



**I, Steven May, Tumu Whakarae Chief Executive Officer, hereby give notice that
a Finance, Audit & Risk Committee Meeting will be held on:**

Date: Tuesday, 2 July 2019
Time: 10.00am
**Location: Council Chamber, Wairoa District Council,
Coronation Square, Wairoa**

AGENDA

Finance, Audit & Risk Committee Meeting

2 July 2019

The agenda and associated papers are also available on our website: www.wairoadc.govt.nz

For further information please contact us 06 838 7309 or by email info@wairoadc.govt.nz

Order Of Business

1	Karakia.....	5
2	Apologies for Absence	5
3	Declarations of Conflict of Interest	5
4	Chairperson's Announcements	5
5	Late Items of Urgent Business.....	5
6	Public Participation	5
7	Minutes of the Previous Meeting.....	5
8	General Items.....	12
8.1	Policies and Bylaws Review	12
8.2	Health & Safety Report.....	18
8.3	Update on Response to Audit Recommendations 2017-18.....	25
8.4	Financial Performance to 30 April 2018	27
8.5	Update on Preparation of the Annual Report for the year ending 30 June 2019.	57
8.6	Insurance Renewal Terms 2019-20	60
8.7	FAR Annual Work Plan.....	94
8.8	Preparation of Project Plan for the development of Long Term Plan 2021-2031	96

- 1 KARAKIA**
- 2 APOLOGIES FOR ABSENCE**
- 3 DECLARATIONS OF CONFLICT OF INTEREST**
- 4 CHAIRPERSON'S ANNOUNCEMENTS**
- 5 LATE ITEMS OF URGENT BUSINESS**
- 6 PUBLIC PARTICIPATION**

A maximum of 30 minutes has been set aside for members of the public to speak on any item on the agenda. Up to 5 minutes per person is allowed. As per Standing Order 14.14 requests to speak must be made to the meeting secretary at least one clear day before the meeting; however this requirement may be waived by the Chairperson.

7 MINUTES OF THE PREVIOUS MEETING

Ordinary Meeting - 14 May 2019

Extraordinary Meeting - 11 June 2019

**MINUTES OF WAIROA DISTRICT COUNCIL
FINANCE, AUDIT & RISK COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBER, WAIROA DISTRICT COUNCIL, CORONATION SQUARE, WAIROA
ON TUESDAY, 14 MAY 2019 AT 1.30PM**

PRESENT: His Worship the Mayor Craig Little (Mayor), Cr Denise Eaglesome-Karekare (Deputy Mayor), Cr Jeremy Harker, Mr Philip Jones

IN ATTENDANCE: Steven May (Tumu Whakarae Chief Executive Officer), S Mutch (Partner-Auditors Ernst & Young), Gary Borg (Pouwhakarae – Pūtea/Tautāwhi Rangapū Group Manager Finance and Corporate Support), Stephen Heath (Pouwhakarae – Hua Pūmau Hapori/Ratonga Group Manager Community Assets and Services), G Waikawa (Kaiurungi Mana Arahi – Governance Officer)

1 KARAKIA

Karakia was given by Cr Eaglesome-Karekare

2 APOLOGIES FOR ABSENCE

Nil

3 DECLARATION OF CONFLICT OF INTEREST

None.

4 CHAIRPERSON'S ANNOUNCEMENTS

None.

5 LATE ITEMS OF URGENT BUSINESS

The Chief Executive advised the committee an internal audit of the Contract Management Review will begin next week.

6 PUBLIC PARTICIPATION

A maximum of 30 minutes has been set aside for members of the public to speak on any item on the agenda. Up to 5 minutes per person is allowed. As per Standing Order 14.14 requests to speak must be made to the meeting secretary at least one clear day before the meeting; however this requirement may be waived by the Chairperson.

7 MINUTES OF THE PREVIOUS MEETING

COMMITTEE RESOLUTION 2019/60

Moved: Cr Denise Eaglesome-Karekare

Seconded: Mr Philip Jones

That the minutes of the Ordinary Meeting held on 2 April 2019 be confirmed and the FAR Work Plan will be part of the meeting.

CARRIED

8 GENERAL ITEMS**8.1 ANNUAL REPORT 2018-19 TIMETABLE AND AUDIT PLAN****COMMITTEE RESOLUTION 2019/61**

Moved: His Worship the Mayor Craig Little

Seconded: Mr Philip Jones

That the Committee receives the proposed timetable and audit plan for the Annual Report 2018-19.

CARRIED

8.2 HEALTH & SAFETY REPORT**COMMITTEE RESOLUTION 2019/62**

Moved: Cr Denise Eaglesome-Karekare

Seconded: Cr Jeremy Harker

That the Committee receive the report and Health & Safety risks to staff becomes part of the Zero Harm Officer's report.

CARRIED

The Committee discussed the FAR Work Plan in detail.

#	Date Entered	Action to be taken	Responsible	To be completed by	Closed/Open
1.	2 April 2019	Top five H&S risks to staff and what is being done to minimise them. - To be included in Zero Harm Officer's report	Kevin Stevenson	14 May 2019	Open
2.	2 April 2019	3 rd quarter financial results - March financials to Council on 11 June 2019 - April financials to FAR committee on 25 June 2019	Gary Borg Gary Borg	11 June 2019 25 June 2019	Open Open
3.	2 April 20-19	Adopt FAR work plan/TOR as per 26 Feb 2019 FAR Committee minutes	Steven May		

		- standing agenda item for work plan		16 July 2019	Open
4.	2 April 2019	Detailed work plan on how Non-conformances from EY audit report will be addressed - establish an outstanding report to management register with a regular update.	Steven May/Gary Borg	16 July 2019	Open
5.	14 May 2019	Interim Summary from EY on Annual Report process and FY18/19 close off. Liaise with Stuart Mutch to request summary.	Gary Borg/Stuart Mutch	16 July 2019	Open
6.	14 May 2019	Full draft Annual report NLT 17 Sept 2019 to be reviewed by FAR before submitting to Auditors	Gary Borg/Steven May	17 Sept 2019	Open
7.	14 May 2019	Contract Management Review	Stephen Heath	17 Sept 2019	Open
8.	14 May 2019	Draft Financial Statements	Gary Borg	17 Sept 2019	Open

9 PUBLIC EXCLUDED ITEMS

RESOLUTION TO EXCLUDE THE PUBLIC

COMMITTEE RESOLUTION 2019/63

Moved: Mr Philip Jones

Seconded: Cr Jeremy Harker

That the public be excluded from the following parts of the proceedings of this meeting at 2.32pm.

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
9.1 - Auditor's Report to Management for the WDC	s7(2)(a) - the withholding of the information is necessary to protect the privacy of	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the

2018-28 Long Term Plan	natural persons, including that of deceased natural persons	meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
CARRIED		

COMMITTEE RESOLUTION 2019/64

Moved: Cr Denise Eaglesome-Karekare

Seconded: Cr Jeremy Harker

That the FAR Committee moves out of Closed Committee into Open Committee at 3.14pm.

CARRIED

Closing karakia was given by CrI Eaglesome-Karekare

The Meeting closed at 3.15pm

The minutes of this meeting were confirmed at the Finance, Audit & Risk Committee Meeting held on 25 June 2019.

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CHAIRPERSON

**MINUTES OF WAIROA DISTRICT COUNCIL
EXTRAORDINARY FINANCE, AUDIT & RISK COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBER, WAIROA DISTRICT COUNCIL, CORONATION SQUARE, WAIROA
ON TUESDAY, 11 JUNE 2019 AT 11.00AM**

PRESENT: His Worship the Mayor Craig Little (Mayor), Cr Denise Eaglesome-Karekare (Deputy Mayor), Cr Jeremy Harker, Mr Philip Jones

IN ATTENDANCE: Clr Charlie Lambert, Clr Mike Bird, S May, (Tumu Whakarae Chief Executive Officer), S Heath (Pouwhakarae – Hua Pūmau Hapori/Ratonga Group Manager Community Assets and Services), G Borg Pouwhakarae – Pūtea/Tautāwhi Rangapū Group Manager Finance and Corporate Support), K Tuapawa (Pouwhakarae – Pārongo/Wheako Kiritaki Group Manager Information and Customer Experience), G Waikawa (Kaiurungi Mana Arahi – Governance Officer)

1 KARAKIA

Karakia was given by Clr C Lambert

2 APOLOGIES FOR ABSENCE

None.

3 DECLARATIONS OF CONFLICT OF INTEREST

None.

4 PUBLIC PARTICIPATION

None.

5 GENERAL ITEMS

5.1 FINANCIAL PERFORMANCE TO 30 APRIL 2019

COMMITTEE RESOLUTION 2019/60

Moved: Cr Denise Eaglesome-Karekare

Seconded: Cr Jeremy Harker

That the Committee receive the report.

CARRIED

Points discussed:

Absence of capital expenditure.

Rates by activity.

Capex by activity together with indicative funding of capital expenditure – 30 April as a minimum - 30 May as ideal.

P Jones impressed on forecast.

The date of the next FAR Committee will be changed from 25 June 2019 to Tuesday, 2 July 2019.

5.2 ADOPTION OF THE ANNUAL PLAN 2019/20

COMMITTEE RESOLUTION 2019/61

Moved: Cr Denise Eaglesome-Karekare

Seconded: Cr Jeremy Harker

That:

1. The Committee receives the Annual Plan 2019/20, attached as Appendix 1 and recommends to Council that it be adopted with minor changes noting that Council did not need to consult as stated in Section 95 (2A) Local Government Act 2002 as it is of the opinion there are no significant or material differences between Year 2 of Council's LTP and 2019/20 Annual Plan.
2. The committee notes while there are changes in the following areas; capital subsidies, other operating expenses, asset purchases and construction and the use of reserves but as these changes did not impact Council's financial strategy or the limits set under the financial prudent regulations and confirms the need not to consult.

CARRIED

Points raised:

Funding impact statements against each activity reconciling back to annual plan at a later date.

Meeting was closed with a karakia by Clr Charlie Lambert.

The Meeting closed at 11.49.

The minutes of this meeting were confirmed at the Extraordinary Finance, Audit & Risk Committee Meeting held on 25 June 2019.

.....
CHAIRPERSON

8 GENERAL ITEMS

8.1 POLICIES AND BYLAWS REVIEW

Author: Charlotte Knight, Kaiarataki Kaupapa Here / Mana Ārahi Policy and Governance Team Leader

Authoriser: Kimberley Tuapawa, Pouwhakarae – Pārongo / Wheako Kiritaki Group Manager Information and Customer Experience

Appendices: 1. Policies and Bylaws Status 17 May 2019 [↓](#)

1. PURPOSE

- 1.1 This report provides information for Committee on Council's policies and bylaws. No decisions are required by Committee at this stage.

RECOMMENDATION

The Policy & Governance Team Leader RECOMMENDS that Committee receive the report.

2. BACKGROUND

- 2.1 As part of the committee's annual work plan a 6 monthly report on the Council's policies and bylaws was requested. Attached as Appendix 1 is a table outlining adoption dates, review dates as per the legislation or as specified in a policy, and an estimate of when reviews will commence. This document is the status as of 17 May 2019.
- 2.2 Priority for reviews is determined by assessing where legislation has changed that requires a policy and/or bylaw to be reviewed, due date for review and direction from elected members. Requirements for new policies and bylaws are also factored into what work is prioritised by Council staff.

Further Information

None.

Background Papers

None.

References (to or from other Committees)

None.

Signatories

	
Author Charlotte Knight	Approved by Kimberley Tuapawa

Policies and Bylaw status as of 17 May 2019

Policy Title	Adoption Date	Review Due	Review scheduled
Alfresco Dining Policy	May-11	May-16	NB: Public safety bylaw has absorbed most of this.
Appointment and remuneration for directors of CCOs	Mar-19	Mar-24	December 2023
Board (TAB) Venue Policy	Aug-17	Aug-20	May 2020
CCTV	Oct-18	Oct-21	July 2021
Class 4 Gaming Venue Policy	Aug-17	Aug-20	May 2020
Coastal Strategy	Jul-04	not specified	NB: Reviewing as part of District Plan review
Credit Policy	Sep-09	Not specified	Review in progress
Dangerous and Insanitary Buildings Policy	Apr-19	1-Apr-24	December 2023
Dog Control Policy 2011	Aug-17	Aug-22	January 2022
Early Payment Of Mahia And Opoutama Wastewater Scheme Targeted Rates	2016	Not specified	To be scheduled
ED Plan	5-Dec-17	Dec-20	August 2020
Election Hoardings Policy	Mar-16	Mar-23	December 2022
Financial Strategy	2018 LTP	2021 LTP	Part of 2021 LTP review process
Funding Policy	2015 LTP	2018 LTP	To be scheduled
Infrastructure Strategy	2018 LTP	2021 LTP	Part of 2021 LTP review process
Investment Policy	2015 LTP	2018 LTP	To be scheduled
Liability Management Policy	2015 LTP	2018 LTP	To be scheduled
Library Strategy	DRAFT		New document being drafted
Library Policy	DRAFT		New document being drafted
Local Alcohol Policy	DRAFT		New document being drafted
Local Approved Products	Feb-19	Feb-23	October 2022
Local Easter Sunday Trading	Mar-17	Apr-22	February 2022

Policies and Bylaw status as of 17 May 2019

Maori Policy	May-17	May-20	January 2020
Mayoral Grants Scheme	Sep-18	Sep-21	May 2021
North Clyde Strategy	Jul-13	Not specified	To be scheduled
Older Persons Policy	Oct-06	Not specified	Review in progress (paused awaiting outcome of Government strategy revision)
Pensioner Housing Policy	Feb-19	Feb-22	October 2021
Procurement Policy	DRAFT		New document to be drafted
Policy for Remission and Postponement of Rates on Maori Freehold Land	2015 LTP	2018 LTP	To be scheduled
Policy for Remission of Rates on Land affected by Natural Calamities	2015 LTP	2018 LTP	To be scheduled
Policy for Remission of Rates on Rural Land	2015 LTP	2018 LTP	To be scheduled
Policy for Remission of Rates on Maori Freehold Land used for Papa Kainga	Apr-19	Not specified	To be scheduled
Policy on Elected Members Allowances and Recovery of Expenses	Nov-18	Aug-19	July 2019 (after determination)
Policy on Financial Contributions	2015 LTP	2018 LTP	To be scheduled
Policy on Partnerships with the Private Sector	2015 LTP	2018 LTP	To be scheduled
Policy on Rates Remissions & Postponement	28/07/2015	2018	To be scheduled
Procurement strategy	2015 LTP	2018 LTP	To be scheduled
Property Strategy	Jan-18	Not specified	To be scheduled
Provision Of Safe Drinking Water In Rural Areas	Apr-08	Not specified	Review paused awaiting new legislation
Rating of Maori Land - Whenua Rahui Register	Mar-00	Not specified	To be scheduled

Policies and Bylaw status as of 17 May 2019

Removal of Abandoned Vehicles Policy	May-08	May-11	NB: Public safety bylaw has absorbed most of this.
Revenue and Financing Policy	2018 LTP	2021 LTP	Part of 2021 LTP review process
Risk Management	5-Dec-17	Dec-18	December 2019
Road Naming and Numbering Policy	Jun-08	Jun-14	Database being updated. Policy review to be scheduled.
Selected Owner Policy	Feb-19	Feb-24	October 2023
Signage Strategy	DRAFT		New document being drafted
Significance & Engagement Policy	Jan-18	Jan-21	October 2020
Smoke-free Environments Policy	2016	2019	November 2019
Sustainability	2018 LTP	2021LTP	January 2021
Te Reo Maori Policy	18-Jul-17	Jul-20	January 2020
Treasury Management Policy	2015 LTP	2018 LTP	To be scheduled
Unformed legal roads	DRAFT		New document being drafted
Unreasonable complaint policy	Feb-15	Not specified	To be scheduled
Use of Drones on Council property	Mar-18	Mar-23	December 2022
Walking and Cycling Strategy	Oct-06	Not specified	Review in progress
Youth Policy	Apr-09	Not specified	Review paused (awaiting youth services review outcomes)

Policies and Bylaw status as of 17 May 2019

Part	Adoption Date	Effective Date	Review Date	Revoked date	Status
Introductory	13-Nov-07	20-Nov-07	Nov-17	Nov-19	Reviewed, awaiting adoption
Land Transport	13-Aug-13	1-Sep-13	Aug-23	Aug-25	Review in progress
Public Safety	11-Dec-12	11-Dec-12	Dec-22	Dec-24	Reviewed, awaiting adoption
Urban Fire Prevention	8-Feb-11	16-Feb-11	Feb-21	Feb-23	Review scheduled September 2020
Water Supply	14-Jun-11	20-Jun-11	Jun-21	Jun-23	Awaiting new legislation
Cemeteries	14-Jun-11	20-Jun-11	Jun-21	Jun-23	Review scheduled January 2021
Dog Control	22-Aug-17	Public notice	Aug-27	Aug-29	Review scheduled January 2022 (is done in conjunction with Dog Control Policy)
Trade Waste and Waste Water	14-Aug-12	1-Sep-12	Aug-22	Aug-24	Awaiting new legislation
Freedom Camping	10-Nov-15	10-Nov-15	Nov-25	Nov-27	Review in progress
Stormwater	DRAFT				Drafting to commence as part of consenting project

8.2 HEALTH & SAFETY REPORT

Author: Kevin Stevenson, Kaiurungi Kore Whakawhara Zero Harm Officer

Authoriser: Steven May, Tumu Whakarae Chief Executive Officer

Appendices: 1. Five Highest Perceived Health & Safety Risk to WDC Staff [↓](#)

1. PURPOSE

1.1 The purpose of this report is to update the Finance, Audit & Risk Committee on Council's health and safety (H&S) matters. No decisions are required by the Committee relating to this report.

1.2 This information only report is a standing agenda item as requested by the Committee.

RECOMMENDATION

The Zero Harm Officer RECOMMENDS that the Committee receive the report.

2. BACKGROUND

2.1 Regular reporting of health and safety compliance ensures that Wairoa District Council recognises its moral and legal responsibility to provide a safe and healthy work environment for its workers (employees, contractors and volunteers). This commitment extends to ensuring its operations do not place the local community at risk of injury, illness or property damage.

2.2 Consideration of this matter contributes to Council's vision of 'Connected Communities; Desirable Lifestyles; Treasured Environments', it also contributes to the following community outcomes:

- A safe and secure community.
- A lifetime of good health and well-being.
- A safe and integrated transport system.
- Strong district leadership and a sense of belonging.
- Safe and accessible recreational facilities.

3. CURRENT SITUATION

3.1 Hazard Identification/Register/Accident or Near Miss Reports: One minor incident has been reported for the period since the Committee's last update in April. The one incident that was reported was from the library and involved an ongoing situation that is being monitored by staff.

