

Mā tō tātou takiwā
For our District

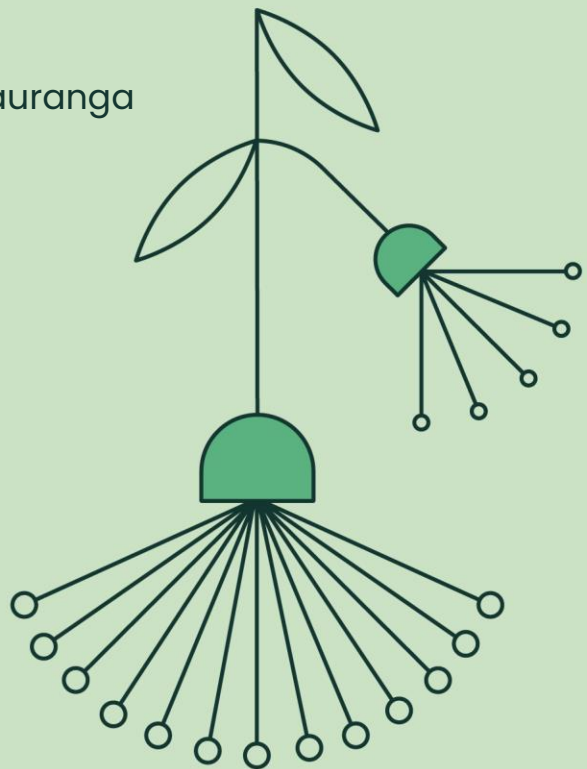
Council

Te Kaunihera

CL23-16

Thursday, 26 October 2023, 9.30am

Council Chambers, 1484 Cameron Road, Tauranga



Council

Membership:

Chairperson	Mayor James Denyer
Deputy Chairperson	Deputy Mayor John Scrimgeour
Members	Cr Tracey Coxhead Cr Richard Crawford Cr Grant Dally Cr Murray Grainger Cr Anne Henry Cr Rodney Joyce Cr Margaret Murray-Benge Cr Allan Sole Cr Don Thwaites Cr Andy Wichers
Quorum	Six (6)
Frequency	Six weekly

Role:

The Council is responsible for:

- Ensuring the effective and efficient governance and leadership of the District.
- Ensuring that all functions and powers required of a local authority under legislation, and all decisions required by legislation to be made by local authority resolution, are carried out effectively and efficiently, either by the Council or through delegation.

Power to Act:

To exercise all non-delegable functions and powers of the Council including, but not limited to:

- The power to make a rate;
- The power to make a bylaw;
- The power to borrow money, purchase, or dispose of assets, other than in accordance with the Long Term Plan;
- The power to adopt a Long Term Plan, a Long Term Plan Amendment, Annual Plan or Annual Report and to receive any related audit report;
- The power to appoint a chief executive;
- The power to adopt policies required to be adopted and consulted on under the Local Government Act 2002 in association with the Long Term Plan or developed for the purpose of the Local Governance Statement;

- The power to adopt a remuneration and employment policy;
- The power to approve or change the District Plan, or any part of that Plan, in accordance with the Resource Management Act 1991;
- The power to approve or amend the Council's Standing Orders;
- The power to approve or amend the Code of Conduct for Elected Members;
- The power to appoint and discharge members of committees;
- The power to establish a joint committee with another local authority or other public body;
- The power to make a final decision on a recommendation from the Parliamentary Ombudsman where it is proposed that Council not accept the recommendation.
- To exercise all functions, powers and duties of the Council that have not been delegated, including the power to compulsorily acquire land under the Public Works Act 1981.
- To make decisions which are required by legislation to be made by resolution of the local authority.
- To authorise all expenditure not delegated to officers, Committees or other subordinate decision-making bodies of Council, or included in Council's Long Term Plan or Annual Plan.
- To make appointments of members to Council Controlled Organisation Boards of Directors/ Trustees and representatives of Council to external organisations.
- To monitor the performance of and make decisions on any matters relating to Council Controlled Organisations (CCO), including recommendations for
- modifications to CCO or other entities' accountability documents (i.e. Letter of Expectation, Statement of Intent), including as recommended by the Strategy and Policy Committee.
- To approve joint agreements and contractual arrangements between Western Bay of Plenty District Council and Tauranga City Council and/or any other local authority including the requirement to review the terms of any such agreements or contractual arrangements.
- To approve the triennial agreement.
- To approve the local governance statement required under the Local Government Act 2002.
- To approve a proposal to the Remuneration Authority for the remuneration of Elected Members.
- To approve any changes to the nature and delegations of Committees.

Procedural matters:

Approval of elected member training/conference attendance.

Mayor's Delegation:

Should there be insufficient time for Council to consider approval of elected member training/conference attendance, the Mayor (or Deputy Mayor in the Mayor's absence) is delegated authority to grant approval and report the decision back to the next scheduled meeting of Council.

Power to sub-delegate:

Council may delegate any of its functions, duties or powers to a subcommittee, working group or other subordinate decision-making body, subject to the restrictions on its delegations and any limitation imposed by Council.

Notice is hereby given that a Meeting of Council will be held in the
Council Chambers, 1484 Cameron Road, Tauranga on:
Thursday, 26 October 2023 at 9.30am

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1 KARAKIA

Whakatau mai te wairua
Whakawātea mai te hinengaro
Whakarite mai te tinana
Kia ea ai ngā mahi

Āe

Settle the spirit
Clear the mind
Prepare the body
To achieve what needs to be
achieved.
Yes

2 PRESENT**3 IN ATTENDANCE****4 APOLOGIES****5 CONSIDERATION OF LATE ITEMS****6 DECLARATIONS OF INTEREST****7 PUBLIC EXCLUDED ITEMS****8 PUBLIC FORUM**

9 COMMUNITY BOARD MINUTES FOR RECEIPT

9.1 MINUTES OF THE KATIKATI COMMUNITY BOARD MEETING HELD ON 20 SEPTEMBER 2023

File Number: A5762913

Author: Horowai Wi Repa, Governance Systems Advisor

Authoriser: Greer Golding, Governance Manager

RECOMMENDATION

1. That the Minutes of the Katikati Community Board Meeting held on 20 September 2023 be received.

ATTACHMENTS

1. Minutes of the Katikati Community Board Meeting held on 20 September 2023

**MINUTES OF WESTERN BAY OF PLENTY DISTRICT COUNCIL
KATIKATI COMMUNITY BOARD MEETING NO. KKC23-6
HELD IN THE CENTRE – PĀTUKI MANAWA, 21 MAIN ROAD, KATIKATI
ON WEDNESDAY, 20 SEPTEMBER 2023 AT 7.00PM**

1 PRESENT

Member N Mayo (Acting Chairperson), Member A Earl, Member T Sage, Cr A Henry and Cr R Joyce

2 IN ATTENDANCE

J Holyoake (Chief Executive Officer), A Hall (Roading Engineer West), G Golding (Governance Manager), and J Osborne (Governance Advisor)

OTHERS IN ATTENDANCE

Mayor James Denyer.

One member of the public.

3 APOLOGIES

Chairperson J Clements – Leave of Absence

APOLOGY

RESOLUTION KKC23-6.1

Moved: Member T Sage

Seconded: Cr A Henry

That the apology for lateness from Cr Joyce be accepted.

CARRIED

4 CONSIDERATION OF LATE ITEMS

Nil

5 DECLARATIONS OF INTEREST

Nil

6 PUBLIC EXCLUDED ITEMS

Nil

7 PUBLIC FORUM

7.1 JACQUI KNIGHT – VARIOUS TOPICS

Public Shower in Katikati:

- There had been several queries at the information centre, about whether there was a public shower available in Katikati.
- It was requested that Council investigate the conversion of one of the toilets in the Arts Junction, into a public shower. It was thought that, as there were a number of homeless people in Katikati, this would be a nice service to have.

Annual Spring Clean:

- The annual 'Spring Clean Katikati' took place over the weekend, which was supported by Council. The recycling waste from this cleanup was taken to the recycling centre.
- There were 25 volunteers at the cleanup, and it was thought that there was not as much rubbish in the streets as there had been in previous years.

Kauri Point Wharf – Rubbish Bin:

- It was requested whether Council investigate the viability of a rubbish bin at the end of wharf in Kauri Point.

8 MINUTES FOR CONFIRMATION

8.1 MINUTES OF THE KATIKATI COMMUNITY BOARD MEETING HELD ON 26 JULY 2023

RESOLUTION KKC23-6.2

Moved: Member A Earl

Seconded: Member N Mayo

1. That the Minutes of the Katikati Community Board Meeting held on 26 July 2023 as circulated with the agenda be confirmed as a true and correct record.
2. That the Chairperson's electronic signature be inserted into the confirmed minutes.

CARRIED

9 REPORTS

9.1 CHAIRPERSON'S REPORT – SEPTEMBER 2023

The Board considered a report from the Chairperson. The report was taken as read, with further discussion on the below items.

- A discussion took place regarding recommendations 2–5, noting that these items had been previously actioned/raised, so did not need to be resolved. The below was outlined:
 - Recommendation 2 – The Board's Annual Plan priorities had already been through the Annual Plan process.
 - Recommendation 3 – This was included as an action from a previous Katikati Community Board workshop.
 - Recommendation 4 – This had already been raised in prior Community Board meetings, and had gone through the Annual Plan process.
 - Recommendation 5 – This discussion had taken place multiple times during previous Board meetings/workshops.
- The request for a shower at the Arts Junction toilets would be included as part of the Board's Long Term Plan (LTP) submission, noting that the Arts Junction toilets were situated in the Arts Junction, not next to it.

7.13pm Cr Joyce entered the meeting.

RESOLUTION KKC23-6.3

Moved: Member T Sage

Seconded: Member A Earl

That the Chairperson's report dated 20 September 2023, titled 'Chairperson's Report – September 2023', be received.

Carried

9.2 COUNCILLOR'S REPORT – SEPTEMBER 2023

The Board considered a report from Cr Joyce. The report was taken as read, with further discussion on the below items.

- The Board queried why the roofing for the Dave Hume Pool had not yet been installed, noting that the pool was due to open on 23 September 2023 in time for the Summer season. This information was provided on page 117 of the agenda.

RESOLUTION KKC23-6.4

Moved: Cr R Joyce

Seconded: Cr A Henry

That Councillor Joyce's report dated 20 September 2023, titled 'Councillor's Report – September 2023', be received.

CARRIED

9.3 OPERATIONAL REPORT – SEPTEMBER 2023

The Board considered a report from the Governance Advisor. The report was taken as read, with further discussion on the below items.

- The Board had received positive feedback from the public regarding Council's responsiveness to an abandoned vehicle request.
-

RESOLUTION KKC23-6.5

Moved: Member T Sage

Seconded: Cr R Joyce

That the Governance Advisor's report dated 20 September 2023 titled 'Operational Report – September 2023' be received.

CARRIED

9.4 ADOPTION OF KATIKATI COMMUNITY BOARD STANDING ORDERS FOR THE 2022-2025 TRIENNIUM

The Board considered a report from the Governance Advisor. The report was taken as read.

RESOLUTION KKC23-6.6

Moved: Member T Sage

Seconded: Member A Earl

1. That the Governance Advisor's report dated 20 September 2023 titled 'Adoption of Katikati Community Board Standing Orders for the 2022-2025 Triennium' be received.
 2. That the report relates to an issue that is considered to be of low significance in terms of Council's Significance and Engagement Policy.
 3. That, pursuant to Clause 27 of Schedule 7 of the Local Government Act 2002, the Katikati Community Board **adopts** the Western Bay of Plenty District Council
-

Community Board Standing Orders for the 2022-2025 triennium as per **Attachment 1** of this report by a vote in support of not less than 75% of members present and voting.

CARRIED

9.5 INFRASTRUCTURE SERVICES REPORT KATIKATI COMMUNITY BOARD SEPTEMBER 2023

The Board considered a report from the General Manager Infrastructure Services. The report was taken as read, with further discussion on the below items.

RESOLUTION KKC23-6.7

Moved: Cr R Joyce

Seconded: Cr A Henry

1. That the General Manager Infrastructure Services' report dated 20 September 2023, titled 'Infrastructure Services Report Katikati Community Board September 2023', be received.

CARRIED

9.5.1 BUS SHELTERS AT TE REREATUKAHIA MARAE AND TUAPIRO MARAE

A discussion took place regarding the requirement for rural bus shelters:

- There was a desire for two bus shelters at Te Rereatukahia Marae.
 - It was thought that the bus shelter at Hikurangi Road was in a dangerous position, and it was recommended that the Board support the replacement of the bus shelter in a new location, in consultation with the hapū.
 - It was noted that the use of second-hand bus shelters would incur costs for freighting and installation, and would have a similar cost to new Totalspan shelters. New shelters would also have a significantly longer life-span than second-hand ones.
 - It was suggested that there be a Community Board-led engagement process regarding the community's requirements for bus shelters. This could be discussed at a subsequent Board meeting for a decision.
 - Staff would consult with hapū representatives regarding the location of the bus shelters at Te Rereatukahia Marae and Tuapiro Marae.
-

RESOLUTION KKC23-6.8

Moved: Cr R Joyce

Seconded: Cr A Henry

2. That the Katikati Community Board fund the supply and installation of rural standard school bus shelters at Te Rereatukahia Marae and Tuapiro Marae, with a cost estimate of \$16,000. This will be funded from the Community Board Rooding Account.

CARRIED

9.5.2 PARK ROAD BUS STOP

It was requested that staff investigate the viability of a concrete pad and bench seat for the Park Road bus-stop near Park Lane, as where pedestrians stood was often wet and covered in long grass.

The Meeting closed at 7.32pm.

Confirmed as a true and correct record at the Katikati Community Board meeting held on 15 November 2023.

.....
Chairperson J Clements

CHAIRPERSON

9.2 MINUTES OF THE ŌMOKOROA COMMUNITY BOARD MEETING HELD ON 26 SEPTEMBER 2023

File Number: A5768405

Author: Horowai Wi Repa, Governance Systems Advisor

Authoriser: Greer Golding, Governance Manager

RECOMMENDATION

1. That the Minutes of the Ōmokoroa Community Board Meeting held on 26 September 2023 be received.

ATTACHMENTS

1. Minutes of the Ōmokoroa Community Board Meeting held on 26 September 2023

**MINUTES OF WESTERN BAY OF PLENTY DISTRICT COUNCIL
ŌMOKOROA COMMUNITY BOARD MEETING NO. OMC23-6
HELD IN THE ŌMOKOROA LIBRARY & SERVICE CENTRE, WESTERN AVENUE, ŌMOKOROA
ON TUESDAY, 26 SEPTEMBER 2023 AT 7.00PM**

1 PRESENT

Chairperson P Presland, Member B Bell, Member G Neilson, Cr M Grainger and Cr D Thwaites.

2 IN ATTENDANCE

G Golding (Governance Manager), A Curtis (General Manager Regulatory Services), A Hall (Roading Engineer West) and J Osborne (Governance Advisor).

11 members of the public.

3 APOLOGIES

Member Allan Hughes – Leave of Absence.

4 CONSIDERATION OF LATE ITEMS

Nil

5 DECLARATIONS OF INTEREST

Members were advised that if they had an interest (actual, potential, pecuniary or nonpecuniary interest) in any item on the agenda, then they must declare this interest and refrain from discussing or voting on this item and were advised to withdraw from the meeting table for the item. [As per the Local Authorities (Member's Interest) Act 1968].

- Chairperson Presland and Members Neilson and Bell advised the Board that they had a declaration of interest regarding the Ōmokoroa Tennis Club, and report 9.3 of the agenda – *Grant Application – September 2023* – as they were members of the Ōmokoroa Sports and Recreation Society.

6 PUBLIC EXCLUDED ITEMS

Nil

7 PUBLIC FORUM

7.1 SHARON PARKER – ŌMOKOROA SPORT AND RECREATION SOCIETY GRANT APPLICATION

- The steps had been included in the original building design for the Ōmokoroa Sports Pavilion, but were not built.
 - The lack of steps was a safety issue, as people were climbing the steep bank to get to the Pavilion.
 - The steps would increase amenity value for the area.
 - The Ōmokoroa Sport and Recreation Society had put a lot of work into the project, and had \$10,000 of their own funding put aside.
 - The total cost for the project was approximately \$34,000.
-

7.2 PUBLIC ART GROUP – WESTERN AVENUE MURAL

- For the last few months, the Group had been gathering drawings from children from various schools around Ōmokoroa.
 - The children had shared many ideas regarding what they liked about Ōmokoroa and what they enjoyed doing (such as sports and activities).
 - The Group were incorporating the children's drawings into the mural designs, as well as the range of activities that took place at the Western Avenue Reserve.
 - Once the discussions had taken place with the Ōmokoroa Community Board and Council's Reserves and Facilities Manager, the Group were planning to socialise the designs and ideas with other community groups in the area.
 - The Group already had funding for the project.
 - The Board congratulated the group on their community consultation process, dedication, and creativity during the project.
-

7.3 CHRIS DEVER – VARIOUS TOPICS

- It was clarified that anyone was able to speak in a public forum meeting at any Community Board meeting, not just residents from the area.
 - The details of Council's newly appointed Community Resilience Advisor, could be made available.
-

-
- There was concern raised regarding the pace at which the Ōmokoroa Boat Club lighting project was being carried out. The Board noted that there had been contact with the Commodore of the Boat Club, and a plan had been put in place to get this project underway.
 - The Speed Management Review was a process that Council was required to undertake. The consultation process would be discussed at a Strategy and Policy Workshop on 28 September 2023. It was noted that 'Central Business District' referred to the main business and central areas of each township. Waka Kotahi (NZTA) required that these areas, which were currently 50km/h, be reduced to 40km/h.
 - The Transportation Area Engineer confirmed that there was street lighting planned for Tralee Street, where the new village was being built.
-

7.4 HUGH MOLETA - LINKS VIEW DRIVE FLOODING

- During the heavy rain events in May 2023, the stormwater drains on the road had not coped with the amount of water, causing flooding for nearby houses.
- There were no stormwater services in place for majority of homes on the road, noting that rain flowed from the road onto these properties.
- It was believed that the main issue was a large, deciduous tree, which was close to the road and near a large stormwater sump, causing blockage issues.
- A long-term solution was needed for this issue, as the flooding had caused damage to properties and there was a risk it would continue happening.
- There were parts of the tree which were rotting, and roots from the tree were cracking the road seal.
- There had been no flooding issues during the weather events in January 2023.
- Typically, the stormwater systems were designed for a one-in-25-year storm event, and the weather events in 2023 were thought to have been larger than this.
- The contractors were currently maintaining the tree and catch-pit to Council's levels of service.

The Transportation Area Engineer advised the Board that WestLink had attended the site and confirmed there were no blockages. The tree was inspected, and hanging branches that posed a safety risk would be cut back. It was suggested that, because Council did not have a Street Tree Policy, this issue be referred back to the Board for consideration. The Board would discuss this at their next Ōmokoroa Community Board workshop with Council staff to reach a resolution.

7.5 ANDREW DALLAS – ŌMOKOROA TENNIS

- The Ōmokoroa Tennis Club was seeking support from the Community Board for three goals, which were described in Tabled Item 1 – Submission in Support of Additional Tennis Courts at Western Avenue, and below:
 1. Tennis in Ōmokoroa be centred to one facility at Western Avenue.
 2. Addition of three new courts to the Western Avenue side of the existing courts.
 3. The new courts to have flexipave surface to support junior tennis.
- The Tennis Club membership had grown significantly over the last year, and the current tennis court facility was felt to be inadequate for the number of members.
- The club proposed that the court closest to the Old Pavilion be the multi-use court and there be two tennis courts within the fences. The primary concern with having multi-use courts was who would look after the courts and manage the changeover for different sports codes.
- If an agreement for the courts was achieved, the Club would begin exploring options for raising funds.

Mr Dallas responded to the Board's questions as follows:

- The club did not have an approximate cost of a tennis court, but it was thought that the majority of the cost would come from the earthworks required for the proposed site of the new courts.
 - Currently, the courts were being used in the evenings from Monday through to Thursday, and Friday and Saturday mornings. Interclub also took place on Sundays. Future projections for the use of the courts was that they would be used very regularly, and that seven courts would be sufficient for the growth.
-

7.6 MATTHEW FARRELL – ŌMOKOROA TENNIS AND YOUTH WELLBEING

- There was concern with the desired expansion of the tennis courts on Western Avenue, as there was finite space and resources in the community. It was believed that consideration needed to be given to ratios of space.
 - It was believed that broader consultation needed to take place, rather than just with users who have an interest in tennis.
 - Mr Farrell noted that the Tennis Club were doing great work, and he was not intending to exclude the Tennis Club from opportunities, but there was a need for a wider range of community facilities.
-

- It was thought there was a need for a 'youth club' in Ōmokoroa, and a range of facilities to provide an outlet for young people.
- There was a need for a social strategy for future social wellbeing of Ōmokoroa, and to aid in decreasing the antisocial behaviours that come with a growing community.
- It was believed that there were many facilities in Ōmokoroa for tennis, but there was concern that there were limited facilities for other sports.

8 MINUTES FOR CONFIRMATION

8.1 MINUTES OF THE ŌMOKOROA COMMUNITY BOARD MEETING HELD ON 1 AUGUST 2023

The Community Response Plan was put together by members of the Ōmokoroa Response Team in conjunction with Council's Senior Emergency Management Advisor. It was requested that the Community Response Plan be discussed at a future Ōmokoroa Community Board workshop to identify changes/amendments, and that the publishing of this Response Plan be postponed.

RESOLUTION OMC23-6.1

Moved: Cr M Grainger

Seconded: Cr D Thwaites

1. That the Minutes of the Ōmokoroa Community Board Meeting held on 1 August 2023 as circulated with the agenda be confirmed as a true and correct record, with the following amendment made:
 - That on page 7 of the minutes, under item 10.5, the following should read:

"OM1.8 – Up to \$50,000 committed from the Board's Reserve Account for two bus shelters on Ōmokoroa Road, which was now to be funded from the Ōmokoroa Road Stage 2 Urbanisation Project fund."
2. That the Chairperson's electronic signature be inserted into the confirmed minutes.

CARRIED

9 REPORTS

9.1 CHAIRPERSON'S REPORT – SEPTEMBER 2023

The Board considered a report from the Chairperson. The Board took the report as read.

RESOLUTION OMC23-6.2

Moved: Member G Neilson

Seconded: Member B Bell

1. That the Chairperson's report dated 26 September 2023, titled 'Chairperson's Report – September 2023', be received.
2. That staff investigate the replacement of the Crapp Reserve signage, which is currently out of date, and report back to the Board.
3. That the Board approve Option B for the Ōmokoroa Skatepark Concrete Pathway: Alternative option to replace the concrete with a fibreglass deck, at a cost of \$3,488.00. This will be funded from the Community Board Reserves Account.

CARRIED

9.2 COUNCILLOR'S REPORT – SEPTEMBER 2023

The Board considered a report from Councillor Thwaites. The Board took the report as read, with further discussion on the below:

- The Annual Plan process had been delayed, however, it had now been adopted.
- Feedback for the future development of TECT Park had now closed.
- There would be an opportunity for community feedback on the draft Speed Management Plan.
- There had been desire from residents to reduce speed limits in rural areas, noting that this feedback had been overwhelming within the Te Puna community.
- Staff were working to complete the first draft of the Long Term Plan budgets, with full-day Council workshops planned during the remainder of 2023.

RESOLUTION OMC23-6.3

Moved: Cr D Thwaites

Seconded: Cr M Grainger

That Councillor Thwaites' report dated 26 September 2023, titled 'Councillor's Report – September 2023', be received.

CARRIED

9.3 GRANT APPLICATION – SEPTEMBER 2023

Chairperson Presland and Members Grieg and Bell declared in interest in this item and took no part in the discussion or voting thereon.

The Board considered a report from the Governance Advisor. The Board took the report as read, with further discussion on the below:

- The Board agreed that the Ōmokoroa Sports and Recreation society should not have to front the cost of the stairs as it was a community asset and would be maintained by Council, and the project should be funded entirely from the Community Board Reserves Account. This would be brought to the next Community Board meeting for the funding to be committed. It was agreed that the grant application would be declined for this reason.
- Council's Reserves and Facilities Manager had provided specifications that the project must adhere to, and the planning had been completed in accordance with these specifications.

RESOLUTION OMC23-6.4

Moved: Cr M Grainger

Seconded: Cr D Thwaites

1. That the Governance Advisor's report dated 26 September 2023 titled 'Grant Application – September 2023' be received.
2. That the Ōmokoroa Community Board **do not approve** the grant application from the Ōmokoroa Sports and Recreation Society Incorporated.

CARRIED

9.4 OPERATIONAL REPORT – SEPTEMBER 2023

The Board considered a report from the Governance Advisor. The Board took the report as read, with further discussion on the below:

- It was clarified that the Lee Street Pensioner Houses were not situated in Ōmokoroa, and this was just an administration error when running the report.

RESOLUTION OMC23-6.5

Moved: Member B Bell

Seconded: Member G Neilson

1. That the Governance Advisor's report dated 26 September 2023 titled 'Operational Report – September 2023' be received.
-

2. That the Ōmokoroa Community Board requests that the remainder of the 'Committed – Reserve Expenditure' contribution to develop a Passive Reserve at the Western Avenue extension (OM1.8), be released back into the Reserve Account as the works have now been completed, with the remainder being \$26,043.00.

CARRIED

9.4.1 SEA SCOUT DEN

RESOLUTION OMC23-6.6

Moved: Member B Bell

Seconded: Member G Neilson

The Board sought an update on the Sea Scout Den, as there were a number of parties interested in leasing the space. Staff would investigate and an update would be included in the next Ōmokoroa Community Board Operational Report.

CARRIED

9.5 INFRASTRUCTURE GROUP REPORT ŌMOKOROA COMMUNITY BOARD SEPTEMBER 2023

The Board considered a report from the General Manager Infrastructure Services. The Board took the report as read, with further discussion on the below:

- The road marking outside the Fire Station had been completed, and the addition of signs would supplement the Parking Bylaw, as well as the Fire and Emergency New Zealand (FENZ) parking requirements.
- The \$4,000 for the FENZ Signs was an estimate, and included a contingency amount.

RESOLUTION OMC23-6.7

Moved: Member B Bell

Seconded: Cr M Grainger

1. That the Executive Assistant Infrastructure Group's report, dated 26 September 2023 titled 'Infrastructure Group Report Ōmokoroa Community Board September 2023' be received.

CARRIED

RESOLUTION OMC23-6.8

Moved: Member B Bell

Seconded: Cr M Grainger

2. TOLO Cycle Racks

That the Board fund from the Community Board Roding Account a poured concrete surface and the installation of three previously purchased cycle racks and purchase two additional units (5 cycle rack units in total), to be located adjacent to the Old Library on McDonell Street. Costs will include relocating the existing sign and adjusting the adjacent garden edging accordingly, at a cost estimate of \$8,000.00.

CARRIED

RESOLUTION OMC23-6.9

Moved: Member G Neilson

Seconded: Cr M Grainger

3. FENZ SIGNS

That the Board fund, from the Community Board Roding Account, the supply and installation of two "No Parking Zone" signs, to be installed on Ōmokoroa Road, adjacent to the Fire Station main entrance; to support the existing Traffic and Parking Bylaw restrictions in the immediate vicinity.

AND

That the Board fund, from the Community Board Roding Account, the supply and install an appropriate "FENZ Only/No Unauthorised Vehicles" style sign, to be located on the boundary of the Fire Station and the Station forecourt, to highlight the essential need to maintain a clear zone area to allow unrestricted access and egress of FENZ vehicles, at all times, in front of the station main doors. The cost estimate for this is \$4,000.00.

CARRIED

The Chairperson noted that there was no Community Board financial report for this meeting, and that the August 2023 financial information was still valid. The financial report would be included in the next agenda.

The Meeting closed at 8.19pm.

Confirmed as a true and correct record at the Ōmokoroa Community Board meeting held on 21 November 2023.

.....

Chairperson P Presland

CHAIRPERSON

Unconfirmed

9.3 MINUTES OF THE TE PUKE COMMUNITY BOARD MEETING HELD ON 28 SEPTEMBER 2023

File Number: A5779369

Author: Horowai Wi Repa, Governance Systems Advisor

Authoriser: Greer Golding, Governance Manager

RECOMMENDATION

1. That the Minutes of the Te Puke Community Board Meeting held on 28 September 2023 be received.

ATTACHMENTS

1. Minutes of the Te Puke Community Board Meeting held on 28 September 2023

**MINUTES OF WESTERN BAY OF PLENTY DISTRICT COUNCIL
TE PUKE COMMUNITY BOARD MEETING NO. TPC23-6
HELD IN THE TE PUKE LIBRARY AND SERVICE CENTRE, 130 JELICOE STREET, TE PUKE
ON THURSDAY, 28 SEPTEMBER 2023 AT 7.00PM**

KARAKIA

Councillor Wichers opened the meeting with a karakia.

1 PRESENT

Chairperson K Ellis, Member D Snell, Member K Summerhays, Cr G Dally and Cr A Wichers

2 IN ATTENDANCE

C Crow (General Manager Infrastructure Services), S Prendergast (Transportation Area Engineer), E Watton (Strategic Policy and Planning Programme Director), A King (Strategic Advisor: Legislative Reform and Special Projects) and G Golding (Governance Manager)

OTHERS IN ATTENDANCE

Mayor J Denyer, and Councillor R Crawford

3 APOLOGIES

APOLOGY

RESOLUTION TPC23-6.1

Moved: Cr A Wichers

Seconded: Member K Summerhays

That the apology for lateness from Member Snell be accepted.

CARRIED

4 CONSIDERATION OF LATE ITEMS

Nil

5 DECLARATIONS OF INTEREST

7.02pm Member Snell entered the meeting.

Members were advised that if they had an interest (actual, potential, pecuniary or nonpecuniary interest) in any item on the agenda, then they must declare this interest and refrain from discussing or voting on this item and were advised to withdraw from the meeting table for the item. [As per the Local Authorities (Member's Interest) Act 1968].

- Councillor Dally and Member Snell advised the Board that they had a declaration of interest regarding report 9.3 of the agenda – '*Te Puke Community Board - Grant Application - September 2023*' – as they were members of the Te Puke War Memorial Hall Committee.

6 PUBLIC EXCLUDED ITEMS

Nil

7 PUBLIC FORUM

7.1 TUI ATKINSON – LANDSCAPE ROAD

- It was requested that there be some improvements to Landscape Road, being:
 - A pedestrian crossing from the Te Puke Squash Club to the carpark area.
 - A footpath, either on the left hand side of Landscape Road coming off the State Highway, or going through Lawrence Oliver Park. The pathway through the park was believed to be the safest option.
 - Improved carparking for the Te Puke Squash Club.
 - Roadside kerbing and drainage along all of Landscape Road.
 - Trimming of trees along the road, particularly on the corner.
 - Increase frequency of removal of debris from the road.
 - Repainting of the centre lines at the beginning of the road.
 - Installation of a CCTV camera on the light post near the historic bridge at the end of the road.
- There were also some requests and concerns raised from residents of Landscape Road, including:
 - Rubbish trucks were using residents driveways to turn around, causing potholes on private property. It was believed that widening and kerbing of the road would prevent this.
 - Bollards in front of the Squash Club where the footpath was proposed to be.
 - Renewal of the anti-slip mat on the Historic Bridge.
 - The intersection of Landscape Road, State Highway, and No 1 Road was dangerous, and a roundabout was suggested as a future solution.
- Residents had raised concern over the limited parking spaces, now that the dog park was being built on Lawrence Oliver Park.

7.2 COUNCILLOR RICHARD CRAWFORD – EMERGENCY MANAGEMENT

- The Orchard Church had been chosen as the new site for the Emergency Management Community Response Team in case of an emergency, and the kit had been relocated to this site.
- The 'Get Ready' website and the Te Puke Civil Defence Community Response Plan was planned to be updated in the near future, and the emergency maps were being updated by Council staff.

8 MINUTES FOR CONFIRMATION**8.1 MINUTES OF THE TE PUKE COMMUNITY BOARD MEETING HELD ON 3 AUGUST 2023****RESOLUTION TPC23-6.2**

Moved: Member K Summerhays

Seconded: Member D Snell

That the Minutes of the Te Puke Community Board Meeting held on 3 August 2023 as circulated with the agenda be confirmed as a true and correct record, with the following amendment:

- That on page 5 of the Minutes, under item 9.2, the following should read:
"Member Summerhays wished it to be noted that she believed the approach to use COLAB for Tō Wāhi resulted predominantly in COLAB's strategic plan being presented."

That the Chairperson's electronic signature be inserted into the confirmed minutes.

CARRIED

CHANGE TO THE ORDER OF BUSINESS**RESOLUTION TPC23-6.3**

Moved: Cr A Wichers

Seconded: Member D Snell

That in accordance with Sanding Orders, the order of business be changed and that item 9.5: 'Update on the Te Puke Spatial Plan', be dealt with as the next item of business, in order to release the presenters from the meeting.

CARRIED

9 REPORTS

9.1 UPDATE ON THE TE PUKE SPATIAL PLAN

The Board considered a report from the Strategic Advisor: Legislative Reforms and Special Projects. The report was taken as read, with further discussion on the below:

- Council agreed to prepare a Te Puke Spatial Plan in March 2023.
- Staff had been working on a draft project plan and how the governance of the Te Puke Spatial Plan Committee would work.
- The intention of the sub-committee was to provide governance and ownership for the process, as well as direction and support. The sub-committee would also build partnerships to help achieve outcomes that would be identified through the process.
- The Maketu-Te Puke Ward Councillors, Te Puke Community Board, and two iwi representatives had been nominated as members of the sub-committee.
- The first step of the sub-committee was to hold an initial meeting to discuss the project, including the draft communications and engagement strategy.
- There had been initial engagement through the Tō Wāhi – Your Place events.
- The frequency of meetings of the sub-committee were as required, and would depend on the work requirements throughout the process.
- A spatial plan was a blueprint for the future of an area, and took into consideration the community's wishes for their area. The most important part of the Spatial Plan was the Implementation Plan.
- This was the first Spatial Plan of its kind undertaken by Council.
- The SmartGrowth Strategy was based on the Urban Form and Transport Initiative (UFTI), which showed the regions settlement patterns, however, it did not envisage much growth in Te Puke. This strategy was reviewed every 3-6 years.
- The Te Puke Spatial Plan would be submitted to SmartGrowth once completed, to be included in the SmartGrowth Strategy.
- The boundary of the plan was yet to be determined.
- Structure plans could be included as part of the implementation plan, rather than as a separate plan.
- Staff had met with Bay of Plenty Regional Council (BOPRC), and were keen to be involved with Council on the project at a staff level.

RESOLUTION TPC23-6.4

Moved: Member K Summerhays

Seconded: Cr G Dally

That the Strategic Advisor: Legislative Reform and Special Projects report dated 28 September 2023, titled 'Update on the Te Puke Spatial Plan', be received.

CARRIED

9.1.1 NEW LEGISLATION OVERVIEW – TE PUKE SPATIAL PLAN

It was requested that staff provide an overview of the new legislation at the first Te Puke Spatial Plan Sub-Committee meeting, to provide members with what was expected of the Te Puke Spatial Plan and the boundaries it had.

9.2 TE PUKE COMMUNITY BOARD – CHAIRPERSON'S REPORT

The Board considered a report from the Chairperson. The report was taken as read, with further discussion on the below:

Transport Choices:

- The feedback received for the Te Puke Transport Choices was largely against the proposal. Council was waiting to find out the final funding position from Waka Kotahi (NZTA).
- There was significant concern over the loss of carparking.
- Waka Kotahi had extended the funding deadline by 12 months, and was planning to present to the Projects and Monitoring Committee workshop in October 2023.
- Staff were investigating how much of the consultation feedback could be addressed, before going back out for consultation.
- It was thought that this would be a "if you build it, they will come" project.

Tree Policy:

- Council was developing a Street Tree Policy, and it was suggested by the Chairperson that tree issues should not involve the Community Board.
- There was currently no clear decision process for the removal of trees.
- From a roading perspective, safety and visibility concerns would only be considered when removing trees, as well as any issues for the stormwater system.
- It was suggested that the Board be involved to the extent of objecting to any planned removals, rather than providing approval.
- Community Boards had no delegations for tree removal decisions.

Bench Seats:

- It was clarified that there were 20 seats to be refurbished, not 16.
- The high costs for transportation of the seats involved safety aspects, such as pedestrian traffic management.
- A second quote had been received for the removal and transportation of 20 seats, for \$6,500.00 (Tabled Item 1 – Second Quote for Removal/Transportation of Seats).
- It was suggested that the chairs be sanded and stained, rather than painted.

Commerce Lane Safety Report and Proposal:

- This project was currently on hold until the extra funding was approved by the Community Board.
- A cost estimate was included as part of the design process.
- The Board requested an estimate figure on the overall cost of the project.
- Funding of \$9,000 had already been spent on the project for a Safe Systems Audit, and further funding was required to cover the extra costs and progress the plans for public consultation.
- The current balance of the Te Puke Community Board Rooding Account was approximately \$470,000, as at 30 June 2023.
- The Board would consider the requirement for a public consultation once the plans had been completed and provided to the Board.

