



Waitaki

DISTRICT COUNCIL

TE KAUNIHERA Ā ROHE O WAITAKI

**I hereby give notice that the
Council Meeting
will be held on:**

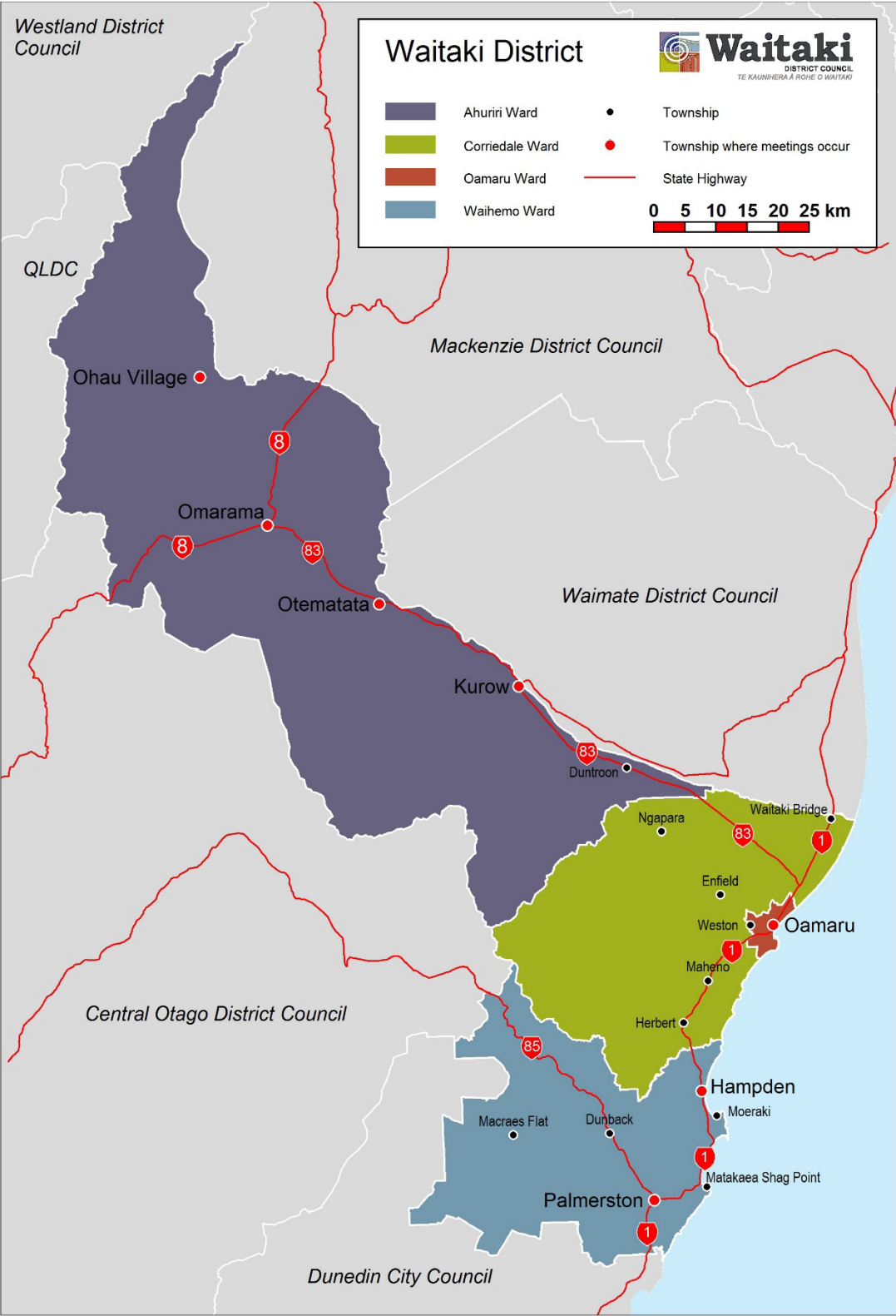
Date: Wednesday, 26 April 2023
Time: 9.00am
Location: Council Chamber, Third Floor
Office of the Waitaki District Council
20 Thames Street, Oamaru

Agenda

Council Meeting

26 April 2023

Alex Parmley
Chief Executive





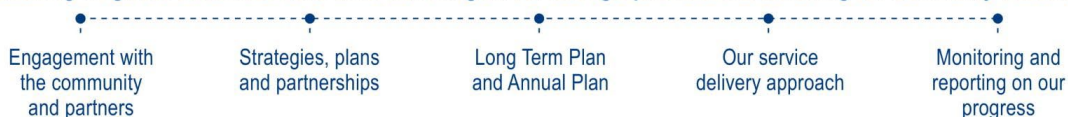
COMMUNITY OUTCOMES



STRATEGIC PRIORITIES



Ensuring we get core business done while delivering on our strategic priorities and achieving our community outcomes



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- 1 APOLOGIES**
- 2 DECLARATIONS OF INTEREST**
- 3 PUBLIC FORUM**

4 LEADERSHIP REPORTS

4.1 MAYOR'S REPORT - 26 APRIL 2023

Author: Gary Kircher, Mayor for Waitaki

Attachments: 1. Mayor's Report - 26 April 2023

RECOMMENDATION

That Council receives and notes the information.

PURPOSE

The Mayor's Report to this 26 April 2023 Council Meeting is attached, for the information of Councillors and of communities throughout the Waitaki district.

MAYOR'S REPORT – 26 April 2023 COUNCIL MEETING

This report is an opportunity for me to update Councillors and our community on a range of issues and events that I feel are relevant to our community, since my last Mayor's report in February 2023. There is a lot going on for us locally, and also nationally, as the parties step up their policies and promises as we head towards the election.

“Three Waters Reform” becomes “Affordable Water Services”

1. The case for change

We need the way we deliver water services to change. We have opposed the government's model because it is based on flawed information and they keep using that same flawed data, but that doesn't mean that Waitaki can afford the upgrades and new infrastructure that the present and future standards are going to require.

The government states that if we were to go alone as we are now, Waitaki will have to spend \$1,500,000,000 over the next 30 years or so (that's 1.5 billion dollars!) We cannot afford that. Even our own team believes the figure is close to \$500,000,000 – about one third of the government's number. That may still be on the high side, however the idea of spending even half that, \$250,000,000 over the next 30 years, induces anxiety! Annual rates could easily be in the vicinity of an additional \$1,000 to \$2,000 per connected property, per year for the next fifty years.

Not only would that make rates unaffordable for many low income people, it also commits all of Council's available spending to go on water, at the expense of other important services which help make Waitaki a better place to live. So a solution is needed – the question is, what does that look like and in particular, what is the best solution for Waitaki?

2. The government's amendments

On 13 April, the government announced changes to the model of the reform for Three Waters. The principal changes include the move from four entities across New Zealand, to ten, giving every Council representation on the Regional Representation Groups, the cancelling of Tranche 2 of the Better-Off Funding, and up to two years longer before the reform happens.

Responses to the changes have varied, but few people appear to be happy with the changes. The changes are seen to be too little or too much, depending on each person's perspective. For Waitaki, we have the additional issue of being named in the list of Canterbury and West Coast Councils, rather than the Otago and Southland list, which would possibly have instinctively been the more natural fit.

Hon Kieran McNulty
Minister for Emergency Management
Minister of Local Government
Minister for Housing
Minister for Rural Communities
Deputy Leader of the House

2023/4/13LG

13 April 2023

Local Government Mayors and Chief Executives
By email

Dear Local Government Mayors and Chief Executives

Thank you for making yourselves available to attend today's briefing on the changes that will take place to water reform in New Zealand.

The Government is committed to ensuring all New Zealanders have access to safe, reliable and affordable drinking water, wastewater and stormwater services. Significant challenges exist in how water services are currently delivered across the country, with an estimated \$120 billion to \$185 billion required to be invested in water infrastructure over the next 30 years. Changes are needed to the delivery of water services to meet the challenges ahead, including ageing infrastructure, population growth, climate change, and natural disasters. Addressing these challenges is out-of-the-reach of many individual councils to address on their own.

I want to acknowledge the work that your council has done in providing these services to your community in the face of increasing and competing demands. You have faced the difficult task of operating water services, within a modern context, where in many cases the pipes, treatment plants and other assets are old and have been outgrown by the communities they serve. You have done so while dealing with communities' increasing need for other infrastructure and services.

The only effective way to address this need for investment is to have balance sheet separation between water services entities and local government. This enables the entities to fund the significant long-term investment required through achieving higher levels of leverage than local authorities can obtain.

As part of the reset, it has been important to me to take the time to meet with representatives from local government and a range of other partners and stakeholders to inform my thinking. I have heard and considered concerns that our plan to set up four publicly owned multi-regional water services entities will result in a loss of local influence and voice. As I have sought to refocus the reform, three key priorities have emerged:

- it is important that the link between councils and entities is strengthened
- water services entities and councils must have financial independence to invest in reform

I am also conscious of the need to ensure sufficient clarity regarding accountabilities between councils and entities during this time, and for councils and auditors to have clear and detailed guidance about any transitional arrangements and what these look like in practice. My officials will work with sector representatives (Taiaurā) and the Office of the Auditor-General on what the requirements will be and will provide guidance to the sector as soon as they are able.

The National Transition Unit is well positioned to make the necessary amendments to its programme based on today's reset. I have asked that officials follow up with you directly to provide you with further detailed information.

Thank you for your input through this process, I look forward to continuing working with you all.

Yours sincerely,



Hon Kieran McNulty
Minister of Local Government

• That no district is left behind, and all New Zealanders can experience benefits of reform.

As a consequence, the number of water service entities will move from 4 to 10. While it is clear fewer entities and greater scale create greater economic benefits, there is the opportunity to increase the weighting of local representation and influence in our approach. The Government believes it is critically important that the entities have clear stronger links with their communities, to ensure New Zealanders have confidence that the entities will listen and respond to their needs. Without a doubt, New Zealanders will pay less for water services with reform, than without.

Having 10 entities based more closely around existing regions, enable the entities to be better connected to the communities they serve. For consumers, this means an improved quality of service and improved affordability of water services, compared with the increase in water charges likely under a continuation of the current water service delivery model. Each entity will have the same functions, powers and accountabilities as already provided for in the Water Services Entities Act.

The entities will continue to be owned by local councils on behalf of the public, however, they remain operationally and financially independent from them. The balance sheets of water services entities are required to be sufficiently separate from local government, to allow them to achieve higher levels of leverage than local authorities can obtain.

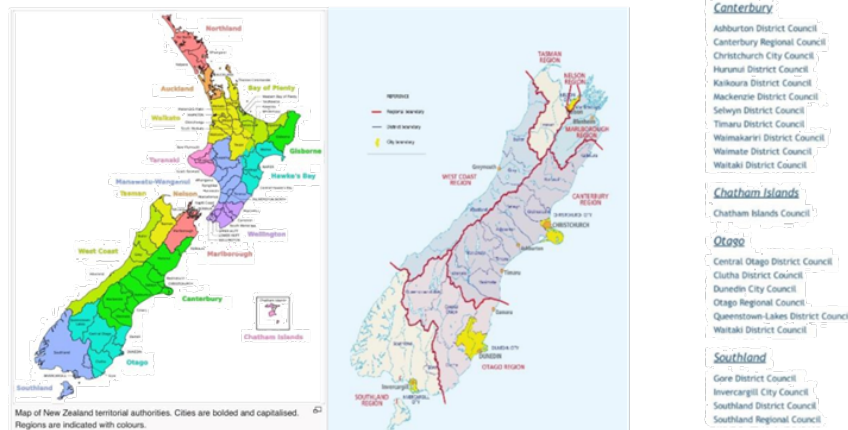
Each water service entity will be governed by a professional board, with members appointed for their competencies and skills. Local voice has been enhanced through regional partnership via the regional representative group. Under the 10-entity model, every territorial authority owner – and therefore every community – will be represented on the entity's regional representative group. There will continue to be an equal number of mana whenua representatives.

Changing the reform model necessitates changes be made to the transition timeline. It is necessary to change the establishment date of the entities, and when the new system comes into effect. Entities will begin to be stood up from early 2025 and a staggered approach will ensure all entities will be fully operational by 1 July 2026. The Department of Internal Affairs will develop a schedule of go-live dates, in consultation with councils and other groups.

I intend to introduce and pass legislation to allow for these changes before this year's election. This will be subject to the Parliamentary timetable and processes.

I recognise this approach raises complexities for local government planning and reporting, and there is a need to provide clarity about what the new establishment date means for long-term planning. Councils are already preparing their 2024-34 long-term plans, and without legislative changes cannot make provision for water services.

To recognise the extended establishment period, councils will continue to be responsible for water services until the handover date for their entity. Council planning and reporting documents will need to reflect the continued service delivery obligations during the longer establishment period – which will include the first two years of the 2024-34 long-term planning cycle. Legislative changes will be made to reflect this, and to provide clarity around planning and reporting.



3. The opposition's policy

In February, the National Party announced its policy for how they would reform three waters. Their policy has been largely driven by the views of Communities For Local Democracy (C4LD) which has the noble goal of achieving retention of control by each Council.

However that model is largely a shared CCO one. There will be efficiency gains over the status quo, depending on the make-up of each CCO. It also allows Councils the freedom to choose whether they join forces with others or not, which on the surface, appears to be ideal. However it incentivises large Councils to continue as they are, thereby taking away some of the main efficiency gains that would occur in a CCO if it has a large metro Council in the mix.