3.2 Site Wise: Work on this project continues with very little interest showed in running further workshops this month but if inquiries pick up the workshops will be reinstated.

3.3 First Aid and Fire Warden Training. First aid and evacuation training has commenced for the Gaiety Theatre staff and some of our front line staff will also make up the courses. This is to make use as a Council compliant with the Evacuation of Buildings regulations and the Fire Services Act.

3.4 Health and Safety.

The H/S Committee met on the 12th June and discussed the ongoing updates to the Auditors report and discussed the draft proposals for the new management document that makes up part of the proposed new Health and Safety Manual.

A report was given to the committee of the Training being done at the Water Treatment Plant by the Fire Service in preparation for an emergency situation occurring involving a Chemical leak, Rescue or other incident that could be associated with the plant. An update was also given about the demolition of the old concrete walkway at the water intakes in Fraser town road.

Safety Audits Summary –March-April 2019

Four Safety audits were completed in this period. No major issues were identified. The Committee is asked to consider the content of this report and advice of any practice or process changes.

Further Information

<http://www.worksafe.govt.nz/worksafe/>

<https://www.sitesafe.org.nz/>

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



Background Papers

Not applicable.

References (to or from other Committees)

Not applicable.

Signatories

	
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Author Kevin Stevenson	Approved by Steven May
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5 highest perceived health and safety risks in Council 'workplaces to the staff .May 2019.

#	Who is exposed	Risk	Initial Risk Rating	Residual Risk Rating	Possible Risk Rating	Controls in place	Reported Incidents Last 6 months
1	All front line positions. Including, Reception, Library, I-Site, Animal Control and Engineering staff.	Exposure to aggressive members of the public and contact with air borne Viruses due to close contact.	High 8	Medium 6	High 8	In place: Training provided e.g. 'dealing with difficult people', trespassing, reporting encouraged, advice to retreat from situation & work in pairs in high risk situations. Dealing with difficult people, training for most at risk staff Panic alarm system in place at main reception, I-site and Library. Lone Worker Devices provided for most at risk staff. This is yet to be implemented by Engineering.	10
2	Employees throughout council	Working alone, various injuries including death	High 8	Medium 6	Medium 4	In place: Efforts made where possible to ensure staff are not in work alone situation, communication devices, emergency duress button installed in all vehicles. Afterhours RT in place and monitored 24/7. Still to do: Development of new procedures underway including lock down procedure, investigate use of hand held tracking and duress alarms for staff on Council business away from office.(banking, travel to and from meetings and carrying out on-site inductions).	4
3	Contractors undertaking work for council during office hours in Council staffed buildings.	Contractors injuring themselves undertaking council work or while at council workplaces and exposing staff to unidentified risk.	Low 2	Low 2	Low 2	In place: Good certification, review, audit and monitoring processes. Safety & Contractor Management Auditing, Training of staff on Hazard Recognition. Regional Site Wise implementation in place and on-going work with contractors to reduce risk. Still to do: Reduce incidents where staff engage contractors without checking they are certified and have good systems in place. This places us at risk.	1

4	Employees throughout council	Work overload and long hours leading to potential stress and fatigue.	Medium 6	High 6	Possible Medium-High 4	In place: Awareness, some pertinent policies, EAP (Employee Assistance Programme) Still to do: Mitigate perceived stigma attached to reporting stress, development of Fatigue. Prevention Policy required.	0
5	All staff	Slips and trips on wet or slippery surfaces	Low 4	Low 3	Low 4	In Place: Awareness, looking out for your team mates and all other staff. Signage, mats, safety footwear.	0

Due to the recent high quality (all staff training) that has been instigated these top five will change in the near future as customer focus and a more professional approach by staff is adopted in all areas of Councils operations.

Risk Matrix

- 1.
2. The following is the Risk Matrix used by WDC.
- 3.

4. Consequence/Severity →	8. Catastrophic - 5	10. Major - 4	12. Moderate - 3	15. Minor - 2	18. Insignificant - 1
5. Likelihood ↓	9. Multiple severe health crises/injury or death	11. Severe health crisis (incapacity beyond 3	14. Increased level medical attention (2	17. Routine medical attention	19. First aid or equivalent only
7. ↓					20.

		months)	weeks to 3 months incapacity)	required (up to 1 week incapacity)	
21. Almost Certain 22. 80-100% probability that the event will occur at least once in every 1 to 1 ¼ years, or every time the activity is carried out, or there is exposure to the hazard. 23. Probability: Over 0.8 (>4:5)	Extrem e 10	25. Extre me 9	26. High 8	27. High 7	28. Medium 6
29. Likely 30. 50-79% probability that the event will occur once every 1 ¼ years to 2 years, or more often than not when the activity is carried out or there is exposure to the hazard. 31. Probability: 0.5 – 0.79 (1:2 to 8:10)	32. Extrem e 9	33. High 8	34. High 7	35. Mediu m 6	36. Medium 5
37. Possible 38. 25-49% probability that the event will occur once every 2 years to every 4 years, or likely to occur less often than not when the activity is carried out or there is exposure to the hazard. 39. Probability: 0.25-0.49 (1:4 to 1:2)	40. High 8	41. High 7	42. Medium 6	43. Mediu m 5	44. Low 4
45. Unlikely 46. 2-24% probability that the event will occur at last once in every four years to every 50 years, or is seldom likely to occur when the activity is carried out or there is exposure to the hazard. 47. Probability: 0.02 – 0.24 (1:50 to 1:4)	48. High 7	49. Mediu m 6	50. Medium 5	51. Low 4	52. Very Low 3
53. Rare 54. 0-2% probability that the event will not likely occur more than once in 50 years, is not likely to occur when the activity is carried out or there is exposure to the hazard. 55. Probability: 0 – 0.02 (<1:50)	56. Medium 6	57. Mediu m 5	58. Low 4	59. Very Low 3	60. Very Low 61. 2

62.

63. Consequences:

64. Focuses on the potential consequence/s presented by the hazard in its assessed state of control. The consequences are those of credible scenarios (taking the prevailing circumstances into consideration) that can develop from the hazard. These can be thought of as the consequences that could have resulted from the release of the hazard if circumstances had been less favourable.

65.

66. Likelihood:

67. Likelihood is estimated on the basis of historical evidence or experience that such severity has materialised within the industry the hazard is primarily associated with, or the company.

68.

69. Cross reference the Consequence and Likelihood to determine the Risk score. The colours within the matrix are aligned with the level of risk. The level of risk is utilised to determine the controls, communication and monitoring requirements of the hazard.

8.3 UPDATE ON RESPONSE TO AUDIT RECOMMENDATIONS 2017-18

Author: Gary Borg, Pouwhakarae – Pūtea / Tautāwhi Rangapū Group Manager
Finance and Corporate Support

Authoriser: Steven May, Tumu Whakarae Chief Executive Officer

Appendices: 1. **Status of Audit Points 2018** [↓](#)

1. PURPOSE

- 1.1 This report provides information for Committee on progress made with the council's response to audit management items for the year ended 30 June 2018. No decisions are required by Committee at this stage.
- 1.2 Monitoring the response to audit reports and the implementation of recommendations made by auditors is specifically contained within the Committee's Terms of Reference.



RECOMMENDATION

The Group Manager: Finance and Corporate Report RECOMMENDS that Committee receive the report.

2. BACKGROUND

- 2.1 The auditor's report to management for the year ended 30 June 2018 was presented to the Committee at its meeting on 2 April, resolution 2019/58 refers.
- 2.2 At that meeting the Committee directed that a 'detailed work plan on how Non-conformances from EY audit report will be addressed'.
- 2.3 The actions are summarised in **Appendix 1**. This provides an officer assessment of the status of each. The schedule has been provided to Council's auditor, although at the time of writing the interim audit 2019 was in progress and a response it not expected at this stage.

Signatories

	
Author Gary Borg	Approved by Steven May

Wairoa District Council – Audit Management Items 2018

Item		Corrective Action	Management Assessment	EY Assessment
2.1.1	Financial statement close process	Capitalisation of fixed assets to 31 May to be completed by 5 July	Open	
2.1.2	Accuracy and completeness of the NZTA Claims	Included in contract management procedure	Closed	
2.1.3	Legislative compliance monitoring	System to be evaluated and implemented	Open	
2.1.4	Depreciable elements of core infrastructure assets	To be included in 2019-20 valuation scoping.	Open	
2.1.5	Bank Reconciliation Review	Reviews are documented	Closed	
2.1.6	Non-financial performance reporting	Yet to be addressed	Open	
2.1.7	Vendor Masterfile changes review	Routinely reviewed and documented	Closed	
2.1.9	Service performance reporting - review of the underlying data and calculations	Yet to be addressed	Open	
2.1.10	Credit Card approval	Process change implemented	Closed	
2.1.11	Expense claim receipts	Controls are effective, sensitive expenditure policy reviewed and updated.	Closed	
2.1.12	Historic liability positions maintained	Lists reviewed, actioned and updated during the year	Closed	

8.4 FINANCIAL PERFORMANCE TO 30 APRIL 2018

Author: Gary Borg, Pouwhakarae – Pūtea / Tautāwhi Rangapū Group Manager
Finance and Corporate Support

Authoriser: Steven May, Tumu Whakarae Chief Executive Officer

Appendices: 1. Financial Performance to 30 April 2019 [↓](#)

1. PURPOSE

- 1.1 This report provides information for the Committee on Council's financial performance for the 10 months ended 30 April 2019. No decisions are required by Committee at this stage.
- 1.2 The subject matter of this report is contained within the Committee's terms of reference.

RECOMMENDATION

The Group Manager: Finance and Corporate Support RECOMMENDS that Committee receive the report.



2. BACKGROUND

- 2.1 The financial performance to 30 April 2019 was previously presented to the Committee at its meeting on 11 June 2019.
- 2.2 Further development of the format and content of the report was undertaken; particularly the progression from operating statements to funding statements. This provides the Committee with a holistic view of operating performance plus total expenditure against budget and how this has been funded.

3. CURRENT SITUATION

- 3.1 The financial performance to 30 April 2019 is presented in updated format in **Appendix 1**.
- 3.2 For completeness, in addition to the developments described in 2.2, detailed capital expenditure listings have been included for each group of activities. It is noted that there are legacy mapping corrections to be made in future iterations, specifically between Corporate Functions and Community Facilities.
- 3.3 Since the commentary on operating variances was provided at the Committee's previous meeting the main purpose of this report is to present the updated format.

Signatories

	
Author Gary Borg	Approved by Steven May

FINANCIAL PERFORMANCE

TO 30 APRIL 2019



TE WAIROA
WAIROA DISTRICT

Summary

Operating and Funding Statement						
Whole of Council						
For Period Ending 2018/19						
	2018/19	2018/19	2018/19	2018/19	2018/19	2018/19
	Year to Date	Year to Date	Year to Date	Full year	Full Year	Full Year
	Actuals	Annual Plan	Variance	Forecast	Annual Plan	Variance
INCOME						
Rates	10,569,377	10,628,959	(59,582)	12,683,379	12,754,751	(71,372)
Subsidies & Grants	6,909,858	4,053,860	2,855,998	8,466,187	4,864,639	3,601,548
Capital Subsidy	4,031,032	3,918,010	113,022	7,524,838	4,701,620	2,823,218
Petrol Tax	54,696	70,830	(16,134)	81,021	85,000	(3,979)
Fees and Charges	1,343,907	1,483,800	(139,893)	1,605,027	1,748,574	(143,547)
Investment Income	289,517	727,650	(438,133)	557,159	873,166	(316,007)
Reserves	-	-	-	-	-	-
Other Income	-	-	-	-	-	-
TOTAL INCOME	23,198,386	20,883,109	2,315,277	30,917,611	25,027,750	5,889,861
EXPENDITURE						
Staff Costs	4,514,394	4,560,100	(45,706)	5,469,866	5,472,049	(2,182)
Depreciation and Amortisation	4,360,004	4,364,700	(4,696)	5,237,615	5,237,615	-
Finance Costs	368,588	430,120	(61,532)	791,226	707,449	83,777
Other Operating Expense	13,097,366	10,901,120	2,196,246	17,513,197	13,081,302	4,431,895
TOTAL EXPENDITURE	22,340,352	20,256,040	2,084,312	29,011,904	24,498,414	4,513,490
NET SURPLUS/(DEFICIT) BEFORE RATES	858,035	627,069	230,966	1,905,707	529,336	1,376,371
Less non cash adjustments (Depreciation)	(4,360,004)	(4,364,700)	4,696	(5,237,615)	(5,237,615)	-
Surplus available	5,218,038	4,991,769	226,269	7,143,322	5,766,950	1,376,371
Capital expenditure	-	-	-	-	-	-
Renewals capital	6,695,242	8,043,220	(1,347,978)	10,374,640	9,651,864	722,776
New capital	1,414,676	2,009,650	(594,974)	2,795,110	2,411,580	383,530
Loans raised	-	1,469,067	(1,469,067)	-	1,762,880	(1,762,880)
Debt repayments	-	(189,405)	189,405	-	(227,286)	227,286
Transfer to (from) Reserves	(2,891,880)	(3,781,439)	889,560	(6,026,428)	(4,760,900)	(1,265,529)

As at 30 April 2019 Council reports a surplus of \$0.86 million, with a full year outlook of \$1.9 million, a favourable variance of \$1.376 million against budget.

This is the result of increased capital subsidy revenue received and expected in respect of reinstatement works on the roading network in response to emergency events in the winter of 2018. Most of the expenditure qualifies for the enhanced NZTA Funding Assistance Rate of 95% of expenditure.

Setting this revenue aside, Council would be reporting a year to date operating deficit of \$3.173 million, nearly \$0.5m adverse to budget.

The most material elements of this variance relate to escalating contractor and maintenance costs, particularly in water services, waste management and property.

These are explored in further detail below.

For the purposes of this report depreciation charges have been estimated at budget. They are not expected to be materially different.

Rates are currently accounted for at the whole of Council level only, and separately analysed in the annual report funding impact statements.

Some phasing differences persist but have been addressed for material items revenue and expense items.

STATEMENT OF FINANCIAL POSITION

	30th June 2018 ACTUAL (\$ 000)	30th April 2019 ACTUAL (\$ 000)	30th June 2019 FORECAST (\$ 000)	30th June 2019 LTP (\$ 000)	Variance
CURRENT ASSETS					
Cash and cash equivalents	3432	701	3395	2286	1109
Inventories	49	50	50	58	-8
Trade & other receivables from non-exchange transactions	2609	4558	2952	3138	-186
Financial assets at fair value	3068	2873	2048	2997	-949
Taxation Refundable	0	0	0	0	0
Total Current Assets	<u>9,158</u>	<u>8,182</u>	<u>8,445</u>	<u>8,479</u>	<u>(34)</u>
LESS CURRENT LIABILITIES					
Trade & other payables	4060	4558	4148	7908	-3760
Term Liabilities - Current Portion	5012	5374	4852	8297	-3445
Taxation Payable	0				0
Total Current Liabilities	<u>9,072</u>	<u>9,932</u>	<u>9,000</u>	<u>16,205</u>	<u>(7,205)</u>
Working Capital	86	(1,750)	(555)	(7,726)	7171
NON CURRENT ASSETS					
Property, Plant & Equipment	260474	265506	268334	273090	-4756
Loans & other receivables	33	0	0	0	0
Investments in Subsidiary	1250	1250	1250	1250	0
Investment Property	0				0
Biological asset - forestry	260	260	260	260	0
Available for sale financial assets	23	23	23	23	0
Intangible Assets	129	129	116.1	188	-71.9
Financial assets at fair value	7267	4962	2000	7125	-5125
Deferred Taxation	0	0	0	0	0
	<u>269,436</u>	<u>272,130</u>	<u>271,983</u>	<u>281,936</u>	<u>(9,953)</u>
NON CURRENT LIABILITIES					
Employee Entitlements	115	115	115	115	0
Landfill Aftercare	750	750	750	730	20
Quarry Aftercare	-	-	-	-	0
Borrowings	-	-	-	-	0
	<u>865</u>	<u>865</u>	<u>865</u>	<u>845</u>	<u>20</u>
Net Assets	<u>268,657</u>	<u>269,515</u>	<u>270,563</u>	<u>273,365</u>	<u>(2,802)</u>
Represented by					
Equity	<u>268,657</u>	<u>269,515</u>	<u>270,563</u>	<u>273,365</u>	<u>(2,802)</u>

Groups of Activities

Operating and Funding Statement						
Community Facilities						
For Period Ending 2018/19						
	2018/19	2018/19	2018/19	2018/19	2018/19	2018/19
	Year to Date	Year to Date	Year to Date	Full year	Full Year	Full Year
	Actuals	Annual Plan	Variance	Forecast	Annual Plan	Variance
INCOME						
Rates	1,759,681	1,759,681	-	2,111,617	2,111,617	-
Subsidies & Grants	118,321	50,050	68,271	123,252	60,068	63,184
Capital Subsidy	-	-	-	-	-	-
Petrol Tax	-	-	-	-	-	-
Fees and Charges	53,023	54,250	(1,228)	63,627	65,110	(1,483)
Investment Income	300	-	300	360	-	360
Reserves	-	-	-	-	-	-
Other Income	-	-	-	-	-	-
TOTAL INCOME	1,931,325	1,863,981	67,344	2,298,856	2,236,795	62,061
EXPENDITURE						
Staff Costs	236,759	237,240	(481)	284,111	284,679	(568)
Depreciation and Amortisation	224,539	224,540	(1)	269,447	269,447	-
Finance Costs	1,049	21,940	(20,891)	26,327	26,327	-
Other Operating Expense	1,427,956	1,413,050	14,906	1,722,458	1,695,623	26,835
TOTAL EXPENDITURE	1,890,304	1,896,770	(6,466)	2,302,343	2,276,076	26,267
NET SURPLUS/(DEFICIT) BEFORE RATES	41,021	(32,789)	73,810	(3,487)	(39,281)	35,794
Less non cash adjustments (Depreciation)	(224,539)	(224,540)	1	(269,447)	(269,447)	-
Surplus available	265,560	191,751	73,809	265,960	230,166	35,794
Capital expenditure	-	-	-	-	-	-
Renewals capital	40,147	179,167	(139,020)	110,247	215,000	(104,753)
New capital	295,759	209,167	86,592	480,897	251,000	229,897
Loans raised	-	196,667	(196,667)	-	236,000	(236,000)
Debt repayments	-	(18,181)	18,181	-	(21,817)	21,817
Transfer to (from) Reserves	(70,346)	84	(70,431)	-	166	(325,350)

Additional grants and donations were received to support various community initiatives. Some revenue that was received last year but not expended has been brought forward.