Heritage Plaza Helicopter Pad Shelter:

- The funding for the shelter may need to be sourced outside of the Board's rooding budget.
- Board members were meeting with staff and the Managing Director of Te Puke Economic Development Group (Te Puke EDG) on 29 September 2023 to discuss the shelter.
- It was suggested that this topic would be better discussed at a Community Board workshop.

RESOLUTION TPC23-6.5

Moved: Member D Snell

Seconded: Cr A Wichers

That the Chairperson's report dated 28 September 2023 titled 'Te Puke Community Board - Chairperson's Report - September 2023' be received.

CARRIED

RESOLUTION TPC23-6.6

Moved: Member K Summerhays

Seconded: Member D Snell

That the Te Puke Community Board approve up to \$9,000.00 (excluding GST) from the Te Puke Community Board rooding budget, for the refurbishment of 20 bench seats along the main street of Te Puke, to be carried out by the MenzShed, and the removal and installation of these seats (as per the quote from the Transportation Area Engineer dated 27 September 2023).

CARRIED

RESOLUTION TPC23-6.7

Moved: Member K Summerhays

Seconded: Chairperson K Ellis

That the Te Puke Community Board approve additional funding of \$7,000 (excluding GST) that is required to progress the plans for public consultation relating to the Commerce Lane safety proposal upgrades, to be funded from the Te Puke Community Board Roading Account.

CARRIED

RESOLUTION TPC23-6.8

Moved: Chairperson K Ellis

Seconded: Cr A Wichers

That the Te Puke Community Board rescind the \$500.00 committed expenditure for the Te Puke Excellence Awards Night, from the Board's Conference Budget, as the Board will no longer be attending the event.

CARRIED

9.3 TE PUKE COMMUNITY BOARD – COUNCILLOR'S REPORT

The Board considered a report from Councillor Wichers. The report was taken as read, with further discussion on the below:

- The form of consultation for the Speed Management Plan had been discussed at a Council workshop, and a formal decision would be made at the Council meeting scheduled 3 October 2023.
-

RESOLUTION TPC23-6.9

Moved: Member D Snell

Seconded: Cr G Dally

That Councillor Wichers' report dated 28 September 2023 titled 'Te Puke Community Board – Councillor's Report' be received.

CARRIED

9.4 TE PUKE COMMUNITY BOARD – GRANT APPLICATIONS – SEPTEMBER 2023

The Board considered a report from the Senior Governance Advisor. The report was taken as read, with further discussion on the below:

Fairhaven School Fireworks Gala:

- The Board had not received the 2022 financial information from Fairhaven School.
- The Friends of Fairhaven School ran the gala, and undertook the fundraising and allocation of funds. Therefore, the Board noted that the School's financial information was irrelevant to this particular event.
- The event had not met the eligibility criteria for the Tauranga Western Bay Community Event Fund, as it was a fundraising event.
- The event would involve around 5000-6000 people and had significant public impact.

Te Puke War Memorial Hall:

Cr Dally and Member Snell declared in interest in this item and took no part in the discussion or voting thereon.

- It was believed that trestle tables were not always the best quality and were easily damaged.
- The Board believed that the Hall Committee needed to ensure that the tables purchased were of good quality, and noted this would be raised at a Hall Committee meeting.

RESOLUTION TPC23-6.10

Moved: Member K Summerhays

Seconded: Member D Snell

That the Senior Governance Advisor's report dated 28 September 2023 titled 'Te Puke Community Board Grant Applications – September 2023' be received.

CARRIED

RESOLUTION TPC23-6.11

Moved: Cr A Wichers

Seconded: Chairperson K Ellis

That the Te Puke Community Board approve the grant application from Te Puke Scout Group for \$1,000.00, to contribute towards an invoice for anti graffiti paint for the Scout Den. This grant will be funded from the Te Puke Community Board Grants Account, subject to all accountabilities being met.

CARRIED

RESOLUTION TPC23-6.12

Moved: Chairperson K Ellis

Seconded: Cr G Dally

That the Te Puke Community Board approve the grant application from Fairhaven School for \$2,000.00, to contribute towards funding the running of the Fairhaven School Fireworks Gala. This grant will be funded from the Te Puke Community Board Grants Account, subject to all accountabilities being met

CARRIED

RESOLUTION TPC23-6.13

Moved: Cr A Wichers

Seconded: Chairperson K Ellis

That the Te Puke Community Board approve the grant application from Te Puke War Memorial Hall Society Inc for \$1,000.00, to contribute towards the purchase of new trestle tables for the hall. This grant will be funded from the Te Puke Community Board Grants Account, subject to all accountabilities being met.

CARRIED

9.5 OPERATIONAL REPORT - SEPTEMBER 2023

The Board considered a report from the Governance Advisor. The report was taken as read.

RESOLUTION TPC23-6.14

Moved: Cr A Wichers

Seconded: Chairperson K Ellis

That the Governance Advisor's report dated 28 September 2023 titled 'Operational Report – September 2023' be received.

CARRIED

9.6 INFRASTRUCTURE GROUP REPORT TE PUKE COMMUNITY BOARD SEPTEMBER 2023

The Board considered a report from the Executive Assistant Infrastructure Group. The report was taken as read, with discussions as below.

RESOLUTION TPC23-6.15

Moved: Cr A Wichers

Seconded: Member D Snell

That the Executive Assistant Infrastructure Group's report dated 28 September 2023 titled 'Infrastructure Group Report Te Puke Community Board September 2023' be received.

CARRIED

9.6.1 COMMUNITY RESOURCE RECOVERY CENTRE – TE PUKE RECYCLING CENTRE.

It was requested that staff collate and provide information to the Te Puke Community Board on the current and future progress of the Community Resource Recovery Centre. A presentation could be made to the Board if requested.

9.6.2 QUEEN PALMS (QUEEN STREET) ROAD FRONTAGE

It was raised that the road frontage for the Queen Palms development, on Queen Street, had not yet been grassed, and it was requested that staff investigate this.

9.6.3 LAWRENCE OLIVER PARK DOG EXERCISE AREA

The Dog Park project was significantly over budget, however, Council had added some additional features, and the Board noted it was a job well done.

9.6.4 BELL ROAD BOAT RAMP

- The Te Maru o Kaituna River Authority were undertaking a study on developing the Bell Road Boat Ramp as a waka landing area and recreation site. The illegal dumping and boy racers in this area needed to be dealt with to allow this to take place.
 - Council currently had a working group for this area, and there was an application in the process for the installation of CCTV cameras. There was also a concept plan for bollards to be installed on the grass area, as well as speed bumps, to prevent boy racers.
-

The Meeting closed at 9.25pm.

Confirmed as a true and correct record at the Te Puke Community Board meeting held on 23 November 2023.

.....
Chairperson K Ellis

CHAIRPERSON

9.4 MINUTES OF THE MAKETU COMMUNITY BOARD MEETING HELD ON 3 OCTOBER 2023

File Number: A5791711

Author: Carolyn Irvin, Senior Governance Advisor

Authoriser: Greer Golding, Governance Manager

RECOMMENDATION

1. That the Minutes of the Maketu Community Board Meeting held on 3 October 2023 be received.

ATTACHMENTS

1. Minutes of the Maketu Community Board Meeting held on 3 October 2023

**MINUTES OF WESTERN BAY OF PLENTY DISTRICT COUNCIL
MAKETU COMMUNITY BOARD MEETING NO. MKC23-6
HELD IN THE MAKETU COMMUNITY CENTRE, WILSON ROAD, MAKETU
ON TUESDAY, 3 OCTOBER 2023 AT 7.00PM**

1 PRESENT

Chairperson L Rae, Deputy R Corbett, Member T Hopping, Member D Walters, Cr R Crawford and Deputy Mayor J Scrimgeour.

2 IN ATTENDANCE

R Davie (Deputy CEO/General Manager Strategy and Community), S Prendergast (Transportation Area Engineer West) and R Leahy (Governance Advisor).

OTHERS IN ATTENDANCE

5 Members of the public including Cr Dally and P De Monchy (Bay of Plenty Regional Council).

KARAKIA

The Chairperson opened the meeting with a Karakia.

3 APOLOGIES

Nil

4 CONSIDERATION OF LATE ITEMS

Nil

5 DECLARATIONS OF INTEREST

Nil

6 PUBLIC EXCLUDED ITEMS

Nil

7 PUBLIC FORUM

7.1 HEATHER JOHNSON – RUBBISH AND MOWING

Ms Johnson, Maketu resident, attended and provided the following comments:

- She had noticed a lot of rubbish on Arawa Avenue near the 70km/h sign and requested an additional rubbish bin be installed at the bus shelter on Arawa Avenue.
- Rubbish had also been dumped in the drains on Spencer Avenue.
- The grass near the drains was overgrown and only mowed twice a year, noting that long grass encouraged people to dump their rubbish as it could not be easily seen on the road.
- The drains needed to be skimmed and grass mowed/sprayed to prevent people from dumping rubbish.
- Ms Johnson requested information on the level of service for mowing on Arawa Avenue.

The Chairperson noted that the drain on Spencer Avenue was scheduled to be cleared.

7.2 MAX JOHNSTON – WILSON ROAD/HEAVY TRUCKS/DRAIN CLEARING

Mr Johnston, Maketu resident, attended and provided the following comments:

- He raised concerns that no action had been taken to improve the safety of Wilson Road.
- Heavy trucks were using Wilson Road as a bypass to avoid a nearby weigh station, creating dangerous conditions for local road users.
- There were issues with the drains in Maketu, noting contractors had cleaned one part of culvert 900 but not the entire drain.
- Mr Johnston questioned if Council was awaiting consent from Bay of Plenty Regional Council (BOPRC) before it could clear the drain.
- Council needed to clear the drain prior to winter 2024.

The Chairperson had contacted Fonterra and requested that dairy tankers use the longer route.

7.3 STEPHAN SIMPSON – SPORTS FIELD ENTRANCEWAY AND FACILITIES

Mr Simpson, Maketu resident, attended and provided the following comments:

- The entranceway to the Maketu Sports Field was not suitable.
-

- The works for the Sports Field had been signed off, however, they did not meet community expectations.
- A steel gate, no camping sign and seat should be installed at the sports field.
- The picnic table by the monument should be relocated to the sports field to save costs of installing a new one.

The Chairperson suggested that the Board meet onsite to discuss further works to the Sports Field entranceway and facilities.

7.4 CR G DALLY – DRAFT SPEED MANAGEMENT PLAN

Cr Dally, Te Puke-Maketu Councillor, was in attendance and provided the following comments:

- Council had approved the Draft Speed Management Plan for public consultation.
 - Cr Dally had put in a submission to the Speed Management Plan.
 - In previous meetings there had been a number of public forum members in attendance to speak to the speeding issues in Maketu.
 - He encouraged the Board and members of the community to put in a submission to the Draft Speed Management Plan.
-

8 PRESENTATIONS

8.1 PRESENTATION – REGIONAL COUNCIL PROPOSED MAKETU ROAD CULVERT

Pim De Monchy spoke to a PowerPoint presentation that provided an update on the Kaituna re-diversion and proposed Maketu Road culvert. The following updates were provided:

- As a result of the Kaituna re-diversion, there had been significant issues with algae, which had affected the cultural and ecological health of the estuary.
 - BOPRC had been conducting land survey monitoring and agreed to extend some of the monitored cross sections.
 - A member of the public commented that the sand build-up near the sandspit needed to be monitored.
 - If the level of sand got too low on the sandspit, Regional Council had permission to move more sand onto it.
 - The Community Board expressed interest in seeing an investigation into dredging the estuary to increase hydraulic capacity and re-introducing old channels.
 - Water salinity in the estuary had improved since the upgrades were completed.
 - Regional Council was proposing to rock line an additional 300m of the Kaituna river to prevent further erosion.
-

- Regional Council would investigate closing some of the gates on the Ford Road culvert to prevent some of the sediment from the river travelling into the estuary.
- Regional Council could assist with removing debris following flood events if they were a navigational hazard.
- Tauranga City Council ratepayers paid for beach grooming, if the Maketu Community wanted this service, it would need to be paid for through a targeted rate.
- The Maketu Road culvert was currently in the design phase and would not be completed by Christmas.
- There was a need to balance development and consent requirements when issuing consents. Resource Management Act reform may alleviate issues that regional and district councils faced.

9 MINUTES FOR CONFIRMATION

9.1 MINUTES OF THE MAKETU COMMUNITY BOARD MEETING HELD ON 8 AUGUST 2023

RESOLUTION MKC23-6.1

Moved: Member T Hopping

Seconded: Deputy Mayor J Scrimgeour

1. That the Minutes of the Maketu Community Board Meeting held on 8 August 2023 as circulated with the agenda be confirmed as a true and correct record.
2. That the Chairperson's electronic signature be inserted into the confirmed minutes.

CARRIED

10 REPORTS

10.1 MAKETU COMMUNITY BOARD – CHAIRPERSONS REPORT

The Board considered a report from the Chairperson who took the report as read. The following comments were provided:

- The Board requested that the existing bike rack on Beach Road removed? and placed next to or nearby the new one.
- The Board requested a quote for an additional rubbish bin to be installed at the bus shelter on Arawa Avenue.

RESOLUTION MKC23-6.2

Moved: Member T Hopping

Seconded: Cr R Crawford

That the Chairperson's report dated 3 October 2023 titled 'Maketu Community Board Chairperson's Report – October 2023' be received.

CARRIED

RESOLUTION MKC23-6.3

Moved: Member D Walters

Seconded: Member T Hopping

That the Maketu Community Board approve up to \$25,032.95 for a new stainless steel hand railing (supplied and installed by Paramount Stainless Steel), at the Urupa, to be funded from the Maketu Community Board Reserve Account.

CARRIED

RESOLUTION MKC23-6.4

Moved: Chairperson L Rae

Seconded: Deputy R Corbett

That the Maketu Community Board approve up to \$5,500 for an upgrade to the Beach Road carpark bike rack, to be funded from the Maketu Community Board Reserve Account.

CARRIED

RESOLUTION MKC23-6.5

Moved: Chairperson L Rae

Seconded: Member D Walters

That the Maketu Community Board approve a further \$3,320 of additional funding for the installation of the new bus shelter on Arawa Avenue, to be funded from the Maketu Community Board Reserve Account.

CARRIED

10.2 MAKETU COMMUNITY BOARD – COUNCILLOR'S REPORT – OCTOBER 2023

The Board considered a report from Cr Crawford who spoke to the report, providing the following comments:

- Council had agreed to expand the role of the Community Committee.
 - Operational issues raised at the Community Forums were progressed as service requests by staff, with more strategic issues addressed by the Committee.
-

RESOLUTION MKC23-6.6

Moved: Cr R Crawford

Seconded: Deputy Mayor J Scrimgeour

That Cr Crawford's report dated 3 October 2023 titled 'Maketu Community Board - Councillor's Report – October 2023' be received.

CARRIED

10.3 INFRASTRUCTURE GROUP REPORT MAKETU COMMUNITY BOARD OCTOBER 2023

The Board considered a report dated 3 October 2023 from the Executive Assistant Infrastructure. The report was taken as read with further discussion on items as listed.

RESOLUTION MKC23-6.7

Moved: Cr R Crawford

Seconded: Deputy Mayor J Scrimgeour

That the Executive's Assistant Infrastructure Group's report dated 3 October 2023 titled 'Infrastructure Group Report Maketu Community Board October 2023' be received.

CARRIED

10.3.1 WILSON ROAD NORTH - MAKETU

- The Roading Account could be used to fund an interim fix on Wilson Road North, however, the Board was advised against this as it may complicate the existing design process that was being undertaken.
 - It is expected that public consultation on the Wilson Road North design would take place prior to Christmas.
 - Upgrades to Wilson Road North were scheduled for the 2024/2025 construction season.
 - The Board requested an onsite workshop with the Transportation Area Engineer to discuss the Wilson Road North project. The Transportation Area Engineer would discuss the project with the designers prior to the workshop.
-

10.3.2 ROADING INFRASTRUCTURE PRICE GUIDE

The Board requested an estimate price guide on basic roading infrastructure like kerbing/channelling (per metre).

10.3.3 SPENCER AVENUE CYCLEWAY

Construction on Stage 2 of the Spencer Avenue Cycleway was expected to take place this month. The Transportation Area Engineer would email the Board once the work commenced.

10.3.4 GLASS RECYCLING

- There were issues with glass recycling in Maketu, data showed that there was an increase in the amount of glass recycled over the holiday period.
 - The Board requested information from the Solid Waste Team on whether an extra glass recycling service or mobile trailer could be arranged for Maketu over the holiday period.
-

10.4 OPERATIONAL REPORT – OCTOBER 2023

The Board considered a report from the Governance Advisor. The report was taken as read.

RESOLUTION MKC23-6.8

Moved: Member T Hopping

Seconded: Deputy R Corbett

That the Governance Advisor's report dated 3 October 2023 titled 'Operational Report – October 2023' be received.

CARRIED

The Meeting closed at 9:07pm.

Confirmed as a true and correct record at the Maketu Community Board meeting held on 28 November 2023.

.....
Chairperson L Rae

CHAIRPERSON

9.5 MINUTES OF THE WAIHĪ BEACH COMMUNITY BOARD MEETING HELD ON 9 OCTOBER 2023

File Number: A5791719

Author: Carolyn Irvin, Senior Governance Advisor

Authoriser: Greer Golding, Governance Manager

RECOMMENDATION

1. That the Minutes of the Waihī Beach Community Board Meeting held on 9 October 2023 be received.

ATTACHMENTS

1. Minutes of the Waihī Beach Community Board Meeting held on 9 October 2023

**MINUTES OF WESTERN BAY OF PLENTY DISTRICT COUNCIL
WAIHĪ BEACH COMMUNITY BOARD MEETING NO. WBC23-6
HELD IN THE WAIHĪ BEACH COMMUNITY CENTRE, 106 BEACH ROAD, WAIHĪ BEACH
ON MONDAY, 9 OCTOBER 2023 AT 6.30PM**

1 PRESENT

Chairperson R Goudie, Member H Guptill, Member D Simpson and Cr A Henry

2 IN ATTENDANCE

A Henderson (General Manager Corporate Services), A Hall (Transportation Area Engineer), P Watson (Reserves and Facilities Manager), P Osborne (Senior Governance Advisor) and R Leahy (Governance Advisor).

OTHERS IN ATTENDANCE

26 Members of the Public, including:

Mayor James Denyer

Cr R Joyce

3 APOLOGIES

APOLOGY

RESOLUTION WBC23-6.1

Moved: Chairperson R Goudie

Seconded: Member D Simpson

That the apology for absence from Cr A Sole be accepted.

CARRIED

4 CONSIDERATION OF LATE ITEMS

Nil

5 DECLARATIONS OF INTEREST

Nil

6 PUBLIC EXCLUDED ITEMS

Nil

7 PUBLIC FORUM

7.1 JO HALL – STORMWATER DRAIN 25 WILSON ROAD

Ms Hall was in attendance to raise concern regarding stormwater issues on Wilson Road.

Ms Hall advised the Board that she had contacted Council 12 months ago regarding the drain outside 25 Wilson Road, which was blocked. She was advised that the project was on the schedule of stormwater works. She requested an update on when these works would start and if regular maintenance could be undertaken on the drain.

7.2 KEITH HAY – CIVIL DEFENCE

Mr Hay was in attendance to speak to the Board regarding civil defence in Waihi Beach. He noted the below points:

- There was concern that Waihi Beach had no location that could safely house the population in the event of a tsunami.
 - The new tsunami warning maps issued by the Civil Defence Emergency Management Group did not show which roads to drive in the event of a tsunami. Mr Hay requested that the maps be replaced with the previous versions.
 - Mr Hay was advised that the purpose of the maps was to show the general direction that people should take rather than specific roads.
-

7.3 MIKE HICKEY – VARIOUS ITEMS

Mike Hickey was in attendance to speak to the Board regarding the below issues:

- A police presence in Waihi Beach was necessary over the summer period.
 - There had been 158 dog attacks in the Bay of Plenty area up from 120 the previous year.
 - Mr Hickey requested that the road markings in Waihi Beach be repainted prior to Christmas.
-

MOTION

RESOLUTION WBC23-6.2

Moved: Chairperson R Goudie

Seconded: Member D Simpson

That in accordance with Standing Order 9.4, the order of business be changed with the presentations heard in the following order: Waihi Beach Lifeguard Services, Pio Shores Sports and Recreation Association, Waihi Beach Coastguard, Pippa Coombes – Waihi Beach Skatepark Update, Te Whānau ā Tauwhao ki Otawhitwhi and Waihi Beach Road Safety Improvements.

CARRIED

8 PRESENTATIONS**8.1 PRESENTATION – WAIHI BEACH LIFEGUARD SERVICES**

Donna Pfefferle from Waihi Beach Lifeguard Services and Mick Kearney from Surf Life Saving New Zealand were in attendance to speak about the proposed Lifeguard Building at Bowentown Seaforth South Reserve and water safety signs. They noted the following points:

- Waihi Beach had three flagged patrols and one roaming patrol during summer. There were issues with getting the appropriate gear to Bowentown and on the water in a timely manner.
 - The purpose of the proposed Lifeguard building in Bowentown was to operate as a mini hub from the main end facility.
 - There was currently no first aid room or triage room in Bowentown. An additional facility was necessary to build capacity to deal with incidents outside the flagged areas.
 - Lifeguard Services was looking at standardising signs at beaches to make it easier for swimmers to identify risks.
 - There was a need for more floatation devices on coastal areas to prevent fatalities.
 - A recent coronial report had gone to councils across New Zealand recommending that local risk assessments in coastal areas should be undertaken to identify areas where signage and floatation devices be installed.
 - The Reserves and Facilities Manager noted that Council had responded to an application and an 'in principle' decision had been made. Submissions
-

for and against the proposal and been received and a decision would be made at a Council meeting in November 2023.

8.2 PRESENTATION – PIO SHORES SPORTS AND RECREATION ASSOCIATION

Peter Roy, supported by additional members of the Pio Shores Sports and Recreation Association, was in attendance to speak to the proposed Lifeguard Building at Bowentown Seaforth South Reserve. They noted the below points:

- Residents from Pio Shores were concerned about the proposal to lease the Bowentown South End Reserve for the purpose of a Lifeguard Building.
 - The Bowentown South End Reserve was important to the Pio Shores residents as many had small sections and used the Reserve as open space.
 - The Reserve formed part of Bowentown's stormwater management system and was 'soggy' most of the year. The location of the proposed Building was an area that flooded.
 - The reserve was primarily used by families particularly during the summer period.
 - The proposed carpark and Lifeguard Building was too close to the cricket pitch and would take away the open space of the reserve.
 - Most of the year the building would be used as a storage facility as Lifeguard Services only operated in Bowentown during the summer months. Waihi Beach Lifeguard Services should look at alternative options for a building.
 - Coastguard was in the vicinity of the area which meant there would be a duplication of services.
-

8.3 PRESENTATION – WAIHI BEACH COASTGUARD

Sam Dunlop was in attendance on behalf of Waihi Beach Coastguard to speak to the proposed Lifeguard Building at Bowentown Seaforth South Reserve. He noted the below points:

- Coastguard supported Waihi Beach Lifeguard Service's goal to expand their facility and service.
 - The two organisations worked in conjunction with each other, however, they had separate responsibilities.
 - Coastguard did not want to see Lifeguard Services duplicate what their own service already provided.
-

- There were currently not enough carparks for all the services when responding to an incident.
 - Coastguard had their own aspiration to expand the footprint of their existing facility, which meant that Lifeguard Services could not build their facility next door.
-

8.4 PRESENTATION – TE WHĀNAU Ā TAUWHAO KI OTAWHIWHI

Reon Tuarau was in attendance to provide the Board with an update on behalf of Te whānau ā tauwhao ki Otawhiwhi. The below points were noted:

- The marae was now connected to the main sewage system, enabling the marae to house large groups during tangihanga and other events.
 - The driveway had been sealed and road signs installed to help identify where the marae and kohanga was located.
 - Otawhiwhi Marae had received funding to conduct cultural research on Great White Sharks. Recommendations for tikanga around Great White Sharks would be put forward for consideration.
 - The track to Shelley Bay had been upgraded following the destruction after weather events earlier this year.
-

8.5 PRESENTATION – PIPPA COOMBES – WAIHĪ BEACH SKATEPARK UPDATE

Pippa Coombes and members of the Skatepark Committee were in attendance to provide an update on the Waihi Beach Skatepark project. They also sought support from the Board for this project.

- The Skatepark Committee was looking for support from the Board and Community for an upgrade of the skatepark in Waihi Beach.
 - Skateparks were among the most frequently used recreational facilities.
 - The group requested a letter of support from the Waihi Beach Community Board.
 - Due to the small footprint of the existing skatepark, it was currently too dangerous for scooters, BMX and skateboard riders to all ride at the same time.
 - The footprint for the new skatepark would be roughly double the existing footprint, depending on how much funding was acquired.
-

- A letter of support from Council had been produced to support the group's funding applications.

RESOLUTION WBC23-6.3

Moved: Cr A Henry

Seconded: Member D Simpson

That the Waihi Beach Community Board write a letter of support for a new skatepark at Waihi Beach.

CARRIED

8.6 PRESENTATION – WAIHI BEACH SCHOOL ROAD SAFETY IMPROVEMENTS

Representatives from Waihi Beach School were unable to attend the meeting.

9 MINUTES FOR CONFIRMATION**9.1 MINUTES OF THE WAIHI BEACH COMMUNITY BOARD MEETING HELD ON 14 AUGUST 2023****RESOLUTION WBC23-6.4**

Moved: Member H Guptill

Seconded: Member D Simpson

1. That the Minutes of the Waihi Beach Community Board Meeting held on 14 August 2023 as circulated with the agenda be confirmed as a true and correct record.
2. That the Chairperson's electronic signature be inserted into the confirmed minutes.

CARRIED

10 REPORTS**10.1 WAIHI BEACH COMMUNITY BOARD WORKSHOP NOTES – 11 SEPTEMBER 2023**

The Waihi Beach Community Board workshop notes were received, with no further discussion.

10.2 WAIHĪ BEACH COMMUNITY BOARD CHAIRPERSONS REPORT – OCTOBER 2023

The Board considered a report from the Chairperson. The report was taken as read with further discussion on the topics listed below.

RESOLUTION WBC23-6.5

Moved: Chairperson R Goudie

Seconded: Member H Guptill

That the Chairpersons report dated 9 October 2023 titled 'Waihi Beach Community Board Chairpersons Report – October 2023' be received.

CARRIED

10.2.1 WAIHĪ BEACH ENTRANCEWAY PROJECT

The Board noted the below points in relation to this project:

- The Entranceway Sign Project was being progressed. The Community Board were in the process of seeking permission from landowners to put the entranceway signs on their land.
- The Board was advised that changes to the design and materials used may be necessary to meet road safety requirements.

RESOLUTION WBC23-6.6

Moved: Member D Simpson

Seconded: Cr A Henry

That the Waihi Beach Community Board approve the Entranceway Project design in principle, noting that changes may be required to address safety restrictions and material once locations are confirmed.

CARRIED

10.2.2 SEAFORTH ROAD REHABILITATION

It was noted that Seaforth Road from Pio Shores Roundabout to Anzac Bay was in a bad condition and needed to be rehabilitated.

10.3 WAIHĪ BEACH COMMUNITY BOARD COUNCILLOR'S REPORT – OCTOBER 2023

The Board considered a report from Councillor Sole. The report was taken as read with no further discussion.

RESOLUTION WBC23-6.7

Moved: Cr A Henry

Seconded: Member H Guptill

That the Councillor's report dated 9 October 2023 titled 'Waihi Beach Community Board Councillor's Report – August 2023' be received.

CARRIED

10.4 PROJECTS AND MONITORING COMMITTEE UPDATES - PROPOSAL TO LEASE BOWENTOWN SEAFORTH ROAD SOUTH RESERVE

The Board considered a report from the Senior Governance Advisor. The report was taken as read. The Chairperson advised that the Waihi Beach Community Board had put in a submission supporting an emergency hub in the south end of Waihi Beach, noting that the position of the facility was a complex discussion.

10.5 INFRASTRUCTURE GROUP REPORT - WAIHI BEACH COMMUNITY BOARD - OCTOBER 2023

The Board considered a report from the Executive Assistance, Infrastructure Group. The report was taken as read with further discussion on items as listed.

RESOLUTION WBC23-6.8

Moved: Chairperson R Goudie

Seconded: Member D Simpson

That the Executive Assistant Infrastructure Group's report, dated 9 October 2023 titled 'Infrastructure Group Report – Waihi Beach Community Board – October 2023' be received.

CARRIED

10.5.1 BEACH ROAD SAFETY ENHANCEMENT PROJECT

The Board had a discussion regarding the Beach Road Safety Enhancement Project, noting the below points:

- The Roading Engineer had engaged with Beca for a quote, highlighting that majority of the cost for this initial design stage would go towards a topographical survey.
 - The Community Board was not obliged to use Beca for the design.
-

- The Transportation Area Engineer would seek alternative quotes on behalf of the Community Board.

RESOLUTION WBC23-6.10

Moved: Chairperson R Goudie

Seconded: Member D Simpson

That the Waihi Beach Community Board request for one to two additional quotes to be sought for the Beach Road Safety Enhancement Project.

CARRIED

RESOLUTION WBC23-6.11

Moved: Member H Guptill

Seconded: Cr A Henry

That the Waihi Beach Community Board note that a preferred location for the requested pedestrian refuge on Beach Road (between Browns Drive and Waihi Beach School) will be recommended by the external consultant for Councils consideration.

CARRIED

10.5.2 WILSON ROAD CARPARK EXTENSION

The Board had a discussion regarding one of their priority projects, being 'Wilson Road Carpark Extension'. The below points were made:

- The cost to extend and seal the Wilson Road carpark exceeded the Board's Roading budget.
- There was the option to do a staged project for the carpark, with a gravel extension being the priority.
- Stormwater upgrades to 25 Wilson Road could happen in conjunction with extending the carpark.

RESOLUTION WBC23-6.12

Moved: Member H Guptill

Seconded: Member D Simpson

That the Waihi Beach Community Board approve funding of up to \$45,000 from the Waihi Beach Roading Account, toward Stage 1 of the Wilson Road Carpark Extension project, noting that this project will happen in parallel with the stormwater upgrade.

CARRIED

10.5.3 WAIHI BEACH LIBRARY DESIGNS

The Board requested the alternative library designs be presented at their next workshop.

10.5.4 PIO SHORES PUMP STATION

- The Board requested an update on when the Department of Conservation would relocate the Shore skinks found near the Pio Shores Pump Station.
 - The Board requested a walk around tour of the Pio Shores pump station upgrade once the works were completed.
-

10.5.5 PENSIONER HOUSING

- There were still three affected pensioners that were unable to be accommodated.
 - The Board requested an update on alternative housing options for the pensioners that could not be accommodated.
-

10.5.6 MARA KAI (FOOD GARDEN)

The Reserves and Facilities Manager provided the Board with an update relating to the Mara Kai (Food Garden).

The Board was advised that the Beach Road Recreation Reserve had been considered as a location for pensioner housing. However, it would need to go through a process to revoke the Reserve classification.

The Reserves and Facilities Manager was seeking direction on whether this process would be undertaken before progressing with the Mara Kai Food Garden.

10.5.7 EDINBURGH STREET AND WILSON ROAD CARPARKS

The Board requested Edinburgh Street and Wilson Road carparking be discussed at their next workshop.

10.6 WAIHI BEACH COMMUNITY BOARD OPERATIONAL REPORT – OCTOBER 2023

The Board considered a report from the Governance Advisor. The report was taken as read.

RESOLUTION WBC23-6.13

Moved: Chairperson R Goudie

Seconded: Cr A Henry

That the Governance Advisor's report dated 9 October 2023 titled 'Waihi Beach Community Board Operational Report – October', be received.

CARRIED

The Meeting closed at 8.56pm.

Confirmed as a true and correct record at the Waihi Beach Community Board meeting held on 4 December 2023.

.....
Chairperson R Goudie
CHAIRPERSON

10 COUNCIL AND COMMITTEE MINUTES FOR CONFIRMATION**10.1 MINUTES OF THE STRATEGY AND POLICY COMMITTEE MEETING HELD ON 28 SEPTEMBER 2023**

File Number: A5779378

Author: Horowai Wi Repa, Governance Systems Advisor

Authoriser: Greer Golding, Governance Manager

RECOMMENDATION

1. That the Minutes of the Strategy and Policy Committee Meeting held on 28 September 2023 be confirmed as a true and correct record and the recommendations therein be adopted.

ATTACHMENTS

1. Minutes of the Strategy and Policy Committee Meeting held on 28 September 2023

**MINUTES OF WESTERN BAY OF PLENTY DISTRICT COUNCIL
STRATEGY AND POLICY COMMITTEE MEETING NO. SPC23-6
HELD IN THE COUNCIL CHAMBERS, BARKES CORNER, 1484 CAMERON ROAD, TAURANGA
ON THURSDAY, 28 SEPTEMBER 2023 AT 9.30AM**

1 KARAKIA

Whakatau mai te wairua
Whakawātea mai te hinengaro
Whakarite mai te tinana
Kia ea ai ngā mahi

Settle the spirit
Clear the mind
Prepare the body
To achieve what needs to be
achieved.

Āe

Yes

2 PRESENT

Mayor J Denyer (Chairperson), Cr R Crawford, Cr T Coxhead, Cr G Dally, Cr A Henry, Cr M Grainger, Deputy Mayor J Scrimgeour, Cr D Thwaites and Cr A Wichers

VIA ZOOM

Cr R Joyce and Cr A Sole

3 IN ATTENDANCE

J Holyoake (Chief Executive Officer), R Davie (Deputy CEO/General Manager Strategy and Community), A Curtis (General Manager Regulatory Services), C Crow (General Manager Infrastructure Group), G Golding (Governance Manager), K McGinty (Senior Policy Analyst), C McGirr (Policy Analyst), N Mogford (Building Services Manager), I Kruis (Resource Recovery and Waste Team Leader), H Wi Repa (Governance Systems Advisor), J Osborne (Governance Advisor) and P Osborne (Senior Governance Advisor)

One member of the press.

VIA ZOOM

C Hughes (Systems Advisor Policy and Planning)

4 APOLOGIES

APOLOGY

RESOLUTION SPC23-6.1

Moved: Cr A Henry

Seconded: Cr D Thwaites

That the apology for leave of absence from Cr Murray-Benge be accepted.

CARRIED

5 CONSIDERATION OF LATE ITEMS

Nil

6 DECLARATIONS OF INTEREST

Nil

7 PUBLIC EXCLUDED ITEMS

Nil

8 PUBLIC FORUM

Nil

9 PRESENTATIONS

Nil

10 REPORTS

10.1 SUBMISSION ON BUILDING CONSENT SYSTEM REVIEW: OPTIONS PAPER CONSULTATION (2023)

The Committee considered a report dated 28 September 2023 from the Senior Policy Analyst. The report was taken as read.

Staff responded to pātai as below:

- There was risk associated with the proposed requirement for one person to be accountable for a building project was acknowledged. However, the current building process was fragmented up into different sections of a construction
-

process. This meant that different people were accountable for their particular section of the project, and there was no connection between them.

The proposed requirement would mean that if the person responsible abandoned the project, the risk and responsibility would fall back onto the Consenting Authority.

- Results had been published for the 2022 Building Consent Systems Review, noting that there had been significant input from members of the impacted industries.
- New legislation and regulations set by Central Government brought extra costs onto applicants.
- Potential future cost increases would be caused by carbon footprint requirements (such as the requirement of double-framed construction).
- There had been a deficiency of available people in the trade.
- The increase in costs was due to the better quality homes being built, as well as the responsibility of compliance costs which was carried by Council.
- Self-certification was written into the Building Act in 2004 however, it had been redacted due to the industry not being prepared.
- Council did not have any role in the Licensed Building Practitioners (LBP) scheme.
- The main risk Council faced was the liquidation of construction companies when projects went wrong.

RESOLUTION SPC23-6.2

Moved: Cr A Henry

Seconded: Cr R Crawford

1. That the Senior Policy Analyst's report dates 28 September 2023 titled 'Submission on Building Consent System Review: Options Paper Consultation (2023)' be received.
2. That the submission, shown as **Attachment 1** to this report, be received by the Strategy and Policy Committee and the information noted.

CARRIED

10.2 SUBMISSION ON CRITICAL INFRASTRUCTURE PHASE ONE CONSULTATION

The Committee considered a report dated 28 September 2023 from the Senior Policy Analyst. The report was taken as read.

RESOLUTION SPC23-6.3

Moved: Cr M Grainger

Seconded: Mayor J Denyer

1. That the Senior Policy Analyst's report dated 28 September 2023 titled 'Submission on Critical Infrastructure Phase One Consultation' be received.
2. That the submission, shown as Attachment 1 to this report, be received by the Strategy and Policy Committee and the information noted.