National will:

- Repeal Three Waters and scrap the four co-governed mega-entities.
- Restore council ownership and control.
- Set strict rules for water quality and investment in infrastructure.
- Ensure water services are financially sustainable.

What they have not said is how they will ensure that water services are financially sustainable. Does that mean they will provide funding into Councils for the more expensive work that must happen for small communities? Does it mean they will force amalgamations? Or does it mean they will lower the required standards, possibly putting at risk the necessary environmental and health gains?

If it can work for all communities, then great. But to me, there are as many unanswered questions, if not more, as there are with Labour's proposals, and our community deserves to know how it would fare under either of the options.

4. What does this mean for Waitaki?

From my perspective, the government's policy shift has not done much to add local voice to the entities, but it will have a negative impact on the efficiency gains expected from each entity, other than the top of the North Island which retains the same 'membership' of Councils as there is in Entity A.

Having a representative on the RRG will give Waitaki slightly more say in what happens, as it is a guaranteed place on the RRG, with the RRG now appointing the board and approving the strategic direction of the entity. But that has to be balanced by the fact that in the Canterbury/West Coast entity, our voice is one of 28 voices, and if we were in the Otago/Southland entity, that would be one voice of 16.

So which entity will be the best for Waitaki? We are in both Canterbury and Otago Mayoral Forums, so we are used to working across two regions. However, our community is in Otago province so the natural tendency will be to look more in that direction. But when it comes to the financial benefit, there is no doubt at all that we will be better off looking to our north. Where we belong is an issue we have asked the government to give us discretion on – it should be our decision and our Council will be discussing the pros and cons of each option.



It's estimated that without this change, the cost to the Waitaki District Council will sit at \$19,570 by 2054. With the reform it will be \$2,470 - seeing a decrease in cost to households by 87%.

The loss of the 2nd tranche of Better-Off Funding is very disappointing. It was already a problem when the government announced the funding was to come from the entities themselves. To me, that just added even more debit onto the entities that was not necessary. Having the government fund this one-off cost would have been a better idea and would have shown their commitment to the reform working well. Withdrawing that promise on the basis that the smaller entities will not be able to afford it does not take away the reason for giving it in the first place – helping

communities with a one-off funding boost as they were losing control of the water assets they owned.

5. The future

The cost of setting up ten entities will obviously be higher than with four, and the operating costs will be the same. As has happened with such reforms of water services numerous times internationally, there will be an almost inevitable realisation that (should the entities work and achieve the financial gains they predict) four entities could and should be better than ten, and eventually, the same thinking (and success) would get those four reduced to one.

If that does happen, it means we have taken longer to get to the same result, and it will have cost more money, but if that helps to bring the community along on the journey, possibly the government believes that is the best route to take.

Public Bus Services – Getting our people where they need to go

For a number of years, there have been sections of our community which have called for a return of a public transport option in Oamaru. And the time is right to look at that option again, so we created a Public Transport portfolio role for one of our Councillors. The expectation was that we would get some work done on the potential for a service and then submit to Otago Regional Council's Long Term Plan to get it included in their budgets, as they are the authority responsible for public transport in Oamaru.

But before we got to progress that work, the announcement was made that the private service operating between Oamaru and Dunedin was to close. This service has been an important one for getting Oamaru people to appointments at Dunedin Hospital, along with taking people to other destinations in Dunedin, and back again.

That announcement brought forward the need to find a solution, and it underlined the need for us to find a sustainable, long term solution that was affordable. So I have set up several meetings to explore options. They have included ORC representatives, CCS, Age Concern and others who have an interest in getting a service up and running, both for the Oamaru-Dunedin service and an around-Oamaru service. As the portfolio holder for public transport, Cr Linwood has also been involved.

The discussions are going well, and we are making progress. All going well, we may be able to create a service which adds to the reasons why people like to live in Waitaki! However, there may be a challenge in getting the service operating as soon as we might like, so I am not counting out an interim service that we might be asked to support, particularly for those more vulnerable people to get to their hospital appointments. We will continue to keep Councillors and our community updated on the progress being made.



An ORC's public bus – will this become a more common sight on Ōamaru's streets?

Adopt A Community update

The donations continue to come in for our Adopt A Community – the Far North district. Some of our fundraising ideas have not made as much progress as we would like but the Variety Concert certainly went well! The show was organised by Cr Tim Blackler and several of us added to the volunteer efforts of the many entertainers and other helpers who made the show such a success.

Tim also had the staff and residents of Southanjer and Northanjer resthomes busy as well, putting together raffle prizes and selling the tickets. Overall, the total amount raised was a very impressive \$9,475 which will be a good boost for people in one of the more deprived communities in the Far North.

The challenges of dealing with the aftermath of Cyclone Gabrielle have not gone away, so we will continue our efforts to raise more funds.






Strategic Framework, Strategic Priorities and a Charter

Following any election, getting the new Councillors up to speed as quickly as possible is a priority. But getting the elected members to gel into a cohesive governance team is also critical. So now that we are six months into the new term, I am pleased to report that we have made a lot of progress on that.

At this meeting, we will be adopting the agreed strategic framework and the priorities that we have agreed on. We have not had a charter before, although a Code of Conduct does cover some aspects of a charter. We decided we would like to have a document that is a more proactive, positive version of the Code of Conduct, and one that is something that each of us can individually sign up to.

That charter is shown below, and it focuses on the way we want to work together and how we treat each other as well as staff and members of the public. It is designed to be a tool which we can use to be better governors of the Council and to help focus our operational team's efforts on the priorities we have for our community.

Our Charter – setting standards and better governance

Waitaki District Council Governance Team Charter – Our priorities for working together	
	
Who we are 2022 – 2025 Waitaki District Council Governance Team: Mayor and Councillors	
Mayor Gary Kircher Deputy Mayor Hana Halalele Councillor Tim Blackler Councillor Brent Cowles Councillor Jeremy Holding Councillor Jim Hopkins	Councillor Courtney Linwood Councillor John McCone Councillor Guy Percival Councillor Rebecca Ryan Councillor Jim Thomson
Why we're here	
Vision	Waitaki, the best place to be
Mission	Empowering our people and place to thrive
Purpose	For the Community and Future of the Waitaki District Enabling a better future for our people Making Council one the community is proud of
What we're here to do	
Our collective role as the Governance Team:	<ul style="list-style-type: none"> Governance, Leadership and Stewardship Setting Strategy & Direction To see the big picture: enabling a platform for the community to thrive, now and in the future Representation of and for our community To build strong and effective relationships – so we can get things done Oversight of Council's core business, service delivery and expenditure Strategic Decision making, to support our community outcomes and strategic priorities
Other roles and responsibilities	Established at first Council meeting of the 2022 – 2025 Triennium. Council paper available here for reference
Goals and Objectives: what we are committed to achieving	
Community Outcomes To deliver:	Strategic Priorities
<ul style="list-style-type: none"> Quality Services Strong communities A prosperous district A valued environment 	<ul style="list-style-type: none"> Strengthen the community development role of Council Deliver transformation programme Establish Economic Development Agency Develop our people and attract skills, for the benefit of the community Facilitate Strategic Relationships Finish District Plan
How we work: Priorities for working together	
Fundamentals:	Code of Conduct
Ground rules for behaviour:	Above the line/below the line (refer page 2 of this document)
Engaging with each other:	Do's and don'ts of behaviour (refer page 3 of this document)
Work processes: Meetings and decision making (the logistics)	
Meeting schedule	Conventions for meetings outlined in Inaugural Council meeting for this triennium Council paper available here for reference 2023 meeting schedule available here
Meeting procedures	Established in Standing orders

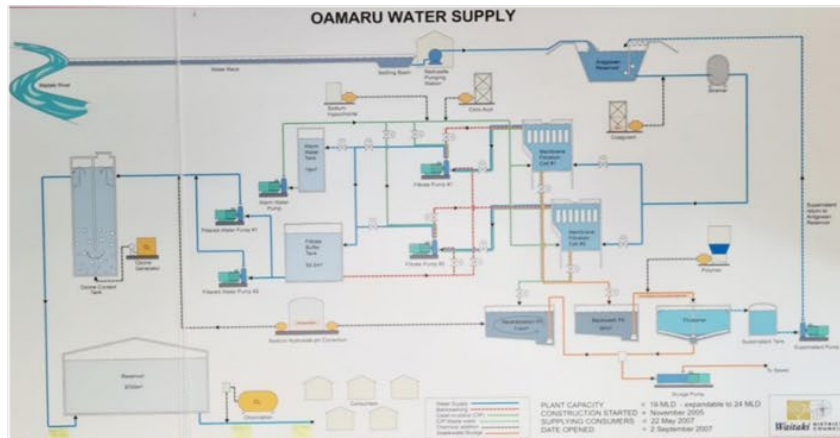


New Council Taken on a Magical Waitaki Tour – Part 2: Oamaru and Corriedale Wards

Having carried out our tours of Waihemo and Ahuriri at the end of January, we managed to complete our explorations of Waitaki when we visited sites of significance in Corriedale and Oamaru at the end of March. Once again, it was good to get out and about with our governance team and management to look at some of the topical issues facing us.

There were a number of highlights and, even for the longer-serving members amongst us, the opportunity to visit places we had not been to before. The tours give a different context to discussions we have in the Council Chamber, and they show just how important it is for us to keep in touch with the many aspects of our community and their areas.

Scenes from the Oamaru and Corriedale Tour





Workshops and other issues

I think my disappointment was shared by Councillors, when we received copies of the letter signed by former Mayor, Alex FAMILTON and six former Councillors. The letter in itself was not too critical in its call for fewer workshops to be held excluding the public, which is something I am okay with. That disappointment was due to the fact that, prior to the receipt of the letter, not even one of those people had felt the issue important enough to contact me or our Councillors. Add to that the fact that there has been no policy change in how workshops are held, at least since most of the signatories had been on Council, there was a definite taint of hypocrisy that came with the letter.

I have been on record numerous times speaking about just how busy local government has become. The current government has launched many reforms over its five or so years in office, and they bring with them a heavy workload and responsibility for our Governance Team to keep up to date on the reforms and other challenges that are being piled onto us. Having experienced six terms of Council, I can say categorically that there has not been a Council since 2001 that has been inundated with as much work and information as this last one. I suspect that is true for Councils everywhere, such is the range of work and the pace of change we are experiencing.

To the specific point of having workshops in public, I actually have very few qualms about that. Some should and will continue to exclude the public, as it is unfair to discuss particular people in public such as those applying for directorships etc, and it is definitely against the public interest to discuss tender details that often include financial details or contract terms that give competitors an unfair advantage. But generally, workshops are probably a lot less interesting than some of the people who label them 'secret meetings' might imagine, and it would not be an issue to allow members of the public to attend them.

We can work on allowing that access to most workshops and see if that adds to the public understanding of what Council does and what goes into keeping ourselves up to speed and

informed. I suspect that even some of the most vocal ones still will not attend, just as some of them do not bother watching live-streamed meetings or reading publicly available agendas. But if there are people genuinely interested and if it ultimately encourages good people to stand for Council so they can contribute to our district, then it will be a good result.

Warm regards



Gary Kircher
Mayor for Waitaki

MEETINGS ATTENDED BY MAYOR GARY KIRCHER

27 February	Mayor and Deputy Mayor Meeting
27 February	Mayor and Chief Executive Meeting
27 February	Council and Omarama Airfield Ltd Shareholder Meeting
27 February	Strategy Session for Governance Team
27 February	Meeting with Waitaki District Health Services Ltd Chair & CEO
28 February	Real Radio Interview
28 February	Council Meeting and Performance and Audit Committee Meeting
28 February	Councillor briefing
28 February	Grants and Awards Sub-Committee meeting – Waitaki Heritage Fund
1 March	NZCT A20 Business Case Meeting at MBIE, Wellington
2 – 3 March	Rural & Provincial Sector Meeting
7 March	Real Radio Interview
7 March	Council Workshops
7 March	Councillor briefing
8 March	Museum/Archive Opening Stage 2
8 March	Citizenship Ceremony
9 March	Meeting with the Community Board Chairs
9 March	Meeting with Ministry of Social Development Steph Voight & Jenny Howden
10 March	All in for Arts: He waka toi e eke noa nei tatou presentation
10 March	Meeting with Creative NZ Board Chair – Caren Rangi
11 March	WAJAX Competition
11 March	Friendly Bay Family Fun Day
11 March	WAJAX Dinner and Awards Night
13 March	Mayor and Deputy Mayor Meeting
13 March	Mayor and Chief Executive Meeting
13 March	Governance Team Strategy Session with ELT
13 March	Ahuriri Community Board Meeting
13 March	Discussion with the Kurow Medical Trust
13 March	Waitaki Sports Awards
14 March	Real Radio Interview
14 March	Council Meeting and Workshops
14 March	45 South TV Interview
14 March	Councillor briefing