CAPITAL PROJECTS	Curr YTD Actual	LTP Budget	Full Yr Forecast	Forecast v Budget
Community Facilities				
Parks and Reserves				
Capital expenditure - to improve the level of service				
PR4001. DEMOLISH ORMOND RES TOILETS	-	-	-	-
PR4003. NEW PUBLIC TOILETS : TUAI	-	-	-	-
PR4004. RIVERBANK PLANTING	1,966	-	1,966	1,966
PR4006. TOILETS MAHANGA	-	-	-	-
PR40121. Wairoa CBD Upgrade	-	-	1,107	1,107
PR40122. Marine Parade Christmas Decorations	-	-	-	-
PR40123. Tourism Infrastructure	19,070	-	166,070	166,070
PR4016. NEW TOILET - NTH CLYDE	-	-	-	-
PR4018. PUBLIC SPACE ENHANCEMENT	-	-	7,504	7,504
PR4026. PICNIC TABLES	2,458	10,000	2,458	7,542
PR4028. KOPU RD BANK PROTECTION SK DDF	-	-	-	-
PR4030. ORAKA TOILETS SAFETY BOLLARDS	-	-	-	-
PR4039. NUHAKA DOMAIN TREE REMOVAL	-	-	-	-
PR4045. PLAYGROUND FENCE	-	-	-	-
PR4046. SKATE PARK UPGRADE	-	10,000	-	10,000
PR4047. IMPLEMENT OPOUTAMA RMP	-	20,000	-	20,000
PR4048. New Picnic Tables	680	16,000	680	15,320
PR40551. Mahia Beach Toilet Improvement	-	-	-	-
PR40552. Whangawehi Toilets	7,404	15,000	7,404	7,596
PR4058. Whakamahi Beach Project	-	-	-	-
PR4059. Main Street Toilets Project	171,421	100,000	175,948	75,948
PR4062. New Playground Equipment	-	-	-	-
PR4063. CCTV Camera Installation	26,758	25,000	31,758	6,758
PR4064. Implement Rangihoua RMP	7,462	-	7,462	7,462
PR40652. Permanent Norfolk Pine Installations	-	-	-	-
Total Capital expenditure - to improve the level of service	237,219	196,000	402,357	206,357
Capital expenditure - to replace existing assets				
PR40021. Upgrade Nuhaka Toilets	-	-	-	-
PR4010. RESEALING NETBALL COURTS	-	-	-	-
PR40161. Toilet Renewals	3,104	50,000	43,104	6,896
PR4025. PLAYGROUND RENEWALS	-	10,000	-	10,000
PR40301. Oraka Toilet Renewals	-	-	-	-
PR4040. LIGHTHOUSE WINDOWS UPGRADE	7,484	25,000	12,584	12,416
PR4049. Improve Boat Ramp	-	10,000	-	10,000
PR4053. Lampton Square Upgrade	-	10,000	-	10,000
PR4054. Clyde Domain Football Pavilion	-	10,000	-	10,000
PR4055. Mokotahi Toilets	-	-	-	-
PR4057. Wilding Pine Clearance	-	-	-	-
PR4061. Playground Equipment	-	30,000	-	30,000
PR40621. Playground resiting	-	20,000	-	20,000
PR4067. Coronation Sqre Pavement & Kerb Renewals	-	25,000	25,000	-
PR4068. Mountain Bike Park	22,887	10,000	22,887	12,887
MH205021	-	-	-	-
PR40421. Raupunga Toilet Water System Connection	3,785	-	3,785	3,785
PR4070. Replace Marines at Mahia Sign	2,887	-	2,887	2,887
PR4069. Basketball Court Community Centre	-	15,000	-	15,000
Total Capital expenditure - to replace existing assets	40,147	215,000	110,247	(104,753)
Total Parks and Reserves	277,366	411,000	512,605	101,605

CAPITAL PROJECTS	Curr YTD Actual	LTP Budget	Full Yr Forecast	Forecast v Budget
Library				
Capital expenditure - to improve the level of service				
LM4000. Book Purchases	29,991	35,000	29,991	- 5,010
Total Capital expenditure - to improve the level of service	29,991	35,000	29,991	(5,010)
Total Library	29,991	35,000	29,991	(5,010)
Cemeteries				
Capital expenditure - to improve the level of service				
CE4007. CapEx - Stormwater	-	5,000	5,000	-
CE4009. New Beams	-	15,000	15,000	-
Total Capital expenditure - to improve the level of service	-	20,000	20,000	-
Total Cemeteries	-	20,000	20,000	-
Total Community Facilities	307,356	466,000	562,595	96,595

Operating and Funding Statement						
Leadership & Governance						
For Period Ending 2018/19						
	2018/19	2018/19	2018/19	2018/19	2018/19	2018/19
	Year to Date	Year to Date	Year to Date	Full year	Full Year	Full Year
	Actuals	Annual Plan	Variance	Forecast	Annual Plan	Variance
INCOME						
Rates	2,129,768	2,129,768	-	2,555,722	2,555,722	-
Subsidies & Grants	275,000	-	275,000	300,000	-	300,000
Capital Subsidy	-	-	-	-	-	-
Petrol Tax	-	-	-	-	-	-
Fees and Charges	88,966	29,440	59,526	107,459	35,334	72,125
Investment Income	-	-	-	-	-	-
Reserves	-	-	-	-	-	-
Other Income	-	-	-	-	-	-
TOTAL INCOME	2,493,734	2,159,208	334,526	2,963,181	2,591,056	372,125
EXPENDITURE						
Staff Costs	646,098	684,610	(38,512)	775,761	821,541	(45,780)
Depreciation and Amortisation	21,323	21,320	3	25,587	25,587	-
Finance Costs	9,523	5,340	4,183	14,325	6,398	7,927
Other Operating Expense	1,806,621	1,464,610	342,011	2,222,218	1,757,501	464,717
TOTAL EXPENDITURE	2,483,564	2,175,880	307,684	3,037,891	2,611,027	426,864
NET SURPLUS/(DEFICIT) BEFORE RATES	10,170	(16,672)	26,842	(74,709)	(19,971)	(54,739)
Less non cash adjustments (Depreciation)	(21,323)	(21,320)	(3)	(25,587)	(25,587)	-
Surplus available	31,492	4,648	26,844	(49,122)	5,616	(54,739)
Capital expenditure	-	-	-	-	-	-
Renewals capital	425	-	425	425	-	425
New capital	11,763	-	11,763	14,078	-	14,078
Loans raised	-	-	-	-	-	-
Debt repayments	-	(7,863)	7,863	-	(9,436)	9,436
Transfer to (from) Reserves	19,304	4,648	14,656	(63,625)	5,616	(69,242)

Subsidy revenue is the receipt of funds from MBIE for the Wairoa Capability Support Project. There is a corresponding variance within operating expenses, where the funding was utilised for a feasibility study supporting Council's economic development strategy.

Most of the remaining adverse variance under operating expenses is offset by the favourable variance in revenue from fees and charges resulting from Council assuming the operation of the Gaiety Theatre. To date the theatre is achieving its financial objective of breaking even.

CAPITAL PROJECTS	Curr YTD Actual	LTP Budget	Full Yr Forecast	Forecast v Budget
Leadership and Governance				
Council				
Capital expenditure - to improve the level of service				
CC4003. Council Chambers Display Staging	-	-	-	-
CC4005. Councillor's Tablets	-	-	-	-
Total Capital expenditure - to improve the level of service	-	-	-	-
Total Council	-	-	-	-
Maori Liasion				
Capital expenditure - to improve the level of service				
ML4001. Purchase MSC Apple iPads	5,454	-	5,454	5,454
ML4000. Toyota Corrolla Hatchback	-	-	-	-
Total Capital expenditure - to improve the level of service	5,454	-	5,454	5,454
Total Maori Liasion	5,454	-	5,454	5,454
Economic Development				
Capital expenditure - to improve the level of service				
ED4005. Purchase Tourism Managers Vehicle	-	-	-	-
ED4009. Purchase Equipment	2,472	-	2,472	2,472
ED4006. Enhancement River Use	3,836	-	6,151	6,151
Total Capital expenditure - to improve the level of service	6,309	-	8,623	8,623
Total Economic Development	6,309	-	8,623	8,623
Total Leadership and Governance	11,763	-	14,078	14,078

Operating and Funding Statement						
Planning & Regulatory						
For Period Ending 2018/19						
	2018/19	2018/19	2018/19	2018/19	2018/19	2018/19
	Year to Date	Year to Date	Year to Date	Full year	Full Year	Full Year
	Actuals	Annual Plan	Variance	Forecast	Annual Plan	Variance
INCOME						
Rates	1,017,718	1,017,718	-	1,221,261	1,221,261	-
Subsidies & Grants			-			-
Capital Subsidy			-			-
Petrol Tax	-	-	-	-	-	-
Fees and Charges	353,119	273,780	79,339	367,008	296,530	70,478
Investment Income	-	-	-	-	-	-
Reserves	-	-	-	-	-	-
Other Income	-	-	-	-	-	-
TOTAL INCOME	1,370,837	1,291,498	79,339	1,588,269	1,517,791	70,478
EXPENDITURE						
Staff Costs	571,182	679,780	(108,598)	704,611	815,717	(111,106)
Depreciation and Amortisation	89,022	89,030	(8)	106,826	106,826	-
Finance Costs	9,679	18,750	(9,071)	25,573	22,496	3,077
Other Operating Expense	536,025	1,036,910	(500,885)	695,562	1,244,264	(548,702)
TOTAL EXPENDITURE	1,205,908	1,824,470	(618,562)	1,532,572	2,189,303	(656,731)
NET SURPLUS/(DEFICIT) BEFORE RATES	164,929	(532,972)	697,901	55,697	(671,512)	727,209
Less non cash adjustments (Depreciation)	(89,022)	(89,030)	8	(106,826)	(106,826)	-
Surplus available	253,950	(443,942)	697,892	162,523	(564,686)	727,209
Capital expenditure			-			-
Renewals capital	77,342	70,833	6,509	77,342	85,000	(7,658)
New capital	15,101	117,500	(102,399)	15,101	141,000	(125,899)
			-			-
Loans raised		5,000	(5,000)		6,000	(6,000)
Debt repayments		(2,090)	2,090		(2,508)	2,508
Transfer to (from) Reserves	161,507	(627,275)	788,783	-	70,080	854,766

Fees and Charges

Nearly half of the favourable variance is from dog registrations. There are now over 3,000 dogs registered in the district. Most of the remainder relates to dog and freedom camping infringements.

Staff Costs

This is the net effect of the 2018 restructure and a vacant position that was filled in May 2019.

Other Operating Expenses

This variance relates to the district plan review. Most of the work to date has been completed in house, with the initial focus on the production of the ePlan.

CAPITAL PROJECTS	Curr YTD Actual	LTP Budget	Full Yr Forecast	Forecast v Budget
Environmental Health				
Capital expenditure - to improve the level of service				
HI4001. SOUND LEVEL METER	-	-	-	-
HI4002. PURCHASE NEW VEHICLE	-	30,000	-	30,000
HI4006. Bacl	-	-	-	-
Total Capital expenditure - to improve the level of service	-	30,000	-	(30,000)
Total Environmental Health	-	30,000	-	(30,000)
Building Inspection				
Capital expenditure - to improve the level of service				
BI4002. PURCHASE NEW VEHICLE	-	45,000	-	45,000
BI4003. Mobile Data Devices	2,061	6,000	2,061	3,939
Total Capital expenditure - to improve the level of service	2,061	51,000	2,061	(48,939)
Capital expenditure - to replace existing assets				
BI4007. New Vehicle 4x4 Ute	-	45,000	-	45,000
Total Capital expenditure - to replace existing assets	-	45,000	-	(45,000)
Total Building Inspection	2,061	96,000	2,061	(93,939)
ByLaw Control				
Capital expenditure - to improve the level of service				
IB4000. POUND RENEWAL	13,040	60,000	13,040	46,960
Total Capital expenditure - to improve the level of service	13,040	60,000	13,040	(46,960)
Capital expenditure - to replace existing assets				
IB4002. Purchase Vehicles	59,631	40,000	59,631	19,631
IB4001. MOBILE DOGS EQUIPMENT	17,711	-	17,711	17,711
Total Capital expenditure - to replace existing assets	77,342	40,000	77,342	37,342
Total ByLaw Control	90,382	100,000	90,382	(9,618)
Total Planning and Regulatory	92,443	226,000	92,443	(133,557)

Operating and Funding Statement						
Corporate Functions						
For Period Ending 2018/19						
	2018/19	2018/19	2018/19	2018/19	2018/19	2018/19
	Year to Date	Year to Date	Year to Date	Full year	Full Year	Full Year
	Actuals	Annual Plan	Variance	Forecast	Annual Plan	Variance
INCOME						
Rates	-32,957	26,625	(59,582)	-39,422	31,950	(71,372)
Subsidies & Grants			-			-
Capital Subsidy			-			-
Petrol Tax	54,696	70,830	(16,134)	81,021	85,000	(3,979)
Fees and Charges	190,610	188,430	2,180	228,732	226,100	2,632
Investment Income	140,347	578,780	(438,433)	378,157	694,524	(316,367)
Reserves	-	-	-	-	-	-
Other Income	-	-	-	-	-	-
TOTAL INCOME	352,696	864,665	(511,969)	648,488	1,037,574	(389,086)
EXPENDITURE						
Staff Costs	2,546,909	2,388,760	158,149	3,085,594	2,866,466	219,128
Depreciation and Amortisation	601,940	601,940	-	722,323	722,323	-
Finance Costs	212,018	239,680	(27,662)	415,400	478,946	(63,546)
Other Operating Expense & Recoveries	(2,150,348)	(1,716,830)	(433,518)	(2,279,705)	(2,060,122)	(219,583)
TOTAL EXPENDITURE	1,210,519	1,513,550	(303,031)	1,943,612	2,007,613	(64,001)
NET SURPLUS/(DEFICIT) BEFORE RATES	(857,823)	(648,885)	(208,938)	(1,295,124)	(970,039)	(325,085)
Less non cash adjustments (Depreciation)	(601,940)	(601,940)	-	(722,323)	(722,323)	-
Surplus available	(255,883)	(46,945)	(208,938)	(572,801)	(247,716)	(325,085)
Capital expenditure			-			-
Renewals capital	174,163	344,153	(169,990)	244,163	412,984	(168,821)
New capital	140,275	281,000	(140,725)	305,723	337,200	(31,477)
Loans raised		100,000	(100,000)		120,000	(120,000)
Debt repayments		(69,493)	69,493		(83,391)	83,391
Transfer to (from) Reserves	(570,321)	(572,098)	1,777	(1,122,687)	(877,900)	(244,787)

The adverse variance in investment income has two components, relating to Councils holding of fixed interest bonds:

- Reduction in interest received. Council has liquidated \$3 million of investments during the year to fund its capital renewals programme. At a weighted average interest rate of 5% this equates to \$150,000 in interest not earned. The budget forecast that a greater proportion of capital expenditure would be new CapEx, funded by borrowing, and now that Council is a member of the LGFA this will be revisited.
 - Council currently holds \$6 million in bond investments compared to \$5 million in external debt.
- A fair value adjustment of \$230,000 on the investment portfolio. This is a non-cash adjustment that reflects the reduction in expected future cash flows from Council's investments as they approach maturity.

A schedule of Council's investment portfolio is shown below:

Description	Maturity Date	Quantity	Yield/Price	Cost (NZD)	Capital Value	Accrued Interest	Market Value (NZD)	Est. Inc. (NZD)	% of Portfolio
Bank of New Zealand 5.57% 25/06/2019 (BNZ190)	25/06/2019	650,000	1.97%	\$673,841.35	\$ 653,575.00	\$ 12,517.00	\$666,092.30	\$36,205.00	10.12%
Auckland Council 4.728% 02/10/2019 (AKC1070)	2/10/2019	500,000	1.95%	\$500,000.00	\$ 505,850.00	\$ 1,785.00	\$507,634.62	\$23,640.00	7.71%
NZ Local Govt Funding Agency 6.00% 15/05/2021 (LGF040)	15/05/2021	750,000	1.83%	\$846,021.00	\$ 812,475.00	\$ 20,605.00	\$833,080.48	\$45,000.00	12.66%
ASB 4.245% 26/05/2021 (ABB040)	26/05/2021	750,000	2.26%	\$750,086.25	\$ 780,000.00	\$ 13,643.00	\$793,643.47	\$31,837.50	12.06%
Auckland Intl Airport 5.52% 28/05/2021 (AIA130)	28/05/2021	479,000	2.27%	\$486,516.80	\$ 510,422.00	\$ 11,192.00	\$521,614.41	\$26,440.80	7.93%
Fonterra Co-op Group 4.33% 20/10/2021 (FCG030)	20/10/2021	500,000	2.64%	\$509,246.00	\$ 520,050.00	\$ 582.00	\$520,631.71	\$21,650.00	7.91%
ASB 4.20% 24/02/2022 (ABB060)	24/02/2022	250,000	2.38%	\$250,000.00	\$ 262,325.00	\$ 1,184.00	\$264,208.66	\$10,500.00	4.01%
GMT Bond 5.00% 23/06/2022 (GMB030)	23/06/2022	250,000	2.98%	\$266,361.70	\$ 265,050.00	\$ 4,386.00	\$269,435.93	\$12,500.00	4.09%
Contact Energy 4.63% 15/11/2022 (CEN040)	15/11/2022	250,000	2.84%	\$261,041.75	\$ 265,050.00	\$ 2,403.00	\$267,452.88	\$11,575.00	4.06%
Spark Finance Ltd 4.51% 10/03/2023 (SPF560)	10/03/2023	450,000	2.60%	\$467,288.10	\$ 481,410.00	\$ 2,817.00	\$484,227.00	\$20,295.00	7.36%
Meridian Energy 4.53% 14/03/2023 (MEL030)	14/03/2023	500,000	2.89%	\$510,550.00	\$ 529,850.00	\$ 2,889.00	\$532,739.07	\$22,650.00	8.10%
Wellington Intl Airport 4.25% 12/05/2023 (WIA030)	12/05/2023	500,000	2.86%	\$500,000.00	\$ 526,250.00	\$ 9,901.00	\$536,150.71	\$21,250.00	8.15%
Meridian Energy 4.88% 20/03/2024 (MEL040)	20/03/2024	350,000	3.03%	\$366,786.35	\$ 379,155.00	\$ 1,920.00	\$381,074.77	\$17,080.00	5.79%
Total:				\$6,387,739.30	\$ 6,491,462	\$ 85,824	\$6,577,986.01	\$300,623.30	100%

