b) Develop a Small Business Panel to enable businesses to work with us in an easier way by 31 March 2023. | <ul style="list-style-type: none"> a) The Sustainable Procurement Framework was shared with Council late in 2022. b) Work is underway on the development of a Small Business Panel. | |
| 2. To deliver the 2023-2024 Draft Annual Plan | 2.1 The 2023-2024 Draft Annual Plan is complete by 30 June 2023. | Work is well underway. A Council Workshop is planned for February. | |
| 3. Government Reform | <p>3.1 Demonstrate the work being done by the Chief Executive and staff to inform, advise and advocate on behalf of the Council (evidenced through reports, workshops, briefings or emails) towards a better outcome for the District in relation to Local Government reform to:</p> <ul style="list-style-type: none"> a) Future of Local Government b) RMA c) 3 Waters Reform | <ul style="list-style-type: none"> a) Submission made to the Future for Local Government Panel to inform the draft report. Submission being drafted for discussion with Councillors and lodging with the panel in response to the draft report. b) RMA – A submission is being drafted in relation to The Natural and Built Environment Bill and The Spatial Planning Bill. Councillors have been fully involved in the process. c) 3 Waters Reform – opportunities to engage and to submit have been taken. The appropriate Select Committee is working through the submissions. The Chief Executive and the Mayor have also been engaging with the National | |

| Key project/priority | Key deliverables/KPIs | | Comments | |
|--|-----------------------|--|--|--|
| | | | <p>Transition Unit Board.</p> <p>The appointment of the interim Water Service Entity Chief Executive indicates continued government support for the reform.</p> | |
| <p>4. Strategic Management & Delivery (key projects and priorities includes regional and national matters)</p> | 4.1 | <p>Futureproof and related initiatives - At each performance review, demonstrate the role that the Chief Executive and staff have played to inform, advise and advocate on behalf of Council in relation to Futureproof and associated initiatives e.g., reports, workshops, submissions and briefings.</p> | <p>The review of Future Proof has been completed. The Chief Executive has played his part through the Chief Executive Advisory Group.</p> <p>Work underway as to how to operationalise the decisions made in Future Proof e.g. changes to the Regional Policy Statement and this impacts on our District Plan.</p> | |
| | 4.2 | <p>Solid Waste:</p> <p>a) Bollard Road (Tuakau) development:</p> <ul style="list-style-type: none"> - Procurement Plan & RFP by 31st July 2022 - Consultant appointed by 30 September 2022 - Stage I detailed design with cost estimate ready for Council workshop by 28 February 2023. | <p>a) The procurement process and RFP were completed and WSP appointed as the consultant.</p> <p>Preliminary work is underway on the detailed design and cost estimate. This will not be achieved by the end of February. A revised timeline is being determined.</p> | |

| Key project/priority | Key deliverables/KPIs | Comments | |
|---|--|--|--|
| | <p>b) Huntly recycling sorting facility & Community resource centre (McVie Road)</p> <ul style="list-style-type: none"> - Rotowaro Road sorting facility operational by end July 2022 (Waiting on a new trommel & conveyor belt) - McVie Road site reconfigured and cleaned up for public drop-off by 30 September 2022 - Community resource recovery centre facility in place by March 2023. | <p>b) The Rotowaro Road sorting facility is operational.</p> <p>The McVie Road site requires additional work and tidy up. This was delayed due to contractual changes.</p> <p>Consultation on a community resource recovery centre is due to commence shortly. Having community buy in and being community run will take some time to achieve.</p> | |
| <p>5. Partnerships and Relationships (includes relationships with central government, Waka Kotahi, Iwi and the Waikato District Alliance)</p> | <p>5.1</p> <p>a) Provide evidence of outcomes achieved through initiatives, collaboration, and engagement with Iwi.</p> <p>b) Demonstrate significant progress on delivering at least 3 of the initiatives of the Waikato-Tainui JMA workplan.</p> <p>c) Prepare a report for each Ngati Maniapoto JMA meeting which reflects matters of interest for our treaty partner.</p> | <p>a) Discussions underway with mana whenua and Waikato-Tainui about upgrades to Te Kauwhata and Huntly Wastewater Treatment Plants.</p> <p>Council has resolved to look to advance the return of the Raglan Airfield to the rightful owners.</p> <p>b) Election process and better off funding completed. Work on Mana Whenua forums to be workshopped with councillors and social procurement also progressing.</p> <p>c) A strategic report was prepared for the Ngati Maniapoto JMA meeting. The report shared insights on Future Proof, the Proposed District</p> | |