14 March	Walkabout re Market area and Carpark area
15 March	Podcast Interview with Peter Rae
15 March	Meeting with ratepayer
15 March	Podcast Interview with Peter Rae
16 March	Draft Agenda Meeting
16 March	Meeting regarding Houseboat issues
16 March	Otago Civil Defence Emergency Management Joint Committee Meeting
16 March	LGNZ Leaders Meeting – via Zoom
16 March	Meeting with Otago Regional Council Chair Gretchen Robertson and Andrew Noone re public transport
16 March	Otago Mayoral Forum Dinner Meeting
16 March	Otago Mayoral Forum Meeting
16 March	Mayor and Chief Executive Meeting
17 March	Meeting with OWCT representative
17 March	Council Activity Update
17 March	Council Workshops
21 March	Otago Regional Leadership Group Meeting - via Zoom
21 March	The Breeze Radio Interview
22 March	Mayor and Deputy Mayor Meeting
24 March	Councillors' bus tour – Oamaru/Corriedale Wards
27 March	Real Radio Interview
27 March	Council Meeting; PAR Committee Meeting; Grants & Awards Sub-Committee Meeting – Community Grants
28 March	45 South TV Interview
28 March	Councillor training – Risk & Procurement; Councillor briefing
28 March	Performance and Audit Committee Meeting
28 March	Community Group Grants Sub-committee Meeting
28 March	Mayor and Chief Executive Meeting
28 March	Project Reclaim Meeting - Hampden
29 March	Meeting with Steampunk Committee
29 March	Meeting with Multicultural Waitaki Chair
30 March	Stronger Waitaki Management Meeting
30 March	Variety Concert Fundraiser
30 March	Mayor and Deputy Mayor Meeting
4 April	Governance Team IOD Governance Training
4 April	Project Reclaim Meeting – Kakanui
5 -13 April	One-on-one meetings with each Councillor
5 April	Project Reclaim Meeting – Oamaru Opera House
6 April	Interview with Waitaki App
11 April	Real Radio Interview
11 April	45 South TV Interview
11 April	Meeting regarding public transport with Cr Linwood, Comm Dev team & CCS
11 April	Annual Plan session – Livestream with Cr Hopkins
12 April	Harbour Area Sub-Committee meeting, Workshops, Councillor briefing
13 April	LG Three Waters Reform briefing with Minister McAnulty
13 April	Meeting with Whalan Lodge Trustees
13 April	Discussion with spokesperson re public transport
14 April	Annual Plan session in Palmerston
14 April	Podcast interview with Hayden Meikle
16 April	Annual Plan session at Oamaru Farmers' Market
17 April	Mayor and Deputy Mayor Meeting
17 April	Draft Agenda Meeting
17 April	Forward Planning Meeting
18 April	Council Workshops and Training session

18 April	Councillor Briefing
18 April	Annual Plan Livestream
19 April	New Dunedin Hospital Local Advisory Group Meeting
20 – 21 April	LGNZ Zone 5 & 6 Meeting
21 April	Presentation to Waikato Mayoral Forum
21 April	Annual Plan session in Kurow
23 April	Annual Plan session Oamaru Farmers Market

5 RECOMMENDATIONS FROM COMMITTEES REPORTS

5.1 RECOMMENDATIONS OF THE PERFORMANCE, AUDIT AND RISK COMMITTEE MEETING HELD ON 28 MARCH 2023

Author: Ainslee Hooper, Governance and Policy Advisor

Authoriser: Lisa Baillie, People and Transformation Group Manager

Attachments: 1. Updated Procurement Policy for Council Adoption

5.1.1 TREASURY STRATEGY, 2022-23 FINANCIAL YEAR - FOURTH QUARTER

RESOLVED PAR 2023/020

Moved: Cr Jim Hopkins

Seconded: Deputy Mayor Hana Halalele

That the Performance, Audit and Risk Committee recommends:

That Council adopts a Treasury Strategy for the fourth quarter of the 2022-23 financial year, which includes:

- Continuing to monitor available cash and projecting future cash requirements;
- Continuing to liaise with the Local Government Funding Agency (LGFA) to ensure Council's ability to function and to deliver on behalf of the community is not impeded by a lack of funds;
- Obtaining advice from Bancorp Treasury Services on a number of key projects in addition to ensuring compliance with policy limits; and
- Investing funds considered surplus to immediate requirements based on current forecasts to best advantage to maximise returns.

CARRIED

5.1.2 UPDATED PROCUREMENT POLICY

Additional Officer Comments:

Following review at the Performance, Audit, and Risk Committee, further wording has been added to confirm that the completion of a business case should be considered when undertaking a procurement with a spend value under \$200,000.

A clean copy of the updated policy is attached to this Recommendations from PAR Committee Agenda report.

A tracked changes copy of the Policy has been provided separately (via Convene) to the Governance team for ease of reference.

RESOLVED PAR 2023/021

Moved: Mayor Gary Kircher

Seconded: Deputy Mayor Hana Halalele

That the Performance, Audit and Risk Committee recommends:

That Council:

1. Approves and adopts the updated Procurement Policy; and
2. Develops some reporting metrics of procurement performance and adherence to policy in six months' time for presentation to the Committee Meeting.

CARRIED



Procurement Policy

Policy Owner	Finance and Corporate Development Group Manager	Version	Version 2.4 (V3.0 upon adoption)
Policy Contact	Risk & Procurement Advisor	Last Reviewed By	Risk & Procurement Advisor and Finance and Corporate Development Operations Manager
Approved By	Chief Executive	Last Reviewed Date	09 March 2023
Name	Alex Parmley	Signature	
Approved Date		Date of Next Review	1 March 2024 (pre-LTP)

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Purpose

This policy defines Waitaki District Council's approach to the procurement of all works, goods or services to support the community in an affordable and efficient manner. It provides a standardised approach to procurement for all Council departments.

The principles described in this policy promote the fair and equitable treatment of all potential suppliers and meet Council's business requirements. The policy is underpinned by procedure documents that outline the procurement process that is expected to be followed.

This Policy must be read in conjunction with the Tender Procedures, Quotation Procedure, and Financial Delegations Register. These can be found in the Related Documents section of this policy.

Scope

This policy applies to all procurement activity completed by Waitaki District Council, with the exception of activity detailed below.

The following activities are out of scope:

- a) Internal procurement being the procurement of services by one part of Council from another part of Council.
- b) Procurement in the case of a Civil Defence Emergency or Business Continuity Event.
- c) Procurement completed by Council Controlled Organisations.
- d) Procurement completed as part of an insurance claim.

Background

As a public entity, employees and representatives of Waitaki District Council (Council) must have, and be seen to have, the highest standards of honesty, propriety and integrity in meeting their obligations to the community. To enable this Council will follow a Procurement Framework to ensure that it obtains best value for money for the services and goods it buys.

Strategic Alignment

Council's Procurement Policy has been shaped by the following legislative/strategic priorities:

- a) Public accountability - Council is publicly accountable for the use of its funds.
- b) Strategic alignment - Council's strategic focus is to ensure that Waitaki is "The best place to be!". Areas critical to the achievement of this vision are "Prosperous District", "Strong Communities" and "Quality Services". Enhancing Council's financial position is imperative.
- c) Reputation protection - Supporting the fair and equitable treatment of all potential suppliers to Council, which enhances Council's reputation.
- d) Guidance from the OAG - [Good Practice Summary: Procurement \(oag.parliament.nz\)](https://www.oag.parliament.nz/publications/good-practice-summary-procurement) and [Government Procurement Rules | New Zealand Government Procurement and Property](https://www.oag.parliament.nz/publications/government-procurement-rules)
- e) Sound business practice – the need for confidentiality through the procurement process to preserve competition and realise true value for money. Ref section 14(1)(f) LGA 2002: [legislation.govt.nz](https://www.legislation.govt.nz)

POLICY PRINCIPLES

Generally Accepted Principles

Council will carry out the procurement of works, goods and services in a manner that will support Council's community outcomes, agreed levels of service, organisational goals and its values.

Council will be clear about the overall objective, value and risk of the procurement, and select a procurement method that will provide the best value for money.

Council's procurement is governed by the following key principles:

- **Accountability** - Council will be accountable for its performance and be able to give complete and accurate accounts of the use to which it has put public funds.
- **Openness** - Council will be transparent in its administration of funds, both to support accountability and to promote clarity and shared understanding of respective roles and obligations.
- **Competition** - Council will follow best practice procurement processes that encourage innovation and promote competition to yield improved results.
- **Collaboration** – Council will work together, across departmental and agency boundaries to improve outcomes.
- **Value for money** - Council will use resources effectively, efficiently, economically and without waste, with due regard for the total costs and benefits of an arrangement, and its contribution to the outcomes Council is trying to achieve. The principle of value for money for procuring goods or services does not necessarily mean selecting the lowest price but rather the best possible outcome for the total cost of ownership (or whole-of-life cost).
- **Lawfulness** - Council must act within the law and meet its legal obligations.
- **Fairness** - Council has a general public law obligation to act fairly and reasonably. It must be, and must be seen to be, impartial in its decision-making.
- **Integrity** - Anyone who is managing public resources must do so with the utmost integrity.

Open and Fair Competition

Open and fair competition between suppliers supports Council's commitment to obtaining best value for money and ensuring transparency, probity and ethical behaviour.

It is the responsibility of the business area (procuring the goods/services) to ensure:

- a) The procurement method and approach promote competition and are appropriate for the specific procurement;
- b) Staff involved in the process have up-to-date knowledge of the market and Council's requirements;
- c) Potential suppliers are:-
 - i. provided with consistent information and opportunity; and
 - ii. evaluated against defined criteria; and (check criteria defined)
 - iii. expected to bare minimal/reasonable cost for participating in the procurement process; and
- d) Specifications and tender documentation will not be prepared to favour or disadvantage particular suppliers.

Transparency, Probity and Ethical Behaviour

Council conducts its procurement processes with the highest regard for transparency, probity, equity, and ethical behaviour such that:

- a) Goods and services will be procured for authorised business purposes only and not private use, in accordance with external legislation and/or obligations as well as Council's policies and procedures;
- b) Confidentiality will be maintained in all dealings within legislative constraints – e.g. Local Government Official Information and Meetings Act;
- c) Conflicts of interest (potential, perceived or actual) and personal/business relationships will be disclosed and dealt with in accordance with Council's Conflicts of Interest Policy;
- d) Gifts, gratuities or any other benefits that may influence (or be perceived to influence) the procurement process will be declined;
- e) Accurate and sufficiently detailed records will be kept to document the process, justify the outcome and provide an audit trail for regular review; and
- f) In the event of a perceived or actual conflict of interest, the relevant staff member or involved personnel may be excluded from aspects of the procurement process as appropriate in accordance with Council's Conflicts of Interest Policy.

Value for Money

Officers should adopt a 'value for money' approach when procuring goods or services. Value for money means the best possible outcome for the total cost of ownership including the cost of the procurement process relative to the cost of the goods or services procured. Value for money does not necessarily mean selecting the lowest price. Rather, officers should achieve the right quality, quantity, and price, at the right place and time. Care should be taken to ensure that unreasonable risk is not assumed in pursuit of the lowest "whole of life" cost. This policy is flexible; where the approach detailed in the policy may not deliver best value for money, an exemption can be approved by an Executive Team Member independent of the procuring department.

Sustainability, Social Value and Local Supply

Broader Outcomes are the secondary benefits that are generated from the procurement activity. They can be environmental, social, economic or cultural benefits. Where appropriate, suppliers may be evaluated against criteria that provide broader outcomes, such as sustainability, social value and local supply.

Risk Management

Risk Management is a primary consideration and potential risks will be identified, analysed, evaluated, treated and monitored across the procurement process. Risk management is the responsibility of the business area (procuring the goods/services).

Council has no tolerance for losses (this includes financial loss and loss of reputation) through fraud or impropriety. As such, risks associated with fraud should be identified and managed appropriately.

Responsible Financial Management

Council will exercise responsible financial management in all procurement processes such that:

- a) Council funds will be used appropriately, and effort will be made to contain the costs of the procurement wherever possible;
- b) Procurement activities will not be initiated without confirmation that funds are available within an approved Council budget;
- c) Staff will not authorise or approve expenditure of Council's funds in excess of delegation; and
- d) The performance of ongoing contracts will be monitored and evaluated to ensure continued value for money for Council.

Public Law Considerations

The Council is a public body and as a public body its tendering process can be scrutinised by judicial review. Judicial review is the mechanism used by the Court to ensure that public bodies adhere to higher standards of decision making than private organisations. Officers should always take account of the risk that its procurement actions and decisions could be subject to judicial review, or a complaint to an Ombudsman, the Office of the Auditor-General, or the Serious Fraud Office.

Council's fundamental public law obligation is always to act fairly and reasonably, and in accordance with the law. This imposes a higher standard of conduct than that which applies in the private sector.

Activity Approval

The table below details the approvals required for different stages of procurement activity.

Approval Required	Who can approve
Procurement/Project Initiation	In accordance with financial delegations – starting with procuring department's manager and moving one-up if spend exceeds delegation Spend level over \$1,500,000 must be approved in principle by Elected Members.
Business Case	Procuring Officer's Unit Manager
Procurement Plan	Procuring Officer's Unit Manager
Successful Supplier/Contract Award	In accordance with financial delegations – starting with procuring department's manager and moving one-up if spend exceeds delegation
Cost Variation from Initial Estimate	>15% variation must be reviewed and approved by the Risk & Procurement Advisor, procuring department's General Manager, and an independent ELT Member.
Contract Variation	Where a variation will result in a spend level of $\leq 20\%$ of the original contract value, this can proceed where financial delegation allows. Approval will need to be sought where the original procuring officer's financial delegation does not allow for the price increase. (Delegation must be for the full contract amount + variation, not just the variation value). For a variation of $>20\%$ of the original contract value, reasons for variation as opposed to tendering for a new contract must be documented, with evidence. A request can then be made for Overspend Variation Approval by gaining initial approval from the procuring

	department's General Manager, then passed to an independent ELT Member with the appropriate financial delegation for final approval.
Exemption Request – Quotation Procedure (>\$10k-<=\$200k)	Procuring officer's direct manager (within financial delegation) If spend exceeds direct manager's financial delegation, further one-up approval is required
Exemption Request – Tender Procedures (>\$200k)	Obtain initial approval from procuring department's General Manager and final approval from ELT Member independent of procuring department (within financial delegation)

Note:

Approving managers take on accountability in the approving process. Managers should ensure that where an approval is granted this is backed up by strong reasoning and/or evidence which is saved for audit trail purposes.