CAPITAL PROJECTS	Curr YTD Actual	LTP Budget	Full Yr Forecast	Forecast v Budget
Property				
Property Corporate				
Capital expenditure - to improve the level of service				
PC4008. Security Cameras Main Office	6,360	-	6,360	6,360
PC40112. Development Office Space	5,280	102,200	105,280	3,080
PC4012. Exchange Building Fitout Costs	27,392	25,000	27,392	2,392
Total Capital expenditure - to improve the level of service	39,032	127,200	139,032	11,832
Capital expenditure - to replace existing assets				
PC4006. REPAINT EXTERIOR LUCKNOW STREET	-	50,000	-	50,000
PC4009. Renex Roof	-	-	-	-
PC4010. Renex Toilets	-	-	-	-
PC4019. Council Entry Surfacing (Hotmi)	-	35,000	35,000	-
PC4020. Council flower Boxes	-	-	-	-
PC4017. Mayoral Office Renewal	-	-	448	448
PC4021. Repaint Council Building	-	-	-	-
Total Capital expenditure - to replace existing assets	-	85,000	35,448	(49,552)
Total Property Corporate	39,032	212,200	174,480	(37,720)
Information Centre Building				
Capital expenditure - to improve the level of service				
EP4013. Yroa Ynot Area Upgrade	3,638	-	3,638	3,638
Total Capital expenditure - to improve the level of service	3,638	-	3,638	3,638
Total Information Centre Building	3,638	-	3,638	3,638
Library Building				
Capital expenditure - to improve the level of service				
LM4021. Review Library Building Future Requirements	28,550	-	28,550	28,550
Total Capital expenditure - to improve the level of service	28,550	-	28,550	28,550
Total Library Building	28,550	-	28,550	28,550
Community Centre				
Capital expenditure - to improve the level of service				
CB4001. Learners Pool	-	-	-	-
CB4005. Comm Complex Upgrade	-	-	-	-
Total Capital expenditure - to improve the level of service	-	-	-	-
Capital expenditure - to replace existing assets				
CB4000. Centre Remedial Works	31,822	232,984	31,822	201,162
CB4006. Relocate Gym Upstairs	-	20,000	-	20,000
CB4007. Renewals Pool	-	-	-	-
Total Capital expenditure - to replace existing assets	31,822	252,984	31,822	(221,162)
Total Community Centre	31,822	252,984	31,822	(221,162)

CAPITAL PROJECTS	Curr YTD Actual	LTP Budget	Full Yr Forecast	Forecast v Budget
Staff Housing				
Capital expenditure - to replace existing assets				
HS4007. Repaint Tuai House	-	15,000	15,000	-
HS4008. Repaint Raupunga House	-	15,000	15,000	-
Total Capital expenditure - to replace existing assets	-	30,000	30,000	-
Total Staff Housing	-	30,000	30,000	-
Pensioner Housing				
Capital expenditure - to improve the level of service				
HP4018. Install of Insulation	2,882	95,000	17,882	- 77,118
Total Capital expenditure - to improve the level of service	2,882	95,000	17,882	(77,118)
Capital expenditure - to replace existing assets				
HP4008. RENEWAL PROJECTS - STOVE	1,086	-	1,086	1,086
HP4009. REPAINTING LIVINGSTON FLATS	-	-	-	-
HP4014. Paint Exterior Lambert Flats	-	-	-	-
HP4015. Livingston Flat Roof	-	-	-	-
HP4017. Painting Exterior Outram Flats	-	-	-	-
Total Capital expenditure - to replace existing assets	1,086	-	1,086	1,086
Total Pensioner Housing	3,968	95,000	18,968	(76,032)
Camping Grounds				
Capital expenditure - to replace existing assets				
CG4007. RENEWAL PROJECTS	-	5,000	5,000	-
Total Capital expenditure - to replace existing assets	-	5,000	5,000	-
Total Camping Grounds	-	5,000	5,000	-
Total Property	107,010	595,184	292,458	(302,726)

CAPITAL PROJECTS	Curr YTD Actual	LTP Budget	Full Yr Forecast	Forecast v Budget
Support Services				
Chief Executive Officer				
Capital expenditure - to improve the level of service				
DM4001. Purchase New Vehicle	32,751	-	32,751	32,751
Total Capital expenditure - to improve the level of service	32,751	-	32,751	32,751
Total Chief Executive Officer	32,751	-	32,751	32,751
Administration Services				
Capital expenditure - to improve the level of service				
AD4003. SOFTWARE - FILE MANAGEMENT	-	-	-	-
AD4016. Future Office Accomodation	26,531	-	26,531	26,531
Total Capital expenditure - to improve the level of service	26,531	-	26,531	26,531
Capital expenditure - to replace existing assets				
AD4011. Purchase Office Equipment	1,187	10,000	1,187	8,813
AD4007. PURCHASE NEW ADMIN VEHICLE	29,012	-	29,012	29,012
AD4026. Archives Building	11,574	-	11,574	11,574
Total Capital expenditure - to replace existing assets	41,773	10,000	41,773	31,773
Total Administration Services	68,303	10,000	68,303	58,303
Information Services				
Capital expenditure - to improve the level of service				
CS4003. Purchase Computer Hardware	-	10,000	10,000	-
CS4003452. DJI 4 Drone	-	-	-	-
CS40038. HP P2000 SAN	17,014	60,000	37,014	22,986
CS40052. 5 Adobe Acrobat Pro Licences	-	-	-	-
CS4007. Purchase NCS BR Reporting Software	-	-	-	-
CS40022. Wi-Fi WAN NOW Ltd	14,790	-	14,790	14,790
CS403954. Replacement Virtual WDCLinux Server	7,114	45,000	27,114	17,886
Total Capital expenditure - to improve the level of service	38,918	115,000	88,918	(26,082)
Capital expenditure - to replace existing assets				
CS400111. HP G7 Backup Server	-	-	-	-
CS400345. Replacement Laptops	-	24,000	-	24,000
CS400382. Tape Drive Replacement	425	-	425	425
CS400322. 18 HP Std 27" Monitor Maori Relation	310	-	310	310
CS4003435. Surface Pro Tablet CEO	3,440	-	3,440	3,440
CS4003459. HP EliteBook G5 840 Laptop Gary	10,680	-	10,680	10,680
CS400393. HP ProDesk SFF 600 Reg Admin Officer	1,392	-	1,392	1,392
CS400398. HP EliteBook x360 Laptop Info Manager	2,655	-	2,655	2,655
CS4004. Purchase Computer Software	2,898	-	2,898	2,898
CS403952. Virtual AssetFinda Server	250	-	250	250
CS40397. Business Skype & Dropbox	8,415	-	8,415	8,415
CS400395. WDC Office Foyer Display Equipment	-	6,000	-	6,000
Total Capital expenditure - to replace existing assets	30,465	30,000	30,465	465
Total Information Services	69,384	145,000	119,384	(25,616)
Engineering Services				
Capital expenditure - to replace existing assets				
EW4003. Vehicle Replacement	65,965	-	65,965	65,965
EW4004. Purchase iPad AssetFinda	-	-	-	-
Total Capital expenditure - to replace existing assets	65,965	-	65,965	65,965
Total Engineering Services	65,965	-	65,965	65,965
Total Support Services	236,403	155,000	286,403	131,403

Operating and Funding Statement						
Stormwater						
For Period Ending 2018/19						
	2018/19	2018/19	2018/19	2018/19	2018/19	2018/19
	Year to Date	Year to Date	Year to Date	Full year	Full Year	Full Year
	Actuals	Annual Plan	Variance	Forecast	Annual Plan	Variance
INCOME						
Rates	328,229	328,229	-	393,875	393,875	-
Subsidies & Grants			-			-
Capital Subsidy			-			-
Petrol Tax			-			-
Fees and Charges			-			-
Investment Income	28,440	28,440	-	34,125	34,125	-
Reserves	-	-	-	-	-	-
Other Income	-	-	-	-	-	-
TOTAL INCOME	356,669	356,669	-	428,000	428,000	-
EXPENDITURE						
Staff Costs			-			-
Depreciation and Amortisation	150,925	150,920	5	181,110	181,110	-
Finance Costs	-	47,150	(47,150)	56,581	56,581	-
Other Operating Expense	246,846	165,790	81,056	276,230	198,959	77,272
TOTAL EXPENDITURE	397,771	363,860	33,911	513,921	436,650	77,272
NET SURPLUS/(DEFICIT) BEFORE RATES	(41,102)	(7,191)	(33,911)	(85,921)	(8,650)	(77,272)
Less non cash adjustments (Depreciation)	(150,925)	(150,920)	(5)	(181,110)	(181,110)	-
Surplus available	109,823	143,729	(33,906)	95,189	172,460	(77,272)
Capital expenditure			-			-
Renewals capital	7,262	91,667	(84,405)	29,568	110,000	(80,432)
New capital	12,465	229,167	(216,702)	199,965	275,000	(75,035)
			-			-
Loans raised		229,167	(229,167)		275,000	(275,000)
Debt repayments		(21,773)	21,773		(26,128)	26,128
Transfer to (from) Reserves	90,096	52,062	38,034	-	(134,344)	(196,805)

Other operating costs include internal recharges of staff time that were not anticipated in the budget, and there is a corresponding credit in the transport activity. \$52,000 of the variance however, relates to contract management costs in the renewed 3 water maintenance contract that had not been considered in the budget.

Finance costs relate to internal borrowings for renewals in previous years and will be charged at year end.

CAPITAL PROJECTS	Curr YTD Actual	LTP Budget	Full Yr Forecast	Forecast v Budget
Stormwater Drainage				
Capital expenditure - to improve the level of service				
SD4008. CONSULTANCY MAHIA STORMWATER	-	50,000	-	- 50,000
SD4600. PIPING OPEN DRAINS - WAIROA	12,465	225,000	199,965	- 25,035
Total Capital expenditure - to improve the level of service	12,465	275,000	199,965	(75,035)
				0
Capital expenditure - to replace existing assets				0
SD4000. CRARER - CARROLL ST PIPELINE RENEWAL	7,262	75,000	29,568	- 45,432
SD4051. Deterioration Modelling	-	5,000	-	- 5,000
SD4052. CCTV	-	-	-	-
SD4084. Conditioning Report	-	-	-	-
SD4200. MAHIA BCH PIPELINES RENEWALS	-	30,000	-	- 30,000
Total Capital expenditure - to replace existing assets	7,262	110,000	29,568	(80,432)
Total Stormwater Drainage	19,727	385,000	229,533	(155,467)

Operating and Funding Statement						
Transport						
For Period Ending 2018/19						
	2018/19	2018/19	2018/19	2018/19	2018/19	2018/19
	Year to Date	Year to Date	Year to Date	Full year	Full Year	Full Year
	Actuals	Annual Plan	Variance	Forecast	Annual Plan	Variance
INCOME						
Rates	2,654,114	2,654,114	-	3,184,937	3,184,937	-
Subsidies & Grants	6,516,537	4,003,810	2,512,727	8,042,935	4,804,571	3,238,364
Capital Subsidy	4,031,032	3,918,010	113,022	7,524,838	4,701,620	2,823,218
Petrol Tax	-	-	-	-	-	-
Fees and Charges	43,265	33,330	9,935	52,530	40,000	12,530
Investment Income	-	-	-	-	-	-
Reserves	-	-	-	-	-	-
Other Income	-	-	-	-	-	-
TOTAL INCOME	13,244,948	10,609,264	2,635,684	18,805,240	12,731,128	6,074,112
EXPENDITURE						
Staff Costs	372,881	348,930	23,951	447,457	418,713	28,744
Depreciation and Amortisation	2,305,213	2,309,900	(4,687)	2,771,871	2,771,871	-
Finance Costs	-	3,070	(3,070)	3,679	3,679	-
Other Operating Expense	7,812,907	5,809,440	2,003,467	10,836,222	6,971,312	3,864,910
TOTAL EXPENDITURE	10,491,002	8,471,340	2,019,662	14,059,230	10,165,576	3,893,654
NET SURPLUS/(DEFICIT) BEFORE RATES	2,753,946	2,137,924	616,022	4,746,010	2,565,552	2,180,457
Less non cash adjustments (Depreciation)	(2,305,213)	(2,309,900)	4,687	(2,771,871)	(2,771,871)	-
Surplus available	5,059,160	4,447,824	611,336	7,517,881	5,337,423	2,180,457
Capital expenditure	-	-	-	-	-	-
Renewals capital	5,000,205	5,198,750	(198,545)	7,401,688	6,238,500	1,163,188
New capital	399,548	668,333	(268,785)	1,134,523	802,000	332,523
Loans raised	-	193,333	(193,333)	-	232,000	(232,000)
Debt repayments	-	-	-	-	-	-
Transfer to (from) Reserves	(340,593)	(1,225,926)	885,333	(1,018,330)	(1,471,077)	452,746

As discussed in the summary this activity is forecast to report a surplus resulting from a higher than expected level of capital subsidy, and a higher average FAR due to the proportion of emergency reinstatement and response works to be completed.

CAPITAL PROJECTS	Curr YTD Actual	LTP Budget	Full Yr Forecast	Forecast v Budget
Transport				
Wairoa Airport				
Capital expenditure - to improve the level of service				
WA4001. RUNWAY LIGHTS/CABLING REPAIRS	-	150,000	-	150,000
WA4002. RUNWAY SAFETY MARGINS	-	-	-	-
WA4007. Certification	-	20,000	52,270	32,270
WA4009. Runway Extension	-	-	24,205	24,205
WA4010. Airport Facilities Security Improvement	-	-	-	-
WA40101. Security Installation (Gate & Fence)	-	-	-	-
WA4011. Fuel Farm Development	-	-	-	-
WA4012. Airport Kitchen Upgrade	33,757	-	33,757	33,757
WA4999. Future Capital Requirements	-	-	-	-
Total Capital expenditure - to improve the level of service	33,757	170,000	110,233	(59,767)
Capital expenditure - to replace existing assets				
WA4003. PAINT BUILDING	-	-	-	-
WA4006. Building Renewals	19,667	10,000	19,667	9,667
WA4008. Resurfacing Runway	-	-	-	-
WA40081. Re surfacing Aprons	-	-	-	-
WA40082. Re surfacing Taxiways (Area A&D)	-	-	-	-
WA40083. Re surfacing Taxiways (Area E)	-	-	-	-
WA40084. Re surfacing Runway Edges	-	-	-	-
WA4013. Airport Interior Mens Toilets	4,869	-	21,573	21,573
Total Capital expenditure - to replace existing assets	24,536	10,000	41,240	31,240
Total Wairoa Airport	58,294	180,000	151,473	(28,527)

CAPITAL PROJECTS	Curr YTD Actual	LTP Budget	Full Yr Forecast	Forecast v Budget
Roading Subsidised				
Capital expenditure - to improve the level of service				0
RS4500. ASSOCIATED IMPROVEMENTS	-	-	8,500	8,500
RS4550. COASTAL PROTECTION RESOURCE CONSENT	-	-	-	-
RS5200. 2013-14 Emergency New Flood Damage	-	520,000	-	520,000
RS9100. ROAD 38 EMERGENCY REINST - NEW	-	-	-	-
RS9300. DSH38 Sealed Pavement Maintenance	-	-	-	-
Total Capital expenditure - to improve the level of service	-	520,000	8,500	(511,500)
Capital expenditure - to replace existing assets				
RS4000. PAVEMENT REHABILITATION	1,194,693	310,000	1,194,693	884,693
RS4048. Blacks Beach Erosion Protect Stage 2	-	-	-	-
RS4100. SEALED ROAD RESURFACING	371	884,000	371	883,629
RS4200. DRAINAGE RENEWALS	321,993	375,000	321,993	53,007
RS4300. STRUCTURES COMPONENT REPLACE	537,340	499,000	537,340	38,340
RS4400. TRAFFIC SERVICES RENEWALS	82,445	69,000	82,445	13,445
RS4600. MINOR IMPROVEMENTS RENEWALS	70,097	2,965,000	420,097	2,544,903
RS5100. 2013-14 Emergency Renewal Flood Damage	-	1,000,000	-	1,000,000
RS8000. ROAD 38 UNSEALED RD METALLING	-	-	-	-
RS8100. ROAD 38 DRAINAGE RENEWALS	285	-	285	285
RS8200. ROAD 38-TRAFFIC SVCES RENEWAL	5,460	-	5,460	5,460
RS8300. ROAD 38 - RENEWAL STRUCTURES	-	-	-	-
RS8400. ROAD 38 STRUCTURES COPONENTS RENEWALS	9,193	-	9,193	9,193
RS8500. ROAD 38 MINOR IMPROVEMENTS	-	-	-	-
RS8600. ROAD 38 ASSOCIATED IMPROVEMENTS	-	-	-	-
RS2100. CONSULTANCY - RENEWALS	488	-	488	488
RS4049. Blacks Beach Blowhole Realignment	39,320	-	55,381	55,381
RS4604. Bridge Strengthening	211,234	-	211,234	211,234
RS4607. Safety Improvements Kitchener Street	55,868	-	555,868	555,868
RS4608. LED Street Light Conversion	18,551	-	168,551	168,551
RS5604. Emergency Work 2016-17 Event 2 Apr Renew	473,042	-	473,042	473,042
RS5605. Emergency Work 2016-17 Event 2 Apr Capital New	73,485	-	92,204	92,204
RS5607. Emergency Work 2017-18 Event 1 July Renew	77,684	-	77,684	77,684
RS5608. Emergency Work 2017-18 Event 1 July Capital New	1,481,149	-	1,481,149	1,481,149
RS5613. Emerg Wk 2018-19 Event 01.09.18 - Renew	521,623	-	2,521,623	2,521,623
RS5614. Emerg Wk 2018-19 Event 1.9.18 - Capital	31,274	-	31,274	31,274
Total Capital expenditure - to replace existing assets	5,205,593	6,102,000	8,240,372	2,138,372
Total Rooding Subsidised	5,205,593	6,622,000	8,248,872	1,626,872