CARRIED

10.3 SUBMISSION ON GOVERNMENT POLICY STATEMENT ON LAND TRANSPORT 2024

The Committee considered a report dated 28 September 2023 from the Senior Policy Analyst. The report was taken as read.

Staff responded to pātai as below:

- Clarification relating to the referenced numbers of sealed and unsealed roads within the submission would be provided to the Committee following further investigation.

RESOLUTION SPC23-6.4

Moved: Deputy Mayor J Scrimgeour

Seconded: Cr D Thwaites

1. That the Senior Policy Analyst's report dated 28 September 2023 titled 'Submission on Government Policy Statement on Land Transport 2024' be received.
2. That the submission, shown as **Attachment 1** to this report, be received by the Strategy and Policy Committee and the information noted.

CARRIED

10.4 SUBMISSION ON WESTERN BAY OF PLENTY DEVELOPMENT PLAN: MAJOR CAPEX PROPOSAL LONG-LIST CONSULTATION

The Committee considered a report dated 28 September 2023 from the Strategic Advisor Resource Management. The report was taken as read.

Staff responded to pātai as below:

- PowerCo and Transpower were working collaboratively with SmartGrowth, to prepare a list of Capital Expenditure for the next 10-20 years, recognising the significant growth in the district. Council had been involved in technical workshops to provide guidance on Council's spatial planning.

- There was currently no opportunity to provide feedback on distributed generation of electricity (such as solar power) through this submission. It was noted that this could be channelled through staff and Councillors that attended the SmartGrowth meetings.

RESOLUTION SPC23-6.5

Moved: Cr A Henry

Seconded: Cr M Grainger

1. That the Strategic Advisor Resource Management's report dated 28 September 2023 titled 'Submission on Western Bay of Plenty Development Plan: Capex Proposal long-list consultation' be received.
2. That the submission, shown as **Attachment 1** to this report, be received by the Strategy and Policy Committee and the information noted.

CARRIED

The Meeting closed at 9.54am.

Confirmed as a true and correct record by Council on 26 October 2023.

10.2 MINUTES OF THE COUNCIL MEETING HELD ON 3 OCTOBER 2023**File Number:** A5791700**Author:** Carolyn Irvin, Senior Governance Advisor**Authoriser:** Greer Golding, Governance Manager**RECOMMENDATION**

1. That the Minutes of the Council Meeting held on 3 October 2023 be confirmed as a true and correct record and the recommendations therein be adopted.
2. That the Chairperson's electronic signature be inserted into the confirmed minutes.

ATTACHMENTS

1. Minutes of the Council Meeting held on 3 October 2023

**MINUTES OF WESTERN BAY OF PLENTY DISTRICT COUNCIL
COUNCIL MEETING NO. CL23-15
HELD IN THE COUNCIL CHAMBERS, 1484 CAMERON ROAD, TAURANGA
ON TUESDAY, 3 OCTOBER 2023 AT 9.30AM**

1 KARAKIA

The Strategic Kaupapa Māori Manager opened the hui with a Karakia.

2 PRESENT

Mayor J Denyer (Chairperson), Deputy Mayor J Scrimgeour, Cr T Coxhead, Cr R Crawford, Cr G Dally, Cr M Grainger, Cr R Joyce, Cr D Thwaites and Cr A Wichers

VIA ZOOM

Cr A Henry and Cr A Sole

3 IN ATTENDANCE

J Holyoake (Chief Executive Officer), R Davie (Deputy CEO/General Manager Strategy and Community), C Crow (General Manager Infrastructure Group), A Curtis (General Manager Regulatory Services), A Henderson (General Manager Corporate Services), G Golding (Governance Manager), C Nepia (Strategic Kaupapa Māori Manager), E Watton (Strategic Policy and Planning Programme Director), J Rickard (Community and Strategic Relationships Manager), L Balvert (Communications Manager), C McLean (Senior Transportation Engineer), C Steiner (Senior Policy Analyst), S Wilburn (Community Advisor), H Wi Repa (Governance Systems Advisor), J Osborne (Governance Advisor) and P Osborne (Senior Governance Advisor).

1 Member of the press

VIA ZOOM

M Leighton (Policy and Planning Manager)

4 APOLOGIES

APOLOGY

RESOLUTION CL23-15.1

Moved: Cr R Joyce

Seconded: Cr D Thwaites

That the apology for lateness from Deputy Mayor John Scrimgeour and apology for leave of absence from Cr Murray-Benge be accepted.

CARRIED

5 CONSIDERATION OF LATE ITEMS

Nil

6 DECLARATIONS OF INTEREST

Members were advised that if they have an interest in (actual, potential, pecuniary or nonpecuniary interest) in any item on the agenda, then they must declare this interest and refrain from discussing or voting on this item and were advised to withdraw from the meeting table for the item. [As per the Local Authorities (Member's Interest) Act 1968].

- Councillor Dally advised Council that he had a declaration of interest regarding report 11.2 of the agenda being 'Te Puke War Memorial Hall Lease 2021-2051' as he was a member of the Te Puke War Memorial Hall Committee.

7 PUBLIC EXCLUDED ITEMS

Nil

8 PUBLIC FORUM

Nil

CHANGE TO ORDER OF BUSINESS

The Chairperson requested that the next item of business be 'Formal Declaration of Neena Chauhan for Appointment to the Te Puke Community Board', due to the public in attendance with an interest in this item.

RESOLUTION CL23-15.2

Moved: Cr Grainger

Seconded: Cr Crawford

That, in accordance with Standing Orders, the order of business be changed and that item 'Formal Declaration of Neena Chauhan for Appointment to the Te Puke Community Board' be dealt with as the next item of business.

CARRIED

9 REPORTS

9.1 FORMAL DECLARATION OF NEENA CHAUHAN FOR APPOINTMENT TO THE TE PUKE COMMUNITY BOARD.

Council considered a report from the Senior Governance Advisor dated 3 October 2023. The report was taken as read.

Mayor Denyer called Ms Chauhan to the lectern to make and sign the declaration. The making, attesting and signing of the declaration required of Te Puke Community Board members was witnessed by Mayor Denyer.

RESOLUTION CL23-15.3

Moved: Cr G Dally

Seconded: Cr T Coxhead

1. That the Senior Governance Advisor's report dated 3 October 2023 titled 'Formal Declaration of Neena Chauhan for Appointment to the Te Puke Community Board' be received.
2. That the oral and written declaration by Neena Chauhan is witnessed and signed by Mayor James Denyer.

CARRIED

9.35am Meeting adjourned

9.50am Meeting reconvened

9.50am Deputy Mayor Scrimgeour entered the meeting

10 COUNCIL AND COMMITTEE MINUTES FOR CONFIRMATION

10.1 MINUTES OF THE PROJECTS AND MONITORING COMMITTEE MEETING HELD ON 8 AUGUST 2023

RESOLUTION CL23-15.4

Moved: Cr D Thwaites

Seconded: Cr G Dally

That the Minutes of the Projects and Monitoring Committee Meeting held on 8 August 2023 be confirmed as a true and correct record and the recommendations therein be adopted, with the below amendment:

- Public Forum speakers should read *'Mr John Lewis and Mr Rick Hannay'*.

CARRIED

10.2 MINUTES OF THE AUDIT, RISK AND FINANCE COMMITTEE MEETING HELD ON 15 AUGUST 2023

RESOLUTION CL23-15.5

Moved: Cr M Grainger

Seconded: Cr R Crawford

That the Minutes of the Audit, Risk and Finance Committee Meeting held on 15 August 2023 be confirmed as a true and correct record and the recommendations therein be adopted.

CARRIED

10.3 MINUTES OF THE STRATEGY AND POLICY COMMITTEE MEETING HELD ON 17 AUGUST 2023

RESOLUTION CL23-15.6

Moved: Mayor J Denyer

Seconded: Cr A Wichers

That the Minutes of the Strategy and Policy Committee Meeting held on 17 August 2023 be confirmed as a true and correct record and the recommendations therein be adopted.

CARRIED

10.4 MINUTES OF THE COUNCIL MEETING HELD ON 17 AUGUST 2023

RESOLUTION CL23-15.7

Moved: Mayor J Denyer

Seconded: Deputy Mayor J Scrimgeour

1. That the Minutes of the Council Meeting held on 17 August 2023 be confirmed as a true and correct record and the recommendations therein be adopted.
2. That the Chairperson's electronic signature be inserted into the confirmed minutes.

CARRIED

10.5 MINUTES OF THE COUNCIL MEETING HELD ON 30 AUGUST 2023

RESOLUTION CL23-15.8

Moved: Mayor J Denyer

Seconded: Deputy Mayor J Scrimgeour

1. That the Minutes of the Council Meeting held on 30 August 2023 be confirmed as a true and correct record and the recommendations therein be adopted.
2. That the Chairperson's electronic signature be inserted into the confirmed minutes.

CARRIED

11 REPORTS CONTINUED**11.1 DRAFT SPEED MANAGEMENT PLAN**

Council considered a report dated 3 October 2023 from the Senior Transportation Engineer. The report was taken as read with a brief overview of the report provided by the Senior Policy Analyst.

Staff responded to pātai as below:

- An explanation was provided regarding the proposed speed limits on Pahoia Road and Woodland Road, noting that this deviated from the "blanket approach" due to the feedback that had been received from Elected Members and members of the public.
 - It was also noted that the number of cyclists would increase as the cycleway was developed, creating a need to reduce the speed around this area as well.
 - An estimate of the costs required to update the speed signs would be produced once the Speed Management Plan was adopted and a full scope of requirements was determined.
-

RESOLUTION CL23-15.9

Moved: Cr R Joyce

Seconded: Cr D Thwaites

1. That the Senior Transportation Engineer report dated 3 October 2023, titled 'Draft Speed Management Plan' be received.
 2. That the report relates to an issue that is considered to be of medium significance in terms of Council's Significance and Engagement Policy.
 3. That Council adopt the Draft Speed Management Plan included in **Attachment 1** for consultation.
-

-
4. That Council amend the Draft Speed Management Plan to include roads on Matakana Island being reduced to 60km/h.

CARRIED

11.2 TE PUKE WAR MEMORIAL HALL LEASE 2021-2051

Cr Dally declared an interest in this item and took no part in the discussion or voting thereon.

Council considered a report dated 3 October 2023 from the Legal Property Officer. The report was taken as read.

Staff responded to pātai as below:

- Staff would provide some clarification regarding liability of the Te Puke Memorial Hall following the hui.
 - Te Puke Memorial Hall Committee were happy with the lease proposal.
-

RESOLUTION CL23-15.10

Moved: Deputy Mayor J Scrimgeour

Seconded: Cr A Wichers

1. That the Legal Property Officer's report dated 3 October 2023 titled "Te Puke War Memorial Hall Lease 2021-2051" be received.
2. That the report relates to an issue that is considered to be of low significance in terms of Council's Significance and Engagement Policy.
3. Council, in its capacity as administering body of Part Lots 1 and 2 on Deposited Plan 13811 and Part Lot 1 on Deposited Plan 36300 contained in Record of Title SA50D/620 South Auckland Registry, grants Te Puke War Memorial Hall Society Incorporated a land lease of approximately 1772m² for the purpose of a Community Hall from 1 September 2021 to 31 August 2026 with the ability to renew the lease 5 more times for a period of 5 years each.

CARRIED

11.3 PETITION CALLING FOR A CITIZENS INITIATED REFERENDA ON STATE HIGHWAY MAINTENANCE

Council considered a report dated 3 October 2023 from the Senior Governance Advisor. The report was taken as read, noting that no cost would be incurred.

RESOLUTION CL23-15.11

Moved: Cr D Thwaites

Seconded: Cr T Coxhead

1. That the Senior Governance Advisor's report dated 3 October 2023 titled 'Petition Calling for a Citizens Initiated Referenda on State Highway Maintenance' be received.
2. That the report relates to an issue that is considered to be of medium significance in terms of Council's Significance and Engagement Policy.
3. That Council supports New Plymouth District Council's petition calling for a Citizens Initiated Referenda by making the petition available for members of the public to sign at district libraries and service centres.

CARRIED

11.4 COMMUNITY COMMITTEE - CHANGE TO TERMS OF REFERENCE

Council considered a report dated 3 October 2023 from the General Manager Strategy and Community. The report was taken as read, with the rationale for the proposed changes highlighted.

RESOLUTION CL23-15.12

Moved: Cr M Grainger

Seconded: Cr R Crawford

1. That the report of the General Manager Strategy and Community dated 3 October 2023 titled 'Community Committee – Change to Terms of Reference' be received.
2. That the report relates to an issue that is considered to be low significance in terms of Council's Significance and Engagement Policy.
3. That Council approves the proposed changes to the Terms of Reference for the Community Committee as set out in **Attachment 1** to this report.
4. That staff be directed to make all necessary consequential amendments to the Terms of Reference for other council committees in order to give effect to the new Terms of Reference for the Community Committee.

CARRIED

11.5 MAYOR'S REPORT TO COUNCIL

Council considered a report dated 3 October 2023 from the Senior Executive Assistant to Mayor/CEO. The report was taken as read with a verbal update provided by the Mayor relating to the Future for Local Government Meeting that took place.

- A future for Local Government New Zealand hui was held on 16-17 September 2023 in Wellington.
- The feedback attained will be made available shortly.
- LGNZ will be providing information packs to all Councils to help undertake conversations and help form a consensus in time for the Council meeting scheduled 23 November 2023.

The Mayor responded to pātai as below:

- The LGNZ Conference had a good turn out.

RESOLUTION CL23-15.13

Moved: Mayor J Denyer

Seconded: Cr R Joyce

That the Senior Executive Assistant to Mayor/CEO's report dated 3 October 2023 titled 'Mayors Report to Council' be received.

CARRIED

12 INFORMATION FOR RECEIPT

Nil

13 RESOLUTION TO EXCLUDE THE PUBLIC

RESOLUTION TO EXCLUDE THE PUBLIC

RESOLUTION CL23-15.14

Moved: Cr R Crawford

Seconded: Cr A Wichers

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
13.1 – Confidential Minutes of the Projects and Monitoring Committee Meeting held on 8 August 2023	<p>s7(2)(f)(ii) – the withholding of the information is necessary to maintain the effective conduct of public affairs through the protection of Council members, officers, employees, and persons from improper pressure or harassment</p> <p>s7(2)(g) – the withholding of the information is necessary to maintain legal professional privilege</p> <p>s7(2)(h) – the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p>	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
13.2 – Confidential Minutes of the Audit, Risk and Finance Committee Meeting held on 15 August 2023	<p>s7(2)(f)(ii) – the withholding of the information is necessary to maintain the effective conduct of public affairs through the protection of Council members, officers, employees, and persons from improper pressure or harassment</p> <p>s7(2)(g) – the withholding of the information is necessary to maintain legal professional privilege</p> <p>s7(2)(h) – the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p>	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
13.3 – Confidential Minutes of the Council Meeting held on 30 August 2023	s7(2)(a) – the withholding of the information is necessary to protect the privacy of	s48(1)(a)(i) – the public conduct of the relevant part of the proceedings of the

	natural persons, including that of deceased natural persons	meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
13.4 – Mayor's Recommendatory Report	s7(2)(a) – the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	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
CARRIED		

The Meeting closed at 10.18am.

Confirmed as a true and correct record at the Council meeting held 26 October 2023.

.....

Mayor J Denyer

CHAIRPERSON / MAYOR

11 REPORTS

11.1 RETURN OF UNFORMED ROAD TO TAWHITINUI MARAE AND PAKAKĀINGA

File Number: A5789968

Author: Corey Gaunt, Kaimahere Matua

Authoriser: Rachael Davie, Deputy CEO/General Manager Strategy and Community

EXECUTIVE SUMMARY

1. At the Strategy and Policy Committee workshop on 17 August 2023, the Trust and the whānau of Wiri Nicholas sought the return of the unformed roads adjacent to Tawhitinui Marae and the Wiri Nicholas Ahu Whenua Trust whenua as it will support the future potential of the papakāinga and the aspirations of the Nicholas whānau.
2. As such, this report seeks resolution to progress with the road stopping, and the return of the stopped road to the respective whānau at Tawhitinui.

RECOMMENDATION

1. That the Kaimahere Matua's report dated 26 October 2023 titled 'Return of Unformed Road to Tawhitinui Marae and Papakāinga' be received.
2. That the report relates to an issue that is considered to be of low significance in terms of Council's Significance and Engagement Policy.
3. That Council approve the commencement of the legislative process to stop and dispose of the sections of unformed road shown as A-D on **Attachment 1** of this report.
and
4. That, if the road stopping is successful, Council approves the transfer of the sections of unformed road in the manner set out below, noting that this will be at no cost to the respective trustees:
 - i) Section A on **Attachment 1** (of this report) to the trustees of Tawhitinui Marae Reservation
 - ii) Section B on **Attachment 1** (of this report) to the trustees of Tawhitinui Papakāinga Reservation
 - iii) Sections C and D on **Attachment 1** (of this report) to the trustees of the Wiri (William) Nicholas Ahu Whenua Trust

BACKGROUND

3. Tawhitinui Marae is located at 490 Old Highway Road, Whakamarama and is one of four marae that affiliate to Pirirākau hapū. Pirirākau are a hapū of Ngāti Ranginui iwi. The Tawhitinui Marae Trust (“the Trust”) administer the Tawhitinui Māori Reservation (Lot 2 DP SA 30140) and the Tawhitinui Papakāinga Reservation (Lot 1 DP SA 30140) and the Wiri (William) Nicholas Ahu Whenua Trust administer Lot 5 Deposited Plan South Auckland 44151 on behalf of the descendants of Wiri (William) Nicholas.
4. The Trust has developed a papakāinga project and has been successful in securing \$2.5 million of Whai Kāinga Whai Oranga funding from the Ministry of Housing and Urban Development. This is a significant milestone for the Trust and will provide affordable homes to 16–20 whānau in desperate need of housing. The Tawhitinui papakāinga project is the largest to be delivered in the Western Bay of Plenty rohe. The construction of the infrastructure sites is the next critical phase of the papakāinga project and is anticipated to begin within the coming months.
5. The Trust is seeking the return of the unformed road as this will allow the Trust to further its aspirations for the Tawhitinui papakāinga development project, as well as restoring the connection between Tawhitinui Marae and the Tawhitinui Pā and urupā.

WHĀNAU ASPIRATIONS

6. The development of a papakāinga next to Tawhitinui Marae has been an aspiration of the Nicholas whānau for many years. However, bringing these aspirations to fruition has been difficult because of the complexities associated with the land status and the barriers to financing the construction of a papakāinga. This has impacted the ability of the Trust to utilise the papakāinga land for its intended purpose. The shortage of housing and increasing property prices in Tauranga and the western Bay of Plenty sub-region has had a disproportionate impact on whānau Māori who are increasingly forced to live in undesirable housing conditions. This was reflected in the 2018 census data that revealed only 29.8 percent of people who affiliate to Ngāti Ranginui report owning their own home.
7. The Trust began working with Willie Te Aho in 2022 to develop an affordable home ownership project – the “Tawhitinui Papakāinga Housing Development”. Extensive time and resource has gone into developing the Tawhitinui papakāinga project and as a result, the Trust has been successful in securing **\$2.5 million** of Whai Kāinga Whai Oranga funding. This funding will enable the construction of the necessary infrastructure to service the Tawhitinui papakāinga which is currently underway.
8. Alongside this, the Trust has received Oranga Marae funding from Te Puni Kokiri to upgrade and extend the buildings at Tawhitinui Marae. As the ahuru mōwai (safe haven) of the Nicholas whānau, the improvements will enable Tawhitinui Marae to adequately manaaki (care) for their manuhiri (guests) and whānau at important

events. This work has been supported by Council who has granted a licence to occupy for the Tawhitinui Marae buildings (new and existing), giving the Trust consent to place the buildings on the unformed road. Council has also supported the improvements to Tawhitinui Marae by funding the preparation of design plans and specifications to support the building consent through the Marae Sustainability Fund.

9. The Whai Kāinga Whai Oranga funding is a significant milestone for the Trust and will provide an affordable pathway to home ownership for the Nicholas whānau. It is a once in a generation opportunity that will improve the wellbeing of current and future generations while also connecting whānau back to Tawhitinui Marae. The cultural wellbeing of Tawhitinui Marae will also be enhanced by having whānau live in close proximity to the Marae who can maintain and pass on the mātauranga and tikanga. More importantly, the papakāinga will address the urgent housing needs the Nicholas whānau face and provide an opportunity to whānau living overseas to return home.

RETURN OF THE UNFORMED ROAD

10. The unformed road that begins on Old Highway and connects to Youngson Road, passes directly through the Tawhitinui Marae and the Tawhitinui papakāinga. The unformed road also separates the Tawhitinui papakāinga and the Wiri Nicholas Ahu Whenua Block (Lot 5 DP SA 44151). The Nicholas whānau have occupied this land for over 100 years and have developed an intrinsic connection to it. The land contained within the unformed road has immense cultural value to the Nicholas whānau and is inseparable from their tūrangawaewae and the final resting place of the descendants of Wiri Nicholas.
11. The Trust met with staff members from Council in September 2022 to discuss their papakāinga aspirations. It was identified that under rule 18.3.3.c of the District Plan Rules, the papakāinga whenua could only support a further 16 new whare as a restricted discretionary activity (the total area of the block being 4.753ha with six existing whare). During these discussions, the return of the unformed road adjacent to the papakāinga whenua was raised. If returned and amalgamated with the papakāinga whenua, there would be sufficient land area to build a further **four** whare under the Tawhitinui papakāinga development project. As previously mentioned, a portion of the unformed road is also subject to a licence to occupy for the existing marae buildings.
12. The Tawhitinui papakāinga project is the largest to be developed in the Western Bay of Plenty rohe and requires the support of Government agencies and Council as critical partners. This is an opportunity to work collaboratively with the Trust in an authentic Te Tiriti based partnership to achieve an outcome that supports the long-term wellbeing of the Nicholas whānau. The purpose for which the unformed road would be used aligns with the community outcomes set out in Council's Long-Term Plan 2021 – 2031, and in particular, the need to provide access to adequate housing

and ensuring Māori communities are strongly connected to their whenua. Given the sacredness of the Tawhitinui land, the return of the unformed road to the Trust will also ensure this land is cared for by the Nicholas whānau in accordance with their tikanga.

HISTORY OF WHENUA

13. The traditional Pirirākau rohe extends from the Tauranga harbour to the upper ridges of the Kaimai ranges and through to Aongatete. Prior to 1865, Pirirākau claimed the mana (authority) over the whenua from the Wairoa River to the Waipapa River in accordance with tikanga Māori (Māori custom). The land was held collectively for the benefit of the hapū and imposed a responsibility of kaitiakitanga (guardianship) on hapū members to protect the natural resources for future generations.
14. Although the people of Pirirākau frequently moved between the forest and the coast, it was in the fertile land of the forests of Whakamarama where the extensive cultivations provided the sustainable resources for the people. The term 'pirirākau' means to 'cling to the bush' and refers to the traditional style of the Pirirākau people to live in the forest of Whakamarama where their inland kāinga and settlements were established. The Wairere Track that passes through Whakamarama was also one of the main routes to the Waikato.

Te Raupatu o Tauranga Moana

15. Following the battles of Pukehinahina and Te Ranga in 1864, 214,000 acres of land were confiscated under the New Zealand Settlements Act 1863. Of this land, approximately 93,000 acres of land from the Te Puna stream to Ngā Kuri a Whareī were purchased by the Crown at two shillings five pence per acre. The consent of the nine chiefs that signed the preliminary agreement did not adequately represent the interests of the hapū within the Te Puna-Katikati rohe and the purchase was strongly opposed by Pirirākau.
16. The circumstances of the Te Puna-Katikati purchase was found to be in breach of the principles of the Treaty of Waitangi by the Waitangi Tribunal in its Tauranga Moana report which observed that:

Because of the coercive nature of the Crown's purchase tactics, most Tauranga Māori were not free and willing sellers of Te Puna-Katikati. The Crown was therefore in breach of the principles of the Treaty that required it to respect the Rangatiratanga of the Tauranga hapū and to acquire from Māori only the land that they were willing to sell.
17. Pirirākau were particularly disadvantaged as a result of the land confiscation and Te Puna-Katikati purchase, losing a significant share of their land with little compensation received in return. It also resulted in the relocation of Pirirākau to the coast, severing their connection to their traditional inland kāinga in Whakamarama. The labelling of Pirirākau as 'unsurrendered rebels' for their actions during the

Tauranga land wars and the 1867 bush campaign also resulted in the deliberate discrimination of Pirirākau and further alienation of their land.

Tawhitinui Pā

18. The Tawhitinui Pā site was established and occupied during the Tauranga land wars in 1864. It is located on the hilltop above Tawhitinui Marae and is identified as a cultural heritage feature in Council's District Plan. Although no fighting took place at the Tawhitinui Pā site, the occupants stationed here went and occupied the pā at Pukehinahina. It has significant cultural value to Pirirākau which is reflected in the name of Tawhitinui Marae. The Tawhitinui land formed part of the Wairere Track that was within the confiscation district and later acquired by the Crown in the Te Puna-Katikati purchase.
19. The Tawhitinui land and surrounding farm was purchased by Wiri Nicholas in the early 1900's and allowed the Nicholas whānau to relocate from Te Puna to Whakamarama. The Tawhitinui Marae and urupā was established by Wiri Nicholas for his descendants, providing a turangawaewae for the Nicholas whānau and ensuring that the Tawhitinui Pā site would remain within the ownership of the people of Pirirākau. The Tawhitinui land has been under the ownership and kaitiakitanga of the Nicholas whānau since it was purchased.

Council 'ownership' of land

20. In May of 2023, Council instructed Land Information New Zealand agents, Grayson Neal, to undertake research and prepare a report on the historical ownership of the unformed road adjoining the Tawhitinui blocks.
21. In Grayson Neal's report they confirmed, as above, that an area of land comprising of 214,000 acres known as the 'Tauranga Block' was 'acquired' by the Crown from 'Ngaiterangi' pursuant to the New Zealand Settlements Act 1863. While the associated Gazette notice and reports refer to Ngaiterangi, it is well documented that for many years Ngati Ranginui were effectively written out of history. Tawhitinui Pā, and the adjoining unformed road, are within the takiwā of Ngati Ranginui now, and at the time of the acquisition of the land.
22. The unformed road was originally laid out by Crown Grant on SO plan 423 in 1868 when the Crown subdivided part of the Tauranga Block to create the Te Puna Parish Allotments. The Crown Grant road was to serve as access to the newly created adjoining allotments.
23. Crown Grant roads were governed under section 9 of the Crown Grants Act 1866 and were vested in the Crown until the Counties Amendment Act 1972 vested these roads in the Tauranga County Council to be formed or constructed. However, a carriageway has never been created to serve as access for the adjoining properties.

24. The unformed road was transferred to Western Bay of Plenty District Council through the 1989 Local Government Reorganisation.

SIGNIFICANCE AND ENGAGEMENT

25. The Local Government Act 2002 requires a formal assessment of the significance of matters and decision in this report against Council's Significance and Engagement Policy. In making this formal assessment there is no intention to assess the importance of this item to individuals, groups, or agencies within the community and it is acknowledged that all reports have a high degree of importance to those affected by Council decisions.
26. The Policy requires Council and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions, and activities.
27. In terms of the Significance and Engagement Policy this decision is considered to be of low significance as the unformed road is already used by the Tawhitinui Marae and Papakāinga, and the Wiri Nicholas Ahu Whenua Trust. The proposed road stopping will regularise the existing situation and allow Tawhitinui Papakāinga to further realise their housing aspirations which aligns with Council's Strategic Priorities.

ENGAGEMENT, CONSULTATION AND COMMUNICATION

Interested/Affected Parties	Completed/Planned Engagement/Consultation/Communication		
Name of interested parties/groups	Adjoining Landowners to the unformed road will be engaged through the road stopping process	Planned	Completed
Tangata Whenua	Tawhitinui Marae & Papakāinga Trustees and the Wiri Nicholas Ahu Whenua Trust have been engaged in this process and support the stopping and return of the unformed road.		
General Public	No engagement planned		

ISSUES AND OPTIONS ASSESSMENT

Option A Proceed with process to stop Unformed Road	
Assessment of advantages and disadvantages including impact on each of the four well-beings <ul style="list-style-type: none"> • Economic • Social • Cultural • Environmental 	<p><i>Advantages</i></p> <p>Stopping of unformed road would have a strong positive impact on the social, economic, and cultural well-being of the whānau at Tawhitinui by:</p> <ul style="list-style-type: none"> • Restoring the connection to their pā site and urupā which is currently bisected by the unformed road. • Allow for a further four whare to be built as part of their Papakāinga • Enable more whānau to reconnect with their whenua <p>Aligns with our strategic priorities of enabling housing and building authentic Te Tiriti based relationships.</p> <p><i>Disadvantages</i></p> <p>Loss of potential connection route between Old Highway and Youngson/Ross Roads</p>
Costs (including present and future costs, direct, indirect, and contingent costs).	<p>Surveying, gazettal, legal fees for transfer associated with road stopping are able to be met within existing budgets. No other future costs.</p>
Other implications and any assumptions that relate to this option	<p>Proceeding with the road stopping would help strengthen the relationship between Council and Tangata Whenua at Tawhitinui</p>

Option B Do not proceed with process to stop Unformed Road	
Assessment of advantages and disadvantages including impact on each of the four well-beings <ul style="list-style-type: none"> • Economic • Social • Cultural • Environmental 	<p><i>Advantages</i></p> <ul style="list-style-type: none"> • Maintain potential connection between Old Highway and Youngson/Ross Roads <p><i>Disadvantages</i></p> <ul style="list-style-type: none"> • Would impact negatively on Council relationship with Tangata Whenua at Tawhitinui • Tawhitinui Papakāinga would not be able to build four additional whare • Connection between Marae and Pā site and urupā would remain severed
Costs (including present and future costs, direct, indirect and contingent costs).	No financial implications

STATUTORY COMPLIANCE

28. Proposed road stopping complies with legislative requirements as set out below.
29. Council has the power to stop and transfer the unformed roads, subject to the process set out in the *Public Works Act 1981* (**PWA 1981**) and *Local Government Act 1974* (**LGA 1974**).
30. Although the LGA 1974 is largely repealed, the ownership and control of roads, not being government roads, state highways or regional roads, is vested in Council pursuant to the Act.
31. Under the PWA 1981, the Minister of Land Information may, by notice in the Gazette, declare any road or part of a road to be stopped provided at least 10 working days' notice has been given to the territorial authority and adequate access to land adjoining the road is provided.

This is generally a process that Council, as the territorial authority would initiate, and would seek the approval of the Minister of Land Information to stop the road.
32. Once stopped, subject to any offer back requirements under the PWA 1981, the road may then be disposed of by the territorial authority in the same manner as if it were stopped under the LGA 1974.

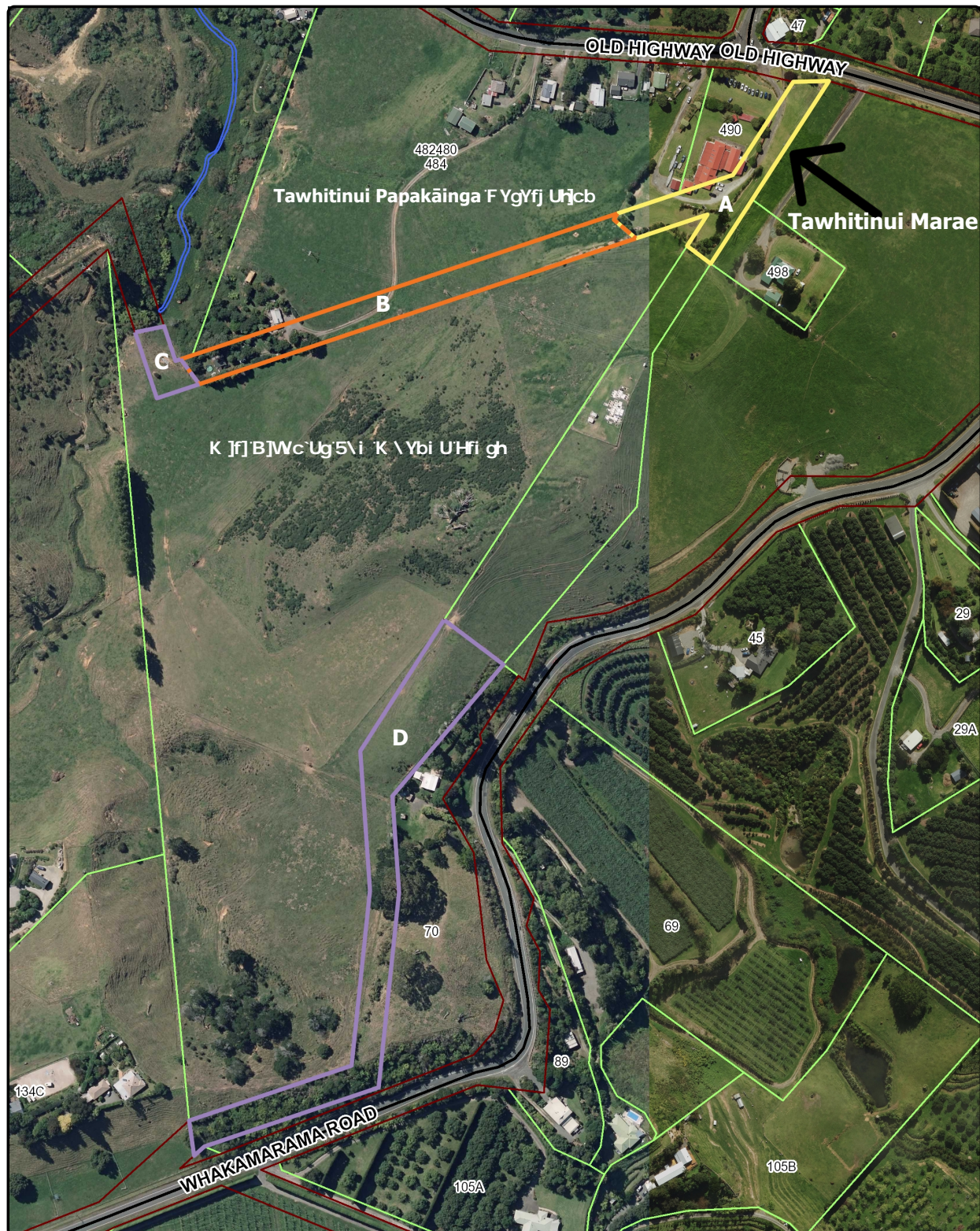
The LGA 1974 allows for Council to dispose of the land to the adjoining landowner for a price fixed by a competent valuer appointed by Council. In practice, the price is not fixed by a valuer if this is not appropriate for the particular circumstances of the road stopping.

FUNDING/BUDGET IMPLICATIONS

33. Costs associated with the road stopping are able to be met within existing operational budgets.

ATTACHMENTS

1. **Overview of Unformed Road proposed to be stopped and returned**  



Produced using ArcMap by the Western Bay of Plenty District Council GIS Team.
 Crown copyright reserved. LINZ digital license no. HN/352200/03 & TD093522.
 Location of services is indicative only. Council accepts no liability for any error.
 Archaeological data supplied by NZ Archaeological Assoc/Dept. of Conservation.

Date: 02/10/2023

Operator: C. Gaunt

A4 Scale 1: 3,500

0 175 Meters



Western
Bay of Plenty
District Council

For our
people

Tawhitinui Marae and Papakāinga
Overview of unformed road to be stopped



11.2 ELECTED MEMBER'S CODE OF CONDUCT 2023-2025

File Number: A5602378

Author: Greer Golding, Governance Manager

Authoriser: Rachael Davie, Deputy CEO/General Manager Strategy and Community

EXECUTIVE SUMMARY

The purpose of this report is to adopt the Code of Conduct for Elected Members and for the 2023-2025 triennium, as revised by Local Government New Zealand (LGNZ) in 2022.

RECOMMENDATION

1. That the Governance Manager's report dated 26 October 2023 titled 'Elected Member's Code of Conduct 2023-2025' be received.
2. That the report relates to an issue that is considered to be of low significance in terms of Council's Significance and Engagement Policy.
3. That, pursuant to Clause 15, Schedule 7 of the Local Government Act 2002 Council **adopts** the Western Bay of Plenty District Council Elected Members' Code of Conduct 2023-2025 (**Attachment 1** of this report).
or
4. That Council retains the current Code of Conduct adopted December 2019 as the Western Bay of Plenty District Council Elected Members' Code of Conduct.
5. That the Governance Manager be delegated authority to make such minor editorial changes to Western Bay of Plenty District Council's Code of Conduct as may be required.

BACKGROUND

Council is required to have a Code of Conduct at all times as stated in clause 15, Schedule 7 of the Local Government Act 2002 (LGA 2002). The Code guides the manner in which members should conduct themselves while acting in their capacity as elected members.

The current Code of Conduct was adopted in December 2019. Council may amend the current Code or adopt a new Code by a vote in support of the adoption or amendment of not less than 75% of the members present at the meeting.