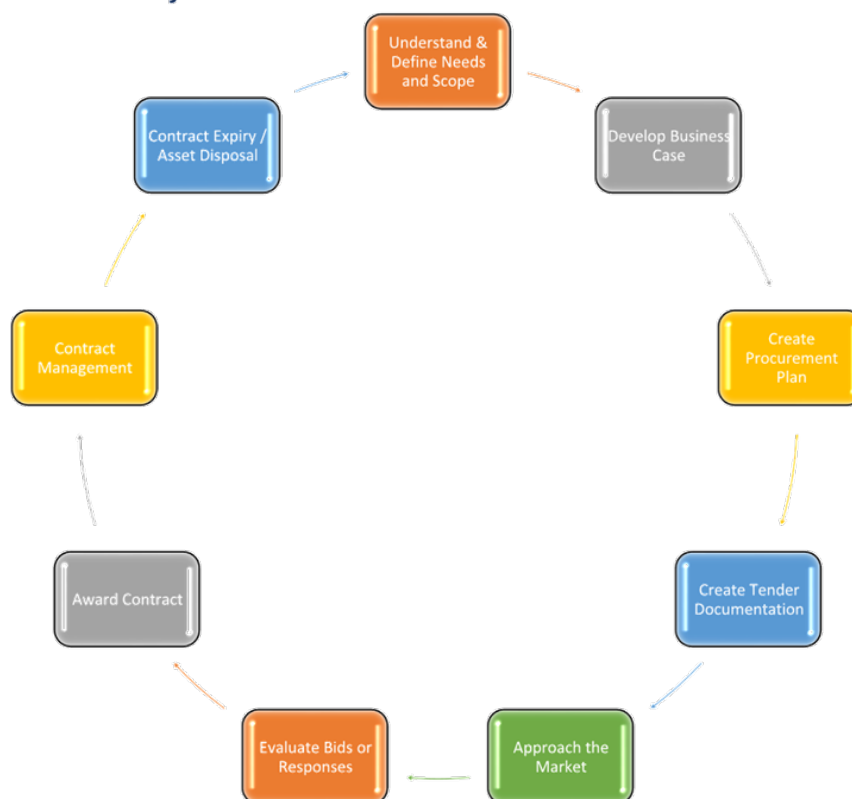
PROCUREMENT PROCESSES AND PRACTICES

PROCUREMENT CONSIDERATIONS AND PLANNING

What is Procurement?

Procurement includes all the processes involved in acquiring and managing goods and services from a supplier. Procurement spans the whole cycle from the identification of needs to the end of a service contract or the end of the useful life and subsequent disposal of an asset.

The Procurement Cycle:



Understanding Business Needs

Prior to starting any procurement activity, Council's needs should be analysed. Understanding what is required and, in addition, what is desired will support decision making as the procurement process is progressed. The Quotation Procedures and all Tender Procedures provide further detail on this step.

Estimating Cost

The cost of a procurement must be estimated, and the correct procedures followed. Where an estimate is close to the upper limit of one of the spend categories, the risk profile of the procurement should be considered in deciding whether to apply the procedures for a higher spend procurement.

For example:

Council is looking to procure essential services and will award a contract spanning several years. The estimated spend is \$495,000. As the services are essential and will be provided for a number of years, the risk profile of this procurement would suggest the procedures for >=\$500,000 are used in this instance. This also provides a buffer if the actual price exceeds the estimate.

Using Procedures

Following the correct procurement procedures enables Council to achieve the best procurement results whilst reducing risk.

Each procedure level is listed by value in the table below. Consideration should always be given to the risk profile of the procurement and a decision made as to whether the next level of procedure should be used e.g., a procurement with a spend level of \$80,000 but with high interest and focus from the local community may require the use of a tender procedure if this will attain the best value and ensure risks are adequately managed.

Level of Spend (exc. GST)		<= \$10,000	>\$10,000 - <=\$200,000	>\$200,000 - <=\$500,000	>\$500,000 - <=\$1m	>\$1m	Prof. Services <=\$50,000	Prof. Services >\$50,000
Procedures	Purchasing Procedure	✓	✗	✗	✗	✗	✓	✗
	Quotation Procedure	✓	✓	✗	✗	✗	✓	✗
	Level 1 Tender Procedure	✓	✓	✓	✗	✗	✓	✓
	Level 2 Tender Procedure	✓	✓	✓	✓	✗	✓	✓
	Level 3 Tender Procedure	✓	✓	✓	✓	✓	✓	✓

Key	
✓	Procedures must be used for level of spend
✓	Procedures should/could be used where the procurement activity is considered high risk or costs may exceed estimated spend
✗	Procedures should not be used unless an exemption is approved

All purchases must be made in accordance with purchasing procedures. A Purchase Order (PO) should be raised for all goods, services, or works where a formal contract is not in place. Formal contracts must be stored in the Contracts Register for the PO exemption to apply and the payment to be processed by Finance.

Quotations

Procurements with a spend of >\$10,000 - \$200,000 require three quotes to be obtained and evaluated. All quotes received must be written. The method of evaluation of quotes must be decided upon prior to requests being sent to firms. Quotation Procedures must be followed when undertaking this activity.

Business Case

All procurements costing \$200,000 (GST exclusive) or more require a business case. Where a procurement costs less than \$200,000, but is complex or of high importance, consideration should be given to completing a business case.

The scale and complexity of the business case should be proportionate to the risk and value of the procurement. In some instances, a preliminary business case or equivalent document may be used in the early stages of a particularly large or complex procurement. This will then be refined and transformed as the procurement/project continues.

A Business Case Template is linked in the Templates & Tools section of this policy.

Procurement Planning

All procurement activity should be planned in accordance with business needs. A decision should be taken by the department or person completing the procurement as to whether a request for quote, tender or proposal is required. Procedures for each level of procurement are linked in the Related Documents section of this policy.

All procurements costing \$200,000 (GST exclusive) or more require a Procurement Plan. As found in the Procurement Plan Templates, plans should include the following:

Procurement Plan Templates are linked in the Templates & Tools section of this policy.

Tender Documentation

Tender documentation should be produced in line with this policy and the relevant procedure. Procuring officers are encouraged to use available templates to produce tender documentation, however, these are not a requirement. Minimum standards are detailed in procedure documentation.

Changes to scope or requirements

Where the scope or requirements of a procurement change, the action taken by Council is dependent on a number of factors, including at what stage the change is identified and the value and risk associated with the activity.

When change is identified	Acceptable Actions	Considerations
Prior to inviting suppliers to provide quotes, tenders or proposals	Update specification or requirements	Consider how this impacts total spend – if this takes the spend into another category the correct procedural documentation must be used (e.g., from <\$10,000 to >\$10,000)
Once procurement has been advertised/ suppliers have been engaged, but prior to deadline	Update specification or requirements	Consider how much more time the suppliers will need to respond to the new requirements. Ensure that all participating suppliers are notified at the same time.
After responses have been received to original request, but prior to evaluation	Consider updating specification or requirements based on materiality	Consider how to approach suppliers fairly and how the integrity of the process will be preserved if the requirements are changed at this stage. Consider the additional spend and whether, had this been advertised originally, additional suppliers may have responded with a bid. Obtain approval from one-up manager with appropriate financial delegation.

After contract awarded – Contract Variation	Variations may be considered. If material (i.e., over 20% of initial contract), consider new tender or, where best value can be gained through contract variation, refer to the Risk & Procurement Advisor, and seek approval from your Executive Team Member, followed by final approval from an independent Executive Team Member.	Consider the additional spend and whether this materially changes the requirements or specification. Achievement of 'best value' should be considered in these scenarios and detailed reasoning for decisions made should be documented and saved with relevant project/procurement information. For a contract variation of ≤20%, approval can be provided by a one-up manager with appropriate financial delegation. For a variation of >20%, approval must be sought from the relevant Executive Team Member and an independent Executive Team Member, following referral to the Risk & Procurement Advisor. In all cases, detailed reasoning and consideration of other approaches must be documented in the approval request. All requests and responses must be saved for audit trail purposes. Consider risks, such as reputational damage, prior to making a final decision. Approval can only be granted if within the approver's financial delegation.
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Third Party Agents/Consultants

Council may use an agent to act on its behalf in procurement activities. This does not change the basic obligation on Council. Even if from the private sector, an agent, when acting for Council, must meet the same standards of good procurement practice.

Council will not engage any agent to provide advice or act on its behalf if the agent has a commercial interest in the contract opportunity. Any potential or actual conflicts of interest should be raised immediately and escalated to the Finance and Corporate Development Group Manager.

Subcontracting

Council requires all suppliers to meet the same standards through sub-contracting as they would in fulfilling the contract themselves. It is in the planning stage that Council should decide whether subcontracting is acceptable for the procurement in question. Following receipt of tenders this decision can be reconsidered if appropriate.

Technical Specifications

When defining technical specifications or prescribing conformance requirements, these must not be written in a way that creates unnecessary obstacles for suppliers.

Where appropriate, technical specifications must be based on:

- a. performance and functional requirements, not on design or a prescribed licensing model or a description of their characteristics, and/or

- b. international standards where they exist, otherwise the appropriate New Zealand technical regulations, standards, or building codes.
- c. specific item detail where compatibility is required with existing infrastructure or assets.

Procurement of professional services

Any procurement for the engagement of professional consultants and independent contractors that is valued at over \$50,000 (GST exclusive) must follow the tender procedures and have a procurement plan, to ensure that Council acts in accordance with the key principles in this Policy. Direct appointment can be utilised for procurement for the engagement of professional consultants and independent contractors that is valued at under \$50,000 (GST exclusive). Where appropriate the quotation procedure, or tender procedures should be utilised.

Officers may utilise Panels to engage suitably qualified professional consultants and independent contractors as this enables a streamlined process. Further detail on Panels is documented later in this policy.

APPROACHING THE MARKET

Open Advertising

In general, Council aims to openly advertise contract opportunities. This may be through the Government Electronic Tenders Service (GETS) website, or via a different solution suitable for the type of procurement and its associated cost. It should be noted that advertisement on GETS is encouraged as this is a free service for Council and suppliers.

When advertising on GETS, Government Procurement Rules 36, 37 and 38 should be followed. These can be found in the Government Procurement Rules [here](#).

Closed Tenders

In some cases, the type of service, goods or works to be procured may mean that an open call for tender or proposal is not practicable or cost-effective or may not produce the best procurement outcome. In these cases, a closed tender may be the preferred procurement method. In order to minimise the risk that a better source of supply may be missed, officers will document the reason for pursuing a closed tender such that the following conditions are satisfied:

- Appropriate market research has identified that the goods or services are only available from a few suppliers;
- The public entity can demonstrate that it is not practical or cost-effective to conduct an open tender or proposal; or
- There is genuine limited time for the procurement process, and it is not limited because a contract is due to expire without having been properly managed in good time.

These details can be documented in a Non-standard Procurement Report. Once documented, the reason should be supplied to a one-up approver independent of the procurement activity – this could be the procuring officer's direct manager if they have had

no prior involvement in the procurement. Approval must be documented and saved for audit trail purposes.

Multi-stage tenders

A multi-stage tender is an appropriate procurement method where Council wishes to limit the number of tenders or proposals or is unsure about the size of the market.

When deciding whether to use a multi-stage open tender or proposal process, the following must be considered:

- the value and risk associated with the procurement;
- the degree to which the entity is able to specify the requirement;
- the number of available suppliers and current market conditions;
- whether the entity is looking for innovative solutions; and
- the cost and resources required of both the entity and the potential suppliers.

Sufficient Time

Council must allow sufficient time for suppliers to respond to requests for quotes, tenders or proposals.

Officers must take into account:

- The nature and complexity of the procurement
- The type of information and level of detail suppliers need to provide
- The level of risk
- The nature of the goods, services or works
- The extent of any subcontracting
- The time it takes for domestic and foreign suppliers to submit tenders

No supplier can be given more or less time than any other supplier. Council may accept a late response if the delay was solely Council's fault.

Suggested timescales can be found in procedural documentation linked in the Related Documents section of this policy.

Supplier Panels

In order to achieve best value for ratepayers, Council may employ the use of Supplier Panels for the procurement of goods, services or works. Panel procurement can be completed up to \$200,000 exc. GST, per transaction with anything over \$200,000 requiring the use of the Tender Procedures.

When establishing a panel, each department must follow the Supplier Panel Procedures, ensuring the following steps are taken: :

- Open advertisement of the opportunity, including required detail as listed in the Supplier Panel Procedures;
- Upfront definition of evaluation method and ideal number of suppliers on the panel;
- Effective, informed evaluation of suppliers before appointment to the panel;
- Agreement of panel approach to secondary procurement; and
- Nomination of a panel manager to monitor performance and distribution of work.

Supplier Panel Procedures are linked in the Related Documents section of this policy.

Contact with potential suppliers during procurement

Informal communication between evaluation personnel and potential suppliers could prejudice the integrity of the evaluation. Officers must ensure that all communications take place on a formal basis.

Confirmation from suppliers that they have not canvassed any member, director, employee, or adviser of the entity in connection with the proposed award of the contract, and that they will not do so during the tender process can be covered off with an 'Appropriate Contact Agreement' which can be included with tender documentation for suppliers to return. This is linked in the Templates & Tools section of this policy. Specific provisions would allow Council to disregard any tender from a supplier who is found to have attempted to influence the process outcome in such a way.