CAPITAL PROJECTS	Curr YTD Actual	LTP Budget	Full Yr Forecast	Forecast v Budget
Roading Non Subsidised				
Capital expenditure - to improve the level of service				
RN4012. NEW FOOTPATH	-	-	-	-
RN40121. MARINE PARADE UPGRADE	-	-	-	-
RN4013. NEWCASTLE ST WALKWAY/CYCLE	-	-	-	-
RN40705. Urewera Rainforest Route Upgrade Feasibility	-	21,000	-	21,000
RN40706. Walkway Loop Design - feasibility	-	-	-	-
RN40708. Mahia Beach Drainage Pipi Cres Tamure Cres	-	-	-	-
RN40710. Mahanga Beach Drainage Happy Jack Rd	-	-	-	-
Total Capital expenditure - to improve the level of service	-	21,000	-	(21,000)
Capital expenditure - to replace existing assets				
RN4031. UPGRADE PRAM/MOBILITY CROSSINGS	1,928	5,000	1,928	3,072
RN4041. UPGRADE ROAD STORMWATER RUNOFF OUTLETS	-	-	-	-
RN40502. C/WAY LIGHTING - REPLACE/NEW	6,617	10,000	6,617	3,383
RN40702. FOOTPATH UPGRADE	37,557	100,000	37,557	62,443
RN40703. TUAI FOOTPATH UPGRADE (DDF)	6,026	8,000	6,026	1,974
RN40707. Walkway James Carroll Expenses	3,600	3,500	3,600	100
RN40801. Blucks Pit Road - Space Launch Viewing Centre	2,010	-	2,010	2,010
Total Capital expenditure - to replace existing assets	57,738	126,500	57,738	(68,762)
Total Roothing Non Subsidised	57,738	147,500	57,738	(89,762)
Infrastructural Business Unit				
Capital expenditure - to improve the level of service				
BU4000. PURCHASE OF SURVEYING EQUIPMENT	30,488	30,000	30,488	488
BU4001. PURCHASE OF VEHICLES	42,365	30,000	42,365	12,365
BU4002. PURCHASE OFFICE FURNITURE	-	1,000	-	1,000
BU4003. PURCHASE COMPUTER EQUIPMENT	5,276	5,000	5,276	276
Total Capital expenditure - to improve the level of service	78,128	66,000	78,128	12,128
Total Infrastructural Business Unit	78,128	66,000	78,128	12,128
Parking				
Capital expenditure - to improve the level of service				
PA4013. Whakamahi Devel Project Car Parks	-	25,000	-	25,000
Total Capital expenditure - to improve the level of service	-	25,000	-	(25,000)
Capital expenditure - to replace existing assets				
PA4006. RENEWAL MAINTENANCE	-	-	-	-
PA4012. REMARK CARPARKS	-	-	-	-
Total Capital expenditure - to replace existing assets	-	-	-	-
Total Parking	-	25,000	-	(25,000)
Total Transport	5,399,753	7,040,500	8,536,211	1,495,711

Operating and Funding Statement						
Waste Management						
For Period Ending 2018/19						
	2018/19	2018/19	2018/19	2018/19	2018/19	2018/19
	Year to Date	Year to Date	Year to Date	Full year	Full Year	Full Year
	Actuals	Annual Plan	Variance	Forecast	Annual Plan	Variance
INCOME						
Rates	697,433	697,433	-	836,920	836,920	-
Subsidies & Grants			-		-	-
Capital Subsidy			-			-
Petrol Tax	-	-	-	-	-	-
Fees and Charges	315,827	404,160	(88,333)	404,490	485,000	(80,510)
Investment Income	-	-	-	-	-	-
Reserves	-	-	-	-	-	-
Other Income	-	-	-	-	-	-
TOTAL INCOME	1,013,260	1,101,593	(88,333)	1,241,410	1,321,920	(80,510)
EXPENDITURE						
Staff Costs		37,740	(37,740)	-	45,285	(45,285)
Depreciation and Amortisation	85,930	85,930	0	103,117	103,117	-
Finance Costs	-	42,410	(42,410)	50,892	50,892	-
Other Operating Expense	1,399,750	980,750	419,000	1,685,568	1,176,917	508,651
TOTAL EXPENDITURE	1,485,680	1,146,830	338,850	1,839,577	1,376,211	463,366
NET SURPLUS/(DEFICIT) BEFORE RATES	(472,420)	(45,237)	(427,183)	(598,167)	(54,291)	(543,876)
Less non cash adjustments (Depreciation)	(85,930)	(85,930)	(0)	(103,117)	(103,117)	-
Surplus available	(386,490)	40,693	(427,183)	(495,050)	48,826	(543,876)
Capital expenditure			-			-
Renewals capital			-			-
New capital	54,683	125,000	(70,317)	54,683	150,000	(95,317)
Loans raised		125,000	(125,000)		150,000	(150,000)
Debt repayments		(28,569)	28,569		(34,283)	34,283
Transfer to (from) Reserves	(441,173)	40,693	(481,866)	-	(549,733)	(598,559)

The waste management activity operated for several months out of contract on a day works basis. Furthermore, despite the level of service and charging regime being a key consultation item in the LTP, the contract tender process was prolonged by escalating costs in the market and a second public consultation was undertaken in December 2018.

The cost baseline has been reset for the Annual Plan 2019-20 and Council is currently reviewing a proposal to introduce a supplementary revenue stream that will also help avoid future compliance costs.

There is a favourable variance in staff costs because the budget contemplated some Council involvement in the weighbridge operation.

	Curr YTD Actual	LTP Budget	Full Yr Forecast	Forecast v Budget
CAPITAL PROJECTS				
Waste Management				
Waste Management				
Capital expenditure - to improve the level of service				
WM4001. LANDFILL ROAD SEALING	28,994	30,000	28,994	- 1,006
WM4002. RTS LANDSCAPING/TREES	-	-	-	-
WM4012. RECYCLING CENTRE UPGRADE	4,908	20,000	4,908	- 15,092
WM4015. LANDFILL DIVERSION INFRASTRUCTURE	20,782	-	20,782	20,782
WM4022. Effluent System	-	-	-	-
WM4024. Recycling Centre Mahia	-	100,000	-	- 100,000
Total Capital expenditure - to improve the level of service	54,683	150,000	54,683	(95,317)
Total Waste Management	54,683	150,000	54,683	(95,317)
Total Waste Management	54,683	150,000	54,683	(95,317)

Operating and Funding Statement						
Waste Water						
For Period Ending 2018/19						
	2018/19	2018/19	2018/19	2018/19	2018/19	2018/19
	Year to Date	Year to Date	Year to Date	Full year	Full Year	Full Year
	Actuals	Annual Plan	Variance	Forecast	Annual Plan	Variance
INCOME						
Rates	748,070	748,070	-	897,684	897,684	-
Subsidies & Grants	-	-	-	-	-	-
Capital Subsidy	-	-	-	-	-	-
Petrol Tax	-	-	-	-	-	-
Fees and Charges	51,545	166,660	(115,115)	85,854	200,000	(114,146)
Investment Income	66,520	66,520	-	79,831	79,831	-
Reserves	-	-	-	-	-	-
Other Income	-	-	-	-	-	-
TOTAL INCOME	866,135	981,250	(115,115)	1,063,369	1,177,515	(114,146)
EXPENDITURE						
Staff Costs	-	-	-	-	-	-
Depreciation and Amortisation	391,876	391,880	(4)	470,251	470,251	-
Finance Costs	136,319	50,790	85,529	197,266	60,947	136,319
Other Operating Expense	976,704	721,640	255,064	1,109,557	865,995	243,562
TOTAL EXPENDITURE	1,504,899	1,164,310	340,589	1,777,074	1,397,193	379,881
NET SURPLUS/(DEFICIT) BEFORE RATES	(638,764)	(183,060)	(455,704)	(713,705)	(219,678)	(494,027)
Less non cash adjustments (Depreciation)	(391,876)	(391,880)	4	(470,251)	(470,251)	-
Surplus available	(246,888)	208,820	(455,708)	(243,454)	250,573	(494,027)
Capital expenditure	-	-	-	-	-	-
Renewals capital	882,560	1,420,833	(538,273)	1,906,696	1,705,000	201,696
New capital	312,109	116,983	195,126	333,776	140,380	193,396
Loans raised	-	283,650	(283,650)	-	340,380	(340,380)
Debt repayments	-	(23,126)	23,126	-	(27,751)	27,751
Transfer to (from) Reserves	(1,441,557)	(1,045,347)	(396,210)	(2,483,926)	(1,254,427)	(1,229,499)

The revenue budget for wastewater was predicated on several new connections to the network, particularly in Mahia, Opoutama and Blue Bay. There has been some activity, but the volume is lower than predicted.

Council's external borrowing was refinanced in July 2018. Since this activity was main reason for these borrowings, also for the largest single capital project in the LTP, the debt has been allocated to wastewater. A review of this, against the allocations in the internal loan model and the capital repayments received for the Mahia and Opoutama scheme will be completed as part of the Annual Report 2019. This will validate the adverse variance in finance costs.

The adverse variance in operating expenses is due to the inclusion of contract management costs in the renewed 3 waters maintenance contract that had not been anticipated in the budget.

CAPITAL PROJECTS	Curr YTD Actual	LTP Budget	Full Yr Forecast	Forecast v Budget
Sewerage				
Capital expenditure - to improve the level of service				
SG4007. DESLUDGE OXIDATION PONDS	-	60,000	-	- 60,000
SG4014. TELEMETRY BASE SETS WAIROA	4,500	20,000	4,500	- 15,500
SG4025. Infiltration - resulting from Study	-	50,000	-	- 50,000
SG4036. Construction Of Plant for new Wairoa Consent	-	-	-	-
SG4105. Purchase Flow Meters	-	10,380	-	- 10,380
SG4106. Fitzroy Plant Repl Dischge Valves	165,955	-	177,622	177,622
Total Capital expenditure - to improve the level of service	170,455	140,380	182,122	41,742
Capital expenditure - to replace existing assets				
SG4028. Magnaflex Transducers	-	5,000	-	- 5,000
SG4029. Larger Pumps North Clyde	-	-	-	-
SG4030. Replace Kopu Road Line	11,279	-	151,791	151,791
SG4031. CCTV Infiltration Investigation	24,555	120,000	69,308	- 50,692
SG4033. Infiltration Tests	145,239	50,000	235,724	185,724
SG4034. Data verification/condition reporting	20,918	25,000	29,944	4,944
SG4035. Consultancy for Wairoa WW Consent	176,665	750,000	243,003	- 506,997
SG4038. Wairoa Consent Application Consultation Legal Costs	-	100,000	2,229	- 97,771
SG4039. Step Filter	4,422	10,000	4,422	- 5,578
SG4040. Renewal Pump Stations	-	25,000	-	- 25,000
SG4102. Tuai Sand Filters	6,551	20,000	6,551	- 13,449
SG4351. Dedicated Generators each Pump Stations	-	-	-	-
SG4352. Rising Mains North Clyde & Alexander Park	75,151	200,000	75,151	- 124,849
SG4353. Rising Main Kopu Road to Pilot Hill	-	-	-	-
SG7000. WAIROA RETICULATION - RENEWALS	269,231	300,000	269,231	- 30,769
SG4008. RENEWAL MAINTENANCE WAIROA	6,268	-	8,228	8,228
SG4009. RENEWAL MAINTENANCE TUAI	7,529	-	9,029	9,029
SG4011. FITZROY PUMP STN-ACCESS REPAIR	7,602	-	7,602	7,602
Wairoa Treatment Facility Reconsenting Programme	124,495.77	100,000.00	791,828.93	691,828.93
SG4200. MAHIA BEACH SEWERAGE SYSTEM	69,121	-	79,121	79,121
SG42001. HP EliteBook x360 Laptop Utilities Engineer	2,655	-	2,655	2,655
SG42013. Blue Bay Expansion Phase 2 and 3	72,534	-	72,534	72,534
Total Capital expenditure - to replace existing assets	1,024,215	1,705,000	2,058,350	353,350
Total Sewerage	1,194,670	1,845,380	2,240,472	395,092

Operating and Funding Statement						
Water Supply						
For Period Ending 2018/19						
	2018/19	2018/19	2018/19	2018/19	2018/19	2018/19
	Year to Date	Year to Date	Year to Date	Full year	Full Year	Full Year
	Actuals	Annual Plan	Variance	Forecast	Annual Plan	Variance
INCOME						
Rates	1,267,321	1,267,321	-	1520785	1520785	-
Subsidies & Grants		-	-		-	-
Capital Subsidy			-			-
Petrol Tax	-	-	-	-	-	-
Fees and Charges	247,552	333,750	(86,198)	295,327	400,500	(105,173)
Investment Income	53,910	53,910	-	64,686	64,686	-
Reserves	-	-	-	-	-	-
Other Income	-	-	-	-	-	-
TOTAL INCOME	1,568,783	1,654,981	(86,198)	1,880,798	1,985,971	(105,173)
EXPENDITURE						
Staff Costs	140,564	183,040	(42,476)	172,332	219,648	(47,316)
Depreciation and Amortisation	489,236	489,240	(4)	587,083	587,083	-
Finance Costs	-	990	(990)	1,183	1,183	-
Other Operating Expense	1,040,905	1,025,760	15,145	1,245,087	1,230,853	14,234
TOTAL EXPENDITURE	1,670,705	1,699,030	(28,325)	2,005,685	2,038,767	(33,082)
NET SURPLUS/(DEFICIT) BEFORE RATES	(101,922)	(44,049)	(57,873)	(124,887)	(52,796)	(72,091)
Less non cash adjustments (Depreciation)	(489,236)	(489,240)	4	(587,083)	(587,083)	-
			-			-
Surplus available	387,314	445,191	(57,877)	462,196	534,287	(72,091)
			-			-
Capital expenditure			-			-
Renewals capital	513,138	737,817	(224,679)	604,511	885,380	(280,869)
New capital	172,973	262,500	(89,527)	256,364	315,000	(58,636)
			-			-
Loans raised		336,250	(336,250)		403,500	(403,500)
Debt repayments		(18,310)	18,310		(21,972)	21,972
Transfer to (from) Reserves	(298,797)	(218,876)	(79,921)	-	(398,679)	(136,086)

Metered water revenue is significantly below budget. Following recent revelations concerning water loss in the network it is possible that the budget was based on production volumes rather than consumption.

There is a favourable variance in staff costs because the budget assumed a higher FTE allocation to this activity.

	Curr YTD Actual	LTP Budget	Full Yr Forecast	Forecast v Budget
CAPITAL PROJECTS				
Water Services				
Water Reticulation System				
Capital expenditure - to improve the level of service				
WR40193. New Tawhara Reservoir	1,925	-	1,925	1,925
WR4082. Asset Management Modelling Design	3,030	25,000	3,030	- 21,970
WR42013. New Water Bore Blue Bay & Supply Line	-	35,000	-	- 35,000
Total Capital expenditure - to improve the level of service	4,955	60,000	4,955	(55,045)
Capital expenditure - to replace existing assets				
WR4000. WAIROA PIPELINES RENEWALS	70,058	200,000	70,058	- 129,942
WR4017. TELEMETRY BASE SETS WAIROA	1,239	-	1,239	1,239
WR40191. VALVE REPLACEMENTS	-	-	-	-
WR4030. WAIROA RESERVOIRS - RENEWALS	-	20,000	-	- 20,000
WR4083. Renewals Modelling	50,626	25,000	50,626	25,626
WR4084. Conditioning Report	26,039	20,000	26,039	6,039
WR4085. Replacemet Reservoir Professional Services	3,293	-	3,293	3,293
WR4086. Replacement Reservoir Construction	-	10,000	-	- 10,000
WR4087. Mahanga Reticulation	-	25,000	-	- 25,000
WR4088. Tuai Reticulation	-	20,000	-	- 20,000
WR4230. TUAI RESERVOIRS - RENEWALS	-	-	-	-
Total Capital expenditure - to replace existing assets	151,255	320,000	151,255	(168,745)
Total Water Reticulation System	156,210	380,000	156,210	(223,790)
Water Treatment Plant				
Capital expenditure - to improve the level of service				
WT40022. Install Intake WAN	-	8,000	-	- 8,000
WT4052. HP ProBook Laptop	1,850	5,000	1,850	- 3,150
WT4061. Purchase Vehicle	-	-	-	-
WT4075. Investigate Alternative Water Supply	-	-	-	-
WT4078. Resilience Earthquake Valves & Bore Investign	16,419	25,000	16,419	- 8,581
WT4098. Blue Bay Bore Rehabilitation	47,189	50,000	71,113	21,113
WT4100. Chlorine Analyser	-	8,500	-	- 8,500
WT4103. Install Chlorine Gas Leak Wind Socks WTP Tawhara	-	3,500	-	- 3,500
WT4104. Blue Bay Telemetry SCADA Upgrade	-	30,000	-	- 30,000
WT4105. Blue Bay WT Upgrade include WSP & Consent	-	100,000	-	- 100,000
WT4106. Install Chlorination & Monitoring Tuai Water Supply	-	25,000	-	- 25,000
Total Capital expenditure - to improve the level of service	65,458	255,000	89,382	(165,618)
Capital expenditure - to replace existing assets				
WT4022. RENEWAL EXPENDITURE	16,365	25,000	16,365	- 8,635
WT4047. RENEW BACKWASH VALVES & CONTROL	-	25,000	-	- 25,000
WT40522. Purchase Apple iPad Air Wi-Fi	-	-	-	-
WT4067. Boundary Valves Pump Station	-	10,000	10,000	-
WT4069. Safety Improvement	114	10,000	3,614	- 6,386
WT4070. Cleaning Inspection Reservoir	-	15,000	10,000	- 5,000
WT4071. Tuai Intake	1,066	-	1,066	1,066
WT4084. Mahanga Tank and Pump Repairs	253	-	253	253
WT4099. Blue Bay Water Treatment Upgrade	99,269	-	158,735	158,735
WT4086. Conditioning Sampling	-	10,380	-	- 10,380
WT4088. Paint Building	-	5,000	5,000	-
WT4089. Mahanga Water Chlorine Equipment	16,112	-	45,712	45,712
WT40891. Install Mahanga Telemetry	-	235,000	-	- 235,000
WT4095. Sheetpile Protection of Intake	314,267	100,000	342,540	242,540
WT4096. Replacement Switchboard	17,000	100,000	17,000	- 83,000
WT4101. Replace Vinyl Flooring WTP	-	25,000	-	- 25,000
WT4102. Re Roof Boundary Generator Room	-	5,000	5,000	-
Total Capital expenditure - to replace existing assets	464,445	565,380	615,284	49,904
Total Water Treatment Plant	529,902	820,380	704,666	(115,714)

8.5 UPDATE ON PREPARATION OF THE ANNUAL REPORT FOR THE YEAR ENDING 30 JUNE 2019.

Author: Gary Borg, Pouwhakarae – Pūtea / Tautāwhi Rangapū Group Manager
Finance and Corporate Support

Authoriser: Kitea Tipuna, Pouwhakarae – Hapori / Whakatūtaki Group Manager
Community and Engagement

Appendices: 1. Annual Report 2019 Tracking [↓](#)

1. PURPOSE

- 1.1 This report provides information for Committee on progress against the annual report timetable 2018-19. No decisions are required by Committee at this stage.
- 1.2 The Committee's Terms of Reference include overseeing the compilation of the Annual Report.



RECOMMENDATION

The Group Manager: Finance and Corporate Support RECOMMENDS that Committee receive the report.