In 2022 LGNZ released the 2022 Code of Conduct template to inform and propose changes for Councils to consider in their code of conduct. The 2022 template includes the following changes:

- A clearer distinction between the code of conduct and the process for considering complaints.
- Additional criteria for assessing complaints.
- A bigger emphasis on behaviours that are consistent with the Code.
- An optional assessment stage to quickly deal with complaints that are trivial, vexatious or politically motivated.

A workshop was held with elected members on 11 July 2023 to discuss the differences between the current Code and the proposed changes in the LGNZ template 2022. The elected members requested that the Code clarifies two points.

1. A flow chart to be added to the Code to explain the process for a complaint this can be found in appendix one of **Attachment 1**.
2. The process is clarified for the two different scenarios of complaints being that of complaints involving elected members or complaints involving the Chief Executive or Mayor. The clarification can be found on page 11 of **Attachment 1**.
3. That if the complaint is about the Mayor or the Chief Executive the relevant deputy may take action specified in the Code on their behalf. This is found on page 11 of **Attachment 1**.

SIGNIFICANCE AND ENGAGEMENT

The Local Government Act 2002 requires a formal assessment of the significance of matters and decision in this report against Council's Significance and Engagement Policy. In making this formal assessment there is no intention to assess the importance of this item to individuals, groups, or agencies within the community and it is acknowledged that all reports have a high degree of importance to those affected by Council decisions.

The Policy requires Council and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions, and activities.

In terms of the Significance and Engagement Policy this decision is considered to be of low significance because it is a legislative requirement affecting the operation of Council, its Committees and Community Boards.

ENGAGEMENT, CONSULTATION AND COMMUNICATION

Interested/Affected Parties	Completed/Planned Engagement/Consultation/Communication

Elected Members	A workshop was held with elected members on 11 July 2023 to discuss the differences between the current Code and the proposed changes in the LGNZ template 2022.	Planned	Completed
Community	Not required as this decision relates only to Elected Members.		

ISSUES AND OPTIONS ASSESSMENT

Option A That, pursuant to Clause 15, Schedule 7 of the Local Government Act 2002 Council adopts the Western Bay of Plenty District Council Elected Members' Code of Conduct 2023-2025 (Attachment 1 of this report).	
Assessment of advantages and disadvantages including impact on each of the four well-beings <ul style="list-style-type: none"> • Economic • Social • Cultural • Environmental 	Advantages: <ul style="list-style-type: none"> • Would be consistent with LGNZ's template 2022 and proposed amendments. • Provides Elected Members with additional information, clarity and guidelines around standards of behaviour.
Costs (including present and future costs, direct, indirect and contingent costs).	Nil
Other implications and any assumptions that relate to this option (Optional – if you want to include any information not covered above).	Nil
Option B That Council retains the current Code of Conduct adopted December 2019 as the Western Bay of Plenty District Council Elected Members' Code of Conduct.	

Assessment of advantages and disadvantages including impact on each of the four well-beings <ul style="list-style-type: none"> • Economic • Social • Cultural • Environmental 	Disadvantages: <ul style="list-style-type: none"> • Would be inconsistent with LGNZ's template 2022 and proposed amendments. • Would not reflect the best practice included within the LGNZ 2022 template.
Costs (including present and future costs, direct, indirect and contingent costs).	Nil
Other implications and any assumptions that relate to this option (Optional – if you want to include any information not covered above).	Nil

STATUTORY COMPLIANCE

All Councils are required to adopt and have a Code of Conduct at all times (Clause 15, Schedule 7 of the Local Government Act 2002 (LGA 2002)).

The LGNZ Code of Conduct template (**Attachment 1**) complies with the provisions of the Local Government Act 2002 and the Local Government Official Information and Meetings Act 1987.

Clause 15, Schedule 7 of the Local Government Act 2002

2) The code of conduct must set out:

A. Understandings and expectations adopted by the local authority about the manner in which members may conduct themselves while acting in their capacity as members, including:

i. behaviour toward one another, staff and the public; and

ii. disclosure of information, including (but not limited to) the provision of any document, to elected members that:

a) Is received by, or is in the possession of, an elected member in his or her capacity as an elected member; and

b) Relates to the ability of the local authority to give effect to any provision of this Act; and

B. A general explanation of:

i. the Local Government Official Information and Meetings act 1987; and

ii. any other enactment or rule of law applicable to members.

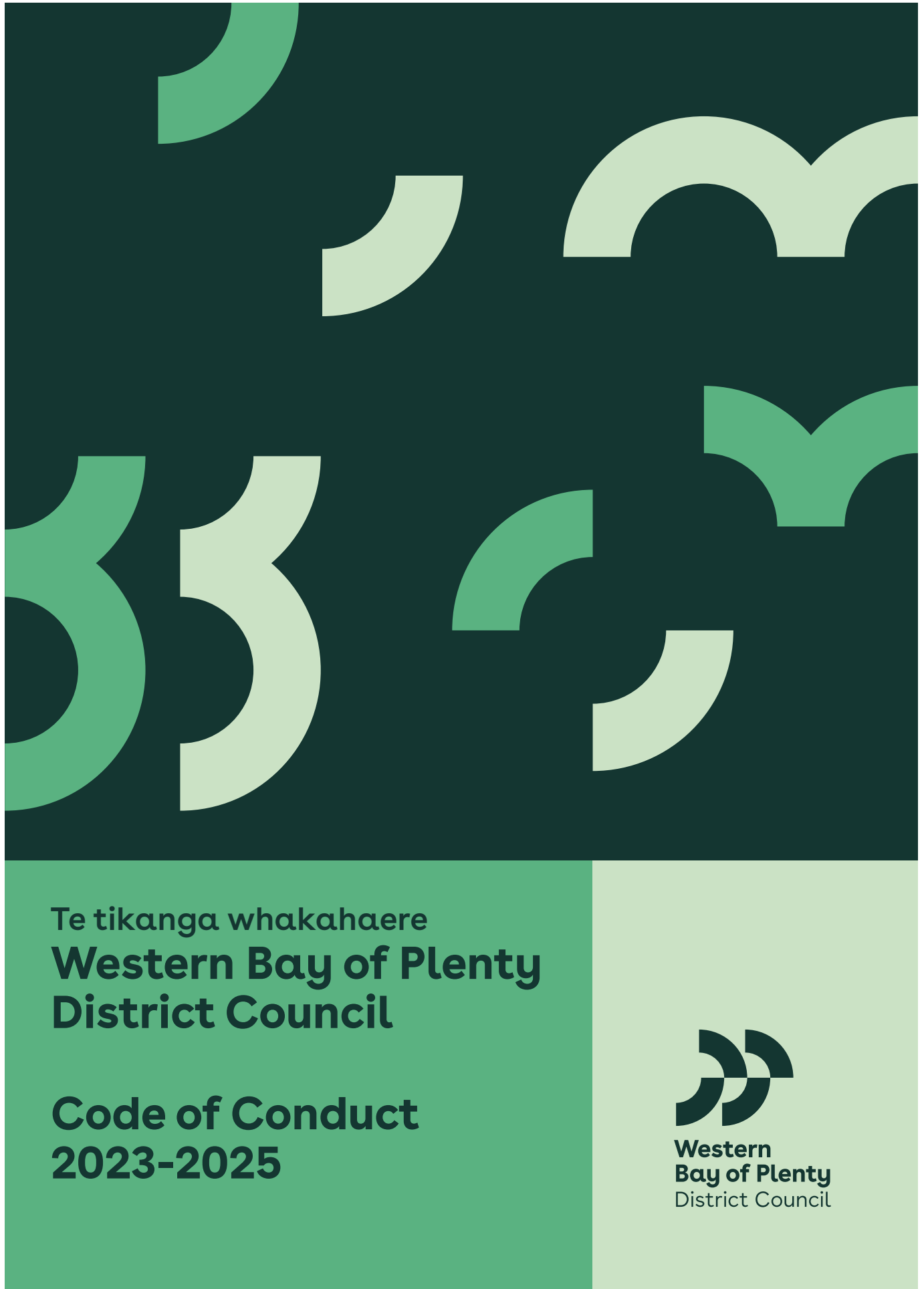
- 3) A local authority may amend or replace its code of conduct but may not revoke it without replacement.
- 4) A member of a local authority must comply with the code of conduct of that local authority.
- 5) A local authority must, when adopting a code of conduct, consider whether it must require a member or newly elected member to declare whether or not the member or newly elected member is an undischarged bankrupt.
- 6) After the adoption of the first code of conduct, an amendment of the code of conduct or the adoption of a new code of conduct requires, in every case, a vote in support of the amendment of not less than 75% of the members present.
- 7) To avoid doubt, a breach of the code of conduct does not constitute an offence under this Act.

FUNDING/BUDGET IMPLICATIONS

There are no funding or budget implications associated with this report's recommendations.

ATTACHMENTS

1. **2023-2025 Code of Conduct**  



Te tikanga whakahaere
**Western Bay of Plenty
District Council**

**Code of Conduct
2023-2025**



**Western
Bay of Plenty**
District Council

Rārangi upoko

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Introduction

All Councils have a statutory obligation under the Local Government Act 2002, to adopt a Code of Conduct.

Why a Code of Conduct?

Codes of Conduct are common features in Local Government. They complement specific statutes, such as the Local Government and Meetings Act 1987 (LGOIMA), designed to ensure openness and transparency. Codes of Conduct are an important part of building community confidence in our system and processes, and contribute to:

- Good governance of the city, district, or region,
- Effective decision-making and community engagement,
- The credibility and accountability of the Council to its communities, and
- A culture of mutual trust and respect between members of the Council and with management.

The Code of Conduct should promote effective working relationships within a Council and between the authority and its community. It should promote free and frank debate which should in turn result in good decision making.

Codes of conduct are not a means of preventing members from expressing their personal views provided they are clearly signaled as personal views. Rather the code is designed to promote robust debate and the expression of all views by providing a framework to ensure that debate is conducted in a civil and respectful way.

A Code of Conduct sets boundaries on standards of behaviour and provides a means of resolving situations when elected members breach those standards.

Requirement for a Code of Conduct

Clause 15, Schedule 7 of the Local Government Act 2002 requires every Council to adopt a Code of Conduct for members of the Council. It states:

A Council must adopt a Code of Conduct for members of the Council as soon as practicable after the commencement of this Act.

The Code of Conduct must set out –

1. Understandings and expectations adopted by the Council about the manner in which members may conduct themselves while acting in their capacity as members, including:
 - a. Behaviour towards one another, staff, and the public; and
 - b. Disclosure of information, including (but not limited to) the provision of any document, to elected members that –
 - i. Is received by, or is in possession of, an elected member in his or her capacity as an elected member; and
 - ii. Relates to the ability of the Council to give effect to any provision of this Act; and
 - c. a General explanation of –
 - i. The Local Government Official Information and Meetings Act 1987; and
 - ii. Any other enactment or rule of law applicable to members.

2. A Council may amend or replace its Code of Conduct but may not revoke it without replacement.
3. A member of a Council must comply with the Code of Conduct of that Council.
4. A Council must, when adopting a Code of Conduct, consider whether it must require a member or newly elected member to declare whether or not the member or newly elected member is an undischarged bankrupt.
5. After the adoption of the first Code of Conduct, an amendment of the Code of Conduct or the adoption of a new code of conduct requires, in every case, a vote in support of the amendment of not less than 75% of the members present.
6. To avoid doubt, a breach of the Code of Conduct does not constitute an offence under this Act.

Part One: Code of Conduct

Council’s Code of Conduct has been adopted in accordance with the requirements of the Clause 15, Schedule 7 of the LGA 2002, which requires every Council to adopt a Code of Conduct for members of Council.

Members’ commitment

These commitments apply when conducting the business of the local authority as its representative or the representative of an electorate, and communicating with other members, the media, the public, or staff. By adopting the Code of Conduct members agree that they will:

1. Treat all people fairly,
2. Treat all other members, staff, and members of the public, with respect,
3. Share with the local authority any information received that is pertinent to the ability of the local authority to properly perform its statutory duties,
4. Operate in a manner that recognises and respects the significance of the principles of Te Tiriti o Waitangi,
5. Make it clear, when speaking publicly, that statements reflect their personal view, unless otherwise authorised to speak on behalf of the local authority,
6. Take all reasonable steps to equitably undertake the duties, responsibilities, and workload expected of a member,
7. Not bully, harass, or discriminate unlawfully against any person,
8. Not bring the local authority into disrepute,
9. Not use their position to improperly advantage themselves or anyone else or disadvantage another person,
10. Not compromise, or attempt to compromise, the impartiality of anyone who works for, or on behalf of, the local authority,
11. Not disclose information acquired, or given, in confidence, which they believe is of a confidential nature.

Please note: a failure to act in accordance with these commitments may result in a complaint being taken against you.

The Code of Conduct sets standards for the behaviour of members towards other members, staff, the public, and the media.

It is also concerned with the disclosure of information that members receive in their capacity as members. Members must comply with the Code of Conduct of Council.

The Code of Conduct explained

Definitions

For the purposes of this Code “member” means an elected or appointed member of:

- The governing body of the Council,
- Any committee or sub-committee of the Council,
- Any local board of the Council, or
- Any community board of the Council.

Council means Council, local board or community board which has adopted this Code.

Principles of good governance

Members recognise the importance of the following principles of good governance.

- **Public interest:** members should act solely in the public interest.
- **Integrity:** members should not act or take decisions to gain financial or other benefits for themselves, their family, or their friends, or place themselves under any obligation to people or organisations that might inappropriately influence them in their work.
- **Tāria te wā and kaitiakitanga/stewardship:** members should use long-term perspective when making decisions. Decisions, which impact on past, current and future generations, also affect collective well-being.
- **Objectivity:** members should act and take decisions impartially, fairly, and on merit, using the best evidence and without discrimination or bias.
- **Accountability:** members will be accountable to the public for their decisions and actions and will submit themselves to the scrutiny necessary to ensure this.
- **Openness:** members should act and take decisions in an open and transparent manner and not withhold information from the public unless there are clear and lawful reasons for so doing.
- **Honesty:** members should be truthful and not misleading.
- **Leadership:** members should not only exhibit these principles in their own behaviour but also be willing to challenge poor behaviour in others, wherever it occurs.

These values compliment and work in conjunction with the principles of s14 of the LGA 2002 and the governance principles of s39 of the LGA 2002.

Behaviours

To promote good governance and build trust between the Council, its members, and citizens, members **agree** to the following standards of conduct when they are:

- Conducting the business of the Council,
- Acting as a representative of the Council,
- Acting as a representative of their electorate,
- Communicating with other members, the media, the public and staff, and
- Using social media and other communication channels¹.

Where a member’s conduct falls short of these standards, members accept that they may be subject to a complaint made under the Council’s “Policy for alleged breaches of the Code of Conduct”.

Respect

Members will treat all other members, staff, and members of the public, with respect.

Respect means politeness and courtesy in behaviour, speech, and writing. Debate and differences are all part of a healthy democracy. As a member of a Council you can challenge, criticise and disagree with views, ideas, opinions and policies in a robust but civil manner. You must not, however, subject individuals, groups of people or organisations to personal attack.

In your contact with the public, you should treat them politely and courteously. Offensive behaviour lowers the public’s expectations of, and confidence in, Council. In return, you have a right to expect respectful behaviour from the public. If members of the public are being abusive, intimidatory or threatening, you are entitled to stop any conversation or interaction in person or online and report them to Council, the relevant social media provider or the police.

¹ Please refer to the Guidelines for the responsible use of social media in the LGNZ Good Governance Guide

Bullying, harassment, and discrimination

Members will treat all people fairly and will not:

- Bully any person.
- Harass any person, or
- Discriminate unlawfully against any person.

For the purpose of the Code of Conduct, bullying is offensive, intimidating, malicious, or insulting behaviour. It represents an abuse of power through means that undermine, humiliate, denigrate, or injure another person. It may be:

- A regular pattern of behaviour, or a one-off incident, occur face-to-face, on social media, in emails or phone calls, happen in the workplace, or at work social events, and
- May not always be obvious or noticed by others.

Harassment means conduct that causes alarm or distress, or puts people in fear of violence, and must involve such conduct on at least two occasions. It can include repeated attempts to impose unwanted communications and contact upon a person in a manner that could be expected to cause distress or fear in any reasonable person.

Unlawful discrimination occurs when a person is treated unfairly, or less favourably, than another person because of any of the following²:

age	skin, hair, or eye colour	race
disability	employment status	ethical belief
ethnic or national origin	family status	marital status
political opinion	religious belief	gender identity
sex	sexual orientation	

Sharing information

Members will share with the Council any information received that is pertinent to the ability of the Council to properly perform its statutory duties.

Occasionally members will receive information in their capacity as members of the governing body, which is pertinent to the ability of their Council to properly perform its statutory duties. Where this occurs members will disclose any such information to other members and, where appropriate, the Chief Executive. Members who are offered information on the condition that it remains confidential will inform the person making the offer that they are under a duty to disclosure such information, for example, to a governing body meeting in public exclusion.

Expressing personal views publicly

Members, except when authorised to speak on behalf of the Council, will make it clear, when speaking to the media, on social media, or in hui and presentations, that statements reflect their personal view.

The media play an important role in the operation and efficacy of our local democracy and need accurate and timely information about the affairs of the Council to fulfil that role. Members are free to express a personal view to the media and in other public channels at any time, provided the following rules are observed:

- They do not purport to talk on behalf of the Council, if permission to speak on behalf of the authority has not been given to them
- Their comments must not be inconsistent with the Code, for example, they should not disclose confidential information or criticise individual members of staff, and
- Their comments must not purposefully misrepresent the views of the Council or other members.

Members will abide by the social media protocols described in Attachment A, LGNZ’s Good Governance Guide, available at <https://www.lgnz.co.nz/assets/Induction/The-Good-Governance-Guide.pdf>

Provide equitable contribution

Members will take all reasonable steps to equitably undertake the duties, responsibilities, and workload expected of them.

Being a member is a position of considerable trust, given to you by your community to act on their behalf. To fulfil the expectations of your constituents and contribute to the good governance of your area it is important that you make all reasonable efforts to attend meetings and workshops, prepare for meetings, attend civic events, and participate in relevant training seminars.

The local government workload can be substantial, and it is important that every member contributes appropriately. This requires members to often work as a team and avoid situations where the majority of the work falls on the shoulders of a small number of members.

Disrepute

Members will not bring the Council into disrepute.

Member are trusted to make decisions on behalf of their communities and as such their actions and behaviours are subject to greater scrutiny than other citizens. Members’ actions also reflect on the Council as well as themselves and can serve to either boost or erode public confidence in both.

Behaviours that might bring a Council into disrepute, and diminish its ability to fulfil its statutory role, include behaviours that are dishonest and/or deceitful. Adhering to this Code does not in any way limit a member’s ability to hold the Council and fellow members to account or constructively challenge and express concerns about decisions and processes undertaken by their Council.

Use of position for personal advantage

Members will not use, or attempt to use, their position to improperly advantage themselves or anyone else, or disadvantage another person.

Being a member of a Council comes with certain opportunities and privileges, including the power to make choices that can impact on others. Members must not take advantage of such opportunities to further their own or others’ private interests or to disadvantage anyone unfairly. A member found to have personally benefited by information gained as an elected member may be subject to the provisions of the Secret Commissions Act 2010.

Impartiality

Members will not compromise, or attempt to compromise, the impartiality of anyone who works for, or on behalf of, Council.

Officers work for the Council as a whole and must be politically neutral (unless they are political assistants). They must not be coerced or persuaded to act in a way that would undermine their neutrality. Members can question officers to gain understanding of their thinking and decision-making, however, they must not seek to influence officials to change their advice or alter the content of a report, other than in a meeting or workshop, if doing so would prejudice their professional integrity. Members should:

2 See Human Rights Commission <https://www.govt.nz/browse/law-crime-and-justice/human-rights-in-nz/human-rights-and-freedoms/>

- Make themselves aware of the obligations that the Council and Chief Executive have as employers and always observe these requirements, such as the obligation to be a good employer, and
- Observe any protocols put in place by the Chief Executive concerning contact between members and employees, and not publicly criticise individual staff.

If you have concerns about the behaviour of an official, whether permanent or contracted, you should raise your concerns with the Council’s Chief Executive, or, if the concerns are to do with the Chief Executive, raise them with the Mayor.

Maintaining confidentiality

Members will not disclose information acquired, or given, in confidence, which they believe is of a confidential nature, unless.

1. They have the consent of a person authorised to give it.
2. They are required by law to do so.
3. The disclosure is to a third party to obtain professional legal advice, and that the third party agrees not to disclose the information to any other person, or
4. The disclosure is reasonable and in the public interest, is made in good faith, and in compliance with the reasonable requirements of Council.

Part Two: Council policy for investigating and ruling on alleged breaches of the Code of Conduct

Principles

The following principles will guide the investigation into, and assessment of, complaints made against a member for breaching the Code of Conduct:

- The complaints process will be independent, impartial, and respect members’ privacy.
- Members will be given due notice that an investigation is underway and will be provided with an opportunity to be heard.
- Members have the right to seek independent advice, be represented, and, if they choose, be accompanied by a support person throughout the process.
- Complaints will be resolved at the lowest level of resolution as possible, with priority given to finding a mediated settlement.
- Complainants, and members subject to a complaint, will have access to advice and support for the time it takes to find a resolution³.

Who can make a complaint?

The Code of Conduct is designed to be a self-regulatory instrument and complaints regarding a breach of the Code can only be made by members themselves, or the Chief Executive, who can make a complaint on behalf of their staff. On receipt of a complaint, the Chief Executive or the Mayor (if the complaint is about the Chief Executive) will review the complaint and either discuss with the parties or forward to an independent investigator or an initial assessor, for an assessment.

If the complaint is about the Mayor, the Deputy Mayor may receive the complaint. If the complaint is about the Chief Executive, the Deputy Chief Executive may receive the complaint.

If the relevant deputy receives the complaint and the code specifically refers to actions that are to be carried out by the Mayor or Chief Executive, the deputy can take action on their behalf.

Role of the initial assessor⁴

On receipt of a complaint an initial assessor will undertake an assessment to determine the relative merit and seriousness of the complaint, and the nature of the subsequent process that will be followed. The complaint may be dismissed if the initial assessor finds them to be trivial, vexatious, frivolous, or politically motivated.

If a complaint is not dismissed, the initial assessor (or independent investigator in a one-step process) may initiate one of the following:

1 Refer to the Mayor

In the case of a breach that is not serious or amenable to mediation, the initial assessor may refer the person responsible for the alleged breach to the Mayor for their advice and guidance.

These will not be reported to the Council. A meeting or meetings with the Mayor will be regarded as sufficient to resolve the complaint. Where a member is referred to the Mayor, the initial assessor may also recommend, for the Mayor’s consideration:

- That the member attends a relevant training course.
- That the member work with a mentor for a period.
- That the member tenders an apology.

3 For example, by enabling both parties to access a Council’s Employee Assistance Programme (EAP) or elected members’ equivalent.
4 See Attachment 3.2 for advice on the appointment of an Initial Assessor.

2 Mediation

If the complaint concerns a dispute between two members, or between a member and another party, the initial assessor may recommend mediation. If mediation is agreed by both parties, then its completion will represent the end of the complaints process. The outcomes of any mediation will be confidential and, other than reporting that a complaint has been resolved through mediation, there will be no additional report to the Council unless the complaint is referred to an independent investigator, usually due to a failure of the mediation.

3 Refer to an independent investigator

Where the initial assessor finds that the complaint is serious or no resolution can be reached and/ or mediation is refused, the initial assessor will refer the complaint to an independent investigator. The independent investigator will be selected from the Council’s independent investigators’ panel assembled by the Chief Executive, or an independent investigator service that is contracted to Council. Complaints that involve a Mayor or Chief Executive will be referred directly to the independent investigator.

Complaints that are dismissed, referred to a Mayor, or resolved by mediation, will not be reported to the Council.

Role of the independent investigator⁵

The independent investigator will:

- Determine whether a breach has occurred,
- If so, determine the seriousness of the breach, and
- Determine actions that a Council should take in response to the breach.

Any recommended actions made in response to a complaint that has been upheld are binding on the Council. This is to ensure the process for investigation is free of any suggestion of bias and reduces the cost of the complaints process, by reducing the time spent on it, by members and officials.

Determining the significance of an alleged breach

The independent investigator may take whatever actions they need to determine the significance of a complaint, within the budgetary constraints set down, including re-assessing the complaint.

The independent investigator will undertake an investigation appropriate to the scale of the breach, which may include interviews with other affected parties, and prepare a report for the Chief Executive which will set out the rationale for their findings and may include recommendations for resolving the breach and appropriate penalties.

When considering the issue of significance, the independent investigator will need to consider a range of factors before deciding, such as:

- Was the breach intentional or unintentional?
- Did it occur once or is there a pattern of recurring behaviour?
- Does the breach have legal or financial ramifications for the Council?
- What is the impact of the breach on other elected members, on kaimahi (officials) and on the community in general?

Independent investigator can make a binding rule

On completing their investigation, an independent investigator may dismiss a complaint or make a binding ruling which the governing body will implement. The independent investigator’s ruling will be contained in a report to Council’s Chief Executive which will form the basis of a consequent report to the governing body to inform them of the decision and the actions that they may be required to take.

⁵ See Attachment 3.2 for advice on the appointment of an Independent Investigator.

Please note: All actions taken in the implementation of a policy must be consistent with the Bill of Rights Act 1990. No appeal right is included in the Code of Conduct. Members who are unhappy with an independent investigator’s decision have access to judicial review and/or the Ombudsman’s Office.

Costs and support

Council must ensure that members who make a complaint are not left to meet any costs created by doing so. Members, those who make complaints, and those who are subject to a complaint, should be given appropriate and reasonable support.

The costs of assessment and investigatory services will be met by the relevant Council.

Part Three:

See Appendix 1 for an overview of the following process.

3.1: Process for determining and investigating complaints

Step 1: Chief Executive or Mayor receives complaint

All complaints made under this Code of Conduct must be made in writing and forwarded to the Chief Executive or Mayor who will refer the complaint to the initial assessor. The Chief Executive or Mayor will also:

- Inform the complainant that the complaint has been referred to the independent person (named) and refer them to the process for dealing with complaints as set out in the Code of Conduct; and
- Inform the respondent that a complaint has been made against them and the name of the independent investigator overseeing the process and refer them to the policy for dealing with complaints as set out in the Code of Conduct.

Step 2: Initial assessor makes an assessment and arranges mediation

1. The initial assessor will undertake an assessment of the merits of the complaint. If they consider it is not valid, the complaint will be dismissed. The complainant will have no recourse or appeal. Grounds for concluding that a complaint has no merit include that it is trivial, vexatious, frivolous, or politically motivated.
2. If deemed to have merit, the initial assessor will contact the parties to seek their agreement to independently facilitated mediation. If the parties agree and the issue is resolved by mediation the matter will be closed and no further action is required.
3. If the parties do not agree to mediation, or mediation is unsuccessful in resolving the matter, the initial assessor will refer the complaint to an independent investigator selected from a panel established by the Chief Executive at the start of the triennium, or service contracted to the Council. The initial assessor will also inform the complainant and the respondent that the complaint has been referred to the independent investigator and the name of the independent investigator.

Step 3: Independent investigator to inquire and conclude on the matter

If the complaint is found to be a breach of the Code of Conduct the independent investigator will inform the initial assessor, who will inform the complainant and respondent. The independent investigator will then assess the nature and effect of the breach and prepare a report for Council on the seriousness of the breach and recommend actions commensurate with that breach. In preparing that report the independent investigator may:

- Consult with the complainant, respondent, and any affected parties,
- Undertake a hearing with relevant parties, and/or
- Refer to any relevant documents or information.

At any stage in their inquiry the independent investigator may find that a breach has not occurred, or the matter should be referred to a relevant agency. If this is the case the independent investigator will inform the initial assessor who will inform the complainant and respondent that the complaint is dismissed or has been referred to a relevant named agency.

On receipt of the independent investigator’s report the Chief Executive, or initial assessor, will prepare a report for Council, which will meet to consider the findings and implement any recommended actions. The report will include the full report prepared by the investigator.

Step 4: Process for considering the investigator’s report

The process for responding to the independent investigator’s report will vary according to the adopted Policy for determining and investigating complaints.

Process if the independent investigator’s recommendations are binding.

Where the Council’s policy for determining and investigating complaints provides for an independent investigator’s recommendations to be binding on the Council, then:

- The Chief Executive’s report, containing the independent investigator’s recommendations and their full report, will be presented to the governing body for its information only.
- The Chief Executive’s report may also outline the plan for the report’s public release, for the governing body’s information and comment.
- The report will be received in public meeting unless grounds, such as s.48 LGOIMA, exist for the exclusion of the public.

Process if the independent investigator’s recommendations are non-binding

Where the Council’s policy for determining and investigating complaints give an independent investigator the power to make recommendations to the Council, then:

- The Chief Executive’s report, containing the independent investigator’s recommendations and report, will be presented to the governing body, or committee/sub-committee with delegated authority to consider code of conduct complaints,
- The governing body, or local/community board, will ensure that members with an interest in the complaint are not present during the discussion on the independent investigator’s recommendations.
- The report will be received in public meeting unless grounds, such as s.48 LGOIMA, exist for the exclusion of the public.
- The Chief Executive’s report may also outline the plan for the report’s public release, for the governing body’s information and comment.
- The governing body, local/community board, or committee/sub-committee with delegated authority, may accept the investigator’s recommendations or, if they believe it is justified, amend the independent investigator’s recommendations. As part of these considerations the complainant may be asked to appear before the governing body, board or committee and answer questions from members.
- The penalty or sanction that might be applied will depend on the seriousness of the breach and may include actions set out in the following sections.

3.2: Selecting the initial assessor and independent investigator

Selecting an initial assessor

The Chief Executive or the Mayor is responsible for this depending on the who the respondent is.

The initial assessor should be a person, or a position, that is independent of a Council’s political governance, while also being easily accessible, as their role is crucial if complaints are to be expedited quickly and without controversy. For example:

- The external appointee on Council’s Audit, Risk and Finance Committee.
- A member of staff, such as an internal ombudsman or ethics adviser, as long as they have operational independence from the Chief Executive (similar to the independence afforded an Electoral Officer).
- A retired Council Chief Executive.
- A retired Council politician.
- A member of the public with relevant experience and competency.

Selecting an independent investigator⁶

The Chief Executive is responsible for compiling a panel or list of independent investigators.

At the beginning of each triennium the Chief Executive, in consultation with the Council, will compile a list of independent investigators. In selecting them, a Chief Executive may consider:

- The Council’s legal advisers,
- A national service specialising in public sector integrity,
- A national service providing assessment and investigation services, or
- An individual with relevant skills and competencies.

Please note: Given the litigious nature of some Code of Conduct disputes, independent investigators should have relevant liability insurance, provided on their own behalf or by the Council. The Chief Executive also needs to ensure that investigations are undertaken within budgetary limits negotiated in advance.

3.3: Actions that may be applied when a breach has been confirmed

Where a complaint that the Code of Conduct was breached has been upheld, any actions taken against the member found to be in breach should be consistent with the following principles.

- Actions should be commensurate with the seriousness of the breach.
- Actions should be applied in a manner that is culturally appropriate and safe for the members involved.
- Actions should, to the degree practical, contribute to an inclusive culture in the Council by focusing on constructive mediation, learning, and member improvement.

In determining a response to a breach of the Code of Conduct, one or more of the following could be selected:

1. That no action is required.
2. That the member meets with the Mayor/Chair for advice.
3. That the member attends a relevant training course.
4. That the member agrees to cease the behaviour.

⁶ At time of publication LGNZ is exploring options for the establishment of a national investigation and assessment service.

- 5. That the member work with a mentor for a period.
- 6. That the member tenders an apology.
- 7. That the member participates in voluntary mediation (if the complaint involves a conflict between two members).
- 8. That the Council sends a letter of censure to the member.
- 9. That the Council passes a vote of no confidence in the member.
- 10. That the member loses certain Council-funded privileges (such as attendance at conferences).
- 11. That the member loses specific responsibilities, such as committee Chair, deputy committee Chair or portfolio holder.
- 12. That the member be subject to restricted entry to Council offices, such as no access to staff areas (where restrictions may not previously have existed).
- 13. That the member be subject to limitations on their dealings with kaunihera staff, other than the Chief Executive or identified senior manager.
- 14. That the member be suspended from committees or other bodies to which the member has been appointed.
- 15. That the member be invited to consider resigning from the Council.

Please note: Actions 1-6 will typically not be reported to the Council. Actions 7-15, which have a high degree of public interest, namely democratic representation, should be considered in an open meeting, unless there are grounds, such as those set out in LGOIMA, for not doing so.

Responses to statutory breaches

- In cases where a breach of the Code of Conduct is found to involve regulatory or legislative requirements, the Chief Executive will refer the complaint to the relevant agency. For example:
- Breaches relating to members’ interests (where members may be liable for prosecution by the Auditor-General under LAMIA).
 - Breaches which result in the Council suffering financial loss or damage (where the Auditor-General may make a report on the loss or damage under section 44 LGA 2002 which may result in the member having to make good the loss or damage).
 - Breaches relating to the commission of a criminal offence which will be referred to the Police (which may leave the elected member liable for criminal prosecution).

Part Four:

4.1: Legislation which sets standards for ethical behaviour

Clause 15 of Schedule 7 of the Local Government Act (the Act) 2002, requires that the Code of Conduct provides members with a general explanation of the Local Government Official Information and Meetings Act 1987, and any other enactment or rule of law that affects members.

The key statutes that promote ethical behaviour are the Local Government Act 2002 (LGA), Local Government Official Information Act 1987 (LGOIMA), the Local Authorities (Members’ Interests) Act 1968 (LAMIA), the Protected Disclosures (Protection of Whistleblowers) Act 2022, the Serious Fraud Office Act 1990, the Local Government (Pecuniary Interests Register) Act 2022, the Health and Safety at Work Act 2015, and the Harmful Digital Communications Act 2015.

The Local Government Act 2002

The LGA 2002 is local government’s empowering statute. It establishes our system of local government and sets out the rules by which it operates. Those rules include the principles underpinning Council decision-making, governance principles, Te Tiriti o Waitangi obligations as set by the Crown, and the role of the Chief Executive which is:

- 1. Implementing the decisions of the Council.
- 2. Providing advice to members of the Council and to its community boards, if any and
- 3. Ensuring that all responsibilities, duties, and powers delegated to him or her or to any person employed by the Council, or imposed or conferred by an Act, regulation, or bylaw, are properly performed, or exercised.
- 4. Ensuring the effective and efficient management of the activities of the Council.
- 5. Facilitating and fostering representative and substantial elector participation in elections and polls held under the Local Electoral Act 2001.
- 6. Maintaining systems to enable effective planning and accurate reporting of the financial and service performance of the Council.
- 7. Providing leadership for the staff of the Council.
- 8. Employing, on behalf of the Council, the staff of the Council (in accordance with any remuneration and employment policy), and
- 9. Negotiating the terms of employment of the staff of the Council (in accordance with any remuneration and employment policy).

The Local Government Official Information and Meetings act 1987

The LGOIMA sets rules for ensuring the public are able to access official information unless there is a valid reason for withholding it. All information should be considered public and released accordingly unless there is a compelling case for confidentiality.

Even where information has been classified as confidential, best practice is for it to be proactively released as soon as the grounds for confidentiality have passed.

There are both conclusive and other reasons for withholding information set out in sections 6 and 7 of LGOIMA, which include:

Conclusive reasons for withholding – if making the information available would likely:

- Prejudice the maintenance of the law, including the prevention, investigation and detection of offences, and the right to a fair trial; or
- Endanger the safety of any person.

Other reasons for withholding – withholding the information is necessary to:

- Protect the privacy of natural persons, including that of deceased natural persons;
- Protect information where it would disclose a trade secret or would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.
- In the case of an application for resource consents or certain orders under the Resource Management Act 1991, to avoid serious offence to tikanga Māori, or to avoid the disclosure of the location of waahi tapu.
- Protect information the subject of an obligation of confidence, where making that information available would prejudice the supply of similar information (and it is in the public interest for this to continue), or would be likely otherwise to damage the public interest.
- Avoid prejudice to measures protecting the health or safety of members of the public.
- Avoid prejudice to measures that prevent or mitigate material loss to members of the public.
- Maintain the effective conduct of public affairs through free and frank expression of opinions between or to members and Council employees in the course of their duty or the protection of such people from improper pressure or harassment.
- Maintain legal professional privilege.
- Enable any Council holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); or
- Prevent the disclosure or use of official information for improper gain or improper advantage.

Regarding these ‘other’ reasons, a public interest balancing test applies. In these cases Council must consider whether the withholding of that information is outweighed by other considerations that render it desirable, in the public interest, to make that information available.

Decisions about the release of information under LGOIMA need to be made by the appropriately authorised people within each Council, and elected members must work within the rules adopted by each Council.

The LGOIMA also sets the rules that govern public access to meetings and the grounds on which that access can be restricted, which occurs when meetings consider matters that are confidential.