Particular care should be exercised with regard to contact with any current supplier when they will be tendering for a future contract.

EVALUATION AND CONTRACT AWARD

Evaluation team

For all procurements following the tender procedures, an Evaluation Team will be established. The procuring department or officer will ensure the composition of the evaluation team is determined at the planning stage of the procurement. The panel will comprise suitably qualified personnel to undertake the procurement activity. The size and membership of the evaluation team will depend on the value, complexity, and risk of the procurement.

An evaluation team member may hold multiple positions where appropriate i.e., they may hold the position of a person with commercial expertise and a person with technical expertise.

Spend Level	Team Constitution
>\$200,000 - <\$500,000	- Suitably qualified personnel (based on value, complexity and risk of the procurement), including where possible: <ul style="list-style-type: none">• an officer with procurement knowledge, who ensures that the evaluation process is managed in a fair, robust, and defensible manner, and who understands the rules of the evaluation and ensures that they are followed;• a person with commercial or financial expertise;• a person with appropriate technical expertise; and• A chairperson (who should be appointed from within the team).
>\$500,000 - <\$1,000,000	- Suitably qualified personnel (based on value, complexity and risk of the procurement), including where possible: <ul style="list-style-type: none">• an officer with procurement knowledge, who ensures that the evaluation process is managed in a fair, robust, and defensible manner, and who understands the rules of the evaluation and ensures that they are followed;

	<ul style="list-style-type: none"> • a person with commercial or financial expertise; • a person with appropriate technical expertise; and • A chairperson (who should be appointed from within the team). <p>- Member from a department other than the procuring department</p>
>\$1,000,000	<p>- Suitably qualified personnel (based on value, complexity and risk of the procurement), including where possible:</p> <ul style="list-style-type: none"> • an officer with procurement knowledge, who ensures that the evaluation process is managed in a fair, robust, and defensible manner, and who understands the rules of the evaluation and ensures that they are followed; • a person with commercial or financial expertise; • a person with appropriate technical expertise; and • A chairperson (who should be appointed from within the team). <p>- Representative from the Finance and Corporate Development group</p> <p>- Consideration to including a member from an external business entity where that entity is believed to provide expertise, diversity and/or insight that would benefit the procurement activity and increase value.</p>

The details of the evaluation team should be included in the Procurement Plan.

Treatment and Evaluation of Responses

Council must guarantee that all suppliers' responses are treated fairly. This includes receiving, opening and evaluating responses.

The procuring Department will identify and document the evaluation model during the procurement planning. The Procurement plan will document the reason why it chose that evaluation model.

The evaluation model will be set out in the procurement documents so that suppliers know how the tender or proposal will be evaluated. The evaluation criteria will be detailed enough to enable the assessment of the relative strengths and weaknesses of each respondent.

When selecting an evaluation model, officers should consider a model that is appropriate to the specific needs of the procurement activity. The following evaluation models are for consideration:

- The lowest-price conforming model
- The weighted-attribute model
- Price Quality Method (PQM)
- The target-price model
- The Brooks' Law model

Details of these models can be found in procedural documentation.

To be considered for an award of contract, a supplier must submit a response in writing, either electronically or paper-based.

Responses received after the deadline will not be considered unless the delay is solely Council's fault.

Where spend does not exceed \$50,000 and variance between bids is $\leq 5\%$, preference will be given to local suppliers.

Due Diligence

Council requires due diligence checks of the preferred participants for all high value, high risk, or complex procurements to ensure that the participant has the capacity and stability to fulfil all the requirements of the contract. Due diligence activity should ensure that the supplier meets all the necessary legal and regulatory requirements where these apply.

The need for due diligence will be documented in the tender or proposal documents to ensure tenderers are aware of the process and potential timing.

Post-evaluation Negotiations

Council supports post-evaluation negotiation as an effective tool to manage risk and seek to achieve cost reductions without compromising on quality. From Council's perspective, the primary objective of the negotiations should be to:

- test the understandings and underlying assumptions that have influenced a participant in preparing the costs; and
- achieve a reduction in costs, where appropriate.

Council will negotiate first with the highest ranked participant. If the outcome is unsatisfactory, Council will then negotiate with the next highest ranked participant, and so on down the list until a satisfactory outcome is achieved.

Concurrent negotiations may be required in limited circumstances. Concurrent negotiations must be approached with care to ensure that they remain fair.

The final outcome of the negotiations should be recorded in writing and included in the contract.

Variation Between Estimated Price and Received Bids

Council will allow a certain level of variance between initial cost estimates and received bids or quotes. A variance of $\leq 15\%$ (exc. GST) can proceed without further approval.

Where price is the only deciding factor outside pre-conditions, once all bids have been received, they should be immediately opened and reviewed against the estimate. Where all quoted prices exceed the estimate by $>15\%$, approval to continue should be sought in accordance with the table below.

In the event that non-price attributes are evaluated prior to the opening of price quotations, the evaluation should proceed until a successful bidder has been decided. Where the winning bid has a variance of $>15\%$, detail of the other bids along with evaluation criteria and scores, should be provided to the Risk & Procurement Advisor, procuring department's Executive Team Member, and an independent Executive Team Member for review and, where deemed appropriate, approval.

The following table shows the actions that are acceptable in each circumstance:

Variance from estimate	Action
<=15%	This level of variance is acceptable, and bids can be assessed in accordance with procurement plans.
>15%	This level of variance should be reviewed and, if found to be reasonable, a request for approval of variance should be reviewed by the Risk & Procurement Advisor, receive initial approval from the procuring department's Executive Team Member, and receive final approval from an independent Executive Team Member where delegation allows. Chief Executive approval is required where financial delegation for Group Managers is exceeded.

Suspending or cancelling a tender process

Council will reserve the right to cancel or suspend a tender where appropriate. Generally, this will be a result of an emergency situation or where the business case for the procurement is no longer valid i.e. the procurement is no longer of any value. Council will advise tenderers upon their participation in the tender of Council's rights to cancel or suspend a tender. Where a procurement activity will be cancelled, Council will communicate equally with all tenderers advising of the termination.

Where a tender is suspended, Council will communicate with each tenderer advising of the suspension duration and for the need to maintain the procurement terms and agreements.

Awarding the Contract

The Chair of the Evaluation Team or an alternate officer of the team will document the procurement outcome and make a recommendation on the preferred tenderer. The recommendation to award the contract will be communicated to an officer with appropriate delegation to authorise the award of the contract. The recommendation of the preferred participant should reflect the outcome of the evaluation process. The recommendation should include enough information to allow the approving authority to understand the evaluation process and the rationale for the recommendation.

The approving authority shall be a one-up approval and within the approver's delegated authority.

If the approving authority rejects the recommendation, they should:

- Clearly document the reason for not accepting the recommendation; and
- Ensure that the reason is legitimate (this would usually be the result of an unforeseen event that was not identifiable earlier in the process).

In the event that the approving authority has concerns or identifies issues in relation to the probity of the process, the matter will be referred to the Finance and Corporate Development Group Manager in the first instance and, where appropriate, to the Chief Executive for advice and action.

The successful participant will be formally notified, and the contract signed.

Officers will lodge the executed contract within Council's contract register to ensure Council remains aware of the contract's expiry date so that it can plan for future provision well before that date.

Notifying and debriefing unsuccessful participants

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Unsuccessful participants are to be notified of the outcome and offered a debriefing. Care should be taken during the debriefing process not to disclose commercially sensitive information that relates to other tenders or proposals.

Debriefing will be delegated only to staff who have the necessary experience and sensitivity to carry it out successfully. The debriefing should include a balanced view of the strengths and weaknesses of the tender or proposal against the evaluation criteria and how the participant can improve, rather than being just a comparison of the participant's strengths or weaknesses relative to the other participants.

POST-AWARD ACTIVITIES

Contractual Considerations

Officers should be aware of, and able to comply with, the relevant law concerning the formation and performance of contracts.

Contracts

Council's own contracts have preference over supplier proffered contract documents. Contracts should be written in a practical, simple and readily understood manner consistent with a realistic assessment of the likelihood of a conflict arising. It is expected that employees involved with contracts will have experience in formulating contracts or have the required level of competency.

Legal advice should always be sought where contracts are negotiated or non-standard or the circumstances are unusual, or the risks associated with the relationship are high.

Standard contract templates are linked in the Templates & Tools section of this policy.

Contract Variations

Contract variations can be considered. If material (i.e., over 20% of initial contract), consider new tender or, where best value can be gained through contract variation, refer to the Risk & Procurement Advisor, and seek approval from your Executive Team Member, followed by final approval from an independent Executive Team Member.

Consider the additional spend and whether this materially changes the requirements or specification. Achievement of 'best value' should be considered in these scenarios and detailed reasoning for decisions made should be documented and saved with relevant project/procurement information.

For a contract variation of $\leq 20\%$, approval can be provided by a one-up manager with appropriate financial delegation for the full spend level (original contract + x%). Where a contract is worth $> \$1.5\text{m}$ and must therefore be awarded by Council, officers should consider requesting a delegation for variations is awarded to the Chief Executive. This approved delegation would allow variations of $\leq 20\%$ to be reviewed and approved by the Chief Executive in order to allow for efficiency in processing variations on high-value contracts.

For a variation of $> 20\%$, approval must be sought from the relevant Executive Team Member and an independent Executive Team Member, following referral to the Risk &

Procurement Advisor. In all cases, detailed reasoning and consideration of other approaches must be documented in the approval request. All requests and responses must be saved for audit trail purposes.

Consider risks, such as reputational damage, prior to making a final decision. Approval can only be granted if within the approver's financial delegation.

Contract Management

Completion of procurement activity will be followed-up by robust contract management. The department responsible for the procurement is expected to ensure terms of the contract are adhered to during the contract by regularly monitoring that the goods or services are delivered:

- on time;
- at the agreed cost; and
- to the required quality.

The department responsible for the procurement will maintain records in Council's document management system of the monitoring and contract management that they have carried out.

Completion and contract review

Where appropriate a formal contract completion process (including debrief) will be undertaken when the contract expires or ends.

Prior to renewing the contract via an appropriate procurement activity, Council will review the contract and past performance to assess how well the objectives have been achieved and determine where it can make any improvements.

NON-STANDARD PROCUREMENT OPTIONS

Aggregated or Joint Procurement Initiatives

Council participates or may participate in a range of shared services or joint procurement activities. When considering these joint initiatives, Council should carefully consider the effects that joint procurement activity could have on the market to ensure that they do not create a monopoly or oligopoly situation.

Negotiated Supply Arrangements

There may be instances where it can be shown that the best outcome for Council, without compromising obligations as to fairness and avoiding monopolies, can be achieved through the negotiation of a longer-term supply agreement. This could include such things as "Alliancing", "Public Private Partnerships" or simply a negotiated contract for a particular (or range of) product or service.

In the event that approval is granted in accordance with spend level and financial delegations, a carefully defined negotiation strategy should be documented along with appropriate decision structures, objectives and "exit strategies".

Where Waka Kotahi co-investment forms part of the project, prior approval from Waka Kotahi would be required.

All of Government (AOG) Contracts

Where an AOG contract is in place, due consideration should be given to whether we should utilise these arrangements. Where this is beneficial, a direct source approach will be used. The following steps should be taken when procuring goods, works, or services via AOGs:

Spend Level (exc. GST)	Action
<=\$200,000	Obtain one-up approval in line with financial delegation.
>\$200,000	Obtain approval from the procuring department's Group Manager, within delegation. Where delegation is exceeded, approval can be sought from the Chief Executive or Governance Team, however, other options such as conducting a tender process, must be considered and detailed in the approval request.

COMPLIANCE

Organisational Compliance and Monitoring

The Risk & Procurement Advisor is responsible for monitoring compliance with this Policy and managing the exemption process.

The implementation of, and compliance with, this Policy and the supporting procedures will be audited as part of Council's internal audit cycle.

Legal Compliance

Legal risks may exist in relation to procurement by Council, and officers should consider seeking legal advice, when necessary, to assess and manage these (and any other) risks.

Officers should seek timely legal advice for any new or unusual contractual relationships – such as those contemplated in negotiated supply arrangements. Compliance with legislation is mandatory in all procurement activity.

Council's governing legislation, particularly the Local Government Act 2002, include obligations to consult with the community or key stakeholders, on significant issues.

If a tender or other procurement process may result in significant changes to the content or level of services being delivered to the community by Council (e.g., Library Services), Council may need to consider the relationship between the procurement process and community consultation obligations.

Insurance Considerations

Assessing the nature of the work or services being procured helps determine the risk exposure to Council and the type and level of insurance cover that may be required by various parties. As there can be many exposures that exist and these are not always obvious, Council as a general principle operates within guidelines recommended by its

insurance brokers particularly in relation to public liability, professional indemnity and contract works cover.

Commercially Sensitive Information

Council should take particular care in its handling of commercially sensitive information.

Confidentiality is a common characteristic of any competitive procurement process. However, Council may face particular risks in its handling of confidential information when it procures goods or services in a statutory context.

Intellectual Property and Copyright

Officers should consider the risks associated with the development of intellectual property in the course of procurement. They should consider the value of any intellectual property ownership, and whether it would be more cost effective to leave ownership with a supplier in return for a lower priced contract.

In any case, Council should:

- identify all intellectual property likely to be developed or created in the course of a procurement, and any background intellectual property;
- seek legal advice on how to secure its continuing right to use intellectual property as required – including in the event that a contract is placed with a different supplier in future; and
- be clear about the difference between what is intellectual property and what is said commercially in confidence.