2. BACKGROUND

- 2.1 The full timetable and audit plan for the Annual Report 2018-19 was presented to the Committee at its meeting on 14 May 2019, resolution 2019/61 refers.
- 2.2 To support the Committee in fulfilling its responsibilities per 1.2 above, an update on progress against this timetable will be provided at every Committee meeting until the completed report has been audited and is available for recommendation.
- 2.3 At the time of writing it is before year end, so most of the work that can be completed is preparatory.
- 2.4 An immediate risk is progress on the capitalisation of non-infrastructure fixed assets. This will be addressed by applying greater resources than in previous years. Furthermore review of the treatment of capital expenditure, it's funding sources and mapping to reserves has started earlier than in previous years.
- 2.5 An update to the relevant section of the Annual Plan timetable is attached as **Appendix 1**.

Signatories

	
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Author Gary Borg	Approved by Kitea Tipuna
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Annual Report Timetable 2018/19

Action	Target Completion Date	Risk (Likelihood)	Impact	Mitigation	Status 21 June 2019
Prepare Templates for Statements of Service Performances and Financial Statements (including comparatives)	14 June	<p>Delayed sending of the workbooks. Unanticipated</p> <p>Incorrect Target information included Very rare</p>	<p>Delays the managers completing and allowing SLT a chance to review</p> <p>Adds work to Auditors and managers to correct, delays signoff of the Audit process</p>	<p>Documents to be prepared and issued in May</p> <p>Streamlined range of targets in LTP 2018-28. Internal review of responses to be undertaken.</p>	<p>Workbook created for financial statements, currently being refreshed for budget and prior year.</p> <p>SSP tables issued to all activity managers for return by 19 July.</p>
Interim Audit	21 June				Complete, no significant issues reported
Regular Year-End Adjustments <ul style="list-style-type: none"> - Investment Adjustments - Debtors – Aging of Rating Debtors and Provision for Doubtful Debts - Stocks on Hand - Payroll - Grants 	19 July	<p>Delayed completion of this work Rare</p> <p>Systemic challenges to production of base data Rare</p>	<p>Work would need to be done in August</p> <p>Delayed close of ledgers and completion of notes to accounts</p>	<p>Stock on hand to be requested in advance for 30 June.</p> <p>Data is produced regularly to support the regular CEO report. Testing to be undertaken in May.</p>	Expected on time

8.6 INSURANCE RENEWAL TERMS 2019-20

Author: Gary Borg, Pouwhakarae – Pūtea / Tautāwhi Rangapū Group Manager
Finance and Corporate Support

Authoriser: Kitea Tipuna, Pouwhakarae – Hapori / Whakatūtaki Group Manager
Community and Engagement

Appendices: 1. Insurance Terms Proposal 2019/20 [↓](#)

1. PURPOSE

- 1.1 This report presents proposed terms for the renewal of material damage, motor vehicle and liability insurances for the year ending 30 June 2020.

RECOMMENDATION

The Group Manager: Finance and Corporate Support RECOMMENDS that the Committee endorses to Council the renewal terms proposed, subject to continuing negotiations.

EXECUTIVE SUMMARY**2. BACKGROUND**

- 2.1 Insurance is a component of Council's risk management framework, which is in the Committee's terms of reference.
- 2.2 Council collaborates with the other 4 Hawke's Bay councils in procuring insurance.
- 2.3 The review of terms is an annual procedure that informs negotiations for placing final cover. These will later be presented to Council.
- 2.4 The levels of cover proposed are similar to previous years and are detailed in the review report from Council's broker attached as **Appendix 1**.
- 2.5 For the year ending 30 June 2019 Council has insured assets under its material damage policies to a value of approximately \$71 million. The schedule of assets insured is reviewed as part of the renewal process and updated for:
- 2.5.1. Additions and deletions
 - 2.5.2. Valuations
 - 2.5.3. Changes to risk profiles and basis of insurance
 - 2.5.4. Inflation

3. OPTIONS

- 3.1 The options identified are:
- a. Endorse the proposed terms
 - b. Propose alternative terms
 - c. Self-insure

- 3.2 a) There have been no significant changes to the way Council delivers services to the community or the assets it utilises.
- 3.3 b) Variations would be available to terms for level of cover, sums insured and deductibles. There would be corresponding implications for premiums and risk.
- 3.4 c) This would be the lowest cost but highest risk option. While Council holds cash deposits and liquid investments exceeding \$8 million and has access to relatively low-cost debt, these sources of funds are intended for its continuing capital expenditure programme. In addition, Council is in the early stages of formal loss modelling. Any exposure cannot be reliably quantified.
- 3.5 The preferred option is *a) Endorse the proposed terms*, this meets the purpose of local government as it will help meet the current and future needs of communities for good-quality infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

4. CORPORATE CONSIDERATIONS

What is the change?

- 4.1 This is a business as usual decision

Compliance with legislation and Council Policy

- 4.2 Insurance costs are included in the Annual Plan 2019-20.
- 4.3 As part of a suite of risk management tools, insurance is included in Council's risk management policy.

What are the key benefits?

- 4.4 Financial protection and professional support from losses and other adverse consequences of unforeseen events.

What is the cost?

- 4.5 The cost of these policies will be approximately \$273,000. This is funded by rates and included in the budget for the year ending 30 June 2019.

What is the saving?

- 4.6 Insurance avoids unexpected reparation and reinstatement costs.

Who has been consulted?

- 4.7 This matter relates to the normal operations of Council. No specific consultation is required.

Service delivery review

- 4.8 There are no service delivery consequences.

Maori Standing Committee

- 4.9 This matter has not been referred to the MSC because there are no specific cultural implications.

5. SIGNIFICANCE

- 5.1 Impact: This is an administrative matter and is assessed as being of low significance.
- 5.2 Notwithstanding there are assets and services that the community relies upon, this matter concerns the level of protection that should be provided via insurance.

6. RISK MANAGEMENT

- 6.1 The strategic risks (e.g. publicity/public perception, adverse effect on community, timeframes, health and safety, financial/security of funding, political, legal – refer to S10 and S11A of LGA 2002, others) identified in the implementation of the recommendations made are as follows:
 - a. Insurance is a tool that Council utilises to mitigate risk.

References (to or from other Committees)

The review of insurances is undertaken by the Committee and Council every year.

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

	
Author Gary Borg	Approved by Kitea Tipuna



INSURANCE TERMS REPORT 2019

HAWKES BAY COUNCILS

TABLE OF CONTENTS

Important Information	3
Summary of Insurance Premiums	5
Policies, Terms & Conditions	9
Material Damage - Commercial	9
Material Damage - Residential	10
Business Interruption	11
Motor Vehicle	12
Marine Hull	13
Fine Art & Museum Collections	14
Standing Timber / Forestry	15
Contract Works	17
Crime (Employee Theft)	18
Personal Accident	19
Business Travel	20
Public Liability	21
Professional Indemnity	22
Environmental Impairment	23
Harbourmasters Liability & Wreck Removal	24
Statutory Liability	25
Employers Liability	25
Defence Costs	26
Hall Hirers Public Liability	26
Airport Owners & Operators Liability	27
Trustees Liability	27
Cyber Liability	28
Insurance Companies Financial Ratings	30

INTRODUCTION

IMPORTANT INFORMATION:

Set out in this report is a summary of terms we have received from insurers regarding the groups various insurance arrangements for the period 01 July 2019 to 01 July 2020 (Some policies 30 June 2019 to 30 June 2020).

The Duty of Disclosure

A reminder that you continue to have a duty to disclose to the Insurer everything you know, or can reasonably be expected to know, that is relevant to the Insurer's decision on the acceptability of the risk of insurance and the terms the Insurer would require in accepting that risk. These are 'Material Facts'.

This Duty of Disclosure continues throughout the term of the policy and at renewal. You must advise of any new information or changes (Material Changes).

Where there is the slightest doubt whether any information is relevant, the best policy is declare it, or contact Jardine Lloyd Thompson for guidance. If you fail to meet your duty of disclosure or are in breach of any of the policy conditions of warranty, the consequences can be serious. Policies may become null and void and unenforceable.

Renewal Terms & Placement Instruction

Overleaf we set out renewal terms & alternative quotations that we have received from insurers for the 2019 policy period. The report also includes a policy outline based on the expiring Insurance Programme.

We require you to confirm your placement instructions prior to the renewal date in order to allow us sufficient time to place your cover with insurers accordingly.

Credit Terms

Our credit terms are strictly full payment of invoiced premiums to be paid no later than 30 days after policy inception or renewal date.

Advice Caveat

Any advice or recommendations contained in this report have been made in our capacity as your Insurance Advisor and is restricted to insurance matters only. Any liability in respect of legal issues is specifically disclaimed and should be referred to your Legal Advisors.

Limitation of Our Liability

For the purposes of this clause;

- i. "we" shall mean Jardine Lloyd Thompson Limited and any other company in the JLT Group.
- ii. "Services" means, any and all services provided to you or your affiliates by us or any of our affiliates under this document and includes any additional services and any amendments or variations to those services whether expressly or impliedly agreed;

To the extent permitted by applicable laws, regulations or rules:

1. any liability we may incur to you arising out of or in connection with the Services that we provide, whether in contract, tort (including but not limited to negligence), under the law of trusts or otherwise shall be limited;
 - i. to reflect only that part of any loss or damage to you which we caused, taking into account any contribution which other people may also have had in causing that loss or damage; and in any event;
 - ii. in aggregate to a maximum of NZD 100 million, or other amount specifically agreed by us in writing.
2. we will not be liable to you for any indirect or consequential loss (including but not limited to loss of goodwill, loss of business, loss of profit or loss of savings) arising out of or in connection with our Services;
3. notwithstanding the above, no limit of liability shall apply in the case of death or personal injury caused by our negligence, or in respect of any loss caused by our fraud; and
4. you agree that, given the level of our remuneration for the Services we provide to you and the level of risk accepted by us, it is fair and reasonable for us to limit our liability in accordance with these provisions.

JLT NZ Remuneration

Our remuneration in acting as your insurance consultants and advisors is by either:-

- (a) Commission or Brokerage paid by the Insurer, or;
- (b) A Broker Fee as agreed between us. Where you require JLTNZ to arrange additional policies during the forthcoming year or to provide additional services not previously agreed, JLTNZ reserve the right to either:-
 - i. accept brokerage from the Insurer for those additional services, or;
 - ii. negotiate an additional fee with you.

In some cases an Administration Fee may be charged when a Policy is finalised, this will appear separately on the Tax Invoice.

JLT NZ reserves the right to retain our full remuneration where a policy is cancelled or amended during its period of insurance.

From time to time, JLT NZ may also earn income, commissions or interest for the provision of some services to the Insurer. These services could involve: claims processing; portfolio management; or premium payment arrangements as set out in the Insurance Intermediaries Act 1994.

JLT Broking FEE

As previously agreed the premiums quoted are net of and do not include any brokerage. A separate fee is negotiated agreed each year regarding the provision of insurance broking & advisory services related to the policies outlined in this report.

JLT Broking Fee for the Period 01 July 2019 to 01 July 2020: **\$87,700.00**

SUMMARY OF TERMS

Summary of Insurers terms & comparison to last year				
	Sum Insured	2018-19	2019-20	Insurer
Material Damage - Commercial				
Central Hawkes Bay DC	\$67,849,679	\$185,026.31	\$199,534.10	QBE lead
Hastings District Council	\$351,900,315	\$808,412.77	\$861,902.18	
Hawkes Bay Regional	\$41,022,458	\$111,331.55	\$118,921.72	
Napier City Council	\$504,074,610	\$1,200,134.59	\$1,270,814.66	
Wairoa District Council	\$66,913,840	\$185,935.34	\$201,039.75	
	\$1,031,805,902	\$2,491,020.56	\$2,652,212.03	
Material Damage - Residential				
Central Hawkes Bay DC	\$5,971,000	\$19,519.06	\$20,837.10	QBE lead
Hastings District Council	\$35,201,186	\$91,162.31	\$105,600.70	
Hawkes Bay Regional	\$719,700	\$1,464.86	\$1,666.14	
Napier City Council	\$75,727,300	\$179,417.76	\$208,521.40	
Wairoa District Council	\$4,457,060	\$14,390.88	\$15,604.19	
	\$122,076,246	\$305,954.87	\$352,229.21	
Business Interruption				
Additional Expenses - Shared	\$20,100,000	\$59,168.37	\$64,219.50	QBE lead
Central Hawkes Bay DC	\$0	\$5,133.94	\$4,225.76	
Hastings District Council	\$3,550,000	\$29,358.96	\$29,541.84	
Hawkes Bay Regional		\$2,680.37	\$2,553.23	
Napier City Council	\$12,896,800	\$53,509.89	\$61,655.24	
Wairoa District Council		\$4,228.49	\$3,586.31	
		\$94,911.66	\$102,140.79	
Motor Vehicle				
Central Hawkes Bay DC	\$686,000	\$8,630.22	\$8,199.90	Vero
Hastings District Council	\$5,362,979	\$64,061.06	\$65,686.45	
Hawkes Bay Regional	\$3,948,000	\$45,443.88	\$47,804.62	
Napier City Council	\$8,761,725	\$76,237.19	\$104,444.30	
Wairoa District Council	\$667,634	\$16,471.79	\$8,007.53	
		\$210,844.14	\$234,062.81	

	Sum Insured	2018-19	2019-20	Insurer
Marine Hull				
Hawkes Bay Regional	\$171,000	\$3,048.50	\$3,188.30	Vero
Napier City Council	\$79,000	\$1,229.79	\$1,286.67	Vero
Art & Museum Collections				
Hawkes Bay Museums Trust	\$38,844,709	\$72,325.79	\$32,060.00	Axa Art
Hastings Art Gallery	\$1mil	\$3,280.00	\$2,750.00	Catlin
Standing Timber/Forestry				
Hastings District Council	\$97,423.16	\$262.11	\$271.80	IF
Hawkes Bay Regional	\$10,368,549	\$18,415.35	\$19,145.60	IF
- Carbon Credits	\$2,735,909	N/A	\$6,818.93	IF
Wairoa District Council	\$81,416	\$364.28	\$364.28	Primacy
Contract Works				
Hawkes Bay Regional	\$250,000	\$2,670.00	\$2,935.00*	Vero
Adjustment rate		0.445%	0.445%	
Adjustment for 2018-19		\$1,150.19	* inc Fire Levy	
Crime (Employee Theft)				
Central Hawkes Bay DC	\$1,000,000	\$4,750.00	TBA	AIG
Hastings District Council	\$1,000,000	\$17,850.00	TBA	
Hawkes Bay Regional	\$1,000,000	\$8,765.00	TBA	
Napier City Council	\$2,000,000	\$22,240.00	TBA	
Wairoa District Council	\$1,000,000	\$5,500.00	TBA	
-				
Personal Accident				
Hastings District Council	Various	\$1,516.94	\$2,167.06	AIG
Hawkes Bay Regional	Various	\$7,718.26	\$8,298.58	
Wairoa District Council	Various	\$1,424.38	\$1,424.38	
Business Travel				
Central Hawkes Bay DC	Various	\$71.50	\$82.00	Chubb
Hastings District Council	Various	\$268.88	\$396.43	
Hawkes Bay Regional	Various	\$369.05	\$243.14	
Napier City Council	Various	\$253.07	\$396.43	
Wairoa District Council	Various	\$71.50	\$82.00	
Estimated travel days	200	\$1,034.00	\$1,200.00	

	Limit of Indemnity	2018-19	2019-20	Insurer
Public Liability				
Central Hawkes Bay DC	\$300,000,000	\$16,572.00	\$33,143.00	London
Hastings District Council	\$300,000,000	\$40,801.00	\$61,201.00	Markets
Hawkes Bay Regional	\$300,000,000	\$25,646.00	\$32,058.00	
Napier City Council	\$300,000,000	\$39,052.00	\$76,932.00	
Wairoa District Council	\$300,000,000	\$16,279.00	\$20,348.00	
Professional Indemnity				
Central Hawkes Bay DC	\$300,000,000	Inc in above	Inc in above	London
Hastings District Council	\$300,000,000	Inc in above	Inc in above	Markets
Hawkes Bay Regional	\$300,000,000	Inc in above	Inc in above	
Napier City Council	\$300,000,000	Inc in above	Inc in above	
Wairoa District Council	\$300,000,000	Inc in above	Inc in above	
Harbourmasters Liability & Wreck Removal				
Hawkes Bay Regional	\$25,000,000	Inc in above	Inc in above	as above
Excess Layer	\$75,000,000	\$63,965.00	TBA	Lloyds
Enviromental Impairment				
Central Hawkes Bay DC	\$1,000,000	Inc in above	Inc in above	London
Hastings District Council	\$1,000,000	Inc in above	Inc in above	Markets
Hawkes Bay Regional	\$1,000,000	Inc in above	Inc in above	
Napier City Council	\$1,000,000	Inc in above	Inc in above	
Wairoa District Council	\$1,000,000	Inc in above	Inc in above	
Statutory Liability				
Central Hawkes Bay DC	\$2,000,000	\$5,783.98	\$6,215.73	Vero L
Hastings District Council	\$2,000,000	\$26,014.80	\$26,076.25	
Hawkes Bay Regional	\$2,000,000	\$9,847.87	\$11,310.67	
Napier City Council	\$2,000,000	\$23,060.44	\$24,750.43	
Wairoa District Council	\$2,000,000	\$5,292.90	\$5,146.92	
		\$70,000.00	\$73,500.00	
Employers Liability				
Central Hawkes Bay DC	\$1,000,000	\$594.17	\$711.19	Vero L
Hastings District Council	\$1,000,000	\$3,521.36	\$3,412.03	
Hawkes Bay Regional	\$1,000,000	\$1,922.33	\$2,218.25	
Napier City Council	\$1,000,000	\$5,155.34	\$5,325.48	
Wairoa District Council	\$1,000,000	\$506.80	\$618.06	
		\$11,700.00	\$12,285.00	

Limit of Indemnity		2018-19	2019-20	Insurer
Defence Costs (SL & EL)				
Hawkes Bay Regional		\$2,700.00	\$2,835.00	Vero L
Hall Hirers Public Liability				
Central Hawkes Bay DC	\$1,000,000	\$500.00	\$525.00	Vero L
Napier City Council	\$5,000,000	\$5,750.00	\$6,037.50	
Wairoa District Council	\$1,000,000	\$250.00	\$262.50	
Hastings District Council	\$1,000,000	\$2,600.00	\$2,730.00	
		\$9,100.00	\$9,555.00	
Airport Owners & Operators Liability				
Wairoa District Council	\$10,000,000	\$775.00	\$930.00	AIG
				Singapoure
Trustees Liability				
Hawkes Bay Museums Trust	\$5,000.00	\$2,575.00	\$2,860.00	Vero L
Cyber Liability				
Hawkes Bay Regional	\$2,000,000	\$8,778.00	Not offered	AIG
			\$25,000.00	Delta
			\$12,000.00	Chubb
Napier City Council	\$2,000,000		\$30,000.00	Delta
			\$16,000.00	Chubb
	\$4,000,000		\$25,000.00	Chubb
	\$5,000,000		\$27,000.00	Chubb