The role of the Ombudsman

An Ombudsman is an Officer of Parliament appointed by the Governor-General on the recommendation of Parliament. An Ombudsman’s primary role under the Ombudsmen Act 1975 is to independently investigate administrative acts and decisions of central and local government departments and organisations that affect someone in a personal capacity. Ombudsmen investigate complaints made under LGOIMA.

Anyone who has a complaint of that nature about a Council may ask an Ombudsman to investigate that complaint. Investigations are conducted in private. The Ombudsman may obtain whatever information is considered necessary, whether from the complainant, the Chief Executive of the local body involved, or any other party. The Ombudsman’s decision is provided in writing to both parties.

If a complaint is sustained, the Ombudsman may recommend Council takes whatever action the Ombudsman considers would be an appropriate remedy. Any such recommendation is, however not binding. Recommendations made to Council under this Act will, in general, become binding unless Council resolves otherwise. However, any such resolution must be recorded in writing and be made within 20 working days of the date of the recommendation.

***The Local Authorities
(Members’ Interests) Act 1968***

Pecuniary interests

The LAMIA provides rules about members discussing or voting on matters in which they have a pecuniary interest and about contracts between members and the Council. LAMIA has two main rules, referred to here as the contracting rule (in section 3 of the LAIMA) and the participation rule (in section 6 of the LAIMA).

- The **contracting rule** prevents a member from having interests in contracts with Council that are worth more than \$25,000 in any financial year, unless the Auditor-General approves the contracts. Breach of the rule results in automatic disqualification from office.
- The **participation rule** prevents a member from voting or taking part in the discussion of any matter in which they have a financial interest, other than an interest in common with the public. The Auditor-General can approve participation in limited circumstances. Breach of the rule is a criminal offence, and conviction results in automatic disqualification from office.

Both rules have a complex series of subsidiary rules about their scope and exceptions.

The LAMIA does not define when a person is “concerned or interested” in a contract (for the purposes of section 3) or when they are interested “directly or indirectly” in a decision (for the purposes of section 6). However, it does set out two situations where this occurs. These are broadly where:

- A person’s spouse or partner is “concerned or interested” in the contract or where they have a pecuniary interest in the decision; or
- A person or their spouse or partner is involved in a company that is “concerned or interested” in the contract or where the company has a pecuniary interest in the decision.

However, in some situations outside the two listed in the Act a person can be “concerned or interested” in a contract or have a pecuniary interest in a decision, for example, where a contract is between the members family trust and Council.

Non-pecuniary conflicts of interest

In addition to the issue of pecuniary interests, which are addressed through the LAMIA, there are also legal rules about conflicts of interest more generally. These are rules that apply to non-pecuniary conflicts of interest and include the common law rule about bias. To determine if bias exists, consider this question: Is there a real danger of bias on the part of the member of the decision-making body, in the sense that he or she might unfairly regard with favour (or disfavour) the case of a party to the issue under consideration?

The question is not limited to actual bias but relates to the appearance or possibility of bias. This is in line with the principle that justice should not only be done but should be seen to be done. Whether or not you believe that you are not biased is irrelevant. The focus should be on the nature of any conflicting interest or relationship, and the risk it could pose for the decision-making process. The most common risks of non-pecuniary bias are where:

- Statements or conduct indicate that a member has predetermined the decision before hearing all relevant information (that is, they have a “closed mind”), or
- A member has close relationship or involvement with an individual or organisation affected by the decision.

Seeking exemption from the Auditor-General

Members who have a financial conflict of interest that is covered by section 6 of the LAMIA, may apply to the Auditor-General for approval to participate. The Auditor- General can approve participation in two ways.

1. Section 6(3)(f) allows the Auditor-General to grant an exemption if, in their opinion, a member’s interest is so remote or insignificant that it cannot reasonably be regarded as likely to influence the councillor when voting or taking part in the discussion.

2. Section 6(4) allows the Auditor-General to grant a declaration enabling a member to participate if they are satisfied that:
- a. The application of the rule would impede the transaction of business by the council; or

b. It would be in the interests of the electors or residents of the district/region that the rule should not apply.

More information on non-pecuniary conflicts of interest and how to manage them can be found in the Auditor-General’s Guidance for members of local authorities about the law on conflicts of interest.

Protected Disclosures (Protection of Whistleblowers) Act 2022

The Protected Disclosures (Protection of Whistleblowers) Act 2022 is designed to facilitate the disclosure and investigation of serious wrongdoing in the workplace, and to provide protection for employees and other workers who report concerns. A protected disclosure occurs when the discloser believes, on reasonable grounds, that there is, or has been, serious wrongdoing in or by their organisation, they disclose in accordance with the Act, and they do not disclose in bad faith.

A discloser is a person who has an employment type relationship with the organisation they are disclosing about and includes current and former employees, homeworkers, secondees, contractors, volunteers, and board members. Serious wrongdoing includes:

- An offence.
- A serious risk to public health, or public safety, or the health or safety of any individual, or to the environment.
- A serious risk to the maintenance of the law including the prevention, investigation and detection of offences or the right to a fair trial.
- An unlawful, corrupt, or irregular use of public funds or public resources.
- Oppressive, unlawfully discriminatory, or grossly negligent or that is gross mismanagement by a public sector employee or a person performing a function or duty or exercising a power on behalf of a public sector organisation or the Government.

Council need to have appropriate internal procedures that identify who in the organisation a protected disclosure may be made to, describe the protections available under the Act, and explain how the organisation will provide practical assistance and advice to disclosers. A discloser does not have to go through their organisation first. An appropriate authority can include the head of any public sector organisation and any officer of Parliament, such as the Ombudsman and Controller and Auditor-General. Ombudsmen are also an “appropriate authority” under the Protected Disclosures (Protection of Whistleblowers) Act 2022.

The Serious Fraud Office Act 1990

The Serious Fraud Office (SFO) is the lead law enforcement agency for investigating and prosecuting serious financial crime, including bribery and corruption. The SFO has an increasing focus on prevention by building awareness and understanding of the risks of corruption – noting that the extent of corruption is influenced by organisational frameworks and support given to staff.

The SFO encourages organisations to adopt appropriate checks and balances and build a culture based on ethics and integrity.

The four basic elements of best practice organisational control promoted by the SFO involve:

- Operations people with the right skills and experience in the relevant areas, with clear accountability lines.
- Risk mitigation to manage risks that can’t be eliminated through segregation, discretion reduction, delegations, management oversight, and audit.

- Basic standards of behaviour moderated by a Code of Conduct, ongoing interests and gift processes (not simply annual declaration), plenty of opportunities and ways to speak up, disciplinary options, training and support.
- Design and oversight based on a clear understanding of operational realities (design, governance, management, audit, investigation, business improvement, and legal).

The Local Government (Pecuniary Interests Register) Act 2022

Following passage of the Local Government (Pecuniary Interests Register) Amendment Bill in 2022, a local authority must now keep a register of the pecuniary interests of their members, including community and local board members. The purpose of the register is to record members’ interests to ensure transparency and strengthen public trust and confidence in local government processes and decision-making. Registers must comprise the following:

- The name of each company of which the member is a director or holds or controls more than 10% of the voting rights and a description of the 30 main business activities of each of those companies.
- The name of every other company or business entity in which the member has a pecuniary interest, other than as an investor in a managed investment scheme, and a description of the main business activities of each of those companies or business entities.
- If the member is employed, the name of each employer of their employer and a description of the main business activities of those employers.
- The name of each trust in which the member has a beneficial interest.
- The name of any organisation or trust and a description of the main activities of that organisation or trust if the member is a member of the organisation, a member of the governing body of the organisation, or a trustee of the trust, and the organisation or trust receives funding from the local authority, local board, or community board to which the member has been elected.
- The title and description of any organisation in which the member holds an appointment by virtue of being an elected member.
- The location of real property in which the member has a legal interest, other than an interest as a trustee, and a description of the nature of the real property.
- The location of real property, and a description of the nature of the real property, held by a trust if the member is a beneficiary of the trust and it is not a unit trust (disclosed under subclause 20) or a retirement scheme whose membership is open to the public.

Each Council must make a summary of the information contained in the register publicly available; and ensure that information contained in the register is only used or disclosed in accordance with the purpose of the register; and is retained for seven years.

Elected members, through their Chief Executive need to ensure their organisations have sufficient personnel with the right skill mix and support, to meet the health and safety requirements. This includes making sure that funding is sufficient to effectively implement and maintain the system and its improvement programmes.

The Health and Safety at Work Act 2015

The Health and Safety at Work Act 2015 aims to create a new culture towards health and safety in workplaces. A council is termed a Person Conducting a Business or Undertaking (PCBU) - all involved in work, including elected members, are required to have a duty of care. Elected members are “officers” under the Act and officers are required to exercise due diligence to ensure that the PCBU complies with its duties. However, certain officers, such as elected members, cannot be prosecuted if they fail in their due diligence duty. Despite this, as officers, the key matters to be mindful of are:

- Stepping up and being accountable.
- Identifying and managing your risks.
- Making health and safety part of your organisation’s culture, and
- Getting your workers involved.

- Councils have wide discretion about how these matters might be applied, for example:
- Adopting a charter setting out the elected members’ role in leading health and safety – with your chief executive,
 - Publishing a safety vision and beliefs statement.
 - Establishing health and safety targets for the organisation with your chief executive.
 - Ensuring there is an effective linkage between health and safety goals and the actions and priorities of your chief executive and their senior management, or
 - Having effective implementation of a fit-for-purpose health and safety management system.

Elected members, through their Chief Executive need to ensure their organisations have sufficient personnel with the right skill mix and support, to meet the health and safety requirements. This includes making sure that funding is sufficient to effectively implement and maintain the system and its improvement programmes.

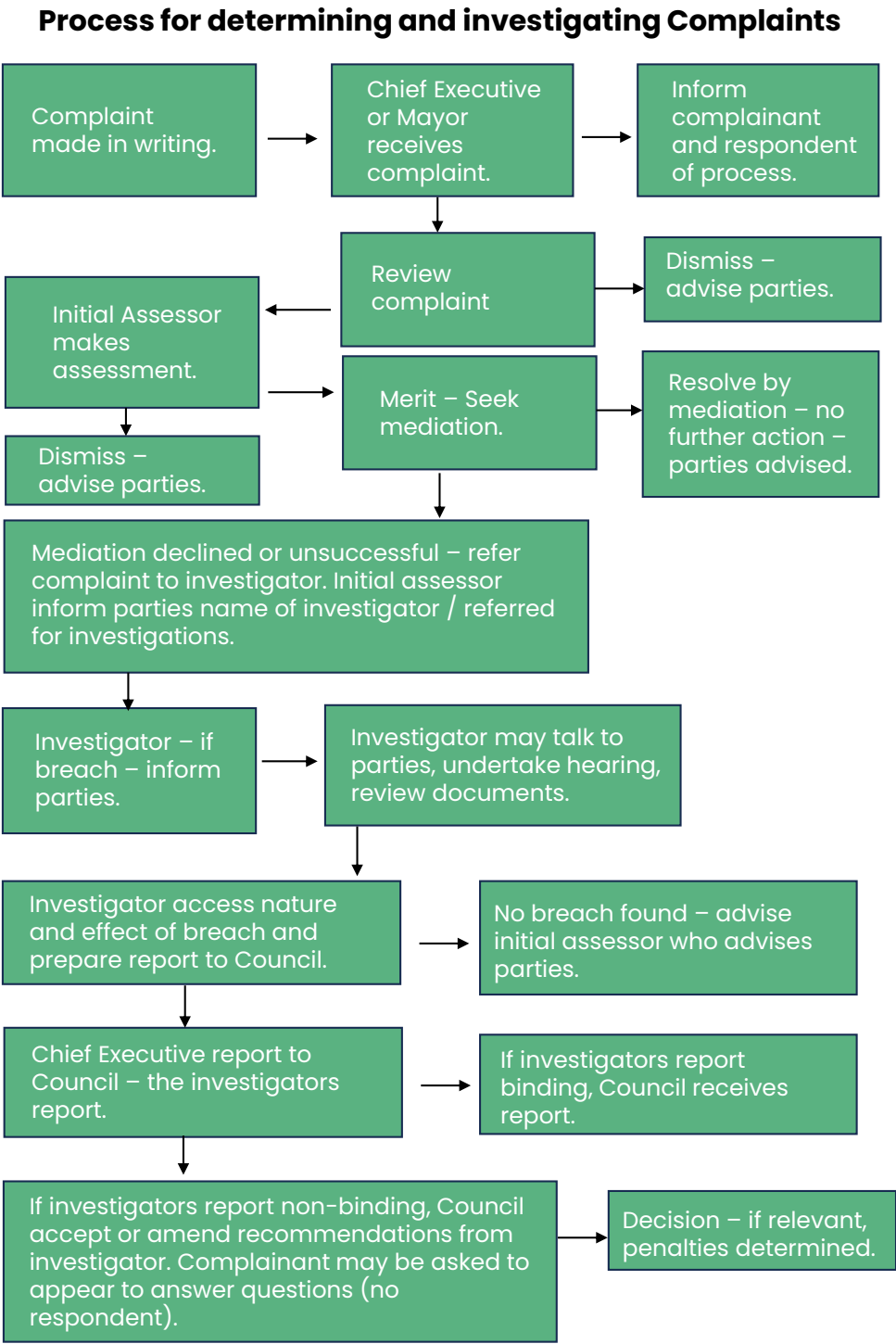
The Harmful Digital Communications Act 2015

The Harmful Digital Communications Act (HDCA) was passed to help people dealing with serious or repeated harmful digital communications. The Act covers any harmful digital communications (like text, emails, or social media content) which can include racist, sexist and religiously intolerant comments – plus those about disabilities or sexual orientation and sets out 10 communication principles for guiding communication online. Under the Act a digital communication should not:

- Disclose sensitive personal facts about an individual.
- Be threatening, intimidating, or menacing.
- Be grossly offensive to a reasonable person in the position of the affected individual.
- Be indecent or obscene.
- Be used to harass an individual.
- Make a false allegation.
- Contain a matter that is published in breach of confidence.
- Incite or encourage anyone to send a message to an individual for the purpose of causing harm to the individual.
- Incite or encourage an individual to commit suicide.
- Denigrate an individual by reason of colour, race, ethnic or national origins, religion, gender, sexual orientation or disability.

More information about the Act can be found at [Netsafe](#).

Appendix 1: Process for determining and investigation complaints





**Western
Bay of Plenty**
District Council

Te Kaunihera a rohe mai i
Ngā Kuri-a-Whārei ki
Otamarakau ki te Uru

westernbay.govt.nz

11.3 TOURISM BAY OF PLENTY ANNUAL REPORT 2022-2023 AND LETTER OF EXPECTATION 2024-2025

File Number: A5778309

Author: Jodie Rickard, Community and Strategic Relationships Manager

Authoriser: Rachael Davie, Deputy CEO/General Manager Strategy and Community

EXECUTIVE SUMMARY

1. The purpose of this report is for Council to:
 - Receive the Tourism Bay of Plenty (TBOP) Annual Report for the year ended 30 June 2023; and
 - Approve the areas of focus to be included in a Letter of Expectation for TBOP to be reflected in their Statement of Intent 2024-25 to 2026-2027.
2. In accordance with the Local Government Act 2002, the TBOP Annual Report will be published on Council's website.

RECOMMENDATION

1. That the Community and Strategic Relationships Manager's report dated 26 October 2023 titled 'Tourism Bay of Plenty Annual Report 2022-2023 and Letter of Expectation 2024-2025' be received.
2. That the report relates to an issue that is considered to be of low significance in terms of Council's Significance and Engagement Policy.
3. That Council receives the Tourism Bay of Plenty Annual Report 2022-2023, included as **Attachment 1** to this report, to be published on Council's website.
4. That Council directs staff to prepare a Letter of Expectation for Tourism Bay of Plenty for the 2024-2025 year which covers the following areas of focus:
 - a. Regenerative tourism: a focus on tourism that has net benefits for the environment and local communities, in accordance with Tourism Bay of Plenty's Destination Management Plan;
 - b. Walkways and cycleways promotion as a key visitor attraction;
 - c. Support with implementation of the TECT Park Strategic Plan;
 - d. Growing the 'Flavours of Plenty' festival within Western Bay of Plenty communities.

- e. Support for the development of local tourism opportunities in Maketu and Waihi Beach.

BACKGROUND

3. Tourism Bay of Plenty (TBOP) is a Trust that operates as a Council Controlled Organisation (CCO). Council is a joint shareholder with Tauranga City Council (TCC). The ownership structure is 70% TCC and 30% WBOPDC.

Annual Report

4. It is requirement of the Local Government Act 2002 that TBOP provide its annual report to Council. Council must publish the report on its website.

Letter of Expectation and Statement of Intent

5. It is a requirement of the Local Government Act 2002 that TBOP prepare a Statement of Intent annually. The purpose of a Statement of Intent is to state publicly the activities and intentions of the CCO for the year, and the objectives to which those activities will contribute.
6. A Statement of Intent also provides shareholders with an opportunity to influence the direction of a CCO. Preparing a Letter of Expectation as recommended by this report is not mandatory, but it provides a good basis for input into the Statement of Intent.
7. Following receipt of the Letter of Expectation, TBOP will draft its Statement of Intent for the period 2024–2025 to 2026–2027. The draft must be delivered to Council by 1 March 2024.
8. Council will have a further opportunity to comment on the draft Statement of Intent. TBOP must consider comments on the draft Statement of Intent, before delivering the completed Statement of Intent to shareholders (Council) before 1 July 2024.

Areas of Focus in the Letter of Expectation

2. Staff have met with TBOP to discuss work programmes for the 2024–2025 year. The following areas of focus are priorities for Council:
- a. Regenerative Tourism: TBOP's Destination Management Plan is founded in regenerative tourism – tourism that has net benefits for the environment as well as local communities. This aligns with Council's adopted community outcomes – that we have a thriving economy along with a clean, green valued environment.
 - b. Walkways and Cycleways promotion – Council has invested in walkways and cycleways across the district. It has previously collaborated with TBOP on cycleway promotion. Both parties have found this successful and seek to continue this in the next year.

- c. Support with implementation of the TECT Park Strategic Plan – TECT Park is a significant community asset that has won numerous national and international awards, recognising the wide range of recreational experiences it provides. The TECT Park Strategic Plan includes actions to boost TECT Park as a visitor attraction. TBOP's input can guide and support delivery of this opportunity.
- d. The Flavours of Plenty festival is an event first held in early 2022. It celebrates local producers and local produce. The third event will be held from 4th –14th April 2024. As there are many local producers/suppliers based in the Western Bay of Plenty, the festival provides an opportunity to support those businesses and build a visitor attraction. The 2023 festival included over 50 suppliers / producers that were Western Bay-based. The aim would be to increase involvement through the 2024 festival and support our local service delivery contractors to host events.
- e. TBOP have completed a stocktake of tourism opportunities in Maketu and Waihi Beach. The next step is supporting development of these opportunities. Additional funding may be required, and staff will work with TBOP on this action.

SIGNIFICANCE AND ENGAGEMENT

- 9. The Local Government Act 2002 requires a formal assessment of the significance of matters and decision in this report against Council's Significance and Engagement Policy. In making this formal assessment there is no intention to assess the importance of this item to individuals, groups, or agencies within the community and it is acknowledged that all reports have a high degree of importance to those affected by Council decisions.
- 10. The Policy requires Council and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions, and activities.
- 11. In terms of the Significance and Engagement Policy this decision is considered to be of low significance, because the decisions are in accordance with statutory requirements for Council for its Council Controlled Organisations and align with the previously adopted Statement of Expectations for Tourism Bay of Plenty. The decision has no financial implications.

ENGAGEMENT, CONSULTATION AND COMMUNICATION

- 12. Staff have met with Tourism Bay of Plenty staff to discuss the work programme for 2023–2024 and the proposed areas of focus.
- 13. The areas of focus add value to Council's work programme and align with the current strategic direction of both Council and Tourism BOP.

ISSUES AND OPTIONS ASSESSMENT

Council has the opportunity through this report to amend the following areas of focus:

- a. Regenerative tourism: a focus on tourism that has net benefits for the environment and local communities, in accordance with Tourism Bay of Plenty's Destination Management Plan.
- b. Walkways and cycleways promotion as a key visitor attraction.
- c. Input into the TECT Park Strategic Review.
- d. Growing the Flavours of Plenty festival within Western Bay of Plenty communities.
- e. Support for the development of local tourism opportunities in Maketu and Waihi Beach.

STATUTORY COMPLIANCE

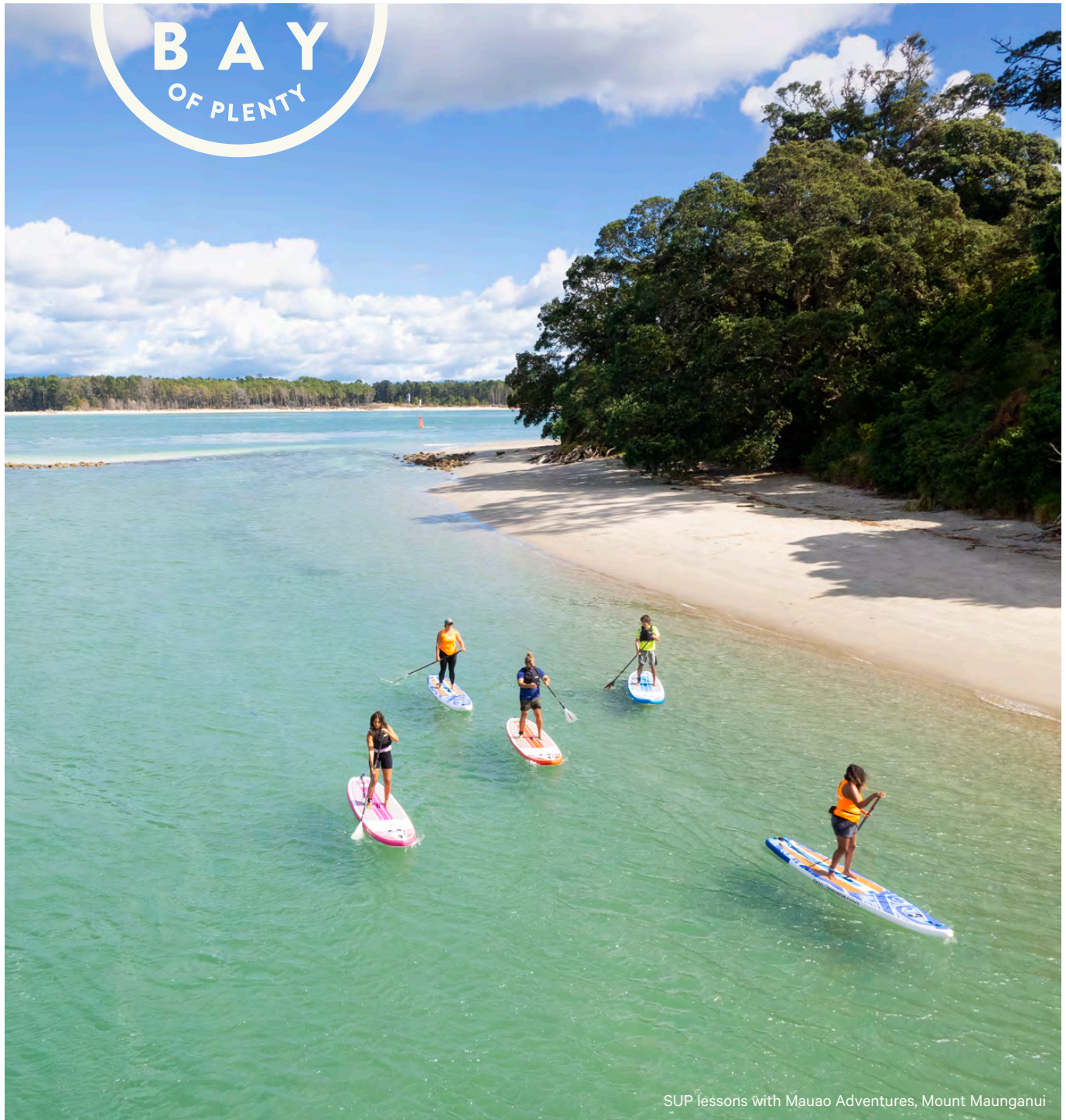
14. The recommendations in this report align with Council's strategic direction and identified areas of focus relevant for both Council and TBOP.

FUNDING/BUDGET IMPLICATIONS

15. There are no funding or budget implications associated with this report.

ATTACHMENTS

1. **Tourism Bay of Plenty Annual Report 2022–2023**  



SUP lessons with Mauao Adventures, Mount Maunganui

ANNUAL REPORT

TO 30 JUNE 2023

TĀPOI TE MOANANUI Ā TOI | TOURISM BAY OF PLENTY
(WESTERN BAY OF PLENTY TOURISM AND VISITORS TRUST)

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01**Kia ora from Board Chair
and GM****03****Progress against KPIs (summary)****04****Flavours of Plenty****06****Domestic & event marketing****07****International trade & marketing****08****Elevation of cultural tourism
proposition****09****Cruise sector****10****Supporting operators****11****Valuing our environment****12****Major next steps****14****Accounts****28****Acknowledgements****29****Appendix: Progress against KPIs**

KIA ORA

FROM THE BOARD CHAIR

It's been an exciting time since New Zealand's international border fully reopened last August, following two-and-a-half years of COVID-19 restrictions. With the country once again welcoming international visitors, by sea and air, it's been refreshing to see an uplift in overall visitor arrivals and spend in our region despite the ongoing struggles the hospitality and transport sectors have been having with staffing and resource limitations.

Notwithstanding the economic impact of recent weather events and continuing global and domestic inflationary pressures, discretionary spending on travel and tourism in the Coastal Bay of Plenty has been positive. Accordingly, the Board has been pleased with the various programmes and promotions that Tourism Bay of Plenty (TBOP) has been busy implementing over the past 12 months. A few key highlights are:

- In October 2022, Tauranga welcomed the country's first cruise ship visit of the 2022/23 season. The city went on to host 91 cruise ships, carrying a total of approximately 133,000 passengers and 68,000 crew. TBOP supported a number of new tourism operators, notably Te Whānau Tāpoi Māori o Tauranga Moana (a collective of indigenous tourism businesses), to improve their capability to cater for these visitors.
- The start of 2023 was buoyed by the return of the business events sector, with former COVID restrictions no longer inhibiting such gatherings. TBOP worked hard to optimise this pent-up demand by marketing our region's business event venues and associated operators at various sector trade shows and through Tourism NZ Business Events.

This year has also seen a series of changes to our Board, with Chair Laurissa Cooney and trustee Gwendoline Keel departing after their six-year tenures, Board intern Suki Xiao completing her one-year tenure, and mana whenua representative Charlie Rahiri stepping down due to other work commitments. We've been pleased to welcome the appointment of new trustees Janine Tulloch and Peter Blakeway.

Central to our success is the collaboration we enjoy with our key stakeholders. I'd like to acknowledge and thank our essential funding partners: Tauranga City Council, Western Bay of Plenty District Council, Whakatāne District Council, the Ministry of Business, Innovation and Employment (MBIE), and Bay of Plenty Regional Council Toi Moana.

It's a privilege to present this annual report in my new role as the Chair. It has been, and promises to be an extremely exciting time for our coastal region's tourism sector.



Russ Browne
Board of Trustees Chair
Tāpoi te Moananui ā Toi | Tourism Bay of Plenty

KIA ORA

FROM THE GENERAL MANAGER

This report provides an overview of the key projects and activities delivered by Tourism Bay of Plenty, in accordance with our Statement of Intent 2022-2023, during what has been a progressive transition into a post-COVID tourism environment.

The key projects Tourism Bay of Plenty has undertaken during the past year include:

- Supporting local tourism operators as our region welcomed the return of international visitors, following the reopening of our international border, and enabling the reinstatement of travel trade relationships.
- Delivery of timely marketing campaigns and media familiarisation programmes with relevant partners such as key wholesale travel trade, Tourism New Zealand, NZ Māori Tourism, and visiting media.
- Hosting the second annual Flavours of Plenty Festival, which was successfully delivered over a 10-day period in March and April 2023. This year's festival featured 34 events which were held across the Coastal Bay of Plenty region and, with more than 5,000 attendees, it was exponentially larger than the inaugural festival in 2022.
- The continued delivery of The Green Room | Te Rūma Kākāriki sustainability programme and subsequent ongoing engagement with visitor sector businesses and organisations across the rohe.
- Supporting local tourism businesses through the delivery of other programmes and campaigns that reduce cost and/or increase efficiency, marketing effectiveness, and profitability.

In addition, Tourism Bay of Plenty has contributed significant resource and specialist skills to support a range of wider council community projects and Action and Investment Plans relating to events, cycleways, wayfinding, climate change, city branding, and spatial planning (including the iconic Te Manawataki o Te Papa project).

The remainder of this report offers a more informative insight into our team's recent mahi, as we look forward to continuing to lead the prosperity of our people and place through tourism.



Oscar Nathan
Manahautū | General Manager
Tāpoi te Moananui ā Toi | Tourism Bay of Plenty

PROGRESS AGAINST KPIs

Target by June 2023

-  Achieved
-  On track
-  Work in progress
-  Not achieved

ECONOMIC WELLBEING

Visitor spend YE June 2023

Te Moananui ā Toi | the Coastal Bay of Plenty

↑ 8%

Compared to
YE June 2022

↑ 17%

Compared to
YE June 2019



SOCIAL WELLBEING

YE June 2023

64% 71%

Percentage of residents
who agree that tourism has
a positive impact on the
community.

Tauranga WBOP



Target: 70%

CULTURAL WELLBEING

Supported TCC in developing content for
a cultural intelligence app, integrating the
cultural narrative with key destination
messaging. This Te Ara Whānui app is
undergoing beta testing, as at June 2023.



ENVIRONMENTAL WELLBEING

51

number of businesses
participating in The Green
Target: 40 Room | Te Rūma Kākāriki.



TBOP ORGANISATION WELLBEING

April 2023

77%

Target: 70%

of the team are
happy/very happy to be
working at TBOP.



DESTINATION MANAGEMENT

ELEVATE THE REGION'S CYCLING OFFERING

5,000

copies of the Western Bay of Plenty and
Tauranga cycle trails booklet were printed
and distributed.



DESTINATION MARKETING

ELEVATE THE REGION'S FOOD STORY

Flavours of Plenty Festival delivered
24 March - 2 April 2023

56%

Target: 80%

tickets sold, which equates
to over 4,000 tickets.



DESTINATION MANAGEMENT

OPERATOR CAPABILITY BUILDING

10

Target: 10

tourism businesses have been
provided with 1-to-1 digital
marketing training.



DESTINATION MARKETING

PROMOTE DESTINATION TO TARGET MARKETS

Focus on social and other digital channels,
taking a partnership approach to trade
marketing, and critically assessing the value
of media famils to ensure value for money.



DESTINATION MANAGEMENT

BUSINESS EVENTS

40

Target:
15 bids

conference bid proposals
submitted; 11 confirmed
conferences.



FLAVOURS OF PLENTY FESTIVAL

34

EVENTS

10

DAYS

51

CONTRIBUTING
ORGANISATIONS

5,000+

ATTENDEES

\$450K

TICKET REVENUE FOR
LOCAL BUSINESSES

\$1.3M

DIGITAL EAV

19%

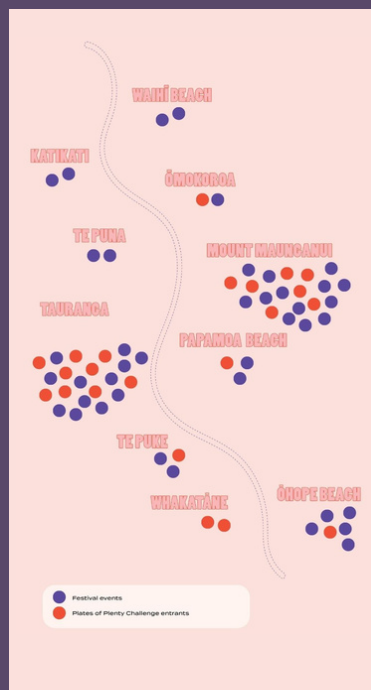
TICKETHOLDERS FROM
OUT-OF-REGION

4,000+

TICKETHOLDERS

12

Coastal BOP eateries featured in the Cuisine Good Food Awards Guide 2023-24 as a direct result of TBOP's media familiarisation programme associated with the festival.



FLAVOURS OF PLENTY



Cuisine Magazine

PROFILING THE FOOD STORY

Details: Media coverage and content creation to position the region as a food destination.

Areas covered: Tauranga, Western Bay of Plenty

Results: Feature articles in:



Fife Lane

MATARIKI DISH CHALLENGE

Details: Seven local eateries participated in the Bay of Plenty challenge, alongside Rotorua eateries.

Result: Increased awareness and understanding of Matariki among eatery staff and diners, and exposure for local eateries.

Areas covered: Tauranga, Mount Maunganui, Papamoa, and Paengaroa.



LOCAL PRODUCT IN LOCAL EATERIES

Details: Hosted networking events, festival, and Plates of Plenty Challenge to encourage collaboration.

Result examples: Pearl Kitchen uses Kaimai Eggs; Pepper & Me uses Fat Guy Fungi mushrooms; Alma Eatery uses Te Puke Truffles, Kaimai Eggs and Marama's mushrooms.

Areas covered: Tauranga, Western Bay of Plenty

DOMESTIC & EVENT MARKETING



DOMESTIC CAMPAIGNS

Details: Ran campaigns in winter 2022, spring 2022, and winter 2023 targeting drive and fly markets.

Results: These campaigns generated a combined 8.9m impressions, 554k video views, and 11.5k link clicks.

Areas covered: Tauranga, Western Bay of Plenty



MATARIKI GUIDE

Details: Highlighting and celebrating the significance of Matariki in the Coastal BOP, incorporating our food story.

Results: 6,500 views of online guide; 3,800 new eDM subscribers; 16,000 views of Instagram reels.

Areas covered: Tauranga, Western Bay of Plenty



EVENT PROMOTION

Details: Supported events via social, digital, and print promotions, including event guides and FIFA collateral.

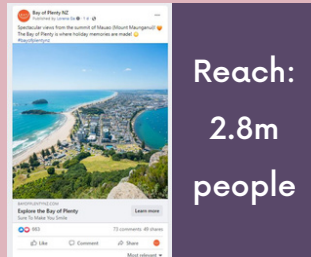
Results: Over 50 events supported; marketing video and flags showcased at nine events; two prize packages.

Areas covered: Tauranga, Western Bay of Plenty

DOMESTIC VISITOR SPEND VIA ELECTRONIC CARD TRANSACTIONS ONLY*



INTERNATIONAL TRADE & MARKETING



SOCIAL CAMPAIGN IN AUSTRALIA

Details: Partnered with Tourism New Zealand to run a social media campaign on the eastern seaboard of Australia.

Results: Reached 2.8 million; 21,000 website clicks; 16,000 video views.

Areas covered: Mount Maunganui



SALES ACTIVITY

Details: Attended trade shows, such as TRENZ and eXplore, with tourism operators. Focused on key markets.

Results: Increased reach and profile in international markets, meaning more likelihood of bookings.

Areas covered: Tauranga



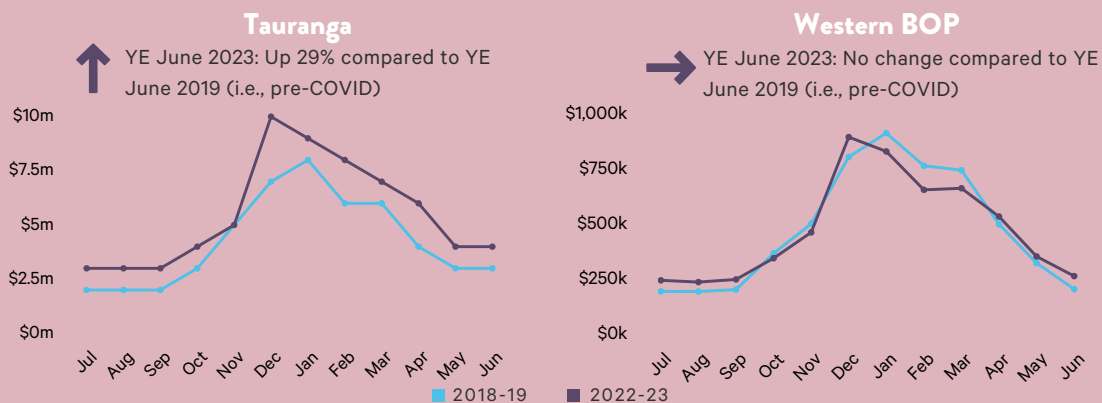
HOSTED INTERNATIONAL JOURNALISTS

Details: Hosted six international journalists from Frommers, 9Honey, Forbes Magazine, Australian's Women's Weekly etc.

Results: Increased reach into international markets; this gave rise to higher quality tourism operations, given the more stringent international requirements.