Liability

When contracting for goods or services, a supplier may try to limit its liability under the contract; for example, it is not uncommon for suppliers to propose limiting liability to an amount that is a multiple of the value of the contract value or fee.

Limiting a supplier's liability within a contract has the effect of exposing Council to liability above the limit within the contract. This may have both direct and indirect costs to Council. The contract needs to be very clear about:

- the scope and limit of the liability;
- the events that might cause liability to be incurred; and
- the number of those events to be covered.

In circumstances where there is a limit on a supplier's liability, associated costs to Council should be taken into account when considering that supplier's goods or services. Without a limit being defined in the contract, the supplier's liability will be determined by the general law.

Officers should be aware of any "hold harmless"/indemnity or "waivers of subrogation" clauses that may be contained in any response or amended within the Indemnity and Insurance sections of contracts or agreements.

Generally, these are detrimental to Council and have the potential to adversely affect Council's insurance programme and or legal rights. Any such waivers or hold harmless

provisions should be referred to the Finance and Corporate Development Group Manager who will determine if legal advice is required.

Accuracy and use of information

Council requires its staff to:

- respect the confidentiality of information received in the course of their work;
- not use this information for personal gain;
- always communicate information accurately, impartially, and in a manner not designed to mislead; and.
- respect the sensitivity of information provided by potential suppliers during the procurement process. Officers must not use confidential information in a way which may influence other potential suppliers.

Technical Compliance

The objective of the technical compliance is to ensure conformance with any technical requirements. For example; IT Governance, IT Security Architecture, Playground Standards or streetscape design documents. It is the responsibility of the business area (procuring the goods/services) to ensure:

- a) Technical requirements are understood and documented appropriately, and that technical approval has been obtained prior to purchase if required;
- b) Where the purchase involves change to business practices the Business Change and Transformation Policy is implemented; and
- c) Where the purchase includes information technology, be it hardware or software, regardless of price, the IT Governance policy, Software Purchase and Change Policy and Device and Equipment Purchase and BYOD Policy must be implemented.

Record keeping

Officers will keep adequate records of key procurement decisions. Good record keeping is a key component that supports accountability and ongoing transparency.

The complexity of the procurement will determine the nature and amount of documentation which is desirable, along with the obligation in the Public Records Act 2005 to maintain full and accurate records in accordance with normal prudent business practice.

In particular, Council should keep sufficient records to show that due process was followed, with officers having due consideration to each offer, and having observed the overall principle of equity and fairness; responded to queries from unsuccessful suppliers; recorded the outcome of meetings or correspondence during the procurement process; provided evidence for audit purposes; and planned any subsequent re-tendering.

FURTHER INFORMATION

Glossary

Item	Definition
Procurement	Business processes associated with purchasing, spanning the whole cycle from the identification of needs to the end of a service contract or the end of the useful life and subsequent disposal of an asset.
Value for Money	Using resources effectively, economically, and without waste, with due regard for the total costs and benefits of an arrangement, and its contribution to the outcomes the entity is trying to achieve.
OAG	Office of the Auditor-General
ICT	Information and Communication Technology
Public-private partnership	An arrangement between a public sector entity or entities (including Council) and a private sector entity or entities for the purpose of jointly or cooperatively undertaking a project for mutual benefit.
Local supplier	A ratepayer of the Waitaki District Council and/or an organisation that employs Waitaki District residents.
Broader Outcomes	The secondary benefits that are generated from the procurement activity. They can be environmental, social, economic, or cultural benefits.
GETS	Government Electronic Tenders Service – a free tendering portal for government procurement.
Hold harmless or indemnity clause	A hold harmless agreement protects business owners from being sued when someone suffers damage, bodily injury, or financial loss on business property or while a service is being provided. If a supplier inserted such a clause into a contract, we would have no legal recourse in the event of any of these incidents occurring.
Waivers of subrogation	A waiver of subrogation prevents an insurer from seeking recovery from a third party for damages paid. In other words, if subrogation is waived, the insurance company cannot "step into the client's shoes" once a claim has been settled and sue the other party to recoup their losses. Thus, if subrogation is waived, the insurer is exposed to greater risk.

Related Documents

This policy is linked to a number of internal documents, which should be read and understood. The related procedure documents represent the minimum standard for procurement activity and should be followed as required. Related documents are listed below:

- Quotation Procedure
- Level 1 Tender Procedure (>\$200,000 - <=\$500,000)
- Level 2 Tender Procedure (>\$500,000 - <=\$1,000,000)
- Level 3 Tender Procedure (>\$1,000,000)
- Supplier Panels Procedure
- Financial Delegations Register
- WDC Financially Assisted Roadway Procurement Strategy

Templates & Tools

Templates have been defined and should be referred to as a minimum standard. Procuring officers are permitted to use different templates where procurement activity requires a more unique approach, however, the detail in templates below should always be included.

All templates and tools can be found at: [Policy, Strategy and Plans - Procurement - All Documents \(sharepoint.com\)](#)

Additional templates can be found at [procurement.govt.nz](#)

6 DECISION REPORTS

6.1 ADOPTION OF UPDATED STRATEGIC FRAMEWORK (2022 - 2025 TRIENNIUM)

Author: Ainslee Hooper, Governance and Policy Advisor

Authoriser: Alex Parmley, Chief Executive

Attachments:

1. Strategic Framework for the 2022-2025 Triennium - proposed for adoption
2. Strategic Priorities for the 2022-2025 Triennium - proposed for adoption

RECOMMENDATION

That Council:

1. Adopts the Revised Strategic Framework for the 2022 – 2025 Triennium; and
2. Directs the Chief Executive to publish the Revised Strategic Framework 2022-2025 Triennium on Council's website and to circulate it to all staff to guide and direct future work programmes to ensure they are aligned to the Framework's Community Outcomes and Strategic Priorities.

DECISION OBJECTIVE

To seek Council's adoption of the Revised Strategic Framework for the 2022-2025 Triennium.

SUMMARY

The attached Strategic Framework for 2022-2025 (Attachment 1) and Strategic Priorities document (Attachment 2) are the collated outcome of a number of workshops held by the Governance and /or Executive Leadership Teams since the October 2022 Local Elections to review the Strategic Framework to set direction and leadership for Council's work throughout the remainder of the 2022-2025 Triennium. They present a revised vision, collective purpose, community outcomes, and strategic priorities that the 2022-2025 Council has agreed will set the direction for Council's future activities. Once adopted, with or without amendments at this meeting, the Strategic Framework 2022-2025 will be published on Council's website and circulated to all staff so that all work programmes can be realigned to the key milestones and outcomes of the revised Framework.

DECISION-MAKING EXPECTATIONS

Governance Decision-Making:	Adoption of the revised Strategic Framework
Operational Decision-Making:	Operational decisions relating to changes to work programmes to align with the revised Strategic Framework
Communications	Media Releases – contributed to by officers and Elected Members Media/public enquiries regarding governance decision-making topics above can be addressed by governance Media/public enquiries regarding operational decision-making topics above can be addressed by officers

SUMMARY OF DECISION-MAKING CRITERIA

	No/Moderate/Key		No/Moderate/Key
Policy/Plan	No	Environmental Considerations	No
Legal	No	Cultural Considerations	No
Significance	No	Social Considerations	No
Financial Criteria	No	Economic Considerations	No
Community Views	Key	Community Board Views	No
Consultation	Key	Publicity and Communication	Key

BACKGROUND

Consultation

Council's Strategic Framework is required to be reviewed before adopting the Long Term Plan, as highlighted in the diagram (below) of the Planning Cycle.

Community Views /

Publicity and Communication

The community can be informed of the content of the Strategic Framework before or as part of the Long Term Plan consultation process, which sets out Council's strategic direction and work programme for a 10-year period.

Comments from the Mayor of Waitaki

It is important that any new Governance Team has the opportunity to determine the direction and priorities for the Council over each term. The five new Councillors bring fresh views and opportunities to their roles, along with the returning Councillors and Mayor who also want their views reflected in an updated framework. It has been a pleasure working together to agree on a common vision and goals that we want to achieve for the organisation and our community.



SUMMARY OF OPTIONS CONSIDERED

Option 1 – Council adopts the attached Strategic Framework document for use in the remainder of the 2022-2025 Triennium (**Recommended**)

Option 2 – **Council does not** adopt the attached Strategic Framework and instead retains the previous Strategic Framework document, for inclusion in the Draft 2024-2034 Long Term Plan. This is not the recommended option as it does not take into consideration the revised vision, collective purpose, community outcomes, and strategic priority work that has been undertaken by the incoming Council for the 2022-2025 triennium.

ASSESSMENT OF PREFERRED OPTION

Option 1 is the preferred option. The Strategic Framework and Strategic Priorities documents have been at the centre of strategy sessions for the Governance team and the Executive Leadership Team in recent months. They clearly state the updated leadership and direction vision for the Waitaki district that has been discussed informally by the 2022-2025 Council elected in October 2022, and they specify the strategic priorities to which the Chief Executive and Council staff can align their key performance indicators and work programmes for the remaining years of this triennium.

Option 2 is not recommended because the previous Council's Strategic Framework and Priorities do not incorporate and will not meet the current and future objectives of Council's work in the district or as a contributing council to the wider local government sector – locally, regionally, or nationally – in an environment where multiple reforms are requiring greater flexibility, adaptability, and collaboration to deliver benefits to local communities.

CONCLUSION

The 2019-2022 Strategic Framework does not reflect the changing needs of the district or priorities of the current Council. The 2022-2025 Council elected in October 2022 has its own view on the direction of Council, and it also has a different set of challenges to meet within a constantly changing local and central government sector landscape. Adopting the revised Strategic Framework that has been developed now amongst the new combined skills, talents, and experiences of the Governance team, with the support and assistance of a similarly refreshed Executive Leadership Team, will mean that the Framework is fit for purpose of leading and guiding the work of Council now and throughout the rest of this 2022-2025 triennium.

ADDITIONAL DECISION-MAKING CONSIDERATIONS

Outcomes

We keep our district affordable

We enable opportunities for new and existing business

We provide and enable services and facilities so people want to stay and move here

We understand the diverse needs of our community

Waitaki's distinctive environment is valued and protected

We maintain the safest community we can



Waitaki District Council – Defining Strategic Priorities

Strategic Priority	Strengthen community development role of Council	Developing our people and attracting skills, for the benefit of our communities	Facilitate strategic relationships
What we mean by this	A focus on activities that support the wellbeing of our communities and encourage engagement and participation.	A focus on enabling and supporting the development of our community, in particular our people and their skills; and attracting other skills our community and economy needs.	Build and commit to developing strong partnerships locally, regionally and nationally that support the Waitaki district community and the delivery of our strategic ambitions and outcomes, and ensures that we have a voice at the table.
Outcomes: What good looks like	<ul style="list-style-type: none"> - Council is approachable, supportive and helpful - Everyone at WDC contributes to community development - Waitaki communities are welcoming, inclusive and supportive - People are proud to be a Waitaki resident, and are actively engaged in their community. - Council supports, invests in and actively contributes to the Stronger Waitaki Coalition model 	<ul style="list-style-type: none"> - People can access the learning & skills development they need locally - People can access great job opportunities - Council supports programmes that help Waitaki people develop skills - Employers can attract and retain the skills they need: people relocate to live and work here 	<ul style="list-style-type: none"> - Waitaki is seen as a leader in local government - We have strong partnerships locally and nationally, resulting in better outcomes for our communities - Our partnership with Iwi continues to strengthen, and is enduring for future generations
Potential measures	Demographic information, Stronger Waitaki measures (eg trends in social metrics eg housing deprivation?), voting numbers and participation in Council forums, active partnership with community groups, resident satisfaction survey	Population growth, economic stats, education/training sector growth, demographic information, voting numbers and participation in Council forums.	Reform programme outcomes, approaches by other Councils, invitations to participate in huis (Iwi, central government and other), benchmarking (internal measures)

Waitaki District Council – Defining Strategic Priorities

Strategic Priority	Establish Economic Development Agency	Finish District Plan	Deliver Transformation Programme
What we mean by this	In partnership with business, Rūnanga and other stakeholders Tasked with engaging stakeholders and securing funding to deliver the agreed Waitaki Economic Development Strategy (WEDS)	Publish District Plan	Drive transformation programme to agreed outcomes
Outcomes: What success looks like	By 2032: <ul style="list-style-type: none"> - 1350 additional jobs for the district - \$70M - \$146M additional GDP for the district - ~9% uplift across wellbeing dimensions - Sustainable, inclusive growth - Strong partnership exists between Council Rūnanga and the business community 	Published late January/early February 2024 Endorsed by Elected Members	Waitaki District Council is a leading, innovative council delivering the best for our communities. We do this through: <ul style="list-style-type: none"> - Efficiency: Council is efficient across the board: delivering excellent customer service and value for money - Effectiveness: We are focused on delivering outcomes that improve community wellbeing - Valued Partner: Council is valued, trusted & respected by our community, stakeholders and partners - Customer Satisfaction: Our customers and community view Council as helpful, and want to engage with us
Linked Existing Strategies/Work Underway	Economic Development Strategy (adopted September 2022)	Draft District Plan	Transformation Programme
Existing Measures	Captured in WEDS	Meet agreed timeframes	Set out in transformation programme

6.2 BANK AUTHORITY / SIGNATORIES UPDATE

Author: Ian Wells, Accounting Manager

Authoriser: Paul Hope, Finance and Corporate Development Group Manager

RECOMMENDATION

That Council:

1. Grants Amanda Nicholls, Chief Financial Officer, full authority to operate any Council bank account and other related financial services.
2. Instructs officers to undertake a full review of bank and other financial operating authorities to ensure they are appropriate for the current and future operating environment.