JLT Insurance Broking & Service Fee

	2018-19	2019-20	
Central Hawkes Bay DC	\$9,139.59	\$9,139.59	
Hastings District Council	\$20,943.78	\$20,943.78	
Hawkes Bay Regional	\$12,851.58	\$12,851.58	
Napier City Council	\$35,625.46	\$35,625.46	
Wairoa District Council	\$9,139.59	\$9,139.59	
	\$87,700.00	\$87,700.00	

CURRENT INSURANCE POLICIES

Material Damage – Commercial

Sum Insured (as per 'Schedule of Insured Property)

Central Hawkes Bay District Council	\$67,849,679
Hastings District Council	\$351,900,315
Hawkes Bay Regional Council	\$41,022,458
Napier City Council	\$504,074,610
Wairoa District Council	\$66,913,840

Sub-Limits

Capital Additions	\$2,000,000
Contamination Costs (P-Lab's)	\$50,000
Contract Works	\$2,000,000
Hazardous Substance Emergency	\$100,000
Landslip/Subsidence (Combined MD/BI Limit)	\$2,000,000
Mechanical Breakdown	\$25,000
Money (Section B – \$10,000)	\$250,000
Protection Costs	\$500,000
Transit	\$500,000
Works of Art	\$250,000

Policy Deductibles

Natural Disaster/Earthquake	Combined for all MD/BI losses
- Buildings pre 1936 & EQ prone	10% of Site Value, minimum \$10,000
- CHB, Napier & Wairoa Councils	2.5% of Site Value, minimum \$5,000
- All other Councils	5% of Site Value, minimum \$5,000
Landslip/ Subsidence	\$50,000
All other claims;	
Central Hawkes Bay District Council & Wairoa District Council	\$5,000
Hastings District Council, Hawkes Bay Regional Council & Napier City Council	\$10,000

Insurer terms

Insurer:	QBE Insurance (Australia) Limited
Premium:	\$2,652,212.03 (ex GST) including Fire Service Levies
2018-19 Premium:	\$2,491,020.56 based on current Sum Insured
Terms & Conditions:	JLT agreed 2017 Material Damage wording, and expiring endorsements
Subjectivities:	Nil

Material Damage – Residential

Sum Insured – Residential (as per 'Schedule of Insured Property)

Central Hawkes Bay District Council	\$5,971,000
Hastings District Council	\$35,201,186
Hawkes Bay Regional Council	\$719,700
Napier City Council	\$75,727,300
Wairoa District Council	\$4,457,060

Sub-Limits

Capital Additions	\$2,000,000
Contamination Costs (P-Lab's)	\$50,000
Contract Works	\$2,000,000
Hazardous Substance Emergency	\$100,000
Landslip/Subsidence (Combined MD/BI Limit)	\$2,000,000
Mechanical Breakdown	\$25,000
Money (Section B – \$10,000)	\$250,000
Protection Costs	\$500,000
Stolen Keys	\$30,000
Transit	\$500,000
Works of Art	\$250,000

Policy Deductibles

Natural Disaster/Earthquake	Combined for all MD/BI losses, less EQC excess
- Buildings pre 1936 & EQ prone	10% of Site Value, minimum \$10,000
- CHB, Napier & Wairoa Councils	2.5% of Site Value, minimum \$5,000
- All other Councils	5% of Site Value, minimum \$5,000
Landslip/ Subsidence	\$50,000
All other claims;	
Central Hawkes Bay District Council & Wairoa District Council	\$5,000
Hastings District Council, Hawkes Bay Regional Council & Napier City Council	\$10,000

Insurer terms

Insurer:	QBE Insurance (Australia) Limited
Premium:	\$352,229.21 (ex GST) including EQC & Fire Service Levies
2018-19 Premium:	\$305,954.87 based on current Sum Insured
Terms & Conditions:	JLT agreed 2017 Material Damage wording, and expiring endorsements
Subjectivities:	Nil

Business Interruption

Sum Insured

Additional Expenses – Shared Limit	\$20,000,000
Claims Preparation Costs – Shared Limit	\$100,000
Revenue/Rentals – Central Hawkes Bay District Council	\$0
Revenue/Rentals – Hastings District Council	\$3,550,000
Revenue/Rentals – Hawkes Bay Regional Council	\$0
Revenue/Rentals – Napier City Council	\$12,896,800
Revenue/Rentals – Wairoa District Council	\$0

Indemnity Periods

Additional Expenses	24 months
- Natural Disaster	36 Months
Revenue/Rentals	Various as individually declared

Extension Sub-limits

Acts of Civil Authorities	10%
Compulsory Closure	10%
Dependency	10%
Entanglement	10%
Fumes Gases & Toxic Chemicals	10%

Deductibles

Extensions – Natural Disaster	14 days
Extensions – Non-natural Disaster	
Acts of Civil Authorities	24 hours
Compulsory Closure	24 hours
Dependency	24 hours
- Damage to Airports, Ports & Rail	7 days
Entanglement	24 hours
Fumes Gases & Toxic Chemicals	24 hours
Extensions – All	maximum limit \$1,000,000

Insurer terms

Insurer:	QBE Insurance (Australia) Limited
Premium:	\$102,140.79 (ex GST)
2018-19 Premium:	\$94,911.66
Terms & Conditions:	JLT agreed 2017 Business Interruption wording, and expiring endorsements
Subjectivities:	Nil

Motor Vehicle

Sum Insured

Own Damage (Section 1) as per 'Schedule of Insured Vehicles' Market Value

Limits of Indemnity

Third Party Damage (Section 2)	\$10,000,000
- Airside Liability	\$2,000,000
- Exemplary Damages (aggregate limit \$1mil)	\$500,000
- Vibration/Weight Damage	\$500,000

Extensions / Sub-Limits

Additions & Deletions	\$150,000
Claims Preparation Costs	\$5,000
Goods in transit, (fire, collision, overturning)	\$5,000
Hazardous Substances	\$5,000
Keys & Locks (aggregate limit \$10,000)	\$2,500
Removal of Debris	\$20,000
Rental Vehicles (consequential loss \$75,000)	\$150,000
Return Home Costs	\$5,000

Deductibles

Own damage (section 1)	\$1,000
Exemplary Damages	10% of claim, min \$5,000
Vibration and Weight damage	\$5,000
Windscreens	\$1,000

Insurer terms

Insurer: Vero Insurance New Zealand Limited

Premium: **\$234,062.81** (ex GST) inc **\$7,949.81** Fire & Emergency levy

- Current 597 vehicles with Market Value of \$19,426,338
- Burning Cost option premium \$210,949.81

2018-19 Premium: **\$210,844.14** inc **\$11,594.14** FSL based on 702 vehicles & MV \$20,972,717

Terms & Conditions: JLT/Vero agreed Motor Vehicle wording JLT Vero MV (2010)

Subjectivities: Nil

Marine Hull

Sum Insured – Napier City Council

2012 Mclay 600 Fisherman (inc trailer, motor & fixtures) \$79,000

Protection & Indemnity

Any one loss \$1,000,000

Deductibles

Any one loss \$500

Territory: New Zealand Coastal & Inland waterways

Insurer terms

Insurer: Vero Insurance New Zealand Limited

Premium: **\$1,286.67** (ex GST) including Fire Service Levies

2018-19 Premium: \$1,229.79 (ex GST) including Fire Service Levies

Terms & Conditions: Vero Commercial Hull wording 15002799

Subjectivities: Nil

Sum Insured – Hawkes Bay Regional Council

Weed boat (inc trailer, motor & fixtures) \$80,000

Weed boat (inc trailer, motor & fixtures) \$80,000

Ramco Boat (inc trailer, motor & fixtures) \$5,000

New Vessel – Standard Hull \$30,000

Protection & Indemnity

Any one loss \$1,000,000

Deductibles

Any one loss \$500

Territory: New Zealand Coastal & Inland waterways

Insurer terms

Insurer: Vero Insurance New Zealand Limited

Premium: **\$3,188.30** (ex GST) including Fire Service Levies

2018-19 Premium: **\$3,048.50** (ex GST)

Terms & Conditions: Vero Commercial Hull wording 15002799

Subjectivities: Nil

Fine Art & Museum Collections

Sum Insured – Hawkes Bay Museums Trust

Art & Museum Collection	\$40,074,676
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Extension / Sub-Limits

Whilst at any other location (undeclared limit)	\$1,000,000
For Temporary Loans & Inward Exhibitions (undeclared limit)	\$3,000,000
Whilst in Transit both Domestic & International (undeclared limit)	\$4,000,000

Deductibles

Earthquake	\$25,000
Temporary Loans & Inward Exhibitions	\$500
All other claims	\$2,500

Insurer terms

Insurer: Axa Art London (100%)

Premium: **\$32,060.00**, no Fire Service Levies from 01 July 2019

- 5% NDC available upon expiry

2018-19 Premium: \$31,108.00 + \$41,217.79 **FSL** based on Sum Insured \$38,844,709

- No claims discount \$1,555.40

Terms & Conditions: London Fine Arts Wording

Subjectivities: Nil

Sum Insured – Hastings Art Gallery

Art & Museum Collection	Nil
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Extension / Sub-Limits

Whilst at any other location (undeclared limit)	Not Insured
For Temporary Loans & Inward Exhibitions (undeclared limit)	\$1,000,000
Whilst in Transit both Domestic & International (undeclared limit)	\$2,000,000

Deductibles

Earthquake	\$25,000
All other claims	Nil

Insurer terms

Insurer: XL Insurance Company SE (previously Catlin Australia)

Premium: **\$2,750.00** (ex GST) minimum & deposit, no Fire Service Levies from 01 July 2019

- Rates: Static .175%, Domestic Transit .0325% & International Transit .065%

2018-19 Premium: \$3,280.00 (ex GST) including Fire Service Levies (\$380.00)

- Adjustment Nil
- Rates : Static .175%, Domestic Transit .0325% & International Transit .065%

Terms & Conditions: AXA XL Fine Art Museums Wording

Subjectivities: Terms are valid for 30 days from 17 June 2019

Standing Timber / Forestry

Hastings District Council

Sum Insured

As per 'Schedule of Insured Trees' \$97,423.16

Extensions / Sub-Limits

Claims Preparation Costs	\$5,000
Earthquake (including landslip)	Not Insured
Fire Fighting Charges & Expenses	\$50,000
Hail Strike	\$20,000
Harvested Timber	Not Insured
Infrastructure	Not Insured
Landslip (weather)	Not Insured
Re-establishment Costs & Removal of Debris	\$60,000
Windstorm	Not Insured
Volcanic Eruption	Not Insured

Deductibles

Each & every event \$5,000

Insurer terms

Insurer: Insurance Facilitators (Catlin Australia – 100%)
 Premium: **\$271.80** (ex GST)
 2018-19 Premium: \$262.11 based on Sum Insured \$84,217.00
 Terms & Conditions: Plantation Timber wording 2019
 Subjectivities: Signed Quote form provided

Wairoa District Council

Sum Insured

As per 'Schedule of Insured Trees' \$81,416

Extensions / Sub-Limits

Claims Preparation Costs	\$5,000
Earthquake & EQ Landslip	Not Insured
Fire Fighting Charges & Expenses	\$40,708
Hail Strike	\$20,000
Replanting Costs	\$40,708
Removal of Debris	\$2,500
Planation Infrastructure	\$2,500
Windstorm	Not Insured
Volcanic Eruption	Not Insured
Weather Landslip	Not Insured

Deductibles

Each & every event 1.5% of sum insured, minimum \$2,500

Insurer terms

Insurer: Primacy Underwriting (Allianz Australia Insurance Ltd – 100%)
 Premium: **\$364.28** (ex GST)
 2018-19 Premium: **\$364.28** (ex GST)
 Terms & Conditions: Plantation Timber wording 2019
 Subjectivities: Signed Quote form required

Hawkes Bay Regional**Sum Insured**

As per 'Schedule of Insured Trees' \$10,368,549
 Carbon Credits \$2,735,909

Extensions / Sub-Limits

Claims Preparation Costs (CC\$10k) \$15,000
 Earthquake (including landslip) Not Insured
 Fire Fighting Charges & Expenses (CC\$0) \$500,000
 Hail Strike Not Insured
 Harvested Timber Not Insured
 Infrastructure Not Insured
 Landslip (weather) Not Insured
 Re-establishment Costs & Removal of Debris (CC\$0) \$1,703,413
 Windstorm \$250,000
 Volcanic Eruption Not Insured

Deductibles

Each & every event \$5,000

Insurer terms – Standing Timber

Insurer: Insurance Facilitators (Lloyds)
 Premium: **\$19,145.60** (ex GST)
 2018-19 Premium: Standing Timber - \$18,415.35 (ex GST)
 Terms & Conditions: Plantation Timber wording 2019
 Subjectivities: Signed Quote form required

Insurer terms – Standing Timber

Insurer: Insurance Facilitators (Lloyds)
 Premium: **\$6,818.93** (ex GST)
 Terms & Conditions: Rotation Timber & Carbon policy NZ 010519
 Subjectivities: Signed Quote form required

Contract Works

Insured

Hawkes Bay Regional Council & Hastings District Council

Sum Insured

Maximum Contract Price	\$250,000
Maximum Contract Period	12 months
Maximum Defects/Maintenance Period	6 months

Extensions / Sub-Limits

Professional Fees & Costs	10%
Demolition, Debris Removal and Other Costs	10%
Principles Existing Structure or Supplied Material/Property	Not Insured
Increased Costs during Construction	10%
Increased Costs during Reconstruction	10%
Protection Costs	\$25,000

Deductibles

Natural Disaster/Earthquake	5% of the value of work completed, min \$5,000
All other claims	\$5,000

Insurer terms

Insurer:	Vero Insurance New Zealand Limited
Premium:	\$2,670.00 (ex GST) minimum & deposit premium, plus \$265.00 Fire Levy - Adjustment Rate .445%
2018-19 Premium:	\$2,670.00 deposit premium, adjustable at rate of .445% - \$1,150.19
Terms & Conditions:	Vero/JLT agreed Contract Works Annual wording JLT LG CWA 2010
Subjectivities:	Nil

Crime (Employee Theft)

Limit of Indemnity

Any one claim and in the aggregate for all continuous Periods of Insurance;

Central Hawkes Bay District Council	\$1,000,000
Hastings District Council	\$1,000,000
Hawkes Bay Regional Council	\$1,000,000
Napier City Council	\$1,000,000
Wairoa District Council	\$1,000,000

Excess/Deductible

Each and every claim	\$25,000
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Employees Covered

All employees of the Insured

Insurer terms

Insurer:	AIG Insurance New Zealand Limited
Premium:	Not offered
2018-19 Premium:	As per summary
Terms & Conditions:	AIG Gold Complete Insurance policy wording;
Subjectivities:	Quotation valid until expiry 01 July 2018 (4pm)

Alternative Insurer terms

Insurer:	Delta – Declined to quote
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Alternative Insurer terms

Insurer:	Chubb Insurance New Zealand Limited
Premium:	TBA
Terms & Conditions:	TBA
Subjectivities:	TBA

Alternative Insurer terms

Insurer:	Vero Liability
Premium:	TBA
Terms & Conditions:	TBA
Subjectivities:	TBA

Personal Accident

Hastings District Council

Insured Persons/Capital Benefit

1.	Mayor (1), Councillors (14)	\$100,000
2.	Chief Executive (1)	\$600,000
3.	Executives (6)	\$350,000

Scope of Cover

24 hours worldwide

Hawkes Bay Regional Council

Insured Persons/Capital Benefit

1.	Elected Members (9)	\$65,000
2.	Maori Members (12)	\$65,000
3.	Regional Planning Committee Members (9)	\$65,000
4.	All Employees (195)	2x Salary, min \$65,000 and max \$350,000

Scope of Cover

Worldwide whilst on the business of the insured including commuting to and from work

Wairoa District Council

Insured Persons/Capital Benefit

1.	Executives (5)	\$130,000
2.	All other employees (48)	\$50,000

Scope of Cover

- 24 hours worldwide
- Worldwide whilst on the business of the insured including commuting to and from work

Deductibles - each and every claim Nil

Aggregate Limits of Liability

Any one Period of Insurance	\$2,000,000
Non-scheduled Flights	\$1,000,000

Insurer terms

Insurer:	AIG Insurance New Zealand Limited
Premium:	HDC – \$2,167.06 (ex GST) HBRC – \$8,298.58 (ex GST) WDC – \$1,424.38 (ex GST)
2018-19 Premium:	As per summary
Terms & Conditions:	AIG Group Injury & Sickness Insurance policy wording
Subjectivities:	Quotation valid until 30 June 2019 Subject to know material changes in risk including claims prior to inception

Business Travel

Travel Benefits

Personal Accident (Children U16, Benefit 1 reduces to \$25,000)	\$250,000
Kidnap & Ransom	\$500,000
Hijack & Detention per day (Max 15 days – Legal Costs \$50,000)	\$1,000
Medical & Additional Expenses	Unlimited
Loss of Deposits	\$30,000
Alternative Employee	\$20,000
Baggage, Business Property, Money/Travel Documents	\$25,000
Personal Liability	\$5,000,000
Rental Vehicles Excess Waiver	\$5,000
Search & Rescue (Aggregate Limit \$100,000)	\$20,000
Political & Natural Disaster Evacuation (Aggregate Limit \$100,000)	\$20,000

Excess/Deductible

Medical & Additional Expenses, Loss of Deposits, Baggage & Business Property	\$100
- Except leisure travel	\$500
Electronic Equipment	\$250

Aggregate Limits of Liability

Any one Period of Insurance	\$2,500,000
Non-scheduled Flights	\$1,000,000

Insurer terms

Insurer:	Chubb Insurance New Zealand Limited
Premium:	\$1,200.00 (ex GST) Minimum deposit premium based on 200 estimated overseas travel days. - Adjustable at \$6.00 per person, per travel day
2018-19 Premium:	\$1,034.00 (ex GST) adjustable at \$5.17 per person, per travel day
Terms & Conditions:	Chubb Corporate Travel Insurance policy wording
Subjectivities:	Terms valid until 01 July 4pm No material changes or claim notified

Public Liability

Limit of Indemnity

Any one Occurrence and aggregate for Products;

Central Hawkes Bay District Council	\$300,000,000
Hastings District Council	\$300,000,000
Hawkes Bay Regional Council	\$300,000,000
Napier City Council	\$300,000,000
Wairoa District Council	\$300,000,000