Areas covered: Tauranga, Western Bay of Plenty

INTERNATIONAL VISITOR SPEND VIA ELECTRONIC CARD TRANSACTIONS ONLY*



ELEVATION OF CULTURAL TOURISM PROPOSITION



NEW CULTURAL ITINERARY

Details: Developed cultural itinerary covering Coastal Bay of Plenty from Te Puna to Whirinaki Forest.

Results:

- Itinerary is being picked up in trade market, creating exposure for the region and these operators.
- Increase in cultural products added to international wholesale brochures will build interest and drive sales.

Areas covered: Tauranga, Western Bay of Plenty



GLOBAL TOURISM NZ FAMIL

Details: Introduced global Tourism NZ staff to Māori cultural tourism product, partnering with NZ Māori Tourism.

Results:

- NZMT and TNZ can knowledgeably share local offering with wider networks, including Inbound Tour Operators.
- Operators built connections with TNZ and now better understand the trade space and how to refine product to fit.

Areas covered: Tauranga, Western Bay of Plenty



DEVELOPED STORYTELLING APP

Details: Storytelling and cultural intelligence app developed in collaboration with TCC Takawaenga team.

Results: App content covers regional history, stories, key information, experiences, and significant sites. App in beta testing phase, planned release date is September 2023.

Areas covered: Tauranga

CRUISE



SUCCESSFUL CRUISE SEASON

Details: A pop-up isite centre was established at the port, with six desks manned by tour operators and isite staff.

Result: Direct promotion and selling of experiences to cruise passengers.

Areas covered: Tauranga, Western Bay of Plenty



91 total
ships



77 ship
days



133,000
passengers
(estimated)



68,000
crew
(estimated)

SALES



isite sales
\$34,000



HOGO pax
3,989



Ferry pax
558



76% OF RESIDENTS SUPPORT CRUISE

Details: Pre-season survey of residents to understand perceived concerns and advantages of cruise.

Result: Positive media coverage to celebrate the return of cruise after a two-and-a-half year absence, including primetime lead TV news item.

Areas covered: Tauranga

SUPPORTING OPERATORS



BUILDING DIGITAL CAPABILITY

Details: Digital capability sessions held with ten local tourism operators.

Results: Improved the digital footprint, website listings, and online marketing knowledge of these operators.

Areas covered: Tauranga, Western Bay of Plenty



SUPPORTING BUSINESS EVENTS

Details: Attended business events trade shows to profile the region and the conferencing and incentives offerings here. BE workshops attended by 50+ businesses.

Results:

- 40 bids submitted and 11 conferences secured.
- Partnered with Bay Venues at MEETINGS Expo 2023.

Areas covered: Tauranga, Western Bay of Plenty



OPERATORS ACHIEVE QUALMARK

Details: Supported operators to get Qualmark, allowing them to operate in the cruise market and to be marketed off-shore.

Result: Eight new Qualmark operators across the Coastal BOP region; several others improved their rating.

Areas covered: Tauranga, Western Bay of Plenty

VALUING OUR ENVIRONMENT



SUPPORTING HARBOUR FERRY

Details: Supported the Tauranga Harbour Ferry with ticketing, promotion, and connection to cruise passengers.

Results: Over 1,700 tickets sold. Provides a more sustainable transport option to city centre when larger (1,000+ pax) ships are in port.

Areas covered: Tauranga



CYCLE TRAILS BOOKLET

Details: Cycle trails booklet developed and 5,000 copies distributed via information centres, accommodation providers, bike shops, cycle groups, Tauranga Airport etc.

Results: Provides information about cycle trails and increases awareness of them to encourage use for leisure and travel.

Areas covered: Tauranga, Western Bay of Plenty

Funders

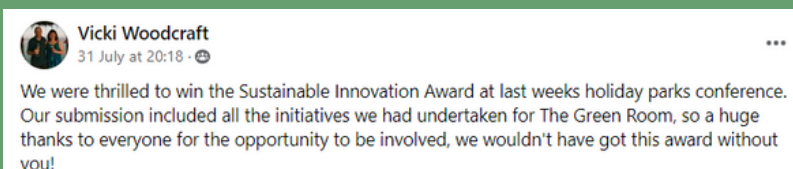


THE GREEN ROOM | TE RŪMA KĀKĀRIKI

Details: A 12-week programme which enables visitor sector organisations to become more sustainable.

Results: Carbon and waste measurement and reduction, review of business plans to build resilience, donating and participating in community and environmental initiatives etc.

Areas covered: 31 Tauranga and 21 Western Bay of Plenty organisations have completed or started the course.



MAJOR NEXT STEPS



01 ONGOING PROMOTION

TBOP will continue to promote the region, both domestically and internationally. We are looking to build our activity in the trade marketing space post-COVID, concentrating on our key international markets of Australia, the UK, and the USA. Tauranga has long been a popular destination among New Zealanders, so we are also exploring new and innovative ways of connecting with our domestic target markets.

We will also continue to build on the business events proposition, building capability, and promoting the region for business events, conferences, and incentives.



02 DEVELOPING A SMART CITY NETWORK

TBOP is implementing a digital storytelling and wayfinding solution for Tauranga City. We have acquired two digital kiosks which are user-friendly, interactive, and have accessibility features. These kiosks provide tailored visitor information and specific area-related storytelling. The kiosks allow for updates on weather, emergencies, events and more, to be shared to increase our in-region touchpoints with visitors. We are aiming to establish an integrated network of these kiosks, managed by TBOP, with Tauranga City Council, Bay Venues Limited, and other stakeholders coming on board as partners. This system will also be linked with a destination app, sharing the same kind of location information, storytelling and promotion of experiences.



03 WELLNESS AS A VISITOR PROPOSITION

A key element of our destination is the ocean and beaches for which the region is already well-known. We have recognised an opportunity to elevate perceptions of the destination's surf and beach culture to include 'wellness'. This will involve linking in products and opportunities to the visitor experience that support mental, emotional, physical, and cultural wellbeing. The initial focus will be on connecting these products to the tourism sector, with a particular interest in how this could tie to the business events sector.

MAJOR NEXT STEPS



04 BRAND

TBOP is working with TCC, WBOPDC, and other stakeholders on the Brand Tauranga Moana project. A formal stakeholder group is being pulled together to collaborate on next steps. TBOP will lead this project.



05 DEVELOPING THE CRUISE SECTOR

There are currently 111 ships booked to visit Tauranga during the next cruise season. We are working with TCC, Port of Tauranga, tourism operators, cruise lines, NZ Cruise Association, and other entities to plan for the season ahead.

TBOP is also undertaking a project to better understand the impacts and values of the cruise sector in Tauranga and the wider Coastal Bay of Plenty. It will take a four wellbeings approach, assessing the economic, social, cultural, and environmental impacts.



06 REGIONAL DEVELOPMENT

TBOP is actively involved in a number of exciting projects and initiatives across the region, which include Te Manawataki o Te Papa, and the Mount Spatial Plan, and a potential new community/tourism/cruise hub for Coronation Park. These important projects are expected to make a significant impact on the future visitor experience in Tauranga.

TBOP is also supporting development opportunities in Te Puke, Waihi Beach and Maketū. We have scoped the tourism opportunities in the latter two locations and will be following these up with council and other stakeholders in the coming months.

We will continue to play a key role as a connector, promoter and experience developer (where possible) on cycleways, waterfalls, and walking trails and reserves, and other projects that support our region's tourism offerings.

ACCOUNTS

WESTERN BAY OF PLENTY TOURISM AND VISITORS TRUST

TRUST DIRECTORY AS AT 30 JUNE 2023

PURPOSE OF BUSINESS

The principle objective of Tourism Bay of Plenty is to promote the economic welfare and development of the region and its community through marketing and management that positively supports the region as a visitor destination.

LEGAL BASIS

Charitable Trust

STRUCTURE

The Trust comprises a Board of eight Trustees who oversee the governance of the Trust, a General Manager who is responsible for the day-to-day operations of the Trust and reporting to the Trustees, and 14 other full-time staff who support the General Manager in delivering the Trust's objectives. The Trustees are appointed by the Tauranga City Council and the Western Bay of Plenty District Council.

MAIN SOURCES OF CASH AND RESOURCES

Operating grants received from the Tauranga City Council, Western Bay of Plenty District Council and Whakatāne District Council are the primary sources of funding to the Trust. The Trust also earns revenue from sales of local and domestic products.

TRUSTEES

R. Browne - Chair
C. Swallow
J. Hill
P. Blakeway
J. Tulloch

REGISTERED OFFICE

8 Wharf Street
Tauranga

SOLICITORS

Holland Beckett, Tauranga

BANKERS

ASB, Tauranga

AUDITORS

Silks Audit Chartered Accountants

ACCOUNTS

WESTERN BAY OF PLENTY TOURISM AND VISITORS TRUST

STATEMENT OF COMPREHENSIVE REVENUE & EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 Actual	2023 Budget	2022 Actual
REVENUE				
Funding - Tauranga City Council		2,460,663	2,410,660	2,354,721
Funding - Western Bay of Plenty District Council		252,000	232,000	232,000
Funding - Whakatāne District Council		84,705	84,000	84,000
Retail sales		21,048	17,000	10,386
Finance revenue		24,185	1,700	4,424
Other revenue	1	1,587,843	1,642,140	879,900
Total revenue		4,430,444	4,387,500	3,565,431
EXPENDITURE				
Cost of sales	2	12,733	10,300	6,709
Operating & marketing	3	1,938,003	2,096,867	1,469,910
Administration & overhead	4	418,775	495,333	462,266
Finance costs		0	0	0
Employee benefit expenses	5	1,514,566	1,636,200	1,328,354
Trustee fees		81,500	87,000	75,000
Depreciation and loss on sale of assets	11&12	54,276	61,800	70,276
Total expenditure		4,019,853	4,387,500	3,412,515
SURPLUS/(DEFICIT) before Tax	6	410,590	0	152,915
Taxation	7	0	0	0
SURPLUS/(DEFICIT) after tax		410,590	0	152,915
Other Comprehensive Revenue & Expense				
Other comprehensive revenue		0	0	0
Total Other Comprehensive Revenue & Expense		0	0	0
Total Comprehensive Revenue & Expense		410,590	0	152,915

STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	2023 Actual	2022 Actual
Net Assets/Equity at start of the year	614,203	461,288
Total comprehensive revenue and expenses	410,590	152,915
BALANCE AT 30 JUNE	1,024,793	614,203

The accompanying notes form part of these financial statements.

ACCOUNTS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Notes	2023	2022
ASSETS			
Current assets			
Cash and cash equivalents	8	947,899	1,700,714
Investments	9	500,000	200,000
Debtors & prepayments from exchange transactions	10	44,317	77,831
Debtors & prepayments from non-exchange transactions		36,614	63,500
Inventories		8,516	9,410
Total current assets		<u>1,537,346</u>	<u>2,051,455</u>
Non-current assets			
Property, plant and equipment	11	176,267	181,992
Intangible assets	12	<u>17,630</u>	<u>35,260</u>
Total non-current assets		<u>193,897</u>	<u>217,252</u>
TOTAL ASSETS		<u>1,731,242</u>	<u>2,268,707</u>
LIABILITIES			
Current liabilities			
Creditors and accrued expenses	13	166,815	335,727
Revenue received in advance	13	361,797	1,141,229
Employee benefit liabilities	14	177,837	177,548
Finance leases	15	0	0
Total current liabilities		<u>706,450</u>	<u>1,654,504</u>
Non-current liabilities			
Loans		0	0
Finance leases		<u>0</u>	<u>0</u>
Total non-current liabilities		<u>0</u>	<u>0</u>
TOTAL LIABILITIES		<u>706,450</u>	<u>1,654,504</u>
TOTAL ASSETS LESS TOTAL LIABILITIES		<u>1,024,793</u>	<u>614,203</u>
EQUITY			
Accumulated funds		<u>1,024,793</u>	<u>614,203</u>
TOTAL EQUITY		<u>1,024,793</u>	<u>614,203</u>

The accompanying notes form part of these financial statements.

ACCOUNTS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	2023 Actual	2022 Actual
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash flow from exchange transactions:		
Receipts from retail sales	21,048	10,386
Receipts from other revenue	819,983	1,313,521
Interest receipts	23,185	3,424
Dividend receipts	1,000	1,000
Interest payments	0	0
Payments to suppliers and employees	-4,087,561	-3,278,952
Total cash flows from exchange transactions	-3,222,345	-1,950,621
Net cash flow from non-exchange transactions		
Receipts of Funding - Tauranga City Council	2,460,663	2,354,721
Receipts of Funding - Western Bay of Plenty District Council	252,000	232,000
Receipts of Funding - Whakatāne District Council	84,000	84,000
GST (net)	3,787	-6,789
Total cash flows from non-exchange transactions	2,800,450	2,663,932
Net cash flow from operating activities	-421,895	713,311
CASH FLOWS FROM INVESTING AND FINANCING ACTIVITIES		
Repayment of loans	0	0
Receipts from sale of fixed assets	0	141
Payments to acquire fixed assets	-30,921	-24,769
Net cash flow from investing & financing activities	-30,921	-24,628
ADD OPENING BANK ACCOUNTS AND CASH	1,900,714	1,212,031
CLOSING BANK ACCOUNTS AND CASH	1,447,899	1,900,714

The accompanying notes form part of these financial statements.

ACCOUNTS

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2023

ENTITY STATEMENT

Western Bay of Plenty Tourism and Visitors Trust is a Council Controlled Organisation (CCO), by virtue of the Council's right to appoint the Board of Trustees. Governance is provided by the Trust Board as per the Trust Deed. The relevant legislation governing the Trust's operations includes the Local Government Act 2002. The financial statements of the Trust have been prepared in accordance with the provisions of section 68 and 69 of the Local Government Act 2002. The Trust is a public benefit entity for financial reporting purposes.

The principle objective of the Trust is to promote the economic welfare and development of the region and its community through marketing and management that positively supports the region as a visitor destination.

The financial statements of the Trust are for the year ended 30 June 2023. The unaudited financial statements were approved by the Board of Trustees on 16th August 2023. The audited financial statements approval date is to be confirmed.

BASIS OF PREPARATION

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

The financial statements of the Trust have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZGAAP).

These financial statements have been prepared in accordance with Tier 2 PBE accounting standards on the basis that the Trust is not publicly accountable and expenses are between \$2 and \$30 million. These financial statements comply with Public Benefit Entity standards Reduced Disclosure Regime.

Measurement base

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

Changes in accounting policies

There have been no changes in accounting policies.

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of the Trust is New Zealand dollars.

ACCOUNTS

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2023

Goods & Services Tax

The Trust is registered for GST. All amounts in the financial statements are recorded exclusive of GST, except for debtors and creditors, which are stated inclusive of GST. GST is shown as a net amount in the cashflow.

SIGNIFICANT ACCOUNTING POLICIES

Revenue

Grants

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

Sale of goods

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

Sale of services

Revenue from the sale of services is recognised when the service is provided.

Interest and dividend revenue

Interest revenue is recorded as it is earned during the year. Dividend revenue is recognised when the dividend is declared.

Employee related costs

Wages, salaries, and annual leave are recorded as an expense as staff provide services and become entitled to wages, salaries, and leave entitlements.

Performance payments are recorded when the employee is notified that the payment has been granted.

Superannuation contributions are recorded as an expense as staff provide services.

Advertising, marketing, administration, and overhead costs

These are expensed when the related service has been received.

ACCOUNTS

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2023

Lease expense

Operating leases

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

Finance leases

At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. The lease is fully depreciated over the lease term.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cheque or savings accounts, and deposits held on call with banks.

Investments

Investments are shares, term deposits, bonds, units in unit trusts, or similar instruments held by the entity.

Debtors

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

Inventory

Inventory held for sale on a commercial basis is valued at the lower of cost or net realisable value. The cost of the inventory is determined using the weighted average method.

ACCOUNTS

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2023

Property, plant, equipment

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

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

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

Depreciation is provided on a diminishing value basis on all property, plant and equipment, at rates that will write off the cost of the assets to their estimated residual values over their estimated useful lives.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

- Furniture and fittings (10% - 40%)
- Computers and software (50% - 60%)
- Buildings and leasehold improvements (10% - 25%)
- Office equipment (8% - 67%)

Intangible Assets

Website Development

Website development costs are capitalised when it is probable that the expected economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. Furthermore, the website must be shown to be capable of generating revenues, including direct revenues from enabling orders to be placed.

Amortisation

Website costs are amortised on a diminishing value basis over the asset's useful life. Amortisation begins when the asset is available for use and ceases at the date when the asset is disposed of. The amortisation charge for each year is included with depreciation and recognised in the Statement of Comprehensive Income.

The useful life and associated amortisation rate has been estimated as follows:

- Website (50%)

ACCOUNTS

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2023

Creditors and accrued expenses

Creditors and accrued expenses are recorded at their face value.

Employee Entitlements

A liability for employee costs payable is recognised when an employee has earned the entitlement. These include salaries and wages accrued up to balance date and annual leave earned but not yet taken at balance date, using current rates of pay.

Loans

Loans are recognised at the amount borrowed from the lender. Loan balances include any interest accrued at year end that has not yet been paid.

Income Taxation

The Trust holds a tax exemption from the Inland Revenue Department in terms of section CW40 of the Income Tax Act 2007, as a local or regional promotional body.

Budget figures

The budget figures are derived from the Statement of Intent as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with Tier 2 standards, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements. Note that the classification of the expenses is different from the Statement of Intent as the employee costs are shown separately in the accounts.

Cashflow

Operating activities have been presented in accordance with the direct method.

Equity

Equity is the councils' interest in the Trust and is measured as the difference between total assets and total liabilities.

ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022	
1 Other Revenue			
Industry Contributions	87,681	24,006	
Regional Events Funding	578,782	327,694	
STAPP Funding	680,149	398,704	
BOPRC Funding	60,000	60,000	
Other Income	181,231	69,496	
	<u>1,587,843</u>	<u>879,900</u>	
2 Cost of Sales			
The write-down of inventory during the year was Nil (2022: Nil). The reversal of write-downs for the year was Nil (2022: Nil).			
Opening Inventory	9,410	12,620	
Purchases	11,839	3,499	
Closing Inventory	<u>(8,516)</u>	<u>(9,410)</u>	
Total Cost of Sales	<u>12,733</u>	<u>6,709</u>	
3 Operating and Marketing			
Credit Card Charges	2,219	329	
Events Marketing	716,107	512,385	
Cruise Marketing and Operating	189,883	10,730	
Consumer Marketing	430,327	283,130	
Development & Research	414,622	365,956	
General and Other Marketing	184,845	297,380	
	<u>1,938,003</u>	<u>1,469,910</u>	
4 Administration and Overhead			
Audit Fees	27,072	24,783	
Cleaning & Security	16,068	15,385	
Rent	151,759	133,775	
Recruitment, Training & HR	7,115	60,844	
Repairs & Maintenance	5,743	808	
Vehicle	35,153	39,287	
Subscriptions	11,913	9,255	
IT expenses	33,271	42,481	
Telephone	8,421	7,674	
Electricity	8,425	8,496	
Other Administration & Overhead	<u>113,835</u>	<u>119,478</u>	
	<u>418,775</u>	<u>462,266</u>	
5 Employee Benefit Expenses			
Salaries and Wages	1,477,770	1,292,879	
Employer Superannuation Contributions	34,264	32,240	
Other Employee Related Costs	<u>2,532</u>	<u>3,235</u>	
	<u>1,514,566</u>	<u>1,328,354</u>	
6 Variance Budget to Actual			
INCOME	Actual	Budget	Variance
Other Revenue (MBIE funding not yet spent carried forward to next financial year)	1,587,843	1,642,140	- 54,297
EXPENDITURE			
Operating & Marketing (MBIE funding due to be spent this year will now be spent in 2023)	1,938,003	2,096,867	- 158,864
Administration & Overhead (Contingency & HR costs down on budget)	418,775	495,333	- 76,558
Employee Benefit Expenses (Staff vacancies for part of year)	1,514,566	1,636,200	- 121,634

ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

7 Taxation

The Trust holds confirmation of a tax exemption under section CW 40 of the Income Tax Act 2007

	2023	2022
8 Cash and Cash Equivalents		
Cheque Accounts	84,620	65,901
Savings Accounts	862,379	1,633,913
Cash on Hand	900	900
	<u>947,899</u>	<u>1,700,714</u>
9 Investments		
Term Deposit ASB Bank \$300,000 2.5% for 1 month, \$200,000 5.2% for 6 months	500,000	200,000
10 Debtors and Prepayments		
Debtors	40,141	36,395
Accrued Income	-	-
GST	36,614	63,500
Prepayments	3,984	41,436
	<u>80,739</u>	<u>141,331</u>
Debtors and prepayments from exchange transactions	44,125	77,831
Debtors and prepayments from non-exchange transactions	36,614	63,500
	<u>80,739</u>	<u>141,331</u>

11 Property, Plant and Equipment

Name	Cost	Accum Dep	1-Jul-22	Purchases	Depreciation	Disposals	30-Jun-23
Total Computers & Software	104,085	93,287	10,799	16,412	7,103	0	20,107
Total Furniture & Fittings	99,885	60,082	39,803	4,703	5,750	0	38,757
Total Leasehold Improvements	288,399	173,873	114,527	7,509	15,770	0	106,266
Total Office Equipment	113,785	96,921	16,864	2,297	8,023	0	11,138
Total	606,154	424,162	181,992	30,921	36,646	0	176,267

Name	Cost	Accum Dep	1-Jul-21	Purchases	Depreciation	Disposals	30-Jun-22
Total Computers & Software	87,674	70,261	7,937	9,476	6,614	0	10,799
Total Furniture & Fittings	95,182	49,184	44,957	1,041	6,195	0	39,803
Total Leasehold Improvements	280,890	149,903	130,987	0	16,460	0	114,527
Total Office Equipment	112,574	89,823	8,499	14,252	5,746	141	16,864
Total	576,320	359,171	192,380	24,769	35,016	141	181,992

12 Intangible Assets

Name	Cost	Accum Dep	1-Jul-22	Purchases	Depreciation	Disposals	30-Jun-23
Website & CRM	117,482	82,222	35,260	0	17,630	0	17,630
Total	117,482	82,222	35,260	0	17,630	0	17,630

Name	Cost	Accum Dep	1-Jul-21	Purchases	Amortisation	Disposals	30-Jun-22
Website & CRM	117,482	46,962	70,520	0	35,260	0	35,260
Total	117,482	46,962	70,520	0	35,260	0	35,260

ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
13 Creditors and Accruals		
Creditors	85,482	257,360
Accrued Expenses	31,790	39,184
Funds Received on Behalf of Tourism Operators	49,543	39,183
	<u>166,815</u>	<u>335,727</u>
Creditors and Accruals from Exchange Transactions	166,815	335,727
Creditors and Accruals from Non-exchange Transactions	-	-
	<u>166,815</u>	<u>335,727</u>
The Trust holds credit cards with ASB Bank, with a credit limit of \$50,000.		
14 Revenue Received in Advance		
Revenue Received in Advance	361,797	1,141,229
Revenue Received in Advance from Exchange Transactions	361,797	1,141,229
Revenue Received in Advance from Non-exchange Transactions	-	-
	<u>361,797</u>	<u>1,141,229</u>
15 Employee Benefit Liabilities		
Accrued Salaries and Wages	87,451	84,440
Annual Leave	90,386	93,108
	<u>177,837</u>	<u>177,548</u>
16 Finance Lease		
There are currently no finance leases.		
17 Capital and Operational Commitments and Operating Leases		
Non-cancellable operating leases as lessee:		
The Trust leases property, equipment and two vehicles in the normal course of its business, total expenditure for the year was \$143,786. The lease of 8 Wharf Street has two rights of renewal of four years and the lease of 103 The Strand has one right of renewal of four years. The following amounts relate to lease 8 Wharf Street, lease 103 The Strand, Haval vehicle lease, Nissan vehicle lease, and lease of Eftpos machines and photocopier.		
The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:		
Payable no later than one year	28,860	164,871
Later than one year, not later than five years	22,658	18,830
Later than five years	-	-
	<u>51,518</u>	<u>183,701</u>
18 Contingent Liabilities		
The Trust has no contingent liabilities		

ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

19 Related Party Transactions

The Trust received a significant amount of operating grants from the Councils' to deliver its objectives as specified in the Trust Deed.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship and/or on terms and condition no more or less favourable than those that it is reasonable to expect the council and group would have adopted in dealing with the party at arm's length in the same circumstances.

	2023	2022
Key Management Personnel compensation		
Trustees		
Full-time Equivalent Members	6	5
Remuneration	81,500	75,000
Senior Management Team including CEO		
Full-time equivalent members	5	6
Remuneration	612,213	560,310
Total Full-time equivalent members	11	11
Total Remuneration	693,713	635,310

Due to the difficulty in determining the full-time equivalent for Trustees, the full-time equivalent figure is taken as the number of Trustees.

20 Donations

There were no donations paid.

21 Financial Instruments

Financial Instrument Categories

FINANCIAL ASSETS

Cash & Cash Equivalents	1,447,899	1,900,714
Debtors & Other Receivables	76,755	99,895
Total Financial Assets	1,524,654	2,000,609

FINANCIAL LIABILITIES

Creditors & Other Payables	166,815	335,727
Revenue Received in Advance	361,797	1,141,229
Finance Leases	0	0
Total Financial Liabilities at Cost	528,612	1,476,956

22 Events After Balance Date

There are no significant events post balance date.

23 Covid Impact Disclosures

The Senior Management Team and the Trustees have considered the current and future potential effects on the business caused either directly or indirectly by Covid. The effect on the overall results for the year ended 30 June 2023 has been positive, with extra funding received from TSRR and the Regional Events Fund.

Although the borders have now opened to visitors, including cruise passengers, future potential effects are speculative and unknown however the Bay of Plenty is in the privileged position of already attracting mostly domestic visitors. Around 80% is domestic tourism visitor spend and 20% international visitor spend (with cruise less than 5% visitor spend), so we may see a lessor impact in the Bay of Plenty than in other regions. Note that post balance date all Covid restrictions have been lifted in NZ.

CRUISE

Cruise ships were banned in New Zealand on 14 March 2020, resulting in the loss of cruise income last financial year.

Cruise ships have returned in this financial year.

TAURANGA iSITE

The Tauranga iSite has increased the income from the last financial year due to the increase in international tourists to our region since the border reopened.

MARKETING

TSRR Funding of \$1,000,000 was received in September 2021. \$905,353 has been spent as per the criteria and the remaining \$94,647 has been spent in the 2024 financial year. Regional Events Funding of \$1,518,194 has been received. \$1,251,044 has been spent as per the criteria and the remaining \$267,150 will be spent over the next two financial years.

ACKNOWLEDGEMENTS

Main funders



Tauranga City



Western
Bay of Plenty
District Council



WHAKATĀNE
District Council
Kōwhiriwhiri au i etahi

Other funding partners



BAY OF PLENTY
REGIONAL COUNCIL
TOI MOANA



MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT
HIKINA WHAKATUTUKI

Thank you for your continued support

CONTACT

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APPENDIX: PROGRESS AGAINST KPIs

WELLBEING KPIs

FOCUS AREA	PROJECT DELIVERABLE	MEASURE	TBOP	SOURCE	BASELINE (JUNE 2022)	TARGET BY JUNE 2023	UPDATE	STATUS
ECONOMIC Wellbeing	Growing the economic value of the tourism industry.	Trends in visitor spending via electronic card transactions.	Direct Partnered Indirect	Marketview Tourism Dashboard. This may change to MBIE visitor spend data, depending on the best sources available at the time.	In the year ending May 2022, total visitor spending in Te Moananui ā Toi the Coastal Bay of Plenty was down 2% compared to the year ending May 2021.	Monitored and reported on changes in visitor spend to YE June 2023 and use the information to set new goals for future years.	In the YE June 2023, visitor spend in Te Moananui ā Toi the Coastal Bay of Plenty was up 8% compared to YE June 2022, and up 17% compared to the YE June 2019 (pre-COVID). Goals to continue to grow domestic and international visitor spend have been set for the next financial year.	Achieved
SOCIAL Wellbeing	Enhancing the value tourism brings to the community (according to the community).	Residents' sentiment towards tourism. This is measured by the percentage of residents who agree that tourism has a positive impact on the community. Residents provide a rating of 1 to 10, where 1 is strongly disagrees and 10 is strongly agrees.	Direct Partnered Indirect	Residents' satisfaction surveys conducted by the respective council.	Tauranga City Council: 68% agree. Jul-Dec 2021 Representing scores of 7 to 10 Western Bay of Plenty District Council: 62% agree. Jul-Dec 2021 Representing scores of 6 to 10 Whakatāne District Council: 69% agree. YE Dec 2021 Representing scores of 6 to 10	Implemented actions identified from TBOP's community perceptions survey to help enhance the perceived value of tourism to the community. Measured by 68% or more residents agreeing that tourism has a positive impact on the community.	Tauranga City Council: 64% agree . Down 4% compared to Jul-Dec 2021 and compared to the goal of 68%. YE June 2023 Representing scores of 7 to 10 Western Bay of Plenty District Council: 71% agree . Up 9% compared to Jul-Dec 2021 and exceeded goal of 68%. YE June 2023 Representing scores of 6 to 10 Whakatāne District Council: 72% agree . Up 3% compared to YE Dec 2021 result. Jul-Dec 2022 Representing scores of 6 to 10 TBOP's community perceptions survey, undertaken in 2021, concentrated on residents' perceptions of cruise visitors. The results of this survey identified concerns around the potential spread of COVID, overcrowding, and traffic congestion. These concerns were addressed through pre-emptive communication around the strict COVID protocols on cruise ships, a traffic management plan, and working with local tourism operators to provide tours and experiences across Te Moananui ā Toi the Coastal Bay of Plenty.	Not achieved

FOCUS AREA	PROJECT DELIVERABLE	MEASURE	TBOP	SOURCE	BASELINE (JUNE 2022)	TARGET BY JUNE 2023	UPDATE	STATUS
CULTURAL Wellbeing	Improving the cultural wellbeing of the community through tourism.	Participation in developing cultural storytelling and wayfinding platforms.	Direct Partnered	TBOP Six-Month and Annual Reports.	Agreed to collaborate with councils and iwi on the development of an online resource of cultural stories and images appropriate to destination storytelling.	Managed online gallery and associated ambassador app content, integrating cultural narrative with key destination messaging.	TBOP worked in partnership with Tauranga City Council to develop a cultural intelligence app. This digital platform includes regional history, stories, key information, experiences, significant sites and more. The app has been developed and is undergoing beta testing as of June 2023. The plan is to launch the app during Te Wiki o te Reo Māori in September 2023. Photo shoots and video shoots undertaken included cultural content and will be used for campaigns and image library. B-roll content has been uploaded into a hub shared with our key funders and partners.	Achieved
ENVIRONMENTAL Wellbeing	Improving the environmental wellbeing of the region through environmental sustainability and regeneration projects.	Number of industry-focused environmental sustainability and regeneration initiatives facilitated or enabled by TBOP.	Direct Partnered	Programme reports.	Developed The Green Room programme (aimed at helping operators to reduce their carbon and waste footprints) and ran the first course.	A total of 40 tourism or hospitality businesses to complete The Green Room programme during the year.	A total of 51 tourism and hospitality businesses participated in The Green Room Te Rūma Kākāriki programme during the YE June 2023.	Achieved
TBOP ORGANISATION Wellbeing	Enhance TBOP's ability to achieve its goals through high staff engagement.	TBOP staff engagement.	Direct	Employee engagement survey.	Employee Engagement score: 63% of employees are 'happy' or 'very happy' working at TBOP. May 2022 (Note change of method compared to previous years, so results are not directly comparable.)	Employee Engagement score: at least 70% of employees are 'happy' or 'very happy' working at TBOP.	Employee Engagement score: 77% of the team are 'happy' or 'very happy' working at TBOP. Target exceeded by 7%. April 2023	Achieved

ACTIVITY KPIs

FOCUS AREA	PROJECT DELIVERABLE	MEASURE	TBOP	SOURCE	BASELINE (FEB 2022)	TARGET BY JUNE 2023	UPDATE	STATUS
DESTINATION MANAGEMENT	Elevate the region's cycling offering	Develop and share promotional and informative material on cycle trails and help to facilitate the development of a cycle trail network.	Direct Partnered	Council's feedback.	First iteration of Western Bay of Plenty cycle trails booklet produced.	Combined Western Bay of Plenty and Tauranga cycle trails booklet and storytelling produced and shared via TBOP channels.	Tauranga and Western Bay of Plenty cycle trails booklet was released in September. A total of 5,000 copies were printed and distributed to visitor information centres, accommodation providers, bike shops and other retail outlets, local cycle groups, Tauranga Airport, libraries and more.	Achieved
	Build operator capability to enhance the quality of the region's tourism offering	Provide opportunities for operators to train or upskill in key areas and gain Qualmark certification.	Direct Partnered Indirect	Capability programme report.	Scoped key areas of training need and developed digital marketing health check and training modules.	Provided 1-to-1 digital marketing training to 10 tourism businesses.	Provided 1-to-1 digital marketing training to 10 tourism operators during the year.	Achieved
	Coordinate opportunities to bring business events to the region	Facilitate leads and bids for business events in the region.	Direct Partnered	TBOP Six-Month and Annual Reports.	Identified key partner agency which delivered one lead within a week of engaging with them.	Facilitated 15 leads or bids for business events in the region.	Bid proposals were submitted in response to 17 conference/event enquiries, with two conferences confirmed for 2022 and two conferences (so far) confirmed for 2023.	Achieved
DESTINATION MARKETING	Elevate the region's food story and proposition	Promote and facilitate the delivery of the Coastal Bay of Plenty region Flavours of Plenty Festival to draw visitors to the region.	Direct Partnered	Festival delivery.	Promoted and facilitated the delivery of the Flavours of Plenty Festival in April 2022.	Promoted the Flavours of Plenty Festival to help sell 80% of festival event tickets.	Over 4,000 Flavours of Plenty Festival event tickets were sold. This equates to 56% of overall tickets available, shy of the targeted 80%. This was primarily due to large events that are difficult to sell out, such as First We Eat, choosing to come under the Flavours of Plenty Festival banner. More than 5,000 people attended Festival events (both ticketed and un-ticketed).	Not achieved
	Promote the destination to our target markets (outdoor adventurers, surf & beach lovers, cultural explorers, and eco-travellers)	Develop and deliver marketing campaigns that incorporate all four DNA™ elements and reach the destination's target markets.	Direct Partnered	Campaign collateral.	Delivered the refreshed domestic 'Sure to Make You Smile' campaign.	Identified effective channels for marketing to international and domestic audiences to ensure value for money.	TBOP has consistently reviewed reach, engagement (quantity and quality), and EAV (where possible) of various marketing channels, both domestically and internationally. This has resulted in a more targeted approach for international marketing and trade, a stronger focus on digital channels, and the ability to selectively pursue media opportunities that have a worthwhile potential return on the investment.	Achieved

11.4 WAIKATO LOCAL AUTHORITY SHARED SERVICES LTD (CO-LAB) ANNUAL REPORT FY2023

File Number: A5766160

Author: Jackson Jury, Financial Analyst

Authoriser: Azoor Ali, Chief Financial Officer

EXECUTIVE SUMMARY

The purpose of this report is to provide Elected Members with Co-Lab's Annual Report to Shareholders for the period 1 July 2022 to 30 June 2023.

The Co-Lab Annual Report was approved by their Board of Directors.

RECOMMENDATION

1. That the Financial Analyst's report dated 26 October 2023 titled 'Waikato Local Authority Shared Services Ltd (Co-Lab) Annual Report FY2023' be received.
2. That Council receives the Waikato Local Authority Shared Services Ltd (Co-Lab) Annual Report FY2023, included as **Attachment 1** to this report, to be published on Council's website.

BACKGROUND

1. Co-Lab is designated a Council-Controlled Organisation under the Local Government Act 2002. The company is owned by twelve local authorities across the Waikato and Bay of Plenty Regions to promote shared services between local authorities.
2. Under Section 66 of the Local Government Act 2002, within three months after the end of the financial year, the Board of a council-controlled organisation must deliver to the shareholders a report on the organisation's operations during that year.
3. The Co-Lab Annual report is included as **Attachment 1** to this report.

ATTACHMENTS

1. **2023FY Co-Lab Annual Report – Signed and Stamped**  



30 June 2023



Annual report FY2022/23

Councils maximising the value they provide to their communities.

Co-Lab is the trading name of Waikato Local Authority Shared Services Ltd



30 June 2023

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30 June 2023

Chair & CEO report

In last year's annual report, we empathised with you about the challenges you faced. How little has changed in the past 12 months! While covid-19 is now 'normalised', you continue to face record inflation, uncertain central government reform (exacerbated by the forthcoming election), and a tight labour market. Local body elections have seen many new faces around the council table. And while a vision for the future of local government has been painted, it is unknown what if any of the recommendations from that report will be embraced by central government. Amidst this significantly shifting landscape your communities ask that you be part of the solution to, and not adding to, the cost-of-living crisis.

Change is undoubtedly the new normal for local government.