DECISION OBJECTIVE

To give authority to the newly appointed Chief Financial Officer to operate Council's bank accounts. This is seen as an interim measure, with a full review of financial authorities planned to be undertaken and presented to Council before the end of the current financial year.

SUMMARY

To undertake the role effectively, the Chief Financial Officer needs authority to access and operate Council's bank accounts. This cannot be done under delegation, and therefore requires a Council decision.

DECISION-MAKING EXPECTATIONS

Governance Decision-Making:	All
Operational Decision-Making:	None
Communications	Media Releases – contributed to by officers and Elected Members Media/public enquiries regarding governance decision-making topics above can be addressed by governance Media/public enquiries regarding operational decision-making topics above can be addressed by officers

SUMMARY OF DECISION-MAKING CRITERIA

	No/Moderate/Key		No/Moderate/Key
Policy/Plan	No	Environmental Considerations	No
Legal	Key	Cultural Considerations	No
Significance	No	Social Considerations	No
Financial Criteria	No	Economic Considerations	No
Community Views	No	Community Board Views	No
Consultation	No	Publicity and Communication	No

BACKGROUND

Four officers currently have authority to operate Council's bank accounts and other financial transactions. These officers are:

- Group Manager Finance and Corporate Development
- Accounting Manager
- Accountant
- Rates Supervisor

It is requested that the Chief Financial Officer be added to the list of officers with authority to operate Council's bank accounts so that they can effectively take on their role. This would be the first step in a proposed wider review of financial authorities.

Authority to operate Council's bank account and other related financial transactions is the final step in a number of financial processes. All these processes have various controls and authorities embedded in them, primarily through the delegations register. This means that the actual approval and direction given to the bank is a mechanical process and will only action a transaction that has been approved through another process. In the relatively recent past, this did involve the physical signing of large numbers of cheques in a relatively tight timeframe. This process limited who could practically be given authority as they need to be physically available at very specific times. In turn, that requirement led to the current authorities noted above.

The banking environment has changed significantly since these authorities were last reviewed. All transactions and interactions are now conducted electronically. This increases the potential number of officers who could practically exercise this authority. Therefore, it is recommended that a wider review be undertaken of these authorities to ensure that they are appropriate and fit for purpose for the current and future operating environment.

SUMMARY OF OPTIONS CONSIDERED

Option 1 – Grant authority to operate bank accounts to the Chief Financial Officer and request a fuller review of authorities be undertaken. (**Recommended**)

Option 2 – Request a full review of authorities be undertaken and wait until the completion of that review before making any changes to current authorities.

Option 3 – Make no changes to bank authorities.

ASSESSMENT OF PREFERRED OPTION

Option 1 is preferred as it seen as important that the Chief Financial Officer has full access and authority to undertake bank-related transaction from the time they start in the role. It is recognised that the banking environment has changed since authorities were last reviewed and a fuller review would provide be beneficial to Council.

CONCLUSION

The appointment of a Chief Financial Officer has served as a good prompt to view how Council's bank accounts are operated.

ADDITIONAL DECISION-MAKING CONSIDERATIONS

Outcomes

We keep our district affordable

We enable opportunities for new and existing business

We provide and enable services and facilities so people want to stay and move here

We understand the diverse needs of our community

Waitaki's distinctive environment is valued and protected

We maintain the safest community we can

6.3 COUNCIL CONTROLLED ORGANISATION OMARAMA AIRFIELD LIMITED - HALF YEAR REPORT TO 31 DECEMBER 2022 AND DRAFT STATEMENT OF INTENT FOR 2023-2024

Author: Ainslee Hooper, Governance and Policy Advisor

Authoriser: Paul Hope, Finance and Corporate Development Group Manager

Attachments: 1. Omarama Airfield Limited Half Year Report to 31 December 2022
2. Omarama Airfield Limited Draft Statement of Intent for 2023-24

RECOMMENDATIONS

1. That Council:
1. Formally receives from Council Controlled Organisation Omarama Airfield Limited its Half Year Report to 31 December 2022 and Draft Statement of Intent for 2023/24.
2. Directs the Council's Shareholder Committee Members, with the Chief Executive and the Finance and Corporate Development Group Manager, to actively engage with Omarama Airfield Limited about the Letter of Expectation from Council and Audit Management Letters and associated follow up actions that may apply.

PURPOSE

To provide Council with the Half Year Report for the period ending 31 December 2022 and the Draft Statement of Intent for 2023/24 for Council Controlled Organisation Omarama Airfield Limited, to meet legislative requirements.

SUMMARY

Pursuant to Section 64 of the Local Government Act 2002 (LGA), Council Controlled Organisations must prepare a Statement of Intent on an annual basis, and present it to Council, as the shareholder entity, for formal adoption and subsequent publication on the Council website. In addition, pursuant to Section 66 of the LGA, the Board of a Council Controlled Organisation must provide a half-year report on the organisation's operations to Council for formal receipt and, under Section 67, also provide an annual report.

Pursuant to the statutory reporting requirements under Section 64 and Section 66, three of the four Council Controlled Organisations presented their half-year reports to 31 December 2022, and their draft Statements of Intent (SOI) for 2023/24 to the 28 March 2023 Council Meeting.

Omarama Airfield Limited Directors were unable to attend the 28 March 2023 Council Meeting due to conflicting appointments elsewhere. They sought and received approval from Council to present their statutory reports to the 12 April 2023 Council Meeting instead. Subsequently, the 12 April 2023 Council Meeting was cancelled, and therefore the statutory reports have been referred to this 26 April 2023 Council Meeting for formal receipt by Council to meet legislative requirements.

In addition to the statutory reporting requirements, Council will soon be providing each CCO with a Letter of Expectation. The purpose of these Letters of Expectations will be to ensure that CCOs are aware of what Council expects them to reflect in the final versions of their Statements of Intent for 2023 – 2024 when they are scheduled to be presented to Council at the 27 June 2023 Council Meeting.

Attendance at this Meeting

Omarama Airfield Limited Chair Clive Geddes will be attending the Council Meeting (scheduled time 10.45am – 11.00am) to present the half-year report and draft Statement of Intent, and to answer any questions from the Governance Team.

Next Steps

After this meeting, the OAL's Half Year Report to 31 December 2022 and its draft Statement of Intent for 2023/24 will be uploaded to Council's website, in accordance with statutory reporting requirements.

Following formal receipt of these statutory reporting documents at a Council Meeting, Council will review each document and provide feedback to the relevant company for their consideration. Each CCO will also receive their Letter of Expectation from Council, which will need to be considered and reflected in their final SOI.

To complete the annual process for receipt of SOIs, each CCO needs to formally present their final SOI prior to the end of June 2023. This activity is currently scheduled as an agenda item for the 27 June 2023 Council Meeting.

Omarama Airfield Limited

Report to Shareholders for the 6 months ending December 31 2022

The company has traded close to budget for the period. Financial matters of interest are:

1. Revenue has exceeded budget despite the weather for the period being unstable and limiting the number of soaring days resulting in the revenue from aviation being below the budget estimate. Low entries in the Regional Gliding Championship also contributed to this shortfall. This small reduction has been made up by increases in operator fees and the turnover percentage so the net outcome is a modest increase in revenue for the period.
2. Operating expenses have been held close to budget.
3. Power costs are below budget because the irrigation system was not required as often as anticipated due to the wet weather experienced during the period.
4. Terminal expenses are significantly lower due to a change in the service provider.
5. Increased fuel costs reflect both higher fuel prices and the need for more airfield mowing due to the wet spring and early summer.

Other matters of interest.

1. The consent for the sub-division of company land on Nimbus Drive has been granted and that project will now be progressed on a soon as practical basis.
2. Despite lower than expected entries in the National Championships held in January 2023 aviation activity since the end of this reporting date has been significant. At this time there are no known reasons as to why the company should not trade out the balance of the year within budget.

On behalf of the Directors



Clive Geddes
Chair
March 10 2023

Omarama Airfield Limited

Financial Performance for the 6 months ending December 31 2022

	Actual	Budget	Actual
	1/07/22	1/07/22	1/07/21
	- 31/12/2022	- 31/12/2022	- 31/12/2021
Revenue			
Interest Received	200	150	206
Landing Fees	13,511	16,000	14,158
Operator Fees	5,570	3,000	4,744
Rents & Leases	22,551	19,000	26,329
Turnover Percent	14,333	13,500	6,983
Other Operating Income	0	0	4,244
Total Trading Income	56,164	51,650	56,664
Gross Profit	56,164	51,650	56,664
Operating Expenses			
Accountancy	9,710	7,322	7,299
Audit	8,000	8,000	0
Depreciation	0	0	0
Employee Related Costs	9,993	9,500	9,478
Fuel	2,240	1,500	1,397
General Expenses	1,469	500	515
Insurance	8,294	8,135	8,135
Power	2,338	4,350	2,247
Professional Fees	547	0	0
Rates	14,848	13,250	12,902
Repairs & Maintenance	4,426	7,500	9,744
Terminal Expenses	345	2,500	849
Travel	702	900	(300)
Total Operating Expenses	62,913	63,457	52,266
Net Profit	(6,749)	(11,807)	4,398

Omarama Airfield Limited

Financial Position as at December 31 2022

	Actual	Actual
	31/12/22	30/06/22
Assets		
Current assets		
Bank accounts & cash	98,256	121,308
Work in progress	696	-
Income tax receivable	-	-
Debtors & prepayments	31,532	4,723
<i>Total current assets</i>	130,484	126,031
Non-current assets		
Property, plant & equipment	3,424,099	3,423,212
<i>Total non-current assets</i>	3,424,099	3,423,212
Total assets	3,554,583	3,549,243
Liabilities		
Current liabilities		
Creditors & accrued expenses	28,392	16,303
<i>Total current liabilities</i>	28,392	16,303
Total liabilities	28,392	16,303
Total assets less total liabilities	3,526,191	3,532,940
Company equity		
Share capital	418,706	418,706
Capital reserve	798,570	798,570
Revaluation reserve	2,321,805	2,321,805
Accumulated surpluses	-12,890	-6,141
Total company equity	3,526,191	3,532,940

Omarama Airfield Limited Draft Statement of Intent For the 2023 – 2024 Year

1. Introduction

This Statement of Intent has been prepared in accordance with Clauses 9 and 10 in Schedule 8 of the Local Government Act 2002.

It identifies for the 2023-24 financial year the activities and intentions of Omarama Airfield Limited and the objectives to which those activities will contribute. Performance targets and measures are specified, along with the Company's policies relating to governance and other matters.

The Statement of Intent is compiled annually in consultation with the two equal shareholders being the Waitaki District Council and the Omarama Soaring Centre Incorporated.

2. The Company

2.1 Background

Omarama Airfield Limited was formed in 1993 to develop and operate the Omarama Airfield. The Waitaki District Council and Omarama Soaring Centre Inc. each own 50% of the shares issued by the Company. The Local Government Act 2002 defines the company as a Council Controlled Organisation.

Council's primary objective for continued ownership is to maintain public access to the transport and recreational facilities of the airfield whilst encouraging the gliding activities which use the world class soaring environment of the Omarama area.

2.2 Nature and Scope of Activities

Omarama Airfield Limited owns the airfield land, infrastructure and common facilities and is responsible for the operation and ongoing development of the facility.

2.3 Objectives

The principal objective of the Company is to provide airfield facilities, and if necessary, the equipment, that supports flying activities and encourages aviation opportunities in Omarama.

The principal objective is advanced through:

- Enhancing the airfield infrastructure;
- Providing public access to airfield facilities;
- Supporting commercial operations;
- Hosting gliding courses, events and competitions;
- Hosting general aviation events;
- Hosting non-aviation events that are complementary to the airfield;

- Supporting model flying operations and events;
- Supporting aviation club activities;
- Encouraging and supporting new aviation activity;
- Managing the airfield in compliance with New Zealand aviation law;
- Investigating and pursuing non-aviation revenue enhancing opportunities.
- The delivery of the shareholder expectations.
- Establishing agreements for the ownership and operational costs of the radio, weather reporting, web sites, fibre optic and wi-fi networks on the airfield.
- Upgrading where appropriate the plant and equipment used to operate and maintain the facility.
- Securing the water sources for the irrigation system and reviewing the application method to ensure it provides the most efficient use of energy and water
- Establishing, with user groups, an airfield events and marketing plan.
- Establishing a closer relationship with the organisations that represent the Omarama community.
- Ensuring where appropriate the company's activities are undertaken in an environmentally responsible manner.
- Using, where compliant with the company's expenditure policies, locally based tradespeople and contractors.

2.4 Shareholder Expectations

The shareholders expect that in conducting the affairs of the Company the directors shall ensure:

- Business activities are conducted in an efficient and effective manner and where feasible local supply chains and business services are utilised.
- Assets and liabilities are prudently managed.
- The asset is managed with due regard for the environment with a commitment to reducing the environmental impact of maintenance and operational activities.
- The overall performance supports shareholder reasons for continued ownership.
- The decisions made enhance the achievement of the Company's long term objectives.
- The Company acts as a good employer with a strong emphasis on employee safety, welfare and co-operation.
- That a transparent and collaborative relationship is maintained with the shareholders.
- The facility is managed and operated in compliance with the regulations that govern aviation and airfields.

3. Reporting and Performance Measures

3.1 Reporting Frequency and Content

A Director of the Company shall attend the meeting of Council and the Omarama Soaring Centre Inc. at which the Annual Report is presented and may attend when the Half Yearly report is presented.