| Key project/priority | Key deliverables/KPIs | Comments | |
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| | | Plan and other issues. | |
| | <p>5.2 Central Government – Provide evidence at each performance review of the outcomes achieved by the Chief Executive through building relationships with central government that are related to Council’s future strategies and delivery aspirations. Particular focus should be on:</p> <ul style="list-style-type: none"> a) Waka Kotahi b) Kainga Ora c) Ministry for Social Development | <ul style="list-style-type: none"> a) Council is pushing back on the closure of Telephone Road. Constructive discussions are being held. The Huntly relocation agreement has been approved from the Council perspective. b) Engaging with representatives from Kainga Ora regarding houses to be built in the district as well as Infrastructure Acceleration Fund applications. Engagement is taking place at both a governance and managerial level. It is too early to determine the outcomes of these discussions. c) Our Economic and Social Development team work closely with Ministry for Social Development. The Chief Executive also engages with the Regional Commissioner in relation to the Regional | |

| Key project/priority | Key deliverables/KPIs | | Comments | |
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| | | d) MBIE. | <p>Leadership Group.</p> <p>d) MBIE – Engagement with MBIE has been around reform to the Building Consent processes.</p> | |
| 6. Staff and Culture (including leadership, engagement and retention) | 6.1 | <p>a) Outline what initiatives have been undertaken to strengthen the internal culture and leadership of the organisation and provide staff survey results to indicate whether these have been successful or not.</p> <p>b) Provide evidence on recruitment strategies being used to attract new talent and retention strategies in place including an assessment of effectiveness.</p> <p>c) Provide an update on flexible and hybrid working arrangements and the effect (positive or negative) on culture as evidenced through staff survey results.</p> | <p>a) The recent staff survey provided strong evidence of a positive culture with a 4% movement in engagement. Whilst we are dealing with a tough employment market, word of mouth is proving a way of attracting good people. This can only happen if there is a positive culture in place.</p> <p>b) As noted, word of mouth is proving effective, being flexible and interviewing good candidates as early as possible has identified some good recruits. Staff retention particularly for staff recruited within the past year (93%) is high.</p> <p>Our Takitaki bespoke leadership programme is building the capability and confidence of our people.</p> <p>c) The flexible working arrangements have been embraced by staff. Flexible working is trending as the second most important employee benefit in 2022 based on recent research.</p> | |
| | 6.2 | <p>Demonstrate progress in relation to how diversity and inclusion is being embraced by the organisation. This includes how the opportunity is developing, is being kept alive by behaviours and practices and broadening the perspective of staff.</p> | <p>We are planning now for our third Te Reo course which is due to start in the next couple of months. Our Team Planning session with People Leaders required each Team to identify how they were embracing Te Tiriti o Waitangi principles in their plans.</p> <p>Diversity, Equity & Inclusion are a key course topic for our Takitaki programme. These principles have already been embedded with 60 staff through the</p> | |

| Key project/priority | Key deliverables/KPIs | | Comments | |
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| | | | programme. | |
| 7. Zero Harm (Work Safe, Home Safe) | 7.1 | Lead initiatives that clearly demonstrate progress towards safety leadership in the way the organisation operates. | Regular reporting to Council and the Audit and Risk Committee demonstrate progress in developing the Safety Management System. | |
| | 7.2 | Complete the Strategic Plan work for 2022/2023 by 30 June 2023. | Work on the plan is progressing. A number of standards have been written and critical risk control reviews are happening on a regular basis. | |
| 8. Climate Action | 8.1 | <p>Give effect to the goals identified in the Climate Action Plan this financial year and provide updates on progress.</p> <ul style="list-style-type: none"> a) Agree a Climate Action work plan with the Strategy & Finance Committee by September. b) Complete the work plan as agreed with the Strategy & Finance Committee by 30 June. c) Achieve an emission reduction target of 8% for the year ended 30 June 2023. | <ul style="list-style-type: none"> a) A new draft Climate Response Strategy and roadmap has been drafted. b) Key projects will deliver on annual emission reduction targets. The Climate Action Plan is being updated to align. c) In 2020/21 we achieved a reduction of 23% driven largely by changes in the three waters area. In 2022/23 we have to date achieved an emission reduction of 3%. In 2023/24 we expect the reduction to be in the order of 16-18% based on initiatives underway now. | |

| Key project/priority | Key deliverables/KPIs | | Comments | |
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| 9. 2022 Elections | 9.1 | Meet legislative compliance by completing the workplan undertaken to facilitate and foster representative and substantial elector participation in elections. | Election completed successfully (no legal challenges). Despite trying a number of initiatives the overall return rate did not increase. | |

Footnote:

1. The Chief Executive has agreed to deliver KPIs, subject to any changes due to Council's change of direction on any of the KPIs, in which case such changes would be taken into account. Delivery will also be subject to factors within the control of the Chief Executive e.g. a delay in receiving materials for capital works due to Covid-19 would be outside the control of the Chief Executive.
2. Each deliverable including subcategories (e.g. (a), (b) etc.) will be assessed in their own right.