This backdrop culminated in a busy year for Co-Lab. We are excited that during the period two new service offerings have been established: Co-Lab Learning and Co-Lab Procurement Support. With Co-Lab Learning, we still have work to do with councils to embed collaboration into the way of working in this area, but the service is off to a good start with 20+ on-line learning modules already available to councils.

We have worked with councils to overhaul and streamline their regional Quality Manual for building consenting and are close to completing our investigation into a regional cadet programme to help build capacity in this area.

Elsewhere on the project front we have continued investigating how RATA could provide additional value to councils through new centres of expertise in asset management beyond roading and waters. We have also worked with councils' People & Capability Managers to look at how councils' resourcing challenges could be addressed by growing the pipeline of capability coming into our region's local government sector.

By contrast, we've not been able to progress some other projects as much as we would have liked. Notably, the Customer Digital Enablement programme - pooling investment to realise efficiencies and a better customer experience using technology - has lost traction within councils. Despite a great response from the market during the first stage of procurement, to date councils have not been compelled to work together at sufficient scale to allow the project to progress. The programme is a victim of councils' continued pursuit of separate digital strategies. We acknowledge they have invested heavily in those strategies but believe the lack of collaboration into technology is a significant lost opportunity.

The Future for Local Government final report delivered in June proposes some significant structural change, including reducing the local government sector to 15 councils. Importantly, it notes councils as being the anchor institutions to deliver on their community's needs. This is a role that councils should work toward, irrespective of whether the incoming government choose to progress the report's recommendations.

The report also endorses the need to utilise shared service arrangements more. This seems obvious if councils are to be efficient in delivering their services, and it is great that in Co-Lab you already have the infrastructure to investigate shared arrangements. That is why one of our key initiatives over the coming 12 months is to focus on how councils can save money by working together.

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30 June 2023

We again had fantastic results from our staff survey, validating improvements we have made in staff development and benefits. 88% of respondents agreed or strongly agreed with the statement that they “like working for Co-Lab.” That said, we will always strive for better, and the feedback has provided a steer on improving capability, technology and processes.

Our annual stakeholder survey received an impressive response rate from councils this year. We are grateful to those that took the time to complete it. Overall, it tells us that we are doing well – 80% of respondents said that our services either met or exceeded expectation, which is in line with the previous years.

But there remain some pockets within councils where value is questioned. This is not new. In response, in last year’s Statement of Intent we signalled we would be developing a framework for quantifying and communicating our benefits to councils. This was largely completed during the year, and we will be using it in communications to councils moving forward. We want to be clear on our value proposition and know this is validated and understood by our shareholding councils. The framework categorises the benefits Co-Lab provides into three core areas;

1. **Reducing costs** such as efficiency gains in FTE or time; procurement savings; reducing unit cost of product/ service
2. **Creating value** such as improving levels and quality of service; increasing skills, expertise or compliance; improving decision making
3. **Enabling innovation and change** such as research & opportunity development; providing centres of expertise/ skills; collaboration and regional insights and enabling councils to provide a consistent customer experience.

We have started to calculate measurable benefits against each of these, depicted in our snapshot below, and we will continue to build on this. In tandem with this work, we have tweaked our vision and purpose, and considered our strategic goals for the next 3-5 years which will be reflected in our next Statement of Intent.

The future for Co-Lab and councils, by working together, remains challenging but bright. Those challenges provide councils with a compelling reason to work differently, and Co-Lab will embrace your desire to do so.

Finally, we want to acknowledge the significant mahi of Co-Lab staff who have been tireless at delivering the best possible service to councils, and those Co-Lab and council staff who have been involved in progressing opportunities to create value. Your efforts may sometimes seem thankless. Know that they do not go unnoticed. Kei runga noa atu!

We are better together.
Maa te mahi tahi e eke ai.

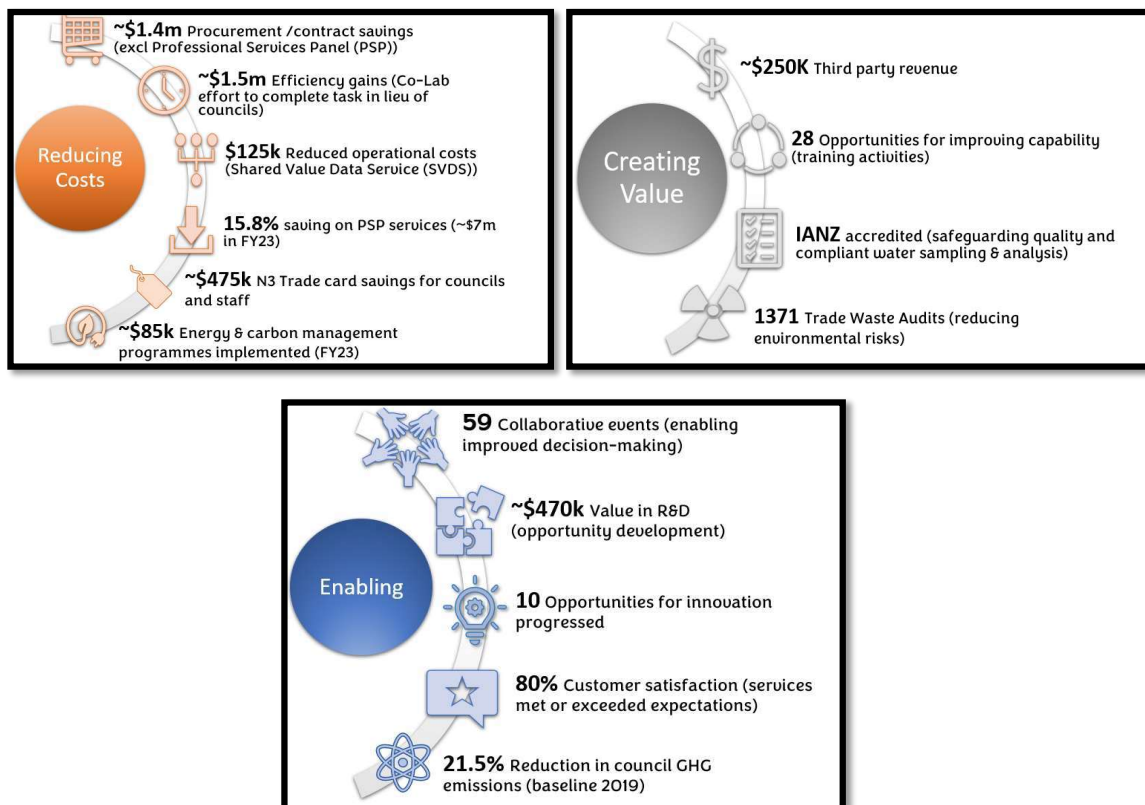
Peter Stubbs
WLASS Chair

Kelvin French
Chief Executive



30 June 2023

Co-Lab's value to councils in FY2022/23





CO-LAB ACHIEVEMENTS

FY 2022/23

HOSTED TRIENNIUM INDUCTION

Event for 100 elected members, community organisations and council executives, delivering content of shared relevance such as local government reform, Regional Transport Committee, The Waikato Plan, Civil Defence, and introductions from community organisations.



Launched Co-Lab Geospatial Services to 11 participating councils.



COMPLETED LONG TERM ROAD PAVEMENT MODELLING.

Carried out for 10 RATA councils, creating a plan and budget for maintenance, renewals and reseals for the next 30 years.

Launched Co-Lab Procurement Services to 3 participating councils.

STOOD UP CO-LAB LEARNING.

Created e-learning & development team in conjunction with Hamilton City Council. Launched the new service to 10 participating councils, and delivered 20+ bespoke eLearning modules.



Increased awareness of Co-Lab through ELT face-to-face visits, post-Board meeting communications, and About Us videos.



LAUNCHED REGIONAL MAPPING DATA

In conjunction with Waikato Regional Council and Land Information New Zealand, completed the first set of regional mapping data through the LiDAR project.

On-boarded Western Bay of Plenty District Council as newest shareholder.

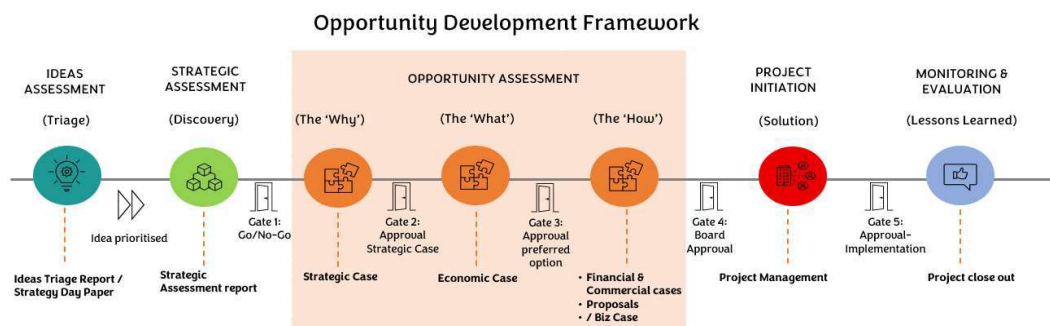


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Opportunity development

The opportunity development framework

During the period, the Opportunity Development Team has reviewed and improved the opportunity development process. The process continues to follow the NZ Treasury Better Business Case principles and is reflected in the framework below. The improvements include Investment Logic Mapping, internal challenge sessions and ensuring success meetings, and improved use of project 'gates'.



From our council satisfaction survey, council staff involved in opportunity development projects generally had a positive and consistent experience and feel their input to the project is valued.

The pace of projects and councils' ability to commit resources to Co-Lab projects were highlighted as concerns. We were already aware this is a significant restraint and expect that our refreshed process and our change & communications framework (mentioned below) will help to alleviate these challenges.

Benefits realisation

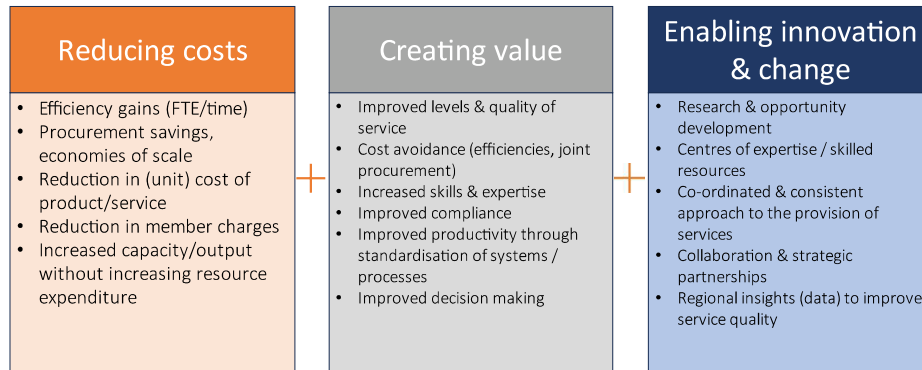
During the period, the team undertook a project to better understand what benefits (quantitative and qualitative) our councils' investment in Co-Lab delivers, which will help build our value proposition. This work has culminated in Co-Lab's new benefits framework, allowing us to report against three value streams (Reducing Costs, Creating Value, Enabling Innovation & Change).

The framework includes a centralised benefits library that is being curated to include agreed methodologies for measuring specific benefits and calculating value.



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CO-LAB VALUE MODEL – THE 3 PILLARS



Note: Benefits derived from a shared service may include both 'cost saving' and 'creating value' measures, especially as the service becomes established and emergent benefits are identified.

Significant projects

Right People Right Place (RPRP) RPRP aims to assist with attracting quality employees into the region's councils. It will remain a key focus for Co-Lab in FY 2023-2024.

We used Investment Logic Mapping to understand the widespread challenge of attracting talent to local government, established the case for change, and will now investigate solution options to support three key investment objectives:

1. Align workforce development opportunities with local government competencies over the next 10 years.
2. Increase the number of quality candidates with the right skills, capabilities and behaviours applying for local government roles in the region over the next 10 years.
3. Improve the appeal of local government amongst our candidate pool.

Shifting landscapes: People Post 3-Waters

People Post 3-Waters (PP3W) started as an investigation into redeploying resources across councils given that:

- There was likely to be some level of stranded resource because of the water reforms; and
- There may be demand from other councils for the skills of that stranded resource.



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The idea was to 'match' excess capacity with demand (vacancies across the region), and then consider how that resource could be utilised. However, the investigation identified that there are few councils who anticipate having stranded resource due to waters reform.

Now that waters reform has been deferred, this initiative is less urgent. Therefore, PP3W as originally defined, is now on hold until such time as the areas of excess capacity that may become available for redeployment are known. We will be keeping connected with councils to capitalise on any opportunities.

**Customer Digital Enablement (CDE)**

The CDE programme aimed to deliver:

1. A scalable, foundational platform to deliver digital services to councils' communities;
2. A customer-centric digital application that supports your council and communities to minimise waste and manage waste sustainably; and
3. A mechanism to collaborate and set future service delivery transformation priorities.

Co-Lab went to-market with a Registration of Interest (ROI), with a strong response from organisations which was a testament to the significance of the opportunity.

Councils had a clear expectation of a compelling value proposition, but the project wasn't able to progress to a point where Co-Lab could reasonably determine that value, and ultimately councils were unable to align their digital strategies.



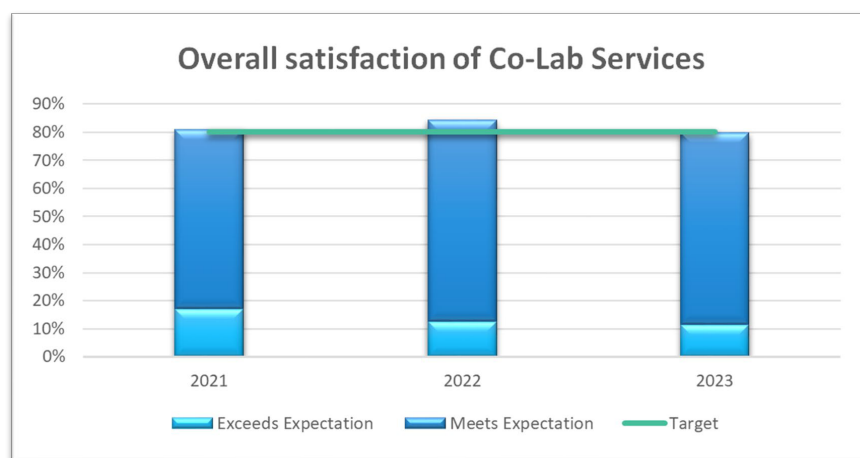
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Shared services

Satisfaction survey results

In May, stakeholders from councils that are customers of our services (and Waka Kotahi) were asked to provide feedback on various elements of working with Co-Lab. The questions asked in the survey covered Co-Lab services, opportunity development (projects), the working parties and advisory groups, and more generally, how we work with them.

We received 104 responses on Co-Lab services and 80% of these respondents said we have met or exceeded expectations across our 11 services, which meets our key performance indicator.



The Waikato Building Consent Group was the lowest scoring service with less than 50% of respondents, saying that it had met their expectations. Since the survey, we have addressed some of the feedback at a strategic planning day with Building Consent Authority Managers, General Managers and Chief Executives, and will take forward the actions agreed at this session. We have also been addressing the issues raised directly with the three (of eight) councils whose expectations weren't being met.

We received positive feedback about our RATA, Geospatial, WRTM, Co-Lab Learning and Co-Lab Procurement Support services.

Shared Services in action

With a number of new services and other activities supporting our partner councils during the period, we've taken a closer look at how some those collaborations came about and what benefits they provide to councils, in the following case studies.



30 June 2023



At a glance

The procurement strategy had two key features: additional supplier capacity in the market and allocating councils to contract packages as part of the evaluation process, which resulted in a \$550k cost saving.

BACKGROUND

As part of funding from Waka Kotahi New Zealand Transport Agency, councils are required to inspect their bridges, culverts, retaining walls, underpasses, and other structural assets on a regular basis. Structural Asset Management Services (SAMS) was the retender of two existing bridge inspection contracts and was renamed structural asset management services, to reflect that the type of assets were more than bridges and that the services were more than inspections.

"The evaluation was a brilliant way to allocate multiple contracts to multiple councils. Assigning suppliers during the evaluation phase ensured that councils would have suppliers best suited to their needs and that councils were right-sized based on supplier's capacity. The entire process was well delivered with excellent communication from Co-Lab as we worked through an exciting new procurement approach,"
Bryson Huxley, Senior Engineering Officer - Transport Strategy, Taupo District Council

APPROACH

Firstly, additional supplier capacity was sought because the market had effectively become a duopoly with councils experiencing a loss of genuine competition. Secondly, councils were not pre-packaged into contracts before going to market (the 2017 approach) and were instead allocated to contract packages as part of the evaluation process, to maintain competitive tension.

If the three new councils were included in the two existing contracts, then it was almost certain that there would be no change to the existing arrangement.



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To improve the attractiveness of the opportunity and to encourage competition a clear message was sent to the market; that Co-Lab was looking to award two or more contracts, and that suppliers did not need to provide a response for every council (to encourage smaller suppliers to tender within their capability and resource capacity).

OUTCOME

The outcome of the SAMS process was the inclusion of a third Waikato-based professional services firm with the benefit being stronger competition when the contracts are retendered in the future. The inclusion of a new supplier will also benefit future buyers such as Waka Kotahi and other councils.

The allocation of councils to contract packages was based on the ranking of the suppliers against the evaluation criteria, the level of confidence that the supplier had the capacity and could deliver the services, and the assessed whole-of-contract price (by council, by contract package, and overall).

BENEFITS



\$550k (7%)
Over the life of the contract, 2022 actual outcome compared to replicating the 2017 approach



Increased competition for future procurements



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PROBLEM



A number of Co-Lab’s smaller partner councils identified that they needed a professional to offer procurement and tendering advice, to mentor and train council staff, to check compliance and conduct reviews, and to monitor procurement performance generally.

"Having a shared resource means that our council receives cost effective support that we otherwise would not have, and benefits from identifying synergies and opportunities across a number of smaller councils," Paku Edwards, Risk & Assurance Manager, Thames Coromandel District Council.

PROBLEM EVALUATION



In analysing councils' needs, it was clear that they were not large enough to justify a full-time procurement resource so responsibility for procurement was included in a related role (such as legal or finance) with the result that procurement was not getting the required traction or profile within council. It was also a concern that it may be difficult to attract suitable candidates to jobs in the councils' locations.

OUTCOME



Hearing that these challenges were faced by multiple councils, Co-Lab recognised there was sufficient scope to recruit a shared resource. This was how Co-Lab Procurement Support was created. Co-Lab recruited a Procurement Advisor and they spend one day a week working for each of Ōtorohanga, Thames-Coromandel, and Waitomo councils, and the other two days on administering Co-Lab’s joint contracts.



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BENEFITS



- 1

Coordinated training outcomes

Demystifying procurement training (attended by 70 council people) and contract template training has led to consistent approaches and solutions for similar challenges faced by councils. The service has also addressed specific needs, such as implementing a contract register for councils without a contract management system and providing procurement quick guides for staff.
- 2

Knowledge sharing across councils

Cross-council training has fostered networking, professional relationships, and knowledge sharing among council staff.
- 3

Improved internal reputation

The shared procurement service has been utilised for running tenders when council resources are limited and overall, it has raised the profile of the procurement function within the council.



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At a glance

Quality Assurance improvements included a new QA Hub and internal auditing process. Without these improvements, councils would take longer to find solutions on their own and would continue to spend time on activities (such as “mock” IANZ audits) that do very little to progress process improvements.

“Co-Lab’s implementation of the QA hub and aligned auditing schedule has helped tremendously. Through the support and collaboration of the other cluster councils, working together and sharing resources and knowledge has helped to improve the quality system at our council,”

Zara Sullivan, BCA Quality Management Officer, Hauraki District Council.

PROBLEM

The current Quality Manual was not fit for purpose; it didn’t meet all of Co-Lab’s WBCG Building Consent Authorities needs and was at risk for errors due to its complexity. IANZ was also regularly challenged by the time required to undertake their audits.

PROBLEM EVALUATION

It was clear very quickly that the Quality Manual served to create more problems than solutions.

What was required was a high-level document that set out the regulatory requirements and policies that all BCA’s follow. Anything relating to the processes where individual BCA’s differ slightly (in a way that cannot be aligned for whatever reasons) needed to be removed. This would ensure that the Quality Manual was relevant to all BCAs.

In addition to overhauling this document, Co-Lab also examined related processes. As a result, the internal audits are now carried out on a monthly basis with particular items audited each time, ensuring that all required items are audited within a 12 month period as per regulatory requirements. Prior to this, a ‘mock’ IANZ audit was carried out annually at each BCA. This was time-consuming and labour intensive for the councils, and lacked value as there was no follow-through nor any mechanism to enable continuous improvement.



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IMPLEMENTATION



The breakthrough on the progression of this work came when QAHub was established, which is a group of Quality representatives from each BCA. Having the QAHub in place means the BCA Managers can review and approve items at a higher level without getting lost in detail. Proposals and improvements are discussed among the QAHub, greatly increasing efficiency. The QAHub has reviewed the Quality Manual in detail which was presented to the Technical Committee for approval and has been submitted to IANZ.

BENEFITS



1

Continuous Improvement

Co-Lab monthly audits add value and allow the BCA's to make meaningful and sustainable improvements. By taking a small chunk of the regulations to look at each month, councils are able to dive deep and properly inspect current practice, and have the space to explore potential improvements. This includes discussing findings with the QAHub and collectively finding a solution.

2

Improved skills

Already people have improved items such as their skills matrices, logs and registers, and shared and improved forms, which together results in increased efficiencies and reduced risk. It also develops a culture of quality that goes beyond seeing 'Quality' as a once a year audit by a third party (IANZ).

3

Expected decreased costs associated with auditing

The audits now make it easier for IANZ to locate information and verify it against internal process documents (deskfiles). IANZ also commented that if the audits continue to be carried out this way they predict they would spend less time during their audits as the work will be done all year round.



30 June 2023

The following is a summary for the Co-Lab services that had particularly notable milestones throughout the year.



RATA

Key milestones for RATA over the period have included:

- Asset Management Centre of Expertise
- Data collection contract renewal
- Forward Works Programme tours
- dTIMS pavement modelling

The investigation into the expansion of RATA, known as AMCE (Asset management Centre of Expertise) has progressed, culminating in a proposal to councils shortly after year end. Through a series of engagements with council subject matter experts it became apparent that the area of most interest was in the asset management of their community assets. The proposal reflects this and under the newly minted name, RATA Spaces and Places, is now with councils for consideration.

Through several interactive council workshops, the team have been preparing to procure new data collection contracts which will include on-road traffic counts as well as off-road counts for cycles. The procurement will be completed in the coming financial year.

After a COVID-enforced hiatus the popular annual road network tours recommenced in February and March to consider each council's forward works programme. For the first time RATA led an on-site data-enabled tour using new technologies where multiple potential plans and interventions could be viewed simultaneously at a location. This enabled greater analysis and more informed decision-making. Potential interventions were therefore interrogated on-site, and agreed interventions locked in to make better use of limited operations, renewal maintenance and sealing funding.

RATA undertakes road pavement modelling (dTIMS) for councils that informs their Long-Term Plans (LTPs). Using data from various sources (including traffic counts and forecasts, high speed laser survey data collecting road shape, faults and deformation, etc.), the modelling generates an optimised programme. Draft reports of each council's optimised programme were distributed at the end of the year (or shortly thereafter). This modelling is an extremely important piece of work where roading managers can determine the sufficiency of their long term (up to 30 years) budgets.

During the period, the RATA Advisory Group decided to cease most of RATA's water asset management support work. This decision has been heavily influenced by councils and the work carried out by DIA and NTU superseding the original RATA Waters value proposition. Surplus funds were returned to partner councils, with a small surplus retained by RATA to support and facilitate compliance upskilling related to the new regulatory framework released by Taumata Arowai.

Beyond these key milestones/decision points, engagement with councils and external agencies was a highlight for RATA, with several asset management forums during the year, a full day training event



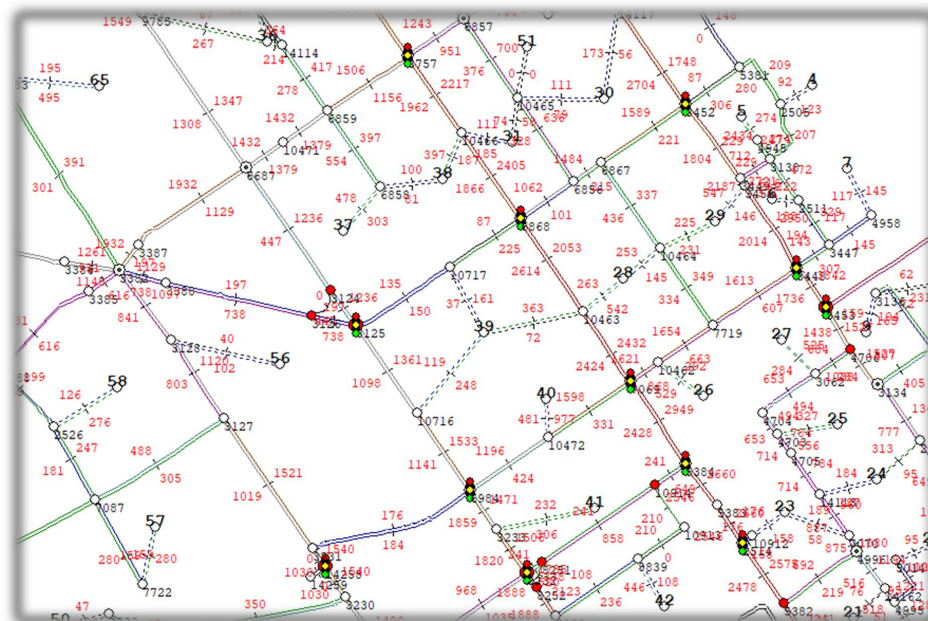
30 June 2023

for council asset managers delivered by IPWEA, a site visit to the Peacocks Bridge in Hamilton, and joint forums with councils and Taumata Arowai on compliance reporting.

We were pleased to see that our efforts updating partner council RAMM data for the Te Ringa Maimoa annual data quality assessments contributed to five Waikato councils within the national top ten, and all of which are RATA partner councils. The highest data quality score in the country once again was a RATA partner council.

Finally, the Asset Valuations for transport is in execution phase with a technical solution agreed, with work underway to align methodologies and inputs adopted by our councils.

Waikato Regional Transport Model



Milestones for WRTM over the period included:

- The expansion of the programme to include the Hamilton Transport Model (HTM)
- Ongoing rebuild of the WRTM Strategic model to incorporate census updates and future growth forecasts
- Early preparations for re-procuring the WRTM Strategic model
- A review of the programme's management and governance structures



30 June 2023

Hamilton Transport Model

From the early industry engagement with potential suppliers through to the interactive tender sessions between the Co-Lab evaluation team and the two shortlisted suppliers, the HTM has been the subject of a robust, value-adding procurement. It has reduced ambiguity and increased the confidence of the suppliers and Co-Lab, and we received positive anecdotal feedback from both suppliers about how much value the process added for the suppliers. A preferred tender has been recommended with the contract award to build the HTM occurring in early FY2023/24.

Waikato Regional Transport Model rebuild

The rebuild of the WRTM Strategic model had a slow start with a dependency on the approval timeframes of council growth and infrastructure plans. However, during the period Co-Lab finalised the future scenarios (2035, 2045, 2055, 2065), calibrated the 4-stage model (the non-car travel such as heavy vehicles), incorporated public transport (the first time in 13 years for WRTM), and developed a bespoke visualisation tool (a GIS platform to improve access to WRTM outputs and assumptions).

Waikato Regional Transport Model procurement

Early preparations for the WRTM Strategic model procurement have been incredibly valuable. By interrogating the data requirements for the new model approximately \$350k that had been set aside for FY2022/23 was determined to be not needed as the data could be purchased from technology companies rather than collected. That money has been returned to partner organisations: a great win in times of constrained budgets and a great example of collaborative working.

Reviewing WRTM's management and governance structures

Through a deep dive into WRTM in late 2022 Co-Lab management proposed a review of the governance and management structures for WRTM. An outcome from the review was to ensure that the new and expanded WRTM programme was properly resourced, so the value of the models developed under the programme are maximised. Following further investigation, Co-Lab reached agreement with the principal funders of WRTM that the programme was under-resourced and that a new WRTM Programme Manager should be recruited. In addition, a new governance structure which will remove the responsibility of WRTM oversight from the RATA Advisory Group, was proposed. Recruitment of the new resource is imminent as is formalising the governance arrangements.

Co-Lab Geospatial services

This year marked the establishment of Co-Lab Geospatial Services to oversee Waikato Data Portal and Waikato OneView. Our initial focus was renewed operational support for the services including user support functions, contract management, systems administration, and new communication channels with councils. We also established an Advisory Group and set a clear vision for the workstream: ***Our people trust regional geospatial knowledge to make better decisions.*** A three-year strategic plan is now in place to build on the foundations of both services and work towards this vision.



30 June 2023

Co-Lab Learning

During the period, Co-Lab has been focused on building the new service including hiring the team, building the learning management system, creating launch materials for councils to use internally to raise awareness and developing a three-year strategic plan.

Growing people to do great things for our communities is the guiding light for Co-Lab Learning's activities.

E-learning development has progressed well with 20 bespoke eLearning modules available, more being added regularly and a pipeline for ongoing module development.



Waikato Building Consent Group

During the period the new Quality Systems Manager has allowed us to focus on quality which has included implementing a new internal audit regime, concentrating on reviewing set regulations each month in detail. We have also created the Quality Assurance Hub to allow for cross-council collaboration and have progressed the new Quality Manual which is now with IANZ for feedback.

We held our first group training on H1 and have more planned. In June 2023 we held our first WBCG strategic planning day for the cluster to realign strategic priorities for 23/24.

Regional cadets

The Regional Cadet Project has delivered an indicative proposal to WBCG members for consideration. The project has worked with council staff and a leading industry expert to help shape a workable solution to councils which will see councils employing cadets and Co-Lab managing the development programme on behalf of the employing councils. The Advisory Group will confirm their participation at their quarterly meeting in August.



30 June 2023

People @ Co-Lab

It's an exciting time at Co-Lab as the organisation continues to grow. We have added six new positions to the organisation in the last year and now have 55 in the Co-Lab branded team. Our new positions strengthen our skills in procurement, communications, change management, Learning & development and supporting the Waikato Building Consent Group.

Colleague survey results

This year, we chose to cast the net of "Co-Lab staff" wider, to include all RATA and Co-Lab Waters employees.

The survey was made up of 54 statements, with colleagues asked to strongly agree, agree, agree nor disagree, disagree or strongly disagree.

There was an excellent response rate with 26 out of 42 respondents (62%) completing the survey.

- 85% of the responses were either "Strongly Agree" or "Agree"
- Only 2% of the responses were "Disagree" or "Strongly Disagree"
- 88% of respondents agreed or strongly agreed with the statement that they "like working for Co-Lab."

The results showed that most colleagues are now satisfied with professional development and training, benefits and overall compensation.

In response to this year's survey, the senior management team will incorporate 360 peer feedback into all annual reviews, improve internal communications, continue to focus on mental wellbeing, and ensure the business is positioned to scale in terms of skills, processes and technology.

Following the colleague survey in 2022 there has been a big focus on professional development and training. In addition to pursuing individual development opportunities, colleagues have been able to undertake LEAN training with the LEAN Hub University and communication training with Engineering New Zealand.

We've also been focused on improving culture with our social committee activities picking up momentum and our annual Co-Lab values awards continuing and celebrating successes with a new monthly recognition award.





30 June 2023

As part of improving councils' experience with and perception of Co-Lab, we have been building a communications & change framework. The framework exists so that we are consistent in the way we communicate and behave with our councils. In turn, this should enable a better experience of Co-Lab projects and services to council colleagues, especially those that may result in change, to ensure a greater chance of success. It has been introduced to Co-Lab colleagues and we will focus on embedding it into our day-to-day practises over the coming months.

By the numbers

Summary financial results for the year:

	2023 (000s)	2022 (000s)	Change
Total income	9,101	8,576	6%
Net surplus before tax	505	543	(7%)
Cash on hand	2,313	2,570	(10%)

The net surplus before tax is high in comparison with the surplus projected in the budget. This principally reflects the lower than anticipated costs for Co-Lab Water Services.

Performance reporting

The performance measures noted in the table below were included in the 2022 Statement of Intent. The company has assessed whether each target has been achieved, and how these contribute to our outcomes as an organisation.

Key:

- Achieved
- Unable to currently measure
- Partially achieved: Activity remains in progress
- Not achieved

Co-Lab's performance framework



Priority	Performance measure	Target	Outcome (progress toward target)		2022 Outcome	
Prioritise and develop business cases for opportunities that, if implemented, add value to councils by achieving one or more of our objectives	➤ Business cases will include measurable benefits linked to one or more of the outcomes sought	Projected savings to councils of \$300k ¹	<p>Seven significant projects monitored during the year. However, each of these projects – which were largely guided by feedback from councils – were principally focused on valuation creation (rather than cost savings) and/or are at an early stage where potential costs savings are yet to be quantified. The Customer Digital Enablement (CDE) project has the potential to save¹ significant amounts by pooling council investment. For example, market feedback suggested a ten-fold increase in the number of councils involved only bore a 16% increase in investment. Unfortunately, as noted earlier, most councils did not support progressing to RFP and product build. For these reasons, the target has not been met.</p> <p>The <i>Strategic Case</i> for the 'Right People, Right Place' project (see page 9) was approved by the Board in June 2023.</p> <p>A paper covering the 'People Post 3 Waters' project (see page 9) was presented to council Chief Executives in November 2022, with an update to the Board in March 2023. While we</p>	●	<p>No business cases were presented to the Board during the last financial year but there were various Discovery reports for initiatives and expansive resourcing required to develop Co-Lab Learning.</p> <p>By their nature, some of these opportunities do not lend to readily quantifiable benefits. An example of this is the Community Needs Analysis: a project supporting eight of the councils by providing learnings grounded in stories of past successes and failures, that can be used by councils in their discussion with stakeholders relating to the Future for Local Government review.</p>	●

¹ When compared to making the investment on a standalone basis



30 June 2023

Priority	Performance measure	Target	Outcome (progress toward target)	2022 Outcome	
	➤ Opportunity assessments are supported by councils (evidenced by Board minutes)	75% of councils	<p>await feedback from councils on what resource might become available to redeploy, we are investigating a project management shared service to address one area where many councils are resource constrained.</p> <p>Neither of these investigations can yet claim to give projected savings to councils, although both have the potential to reduce costs and create value in the future.</p> <p>We can't reasonably measure performance against this target because no opportunity assessments have been presented to the Board during the period. Having said that, as noted above, CDE is not expected to progress to this point, because of the lack of support to progress the opportunity. To that extent, it is an opportunity that, while initially supported by councils, has not ultimately been.</p> <p>Last year we reported that 9 of 12 councils agreed to participate in Co-Lab Learning. A 10th confirmed their involvement in the current period.</p>	<p>9 councils (out of 12 shareholding councils) have agreed to participate in Co-Lab Learning following proposals in May 2022. 8 councils chose to participate (and invest in) the Community Needs Analysis (CNA) project.</p>	





30 June 2023

Priority	Performance measure	Target	Outcome (progress toward target)	2022 Outcome	
			<p>Some opportunities have been capitalised on without a formal business case. An example of this in the current period is Co-Lab Procurement Support. That shared service came about from discussions with councils who had a need for procurement skills, but only on a part-time basis, or only as and when required to supplement their current resources.</p> <p>In July 2023 and August 2023, councils were presented with proposals to participate in a Building Consent Cadetship and in the RATA Spaces and Places Rōpū. Decisions are pending in early FY24.</p>		
Develop opportunities and deliver projects within agreed budgets and timelines	➤ Opportunities / projects are developed / delivered within agreed timelines	80%	<p>14%: (1/7 projects)</p> <p>The low proportion of projects delivered within agreed timelines is disappointing. However, this should be considered in the context that most Co-Lab investigations commence with significant uncertainty, including council staff's capacity to get involved in the projects, which makes reliably estimating the time to complete challenging. While capacity is the most</p>	<p>38%: Five of the eight projects under development that had a major milestone during the year, had some delays in their progress. The most significant of these was the completion of the development of Co-Lab Learning. Although Covid pressures in late 2021 contributed to the delays, the main cause was the length of time taken to reach agreement with key council</p>	





30 June 2023

Priority	Performance measure	Target	Outcome (progress toward target)	2022 Outcome	
	➤ Opportunities / projects are developed / delivered, within approved budget	90%	<p>prominent unknown when setting timelines, the LiDAR project has been delayed by vendor performance issues.</p> <p>We acknowledge that we must be more realistic when estimating timelines.</p> <p>It is important to note that none of the delays have caused costs to escalate (i.e., the anticipated work is simply spread over a longer period, or the contract protects against cost escalation).</p> <p>80%: Four of the five projects were completed within budget. The exception was the Co-Lab Learning Implementation where the cost of the project team went over project budget. The remaining of two projects have not started in the current year.</p>	<p>stakeholders. It is easy to underestimate how long this will take.</p> <p>Completed on time were the Community Needs Analysis project, the Building consent Cadetship discovery project and the project to establish the Co-Lab Geospatial Services unit.</p> <p>86%: Six of the seven projects were completed within budget. The exception was the Learning & Development Shared Service project where the cost of the project team went slightly over budget. This was a result of the delays, and therefore extension of effort that is explained above.</p>	











30 June 2023

Priority	Performance measure	Target	Outcome (progress toward target)		2022 Outcome	
	➤ Overall, Company Management / Support functions will be undertaken within budget, unless additional expenditure has board pre-approval		Actual Company Management & Support expenditure exceeded budget, mainly because the LAPP insurance cost, which is recovered from councils, was not included in the budget.	●		
Ensure projects realise their expected benefits	➤ Measurable benefits are actively monitored and reported against	Six-monthly	<p>During the current financial year, management reported to the Audit & Risk Committee on:</p> <ul style="list-style-type: none"> • Shared Valuation Data Service (SVDS): All benefits in the business case have been met • Co-Lab Water Services: The assessment considered benefits realised since the services inception. Of the 10 KPIs in the business case, only 1 (relating to service expectations) was determined to be 'not met' and action is already underway to remedy that. 	●	During the last financial year, we presented the following to the Audit & Risk Committee: PSP Waters Collaboration Insurance	●





30 June 2023

30 June 2023						
Priority	Performance measure	Target	Outcome (progress toward target)		2022 Outcome	
	➤ Audit & Risk Committee undertake an assessment of projects following implementation (which will include an assessment of whether projected benefits have been realised)	For \$200k+ Projects (based on cost of opportunity development and ongoing investment) Within 15 months 90% of projected quantifiable benefits are realised		 		 
Ensure existing services are meeting the needs of councils	➤ The services we provide are considered by councils who use that service to meet or exceed their expectations (evidenced by an annual survey).	80% of councils	Based on our annual survey of councils, the target of 80% has not been met. 79.8% of respondents (0.2% less than the target) said that the services met or exceeded expectations. The survey response rate was 45% (200 were surveyed with 91 responses received).		A stakeholder survey was undertaken in May 2022 as noted above. 84% of respondents said that the services they received either met or exceeded their expectations.	