Based on an annual balance date of 30th June the company will, in accordance with the provisions of Clauses 8 and 9 of Schedule 8 and Section 64 of the Local Government Act 2002, provide to the shareholders the following reports:

(a) Draft Statement of Intent

By 1 March each year, the Directors shall deliver to the shareholders a Draft Statement of Intent for the following year.

(b) Completed Statement of Intent

By 30th June of each year, the Directors will deliver to the shareholders a Statement of Intent for the following year.

(c) Half Yearly Report

Within two months after the end of the first half of each financial year, the Directors shall deliver to the shareholders an un-audited report containing the information required by the Financial Reporting Act 1993. The report shall include a commentary on the first six months results and the outlook for the second six months with reference to any significant factors that are likely to have an effect on the Company's performance.

(d) Annual Report

Within three months of the end of the financial year, the Directors shall deliver to the shareholders the Annual Report that will include:

- A report on the operations of the Company to enable an informed assessment of the Company's performance, including variations from the business plan and achievements against performance targets.
- Audited financial statements as required under the Financial Reporting Act 1993.
- A report on performance against the Corporate Governance Statement.

3.2 Performance Targets and Measures

Over the next three years the Company's performance targets are to :

- Maintain, operate and provide planned services within budgeted income.
- Achieve a break even or better financial result after prudent provision for asset replacement, depreciation and future trading requirements.
- Update the Company's business plan on an annual basis.
- Enhance the economic benefits to the Omarama and Ahuriri community arising from the operation and development of the airfield as measured by increased patronage of facilities and participation in events.
- Establish through the subdivision and sale of residential land on Nimbus Drive a cash reserve to be used, if required, to secure the airfields amenity and operation.

3.3 Ratio of Consolidated Shareholders' Funds to Total Assets

'Shareholders Funds' are defined as the paid-up capital plus any retained tax paid profits earned less any dividends distributed to shareholders. They include accumulated surpluses, revaluation reserves, trust funds and any other reserves or funds which have been accumulated in accounts known as either "Revenue Reserves" or "Capital Reserves".

'Total Assets' are defined as the sum of all current and non-current assets plus the investments of the Company.

The projected target for the ratio of shareholders' funds to total assets is at least 90%.

3.4 Directors Estimate of the Company Value

The Company's commercial value is estimated in all material respects to be equivalent to the paid up share capital. The directors will advise the shareholders on an annual basis if they believe the value to differ materially from this.

4. Governance, Policy and Procedures

4.1 Corporate Governance Statement

(a) Role of the Board of Directors

The Directors' role is defined in Section 58 of the Local Government Act 2002. This section states 'the role of a director of a council-controlled organisation is to assist the organisation to meet its objectives and any other requirements in its statement of intent without limitation on 'the other duties that a director of a council-controlled organisation has.' The Board consults with the Company's shareholders in preparing and reviewing the Statement of Intent.

The Board meets on a regular basis and is responsible for the proper direction and control of the Company's activities as required by the Local Government Act 2002 and the Companies Act 1993

The Board acknowledges that it is responsible for the overall control framework of the Company but it recognises that no cost effective internal control system will preclude all errors and irregularities.

(b) The Role of the Shareholders

The Board will ensure that the shareholders are informed of all major developments affecting the Company. The shareholders are provided with a draft Statement of Intent and information is communicated to them via the Half Yearly and Annual Reports or if required special meetings.

The shareholders appoint the directors.

(c) Board Appointments

The board comprises four directors and in accordance with the constitution two are appointed by each shareholder.

The Council's director rotation policy requires its directors to retire over any three year period. Retiring Directors shall be eligible to apply for reappointment.

(d) Board Committees

There are no Board Committees.

(e) Company Management Structure

The four directors' are involved on a day to day basis in the management of the airfield with administration and maintenance services contracted as required.

4.2 Dividend Policy

It is not intended that the Company will pay a dividend

4.3 Accounting Policies

The Company's accounting policies will comply with the legal requirements of the Companies Act 1993, the Financial Reporting Act 1993 and Local Government Act 2002. A full statement of Accounting Policies will be presented in the Company's Annual Report.

4.4 Procedures for Acquisition of Other Interests

The acquisition of shares or interest in other companies or organisations will only be considered by the Directors where such acquisition is consistent with the long term commercial objectives of the Company.

The approval of the shareholders will be obtained prior to any such transaction.

4.5 Activities for Which the Company Seeks Compensation from any Local Authority

There are no activities contemplated for which the company seeks local authority compensation.

The Council is not permitted to provide any guarantee, indemnity or security in respects of the assets, liabilities or trading activities of the Company.

4.6 Tendering Policy

The Company has a tendering policy for the supply of goods and services to the Company.

Compliance with the tendering policy is recorded in the Company's Annual Report.

7 MEMORANDUM REPORTS

7.1 FINANCIAL SUMMARY AND OVERVIEW - POSITION AT 28 FEBRUARY 2023

Author: Ian Wells, Accounting Manager

Authoriser: Paul Hope, Finance and Corporate Development Group Manager

RECOMMENDATION

That Council receives and notes the information.

PURPOSE

This report presents a high-level financial summary for the period ended 28 February 2023. It has been redirected to this Council Meeting following the cancellation of the Performance, Audit and Risk Committee Meeting that was originally scheduled to take place today.

The report does not replace the regular financial reporting that the Performance, Audit and Risk Committee receives at each quarter's end, but rather is intended to supplement that reporting and bridge the gap between the quarters.

COMMENTARY

While several of the operating revenue and expense categories exhibit variances from budget, overall Council's operating result for the period, being a deficit of (\$6,454k), which is a significant variance from the budgeted deficit for the period of (\$3,182k). This is driven by three key factors noted below. Two of these were unanticipated, being the impact of flooding in July and greater than expected depreciation due to revaluation. How and if these are funded will be decisions made before the end of the financial year, once the funding from other parties is received. The third component is the planned but accelerated spend in Three Waters which will be funded prior to the end of the year.

Income and Expenditure

- Revenue from external grants is over budget by \$3,077k
 - In part, this over-budget situation results from roading subsidies of \$2,109k related to emergency works (which have now been paid) and an increased level of works undertaken by Roading generally in February.
 - It also stems from recognition of more income than was budgeted from the Mayors' Taskforce for Jobs programme, reflecting the amount of work completed on that project to equip young people for work.
- Depreciation is over budget following the unexpectedly high revaluation of Property, Parks and the Oamaru Airport recognised in June 2022. This variance from budget will continue to increase until year end, but the budget for 2023-24 will incorporate the additional charges from 1 July 2023.
- Contractors' costs are over budget due to damages arising from weather events on the Roading network amounting to \$3,075k. Of this sum, as noted, subsidies of \$2,109k have been claimed. (Subsequent to the end of this reporting period, that sum was paid on 31 March 2023.)

Statement of Financial Position

- Property, Plant and Equipment is under budget, as the revaluation of Roading infrastructure, budgeted to add some \$45 million but now expected to exceed \$75 million, will not be processed and recognised until June 2023.
- Loans to Other Entities is over budget because of a new loan to Observatory Village Charitable Trust, and an unbudgeted advance of \$1,950k to Waitaki District Health Services Limited.
- Since 1 July 2022, Council has borrowed a further \$13 million from the LGFA (\$4M in August and \$5M in October and \$4M in December) to give total loans of \$38 million at the current time, which coincidentally is the level projected in the 2022-23 Annual Plan. These loans have been primarily used to progress capital projects. At this point, it is not anticipated that further borrowings will be required in the current year.

KEY FINANCIAL UPDATE AT 28 FEBRUARY 2023

REVENUE	ACTUAL YTD FEBRUARY 2023 \$000	BUDGET YTD FEBRUARY 2023 \$000
Rates	25,265	25,261
Grants	10,506	7,429
User charges & Property rental	3,582	3,825
Statutory charges	1,379	1,573
Other revenues – DCs Petrol tax & infringements	1,032	1,260
Investment income	1,054	885

EXPENDITURE	ACTUAL YTD FEBRUARY 2023 \$000	BUDGET YTD FEBRUARY 2023 \$000
Employee costs	9,962	10,192
Depreciation	12,292	11,810
Contractors – Roading	8,044	4,082
Contractors – Waters	3,768	2,691
Contractors – Property	681	659
Contractors – Parks & Recreation	1,873	2,069
Contractors – Information Systems	108	9
Contractors – other	1,524	2,063
Backfill for staff vacancies	256	-
Consultants, Solicitors, Valuers = Professional services	2,030	1,735
Grants	621	687
Finance costs	742	540
Electricity	1,592	1,479
Insurance	986	832
Software licenses	769	628
Other expenses	4,037	3,946

OPERATING SURPLUS / (DEFICIT) - YEAR TO DATE	(\$6,454)	(\$3,182)
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CAPITAL EXPENDITURE	ACTUAL YTD FEBRUARY 2023 \$000	BUDGET YTD FEBRUARY 2023 \$000
Roading	6,929	8,409
Waters	6,153	13,972
Property	1,368	2,392
Parks and Recreation	640	1,501
Information Systems	702	1,618
Other business units	429	524
Council – all business units	\$16,221	\$28,416

Capital Expenditure

- Rooding capital expenditure is slightly behind schedule after the Christmas break but has picked up during February.
- Several projects planned for Waters business unit have been deferred due to lack of contractors or the need to undertake further planning. It is expected that there will be a catchup on spending before June, but it is certain that many projects will not be complete at that point, and some budgets will have to be carried forward.
- Property capital expenditure has been affected by the lack of progress on the proposed Sports and Events Centre which is now subject to consultation as part of the 2023-24 Annual Plan.
- A number of Parks and Recreation projects have not progressed so far this year for a variety of reasons, including unavailability of contractors, or work being tendered at unacceptable prices.
- Information Systems capital expenditure has been affected by ongoing staff vacancies.

SUMMARY STATEMENT OF FINANCIAL POSITION	ACTUAL YTD FEBRUARY 2023 \$000	ANNUAL BUDGET 2023 \$000
Property, Plant and Equipment	1,047,816	1,088,885
Loans to other entities	35,437	33,762
Cash and Cash Equivalents	4,186	1,185
Receivables	5,346	6,678
Borrowings	38,210	38,072
Accounts Payable	9,243	12,532
Employee Entitlements	1,625	1,776

Budget figures appearing in the table above represent the projected year-end position, and so may not be directly comparable with the year-to-date position.

Year-end Projections

As was discussed at the Committee's March meeting, financial results for 2023 financial year will not meet budget by a significant margin. By far the greatest change we are anticipating is the severely reduced revenue for the Sports and Events Centre. This is a timing issue explained below. The other factors that have impacted these projections are listed below.

- (a) Emergency works arising from the adverse weather event in July have had a significant impact. Works like these will always have an adverse effect on Council's activities, in terms not only of

the unsubsidised cost involved, but also because of the diversion of resources and attention from budgeted activities to rectify issues arising from the emergency.

- (b) Council will not meet income budgets relating to the proposed Sports and Events Centre. This project is currently subject to further community consultation as part of the 2023-24 Annual Plan process. It was initially expected to start in the 2022 financial year, continue through 2023, and be completed in 2024. Because of these delays, there is now no likelihood that Council will receive any of the external funding budgeted in 2023, which will reduce revenue by \$9.2 million for the year with no matching reduction in operating costs.
- (c) The revaluation of property, parks, and the Oamaru Airport, recognised in the 2022 financial year, was much larger than expected, resulting in depreciation charges that will exceed budget by at least \$723k in the full 2023 financial year. This is a change to the figures projected for the meeting in March.
- (d) Changes have also been made to the likely savings on employee costs and to the projected increased cost of borrowing based on current levels of expenditure.

Updated projections are outlined in the table below, focusing primarily on the most significant issues. As is normal, other income and expense categories are exhibiting indications that they will vary from budget by year-end, but the effect of these is not significant at this point. When the level of variance can be estimated accurately, and patterns have become established, future financial reports will provide updated projections.

	2023 Annual Plan \$000	2023 Projected \$000
Budgeted Operating Revenue	69,703	69,703
Roading emergency works – additional subsidy		2,109
Grants for Events Centre – expect none for 2023 financial year		-9,248
Increased Finance revenue due increased interest rates		300
Projected Operating Revenue		\$62,864
Budgeted Operating Expenditure	64,362	64,362
Roading emergency works – additional cost incurred		3,075
Reduced Personnel costs		-400
Increased Depreciation expense due property revaluation		723
Increased Finance costs due increased interest rates		310
Projected Operating Expenditure		\$68,070
LGFA Borrower Notes	17	20
Projected Surplus / (Deficit)	5,358	(5,186)

Provided the Sports and Events Centre proceeds to completion, revenue foregone in 2023 will be received over the years in which the construction and commissioning of that facility takes place.

8 RESOLUTION TO EXCLUDE THE PUBLIC

RECOMMENDATION

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

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 - Appointment of Council Trustee for Waitaki Whitestone Geopark Trust PE	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the 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

9 PUBLIC EXCLUDED SECTION

10 RESOLUTION TO RETURN TO THE PUBLIC MEETING

RECOMMENDATION

That Council resumes in open meeting and decisions made in public excluded session are confirmed and made public as and when required and considered.

11 RELEASE OF PUBLIC EXCLUDED INFORMATION

In accordance with Waitaki District Council Standing Orders, and pursuant to resolutions in the public excluded session of the meeting, any previously public excluded information that Council decides to release will be included under this agenda item in the Public Minutes of this meeting.

12 MEETING CLOSE