Extension Sub-limits

Drone (UAV) Liability	Included
Employees Property	\$1,000,000
Forest & Rural Fires Act	\$1,000,000
Property in Care Custody or Control	\$1,000,000
Wreck Removal (except HBRC which is Nil)	\$1,000,000
Service & Repair	\$1,000,000
Punitive & Exemplary Damages	\$1,000,000

Excess/Deductible

Per occurrence, cost exclusive	\$5,000
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Territory & Jurisdiction

New Zealand & Australia

Policy Jurisdiction

United Kingdom

Insurer terms

Insurer:	Various London Markets
Period:	30 June 2019 (4pm) to 30 June 2020 (4pm NZLT)
Premium:	CHB \$33,143.00 (ex GST)
	HBRC \$32,058.00 (ex GST)
	HDC \$61,201.00 (ex GST)
	NCC \$76,932.00 (ex GST)
	WDC \$20,348.00 (ex GST)
2018-19 Premium:	As per summary
Terms & Conditions:	LG London Public & Professional Indemnity wording
Subjectivities:	UK Duty of Disclosure Statement – please note

Professional Indemnity

Limit of Indemnity

Any one Occurrence and aggregate for Products;

Central Hawkes Bay District Council	\$300,000,000
Hastings District Council	\$300,000,000
Hawkes Bay Regional Council	\$300,000,000
Napier City Council	\$300,000,000
Wairoa District Council	\$300,000,000

Extension Sub-limits

Waiver of Subrogation Against Employees
 Defamation, libel & slander
 Fraud & Dishonesty
 Loss of Documents
 Maritime Functions
 Continuity

Excess/Deductible

Per occurrence, cost exclusive \$10,000

Territory & Jurisdiction

New Zealand & Australia

Policy Jurisdiction

United Kingdom

Insurer terms

Insurer: Various London Markets
 Period: 30 June 2019 (4pm) to 30 June 2020 (4pm NZLT)
 Premium: CHB – **Included in the Public Liability premium above**
 HBRC – **Included in the Public Liability premium above**
 HDC – **Included in the Public Liability premium above**
 NCC – **Included in the Public Liability premium above**
 WDC – **Included in the Public Liability premium above**
 2018-19 Premium: As per summary
 Terms & Conditions: LG London Public & Professional Indemnity wording
 Subjectivities: UK Duty of Disclosure Statement – please note

Environmental Impairment

Limits of Indemnity

Any one occurrence and in the aggregate \$1,000,000

Excess/Deductible

Each and every claim, costs inclusive \$25,000

- Except sewage/wastewater treatment plants & facilities \$100,000

Territory & Jurisdiction

New Zealand

Policy Jurisdiction

United Kingdom

Insured premises

Water treatment plants	Sewage treatment plants
Irrigation facilities	Resource recovery facilities
Materials recovery facilities	Waste transfer stations
Depots and workshops	Swimming pools & other sport and recreational facilities
Car parks & bus stations	Libraries, museums and art galleries
Commercial offices	Public toilets
Cemeteries & crematoria	

Insurer terms

Insurer: Various London Markets

Period: 30 June 2019 (4pm) to 30 June 2020 (4pm NZLT)

Premium:

- CHB – Included in the Public Liability premium above
- HBRC – Included in the Public Liability premium above
- HDC – Included in the Public Liability premium above
- NCC – Included in the Public Liability premium above
- WDC – Included in the Public Liability premium above

Terms & Conditions: LG London PL & PI wording, Environmental Impairment extension

Subjectivities: UK Duty of Disclosure Statement – please note

Harbourmasters Liability & Wreck Removal

Insured

Hawkes Bay Regional Council

Limit of Indemnity

Harbourmasters Liability

Primary Limit – any one claim and in the aggregate \$25,000,000

Excess Layer – any one claim and in the aggregate in excess of primary \$75,000,000

Wreck Removal Costs - any one claim and in the aggregate \$25,000,000

Excess/Deductible

Harbourmasters Liability \$10,000

Wreck Removal Costs \$25,000

Territory & Jurisdiction

New Zealand

Policy Jurisdiction

United Kingdom

Insurer terms – Primary Layer

Insurer: Various London Markets

Period: 30 June 2019 (4pm) to 30 June 2020 (4pm NZLT)

Premium Primary: **Included in the Public Liability premium above**

2018-19 Premium: As per summary

Terms & Conditions: LG Harbourmasters Liability & Wreck Removal wording

Subjectivities: UK Duty of Disclosure Statement – please note

Insurer terms – Excess Layer

Insurer: Markel (Lloyds syndicate) (100%)

Period: 30 June 2019 (4pm) to 30 June 2020 (4pm NZLT)

Premium: **TBA**

2018-19 Premium: **\$67,331.25** (inc RWT)

Terms & Conditions: Following LG Harbourmasters Liability & Wreck Removal wording

Subjectivities: **TBA**

Statutory Liability

Limit of Indemnity

All Councils - any one claim and in the aggregate, costs inclusive \$4,000,000

Excess/Deductible

Each and every claim, costs inclusive \$10,000

Territorial Limits

New Zealand

Retroactive Date (excluding known claims or circumstance)

15 July 1994

Extensions

Health & Safety in Work Act 2015 (Defence Costs & Reparations)

Insurer terms

Insurer: Vero Liability Insurance Limited

Premium: **\$73,500.00** (ex GST)

2018-19 Premium: **\$70,000.00** (ex GST)

Wording: VL Statutory Liability wording VL POL STAT-052016

- RMA restricted to officers only not cover for the entities/Councils

Subjectivities: Terms valid for 30 days from 19 June 2019

No material Changes to the risk including claim notifications

Employers Liability

Limit of Indemnity

All Councils - any one claim and in the aggregate, costs inclusive \$1,000,000

Excess/Deductible

Each and every claim, costs inclusive \$5,000

Territorial Limits

New Zealand

Retroactive Date (excluding known claims or circumstance)

15 July 1994

Insurer terms

Insurer: Vero Liability Insurance Limited

Premium: **\$12,285.00** (ex GST)

2018-19 Premium: **\$11,700.00** (ex GST)

Wording: VL Employers Liability wording VL POL ELC-0903

Subjectivities: Terms valid for 30 days from 19 June 2019

No material Changes to the risk including claim notifications

Defence Costs

Insureds

Hawkes Bay Regional Council

Limit of Indemnity

Any one claim and in the aggregate, costs inclusive \$500,000

Underlying Policies

Statutory Liability HO-LST-6105590

Employers Liability HO-LEL-6105591

Excess/Deductible

as per Underlying Policy

Insurer terms

Insurer: Vero Liability Insurance Limited

Premium: **\$2,835.00** (ex GST)

2018-19 Premium: **\$2,700.00** (ex GST)

Wording: VL Defence Costs wording VL POL DC-102014

Subjectivities: Terms valid for 30 days from 19 June 2019

No material Changes to the risk including claim notifications

Hall Hirers Public Liability

Limit of Indemnity

Any one occurrence;

Napier City Council - Municipal & WMC Centre, Centennial Hall & Aquarium \$5,000,000

Wairoa District Council & Central Hawkes Bay District Council – all venues \$1,000,000

Hastings District Council – all venues \$2,000,000

Extensions/Sub-limits

Goods in Care Custody or Control \$50,000

Punitive & Exemplary Damages (NZ only, retro 23/09/2005) \$1,000,000

Excess/Deductible

Per occurrence, cost exclusive \$500

Territorial Limits

New Zealand

Insurer terms

Insurer: Vero Liability Insurance Limited

Premium: **\$9,555.00** (ex GST)

2018-19 Premium: \$9,100.00 (ex GST)

Wording: VL Public Liability wording VL POL PL-6105589

Subjectivities: Terms valid for 30 days from 19 June 2019

No material Changes to the risk including claim notifications

Airport Owners & Operators Liability

Insured

Wairoa District Council – Wairoa Airfield

Limits of Indemnity

Any one occurrence and in the aggregate \$10,000,000

Excess/Deductible

Property Damage, cost exclusive \$2,500

Territorial Limits

New Zealand

Insurer terms

Insurer: AIG Asia Pacific Insurance Pte Ltd (Singapore)

Period: 30 June 2018 (4pm) to 30 June 2019 (4pm NZLT)

Premium: \$930.00 (inc NRT)

2018-19 Premium: \$775.00 (inc NRT)

Wording: AIG Airport Owners & Operators Liability wording

Subjectivities: Terms valid to 30 June 2018 - Subject to no losses prior to inception

Trustees Liability

Insured

Hawkes Bay Museum Trust

Limit of Indemnity

Any one claim and in the aggregate \$5,000,000

Extension Sub-limits

Compensation for Court Attendance \$300 per day limited to \$10,000

Official Investigations & Enquiries aggregate limit \$250,000

Excess/Deductible

Trust Reimbursement, each and every claim cost inclusive \$5,000

Individual Trustees, each and every claim cost inclusive Nil

Territory/Jurisdiction

New Zealand

Retroactive Date (excluding known claims or circumstance)

22 September 1999

Insurer terms

Insurer: Vero Liability Insurance Limited

Premium: \$2,860.00 (ex GST)

2018-19 Premium: \$2,725.00 (ex GST)

Wording: VL Trustees Liability wording VL POL TL-0508

Subjectivities: Terms valid for 30 days from 18 June 2019

No material Changes to the risk including claim notifications

Cyber Liability

Limit of Indemnity

Any one claim and in the aggregate \$2,000,000

Excess/Deductible

Each and every claim, costs inclusive \$25,000

Business Interruption waiting period 12 hours

Extensions/Sub-limits

Privacy Liability Full Limit

Network Security Liability \$500,000

Media Liability \$150,000

Regulatory Fines \$500,000

Cyber Extortion \$500,000

Data Asset Loss \$250,000

Business Interruption Full Limit

Recovery Costs \$250,000

Territorial Limits

Worldwide excluding USA/Canada

Retroactive Date (excluding known claims or circumstance)

Inception

Insurer terms – Hawkes Bay Regional Council

Insurer: AIG Insurance NZ Limited

Premium: **Not Offered**

2018-19 Premium: \$8,778.00

Alternative Insurer terms – Hawkes Bay Regional Council

Insurer: Delta – Allied World Assurance Company (Europe) PLC – Lloyds Syndicated 2232

Premium: **\$25,000.00** (ex GST)

Terms & Conditions: Delta Cyber (03/18)

Subjectivities: Terms are valid for 30 days from 17 June 2019

Subject to no material change to the risk or claims prior to acceptance

Further queries raised by Delta to be provided to HBRC

Alternative Insurer terms – Hawkes Bay Regional Council

Insurer: Chubb Insurance New Zealand Limited

Premium: **\$12,000.00** (ex GST)

Terms & Conditions: Chubb Cyber Enterprise Risk Management policy

Subjectivities: Terms are valid for 30 days from 17 June 2019

Subject to no material change to the risk or claims prior to acceptance

Insurer terms – Napier City Council

Insurer: Delta – Allied World Assurance Company (Europe) PLC – Lloyds Syndicated 2232

Premium: **\$30,000.00** (policy information as above)

Terms & Conditions: Delta Cyber (03/18)

Subjectivities: Terms are valid for 30 days from 17 June 2019
Subject to no material change to the risk or claims prior to acceptance
Further queries raised by Delta to be provided to NCC

Insurer terms – Napier City Council

Insurer: Chubb Insurance New Zealand Limited

Premium: **\$16,000.00** (ex GST)

- \$4mil Limit, premium is \$25,000.00
- \$5mil Limit, premium is \$27,000.00

Terms & Conditions: Chubb Cyber Enterprise Risk Management policy

Subjectivities: Terms are valid for 30 days from 17 June 2019
Subject to no material change to the risk or claims prior to acceptance

INSURER RATINGS

In accordance with the Insurance Companies (Ratings and Inspections) Act 1994 insurers are independently rated for the financial "Claim Paying Ability".

That rating is provided by either Standard & Poor's (Australia) Pty Ltd and/or A M Best Company Inc under the following rating guides:

Standard & Poor's (Australia) Pty Ltd		A M Best Company, Inc	
AAA	Extremely Strong	A++ and A+	Superior
AA	Very Strong	A and A-	Excellent
A	Strong	B++ and B+	Very Good
BBB	Good	B and B-	Adequate
BB	Marginal	C++ and C+	Fair
B	Weak	C and C-	Marginal
CCC	Very Weak	D	Very Vulnerable
CC	Extremely Weak	E	Under Supervision
R	Regulatory Action	F	In Liquidation

(+ / - used to indicate standing within rating category)

NB: pi rating is based on published financial information and is less comprehensive than the ratings without the pi.

The rating (claims paying ability) for the insurers involved in your insurance programme are set out below:

INSURER	RATING	AGENCY
AIG Insurance NZ Limited	A	Standard & Poor's
Allianz Australia Insurance Ltd (IF)	AA-	Standard & Poor's
Berkshire Hathaway Specialty Insurance	AA+	Standard & Poor's
Chubb Insurance NZ Ltd	AA-	Standard & Poor's
Lloyds of London	A+	Standard & Poor's
NZI, a business division of IAG New Zealand Ltd	AA-	Standard & Poor's
QBE Insurance (International) Ltd	A+	Standard & Poor's
Vero Insurance New Zealand Ltd	A+	Standard & Poor's
Vero Liability Insurance Ltd	A+	Standard & Poor's

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8.7 FAR ANNUAL WORK PLAN

Author: Steven May, Tumu Whakarae Chief Executive Officer

Authoriser: Steven May, Tumu Whakarae Chief Executive Officer

Appendices: 1. FARC Annual Work Plan-14 May 2019 [↓](#)



1. PURPOSE

- 1.1 This report provides information for Committee on the FARC Annual Work Plan.
- 1.2 Attached is the FARC Annual Work Plan from the FAR Committee meeting held on Tuesday, 14 May 2019.

RECOMMENDATION

The Chief Executive Officer RECOMMENDS that the Committee receive the report.

Signatories

	
Author Steven May	Approved by Steven May

FARC ANNUAL WORK PLAN

#	Date Entered	Action to be taken	Responsible	To be completed by	Closed/Open
1.	2 April 2019	Top five H&S risks to staff and what is being done to minimise them. - To be included in Zero Harm Officer's report	Kevin Stevenson	14 May 2019	Open
2.	2 April 2019	3 rd quarter financial results - March financials to Council on 11 June 2019 - April financials to FAR committee on 25 June 2019	Gary Borg Gary Borg	11 June 2019 25 June 2019	Open Open
3.	2 April 20-19	Adopt FAR work plan/TOR as per 26 Feb 2019 FAR Committee minutes - standing agenda item for work plan	Steven May	16 July 2019	Open
4.	2 April 2019	Detailed work plan on how Non-conformances from EY audit report will be addressed - establish an outstanding report to management register with a regular update.	Steven May/Gary Borg	16 July 2019	Open
5.	14 May 2019	Interim Summary from EY on Annual Report process and FY18/19 close off. Liaise with Stuart Mutch to request summary.	Gary Borg/Stuart Mutch	16 July 2019	Open
6.	14 May 2019	Full draft Annual report NLT 17 Sept 2019 to be reviewed by FAR before submitting to Auditors	Gary Borg/Steven May	17 Sept 2019	Open
7.	14 May 2019	Contract Management Review	Stephen Heath	17 Sept 2019	Open
8.	14 May 2019	Draft Financial Statements	Gary Borg	17 Sept 2019	Open

8.8 PREPARATION OF PROJECT PLAN FOR THE DEVELOPMENT OF LONG TERM PLAN 2021-2031

Author: Kimberley Tuapawa, Pouwhakarae – Pārongo / Wheako Kiritaki Group Manager Information and Customer Experience

Authoriser: Steven May, Tumu Whakarae Chief Executive Officer

Appendices: 1. 2021-31 LTP Project Overview [↓](#)

1. PURPOSE

- 1.1 This purpose of this report is to provide a broad, early-stage project plan for the development and delivery of Council's Long Term Plan 2021-2031 (attached Appendix 1). No decisions are required by Committee at this stage.
- 1.2 The Committee's Annual Work Plan includes overseeing the preparation of the Long Term Plan 2021-2031.

RECOMMENDATION

The Group Manager Information and Customer Experience RECOMMENDS that Committee receive the report.

2. BACKGROUND

- 2.1 Every three years, Council must produce a Long Term Plan (LTP), which covers a period of 10 years and sets out the priorities agreed to between Council and the community.
- 2.2 Following the adoption of the LTP 2018-2028, an auditor's report outlining findings for this LTP process was provided to Council. The report included matters considered appropriate for review by management for the planning of the next LTP 2021-2031.
- 2.3 Management have reviewed and responded to the recommendations from this review process, and have examined where improvements can be made. They have considered and discussed the lessons learned during the LTP 2018-2028 process, identified risks and weaknesses and discussed how these could be managed effectively. Council has also appointed a LTP project manager, and is identifying members of the LTP project team, including resources linked to communications.
- 2.4 The importance of having a clear and comprehensive project plan for the LTP's development is well understood. The LTP's 2018-2028 timetable was developed in good time, and the aim is to replicate this early-planning approach for the next LTP. Therefore, an early-stage project plan has been developed (attached Appendix 1). It provides an overarching view of the key stages, milestones and timeframes required to successfully develop and deliver Council's LTP 2021-2031.
- 2.5 While a broad overview is appropriate at this stage, the development of the LTP is a complex process and therefore a more comprehensive plan will soon be established. To assist in the development of this, Council will access guidance documents including SOLGM's LTP Planning Health check, which is designed to assess the readiness of Council's processes and help scope its LTP project. Also, SOLGM's LTP checklist will be used to help assess compliance and usability and ensure that Council follows the right processes and covers all mandatory aspects of the LTP.

2.6 The objectives of the detailed plan will be:

- 1) To establish the scope, schedule and requirements for the development of the LTP 2021-2031.
- 2) To ensure the process for preparing the LTP complies with the requirements of the Local Government Act 2002.
- 3) To ensure that elected representatives are engaged throughout the development of the LTP.
- 4) To ensure that the community has the opportunity to be involved in the development of the LTP.
- 5) To ensure that all financial reporting standards are compliant, and that the audit and adoption of the LTP is completed before the statutory deadline of June 30, 2021.

Factored into this plan will be measures that account for BAU and other project requirements during the LTP's development period.

2.7 The development of this project plan meets the purpose of local government as it supports the delivery of Council's LTP which will help meet the future needs of the community by providing a reference for future annual plans, funding decisions and service delivery.

Further Information

Further information is available in Council's LTP 2018-28 and Annual Plan 2019/20, which can be found on Council's website: www.wairoadc.govt.nz and from Council's main office.

Signatories

	
Author Kimberley Tuapawa	Approved by Steven May

LONG TERM PLAN 2021-2031

PROJECT OVERVIEW