30 June 2023

Priority	Performance measure	Target	Outcome (progress toward target)	2022 Outcome	
Foster and promote cross-council collaboration and networking to share ideas on improving efficiencies and best practice	➤ Across these groups, ideas for future consideration and/or initiatives are identified each year	Four per annum	Ideas received and triaged in FY23: <ul style="list-style-type: none"> • One digital library book database • Common LGOIMA manager tool • Councillor Induction Programme • Common staff induction content • Shared resources for election years • Parking enforcement app • Joint Procurement for contracted resources 	<ul style="list-style-type: none"> • Ideas for future consideration and/or initiatives identified include: • Redesign of the WBCG Quality Manual – In progress • Cadet Project – In progress • New Build Waikato website delivered – Completed • Water Data Quality dashboard • Fortnightly P&C response group for Covid-19 • The Insurance Advisory Group engaged Aon to undertake an assessment of potential losses to Waikato councils' three-waters reticulation networks and flood protection assets due to earthquake damage. • Procurement Managers have been involved in a few joint procurements. 	





INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF WAIKATO LOCAL AUTHORITY SHARED SERVICES LIMITED T/A AS CO-LAB'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2023

The Auditor-General is the auditor of Waikato Local Authority Shared Services Limited t/a as Co-Lab (the company). The Auditor-General has appointed me, Johann van Loggerenberg, using the staff and resources of PKF Hamilton Audit Limited, to carry out the audit of the financial statements and performance information of the company on his behalf.

Opinion

We have audited:

- the financial statements of the company on pages 36 to 56, which comprise the statement of financial position as at 30 June 2023, the statement of comprehensive revenue and expenditure, the statement of changes in equity, and the statement of cashflows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the company on pages 23 to 30.

In our opinion:

- the financial statements of the company on pages 36 to 56:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2023; and
 - its financial performance and cash flows for the year then ended; and
 - comply with the generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards Reduced Disclosure Regime; and
- the performance information of the company on pages 23 to 30 presents fairly, in all material respects, the company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the company's objectives for the year ended 30 June 2023.

Our audit was completed on 1 September 2023. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements and the performance information, comment on other information, and explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued



by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – uncertainty over the water services reform programme

Without modifying our opinion, we draw attention to Note 21 on page 56, which outlines developments in the Government's water services reform programme.

The Water Services Entities Act 2022, as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023 and the Water Services Legislation Act 2023 on 31 August 2023, establishes ten publicly owned water services entities to carry out responsibilities for the delivery of three waters services and related assets and liabilities currently controlled by local authorities. Water services entities' establishment dates are staggered, with all the water services entities becoming operational between 1 July 2024 and 1 July 2026. The financial impact of the water services reform on the company [as outlined in note 21] remains uncertain until the relevant water services entity's establishment date is known, and the allocation schedule of assets, liabilities, and other matters to be transferred is approved.

Responsibilities of the Board of Directors for the financial statements and the performance information

The Board of Directors is responsible on behalf of the company for preparing financial statements that are fairly presented and that comply with the generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparing the performance information for the company.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board of Directors is responsible on behalf of the company for assessing the company's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors intends to liquidate the company or to cease operations or has no realistic alternative but to do so.

The Board of Directors' responsibilities arises from the Local Government Act 2002.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could



reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the company's statement of intent.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the company's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- We evaluate the overall presentation, structure, and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information



The Board of Directors is responsible for the other information. The other information comprises the information included on pages 3 to 22 & 57 but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the company in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interest in, the company.

A handwritten signature in blue ink, appearing to read 'JvL', positioned above the printed name of Johann van Loggerenberg.

Johann van Loggerenberg
PKF Hamilton Audit Limited
On behalf of the Auditor-General
Hamilton, New Zealand



**Financial Statements
for the year ended 30 June 2023**

Co-Lab
Statement of comprehensive revenue and expenditure
For the year ended 30 June 2023

Statement of comprehensive revenue and expenditure

For the year ended 30 June 2023

	Note	Actual 2023 \$	Budget 2023 \$	Actual 2022 \$
Revenue				
Data sales		380,039	414,292	364,742
Interest		5,113	2,000	22
Other revenue	4	<u>8,715,546</u>	<u>10,993,686</u>	<u>8,207,700</u>
Total revenue		<u>9,100,698</u>	<u>11,409,978</u>	<u>8,572,464</u>
Expenditure				
Personnel costs	6	1,621,239	1,798,868	1,110,834
Depreciation and amortisation expense	11,10	43,550	46,137	31,855
Other expenses	5	<u>6,930,744</u>	<u>9,562,507</u>	<u>6,886,376</u>
Total expenditure		<u>8,595,533</u>	<u>11,407,512</u>	<u>8,029,065</u>
Surplus/(deficit) before tax		505,165	2,466	543,399
Income tax expense	9	<u>-</u>	<u>-</u>	<u>(733)</u>
Surplus from continuing operations		<u>505,165</u>	<u>2,466</u>	<u>542,666</u>
Surplus/(deficit) after tax		<u>505,165</u>	<u>2,466</u>	<u>542,666</u>
Total comprehensive income		<u>505,165</u>	<u>2,466</u>	<u>542,666</u>

**Co-Lab is the trading name of Waikato Local Authority Shared Services Limited
The accompanying notes form part of and are to be read in conjunction with these financial statements*

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Co-Lab
Statement of changes in equity
For the year ended 30 June 2023

Statement of changes in equity

For the year ended 30 June 2023

	Note	Actual 2023 \$	Budget 2023 \$	Actual 2022 \$
Balance at 1 July		1,991,237	1,489,968	1,448,570
Total comprehensive revenue and expense	14	<u>505,165</u>	<u>2,466</u>	<u>542,666</u>
Balance at 30 June		<u>2,496,397</u>	<u>1,492,434</u>	<u>1,991,237</u>
Total equity attributable to:				
Equity holders of Co-Lab		<u>2,496,397</u>	<u>1,492,434</u>	<u>1,991,237</u>
Balance at 30 June		<u>2,496,397</u>	<u>1,492,434</u>	<u>1,991,237</u>

**Co-Lab is the trading name of Waikato Local Authority Shared Services Limited
The accompanying notes form part of and are to be read in conjunction with these financial statements*

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Co-Lab
Statement of Financial Position
As at 30 June 2023

Statement of financial position

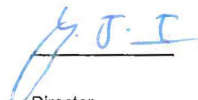
As at 30 June 2023

	Note	Actual 2023 \$	Budget 2023 \$	Actual 2022 \$
ASSETS				
Current assets				
Cash and cash equivalents	8	2,313,115	2,164,346	2,569,639
Exchange trade and other receivables	7	1,429,811	580,998	1,463,690
Non-exchange trade and other receivables	7	1,754,026	-	149,595
Prepayments		-	134,000	-
Total current assets		5,496,952	2,879,344	4,182,924
Non-current assets				
Property, plant and equipment	10	100,498	108,586	80,057
Intangible assets	11	-	-	14,583
Deferred tax assets		2,358	-	2,358
Total non-current assets		102,856	108,586	96,998
Total assets		5,599,808	2,987,930	4,279,922
LIABILITIES				
Current liabilities				
Payables and deferred revenue	12	3,018,780	1,442,458	2,208,690
Employee benefits	13	78,866	53,038	76,972
Total current liabilities		3,097,646	1,495,496	2,285,662
Non-current liabilities				
Employee benefits liabilities	13	5,765	-	3,023
Total non-current liabilities		5,765	-	3,023
Total liabilities		3,103,411	1,495,496	2,288,685
Net assets		2,496,397	1,492,434	1,991,237
EQUITY				
Contributed capital	14	2,957,001	2,957,001	2,957,001
Retained earnings	14	(460,604)	(1,464,567)	(965,764)
Total equity		2,496,397	1,492,434	1,991,237

These financial statements have been authorised for issue by the Board of Directors on 01 September 2023.



Director
01 September 2023



Director
01 September 2023

**Co-Lab is the trading name of Waikato Local Authority Shared Services Limited
The accompanying notes form part of and are to be read in conjunction with these financial statements*

Co-Lab
Cash flow statement
For the year ended 30 June 2023

Statement of cashflows

For the year ended 30 June 2023

	Note	Actual 2023 \$	Budget 2023 \$	Actual 2022 \$
Cash flows from operating activities				
Interest Received		5,113	2,000	22
Receipts from other revenue		8,377,540	11,583,503	9,017,138
Payments to suppliers and employees		(8,671,815)	(11,999,086)	(8,096,051)
Taxes received / (paid)		-	-	-
Goods and services tax received / (paid)		82,051	(200,365)	(81,655)
Net cash flow from operating activities		<u>(207,111)</u>	<u>(613,948)</u>	<u>839,454</u>
Purchase of property, plant and equipment		<u>(49,408)</u>	<u>(81,714)</u>	<u>(72,078)</u>
Net cash flow from investing activities		<u>(49,408)</u>	<u>(81,714)</u>	<u>(72,078)</u>
Net (decrease)/increase in cash and cash equivalents		(256,519)	(695,662)	767,376
Cash and cash equivalents at the beginning of the year		<u>2,569,637</u>	<u>2,860,008</u>	<u>1,802,263</u>
Cash, cash equivalents, and bank overdrafts at the end of the year	8	<u>2,313,118</u>	<u>2,164,346</u>	<u>2,569,639</u>

**Co-Lab is the trading name of Waikato Local Authority Shared Services Limited
The accompanying notes form part of and are to be read in conjunction with these financial statements*

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Co-Lab
Notes to the financial statements
30 June 2023

1 Statement of accounting policies

1.1 Reporting entity

Waikato Local Authority Shared Services Limited ("the Company") is a Company incorporated in New Zealand under the Companies Act 1993 and is domiciled in New Zealand. The Company trades under the name "Co-Lab". It is controlled by the councils listed on the directory page of these accounts and is a Council Controlled Organisation as defined under section 6 of the Local Government Act 2002 (LGA), by virtue of each of the shareholding Council's right to appoint the Board of Directors.

The company seeks the following outcomes for its shareholding councils:

- i) Council costs are reduced / performance is improved, without increased cost; and
- ii) The experience of councils' communities is improved;

It has the roles of developing opportunities which achieve one or more of these outcomes, and of providing any resulting services to councils, or organising someone else to do so.

The Company has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements of the Company are for the year ended 30 June 2023. The financial statements were authorised for issue by the Board of Directors on 01 September 2023.

2 Summary of significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period.

Statement of compliance

The financial statements of the Company have been prepared in accordance with the requirements of the LGA, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance and comply with Tier 2 PBE Standards reduced disclosure regime (RDR).

Co-Lab is eligible to report in accordance with the Tier 2 PBE accounting standards RDR as it:

- is not publicly accountable;
- has expenses more than \$2 million, but less than \$30 million.

The accounting policies set out below are consistent with the prior year.

Measurement base

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

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar unless otherwise stated. The functional currency of the Company is New Zealand dollars.

Budget figures

The budget figures are those approved by the Board of Directors in the 2022 Statement of Intent. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Company in preparing the financial statements.

2.2 Goods and services tax

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

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

2 Summary of significant accounting policies (continued)

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

Commitments and contingencies are disclosed exclusive of GST.

2.3 Accounting standards and interpretations

PBE IPSAS 41 came into effect for accounting periods starting on or after 1 January 2022. This standard replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. The Company has applied PBE IPSAS 41 for the year ended 30 June 2023 and reviewed how the standard might affect the Company's financial statements. The Company concluded that the new standard does not have any effect on the previous reporting period, nor the current period. The effect in future periods is also likely to be trivial.

The only change the Company has made as a result of the adoption is the accounting policy on "Receivables". This policy has been updated to comply with PBE IPSAS 41.

Other than the effect of adopting the PBE IPSAS 41 stated above, the accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3 Critical accounting estimates and assumptions

In preparing the financial statements the Company has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year have been included below.

3.1 Intangible assets

Useful lives and residual values

At each balance date the Company reviews the useful lives and residual values of its intangible assets. Assessing the appropriateness of useful life and residual value estimates of intangible assets requires the Company to consider a number of factors such as the expected period of use of the asset by the Company, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact the amortisation expense recognised in the statement of comprehensive revenue and expenditure, and carrying amount of the asset in the statement of financial position. The Company minimises the risk of this estimation uncertainty by reviewing that the asset technology is still relevant and there is no alternative options to recreate the asset at a lower price.

Impairment of intangible assets

Intangible assets measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less costs to sell, and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the statement of comprehensive revenue and expenditure. The reversal of an impairment loss is recognised in the statement of comprehensive revenue and expenditure.

Co-Lab
Notes to the financial statements
30 June 2023
(continued)

4 Revenue

Accounting policy

(i) Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services, excluding Goods and Services Tax, rebates and discounts and after eliminating sales within the Company. No provisions have been recorded as all revenue and trade receivables are expected to be received.

(ii) Other Revenue

Member charges for all activities are recognised when invoiced to the user, i.e. Councils. The recorded revenue is the net amounts of the member charges payable for the transaction. Contributions received for projects that were not completed in a financial year are recognised when the Company provides, or is able to provide, the service for which the contribution was charged. To the extent the service has not been delivered, contributions for that service are recorded as revenue in advance.

	Actual 2023 \$	Actual 2022 \$
<u>Non-exchange revenue</u>		
Member Charges	3,594,315	2,847,901
Cost Recovery	-	(8,680)
Total non-exchange revenue	<u>3,594,315</u>	<u>2,839,221</u>
<u>Exchange revenue</u>		
Working Parties and Projects*	549,418	750,241
Information Technology	31,131	44,300
Energy Management	145,463	151,848
RATA **	492,505	1,146,349
Waikato Regional Transport Model	-	6,544
Waikato Building Consent Group	143,827	116,161
Waikato Mayoral Forum	8,505	5,004
Water Services ****	3,562,127	3,121,032
RITS	27,000	27,000
Geospatial Services	18,000	-
Procurement Services	143,255	-
	-	-
Total exchange revenue	<u>5,121,231</u>	<u>5,368,479</u>
Total other revenue	<u>8,715,546</u>	<u>8,207,700</u>

Explanation of variance to last year:

*The projects undertaken in FY23 were smaller than those in FY22 and therefore have resulted in decreased revenue within this workstream.

** RATA manages a number of data collection contracts for councils. These contracts are typically a three-year programme of work. Covid-19 impacted the ability of suppliers to undertake planned work in FY21, and this has had a flow-on effect, with greater than anticipated activity in FY22.

*** FY23 has seen the introduction of new Drinking Water standards which resulted in increased sampling and testing revenue.

Co-Lab
Notes to the financial statements
30 June 2023
 (continued)

5 Other expenses

	Actual 2023 \$	Actual 2022 \$
Audit fees	33,781	32,173
Company Management & Support	259,129	209,021
Working Parties and projects *	435,814	582,323
Information Technology	12,531	23,274
Energy Management	178,285	152,159
Shared Valuation Data Services	266,990	260,396
RATA **	1,996,249	2,256,039
Waikato Regional Transport Model	401,097	383,409
Waikato Building Consent Group	131,279	157,822
Waikato Mayoral Forum	5,536	-
Rental expense relating to operating leases ***	105,230	43,645
RITS	23,087	11,680
Water Services ****	2,912,933	2,777,475
Co-Lab Learning	192,492	-
Geospatial Services	42,351	-
Procurement Services	(66,040)	-
Total rental expense relating to operating leases	<u>6,930,744</u>	<u>6,889,416</u>

Explanation of variance to last year:

* The projects undertaken in FY23 were smaller than those in FY22 and therefore have resulted in decreased expenditure within this workstream.

** RATA manages a number of data collection contracts for councils. These contracts are typically a three-year programme of work. Covid-19 impacted the ability of suppliers to undertake planned work in FY21, and this has had a flow-on effect, with greater than anticipated activity in FY22.

*** In December 2021 Co-Lab moved into new larger premises. A rent free period of 4 months was provided in the new lease, therefore, the rental expense is a large increase on the prior year.

**** FY23 has seen the introduction of new Drinking Water standards which resulted in increased sampling and testing.

6 Personnel costs**Accounting policy****Defined contribution schemes**

Employer contributions to KiwiSaver, the Government Superannuation Fund, and other defined contribution superannuation schemes are accounted for as defined contribution schemes and are recognised as an expense in the surplus or deficit when incurred.

	Actual 2023 \$	Actual 2022 \$
Salaries and wages*	1,570,076	1,022,747
Defined contribution plan employer contributions	37,719	25,077
Recruitment Costs	13,444	63,010
Total personnel costs	<u>1,621,239</u>	<u>1,110,834</u>

The total remuneration (including any non-financial benefits) paid or payable for the year to the Chief Executive was \$252k

* The increase in salary and wages reflects additional resourcing to support councils and to deliver new services.

Co-Lab
Notes to the financial statements
30 June 2023
 (continued)

7 Receivables

Accounting policy

Short-term receivables are recorded at the amount due, less any provision for uncollectability.

Receivables are initially measured at nominal or face value. Receivables are subsequently adjusted for penalties and interest as they are charged and impairment losses. Non-current receivables are measured at the present value of the expected future cash inflows.

Debtors are amounts due from customers. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

	Actual 2023 \$	Actual 2022 \$
Gross trade and other receivables	269,152	63,376
Related Party Receivables (note 17)	2,914,685	1,549,909
Total debtors and other receivables	<u>3,183,837</u>	<u>1,613,285</u>
Exchange		
Receivables from exchange transactions	1,429,811	1,463,690
Net exchange transactions	<u>1,429,811</u>	<u>1,463,690</u>
Non-exchange		
Receivables from non-exchange transactions	1,754,026	149,595
Total debtors and other receivables	<u>3,183,837</u>	<u>1,613,285</u>

8 Cash and cash equivalents

Accounting policy

Cash and cash equivalents include cash on hand, deposits held at call with banks, with original maturities of three months or less, and bank overdrafts.

	Actual 2023 \$	Actual 2022 \$
Cash at bank	<u>2,313,115</u>	<u>2,569,639</u>

The carrying value of cash and cash equivalents approximates their fair value.

Co-Lab
Notes to the financial statements
30 June 2023
 (continued)

9 Income tax

Accounting policy

Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable surpluses will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive income or directly in equity.

	Actual 2023 \$	Actual 2022 \$
Components of income tax expense:		
Current tax expense	-	-
Adjustments to current tax in prior years	-	-
Deferred tax expense	(2,319)	(773)
Tax expense	(2,319)	(773)

Relationship between tax expense and accounting profit:

Net surplus (deficit) before tax	505,165	543,399
Tax at 28%	141,446	152,151
Non-taxable in calculating taxable income		
Non-deductible expenditure	458	445
Other timing adjustments	-	-
Non-taxable income	-	-
Prior year adjustment	2,318	(4,786)
Deferred tax adjustment	5,191	782
Tax losses not recognised	(151,731)	(149,365)
Tax expense	(2,318)	(773)

Deferred tax asset (liability)

	Property, plant & equipment	PPE & Intangible assets	Employee entitlements	Provisions	Total
Balance at 1 July 2021	(7,923)	11,014	-	-	3,091
Charged to surplus or deficit	1,623	(2,396)	-	-	(773)
Balance at 30 June 2022	(6,300)	8,618	-	-	2,318
Charged to surplus or deficit	3,168	(5,486)	-	-	(2,318)
Balance at 30 June 2023	(3,132)	3,132	-	-	-

A deferred tax asset of \$164,773 (2022: \$300,398) has not been recognised in relation to tax losses carried forward of \$533,450 (2022: \$1,072,494) and deductible temporary differences of \$55,025 (2022: nil).

Co-Lab
Notes to the financial statements
30 June 2023
 (continued)

10 Property, plant and equipment

Accounting policy

Property, plant, and equipment consist of operational assets, including land, buildings, plant and equipment, motor vehicles, computer equipment and furniture.

Additions

The cost of an item of property, plant, and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the company and the cost of the item can be measured reliably.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write-off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Class of PP&E	Estimated useful life	Depreciation rates
IT equipment	3 years	33%
Office Furniture	8 1/2 years	12%

The residual value and useful life of an asset is reviewed and adjusted, if applicable, at each financial year end.

	Carrying amount 1 Jul 2022 \$	Current year additions \$	Current year depreciation \$	Transfers \$	Accumulated depreciation and impairment charges 30 Jun 2023 \$	Carrying amount 30 Jun 2023 \$
2023						
Operating assets						
IT equipment	39,541	27,341	(22,570)	-	(48,223)	44,313
Office furniture and fittings	40,516	22,067	(6,398)	-	(9,984)	56,185
Total	80,057	49,408	(28,968)	-	(58,207)	100,498

	Carrying amount 1 Jul 2021 \$	Current year additions \$	Current year depreciation \$	Accumulated depreciation and impairment charges 30 Jun 2022 \$	Carrying amount 30 Jun 2022 \$
2022					
Operating assets					
IT equipment	18,103	35,932	(14,496)	(25,654)	39,541
Office furniture and fittings	7,145	36,146	(2,776)	(3,586)	40,516
Total	25,248	72,078	(17,272)	(29,240)	80,057

The office furniture additions is a result of the company's relocation to new premises in December 2021 and spreading the cost of the fit out across two years, while the increase to IT equipment is a result of employing more staff to support councils and to deliver new services.

Co-Lab
Notes to the financial statements
30 June 2023
(continued)

11 Intangible assets

Accounting policy

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software are recognised as an intangible asset.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the statement of comprehensive revenue and expenditure.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Class of intangible asset	Estimated useful life	Amortisation rates	
Computer software	5 to 7 years	14 to 25%	
		Actual 2023 \$	Actual 2022 \$
Computer Software			
Balance at 1 July		2,298,050	2,298,050
Disposals/ asset write-offs		-	-
Balance at 30 June		<u>2,298,050</u>	<u>2,298,050</u>
Accumulated amortisation and impairment losses			
Balance at 1 July		2,283,467	2,268,883
Amortisation as per statement of comprehensive revenue and expenditure		14,583	14,583
Asset write-offs		-	-
Balance at 30 June		<u>2,298,050</u>	<u>2,283,467</u>
Carrying Amounts			
Balance at 1 July		14,583	29,167
Balance at 30 June		-	14,583

Intangible assets include the Waikato Regional Transport Model (WRTM).

The carrying amount of the WRTM asset as at 30 June 2023 is \$nil (2022: \$14,583).

Co-Lab
Notes to the financial statements
30 June 2023
 (continued)

12 Payables and deferred revenue**Accounting policy**

Short-term creditors and other payables are recorded at their face value.

	Actual 2023 \$	Actual 2022 \$
Current		
Trade payables	395,032	458,096
Related party payables (note 17)	366,111	559,152
Accrued expenses	104,271	86,485
Accrued expenses - related party payables (note 17)	379,979	283,285
Deferred revenue	1,473,264	825,612
RWT on Payments	-	1,513
GST payable	300,123	(5,453)
Total creditors and other payables	<u>3,018,780</u>	<u>2,208,690</u>
Exchange		
Trade payables	757,713	517,165
Accrued expenses	482,600	363,720
Deferred revenue*	1,473,264	825,612
Other payables	3,430	2,264
Total creditors and other payables from exchange transactions	<u>2,717,007</u>	<u>1,708,761</u>

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payable approximates their fair value.

Contributions received for projects that were not completed in a financial year are recognised as deferred revenue until the Company provides, or is able to provide, the service for which the contribution was charged.

* The increase in deferred revenue reflects in large part the revenue accrued for the Hamilton Transport Meso Model build contract which was not procured in FY23 as originally planned. This is now due to be procured in FY24.

Co-Lab
Notes to the financial statements
30 June 2023
 (continued)

13 Current liabilities - Employee Entitlements

Accounting policy

Short-term employee entitlements

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken, at balance date, and sick leave.

A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent it will be used by staff to cover those future absences.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

Presentation of employee entitlements

Annual leave, vested long service leave, and non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Superannuation schemes

Defined contribution schemes

Obligations for contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are recognised as an expense in the statement of comprehensive revenue and expenditure when incurred.

	Actual 2023 \$	Actual 2022 \$
Current portion		
Annual leave	67,045	46,004
Salaries	<u>11,821</u>	<u>30,968</u>
Total current portion	<u>78,866</u>	<u>76,972</u>
Non-current Portion		
Long Service Leave	<u>5,765</u>	<u>3,023</u>
Total non-current portion	<u>5,765</u>	<u>3,023</u>

Co-Lab
Notes to the financial statements
30 June 2023
 (continued)

14 Reconciliation of equity

Accounting policy

Equity is the shareholders' interest in Co-Lab and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

Contributed equity

Contributed equity is the net asset and liability position at the time the company was formed. The allocation of capital amongst shareholders is explained in this note.

Retained earnings

Retained earnings is the company's accumulated surplus or deficit since formation.

	Actual 2023 \$	Actual 2022 \$
Total equity		
Contributed equity	2,957,001	2,957,001
Retained earnings	(460,604)	(965,764)
Balance at 30 June	2,496,397	1,991,237
(a) Contributed equity		
	-	-
Shares on Issue	3,413,569	3,413,569
Uncalled capital	(456,568)	(456,568)
Balance 30 June	2,957,001	2,957,001
(b) Retained earnings		
Balance at 1 July 2022	(965,769)	(1,508,430)
Surplus/(deficit) for the year	505,165	542,666
Balance 30 June	(460,604)	(965,764)

The Company has issued 2,186,581 (2022 - 2,186,581) shares.

Shares are called when notice is given to shareholders by the Board of Directors.

Income	Ordinary Shares	SVDS Shares	WRAPS Shares	WRTM Shares
Hamilton City Council	1	220,514	79,152	50,625
Hauraki District Council	1	40,215	2,864	-
Matamata Piako District Council	1	56,380	4,708	4,500
Otorohanga District Council	1	-	5,716	-
Rotorua Lakes Council	1	126,703	7,516	-
South Waikato District Council	1	42,571	4,916	-
Taupo District Council	-	-	21,652	4,500
Thames Coromandel District Council	1	108,015	6,476	2,250
Waikato District Council	1	106,674	9,376	11,250
Waikato Regional Council	1	803,500	287,872	50,625
Waipa District Council	1	78,748	3,780	11,250
Waitomo District Council	1	23,681	10,540	-
Western Bay of Plenty District Council	1	-	-	-
Total issued shares	12	1,607,001	444,568	135,000
Value per share	1,000	1	1	10
Authorised share capital	12,000	1,607,001	444,568	1,350,000
Uncalled share capital	(12,000)	-	(444,568)	-
Capital called on shares	-	1,607,001	-	1,350,000

Co-Lab
Notes to the financial statements
30 June 2023
 (continued)

14 Reconciliation of equity (continued)

As at 30 June 2022 Taupo District Council had advised the Board and other shareholders of its intention to exit as a shareholder of the company. Separately, Western Bay of Plenty District Council had approved becoming a shareholder of the company, subject to consultation with its community. Western Bay of Plenty District Council concluded their consultation with their community in August 2022 and the sale of the ordinary share legally transferred from Taupo District Council as of 20 September 2022.

SVDS, and WRAPS Shares (Service Shares)

In relation to the service shares:

- (a) the holders are entitled to participate in certain services to be provided by the Company, on terms that reflect their investment.
- (b) the holders do not have any right to share in the distribution of the surplus assets of the Company except to the extent provided for in Schedule 1 of the Company's constitution or in accordance with the terms of issue of those shares pursuant to Clause 6 of the Company's constitution.
- (c) Except as provided in section 177 of the Act and Clause 6.1 of the Company's constitution, the holders do not have any voting rights.

WRTM shares

Holders of WRTM shares have:

- (a) A right to one vote prior to further WRTM shares being issued;
- (b) A right to one vote on the application of any surpluses arising from the WRTM service;
- (c) The right to any surplus from the sale of outputs of the WRTM service;
- (d) No right to share in the distribution of the surplus assets of the Company except to the extent provided for in (c) above;
- (e) No right to share in dividends authorised by the Company except to the extent provided for in (c) above.

15 Commitments

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

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

Non-cancellable operating expenses

	Actual 2023 \$	Actual 2022 \$
Not later than one year	94,776	91,350
Later than one year and not later than five years	<u>119,898</u>	<u>214,674</u>
Total non-cancellable operating leases	<u>214,674</u>	<u>306,024</u>

The Company entered into an operating lease for new premises 16 December 2021. The initial term of the lease is six years, however, it is able to be cancelled after four years. The lease is fixed with two-yearly rental increases of 5% with market rent reviews upon renewal.

16 Contingencies

As at 30 June 2023 the Company had no contingent liabilities or assets (2022: \$nil)

Co-Lab
Notes to the financial statements
30 June 2023
 (continued)

17 Related party transactions

The Company is controlled by the councils listed on the directory page.

Transactions with key management personnel

Key management personnel include the Chief Executive and directors. Co-Lab has one independent director who receives remuneration.

	Actual 2023 \$	Actual 2022 \$
Chief Executive Remuneration	252,157	230,000
Independent Director	60,000	55,000
Total key management personnel compensation	312,157	285,000

Related party disclosures have been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the entity would have adopted if dealing with that individual or entity at arm's length in the same circumstances.

Taupo District Council sold its ordinary share to Western Bay of Plenty District Council during the year, with effect from 1 July 2022.

Related parties have been limited to the directors, shareholders and company related roles. The following transactions were carried out with related parties:

	Actual 2023 \$	Actual 2022 \$
Income		
Hamilton City Council	2,529,840	1,976,564
Hauraki District Council	715,543	686,135
Matamata Piako District Council	537,071	634,358
Otorohanga District Council	393,981	400,523
Rotorua Lakes Council	484,843	431,771
South Waikato District Council	743,451	514,322
Taupo District Council	-	498,465
Thames Coromandel District Council	474,482	448,725
Waikato District Council	593,481	433,591
Waikato Regional Council	680,912	708,732
Waipa District Council	1,188,239	1,291,707
Waitomo District Council	598,827	556,572
Western Bay of Plenty District Council	70,407	-
	9,011,077	8,581,465

The income disclosed above includes revenue received relating to the 2022/23 financial year and revenue received which has been transferred to deferred revenue for 2023/24.

The table above also includes the amount invoiced but not yet received and meets the criteria of revenue recognition as of 30 June 2023.

	Actual 2023 \$	Actual 2022 \$
Expenses		
Hamilton City Council	3,341,370	3,226,997
Hauraki District Council	365	-
Matamata Piako District Council	6,390	-
Otorohanga District Council	-	11,400
Rotorua Lakes Council	-	6,261
South Waikato District Council	426	-

Co-Lab
Notes to the financial statements
30 June 2023
(continued)

17 Related party transactions (continued)

Thames Coromandel District Council	-	2,826
Waipa District Council	904,053	1,039,750
Waitomo District Council	-	3,159
BOP LASS Ltd	19,607	114,262
	<u>4,272,211</u>	<u>4,404,655</u>

Expenses are related to services provided by the related parties.

	Actual 2023 \$	Actual 2022 \$
Note		
Advances		
<i>Trade & Other Receivables</i>		
Hamilton City Council	490,155	289,819
Hauraki District Council	184,452	99,441
Matamata Piako District Council	307,528	285,827
Otorohanga District Council	105,528	37,140
Rotorua Lakes Council	194,981	22,811
South Waikato District Council	289,871	82,139
Taupo District Council	-	125,031
Thames Coromandel District Council	176,294	80,108
Waikato District Council	319,701	35,453
Waikato Regional Council	357,289	260,673
Waipa District Council	140,645	164,443
Waitomo District Council	267,273	67,024
Western Bay of Plenty District Council	80,968	-
7	<u>2,914,685</u>	<u>1,549,909</u>
<i>Payables:</i>		
Hamilton City Council	590,354	716,919
Rotorua Lakes Council	-	7,200
South Waikato District Council	-	18,545
Taupo District Council	-	12,696
Thames Coromandel District Council	-	6,348
Waikato District Council	-	31,740
Waipa District Council	155,736	17,250
12	<u>746,090</u>	<u>810,698</u>

18 Events occurring after the balance date

There have been no events after balance date.

Co-Lab
Notes to the financial statements
30 June 2023
 (continued)

19 Financial instruments

The Company has policies to manage the risks associated with financial instruments. The Company is risk averse and seeks to minimise exposure from its treasury activities.

(a) Market risk

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to fair value interest rate risk is limited to short-term bank deposits.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose the Company to cashflow interest rate risk.

The Company currently has no variable interest rate debt or investments.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is not exposed to currency risk, as it does not enter into foreign currency transactions.

(b) Credit risk

Credit risk is the risk that a third party will default on its obligation to the Company, causing the Company to incur a loss.

Due to the timing of its cash inflows and outflows, the Company invests surplus cash with registered banks.

The Company has processes in place to review the credit quality of customers prior to the granting of credit.

The Company's maximum credit exposure for each class of financial instruments is represented by the total carrying amount of cash equivalents (note 8), and trade receivables (note 7). There is no collateral held as security against these financial instruments, including these instruments that are overdue or impaired.

The Company has no significant concentrations of credit risk, as it has a large number of credit customers and only invests funds with registered banks with specified credit ratings.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty raising funds to meet commitments as they fall due.

Prudent liquidity risk management implies maintaining sufficient cash and liquid assets, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company aims to maintain flexibility in funding by keeping committed credit lines available.

In meeting its liquidity requirements, the Company maintains a target level of investments that must mature within specified timeframe's.

The maturity profiles of the Company's interest bearing investments and borrowings would be disclosed in the notes, if the Company had any.

(d) Financial instrument categories

	Note	2023 \$	2022 \$
FINANCIAL ASSETS			
Loans and receivables			
Financial assets at amortised costs	8	2,313,115	2,569,639
Receivables	7	3,183,837	1,613,285
Other financial assets		-	-
Total financial assets at amortised costs		<u>5,496,952</u>	<u>4,182,924</u>

Co-Lab
Notes to the financial statements
30 June 2023
 (continued)

19 Financial instruments (continued)**(d) Financial instrument categories(continued)****FINANCIAL LIABILITIES****Financial liabilities at amortised cost**

Payables	12	<u>3,018,780</u>	<u>1,395,119</u>
Total financial liabilities at amortised cost		<u>3,018,780</u>	<u>1,395,119</u>

20 Explanation of major variances against budget

An explanation of year-on-year variances in line items is set out within the preceding relevant notes. The following explains the major variations to the budget.

Statement of comprehensive revenue and expenditure**Revenue**

Main reasons for the variance are:

The HTM model was not procured as planned and subsequently \$230k was returned to councils and \$750k deferred to FY24 for the build contract. Further cost savings were identified by the WRTM User Group resulting in a further \$350k returned to partner organisations.

RATA member charges were adjusted down by \$304k following updated data collection strategies and refined cost recovery requirements.

Revenue related to LiDAR was less than budgeted by \$351k, with delays in some project milestones meaning contributions were not required during the year.

Following discussions regarding the "Affordable Water Reforms" the RATA Advisory Group resolved to pause RATA Waters Collaboration until further notice except for compliance readiness activities. This saw member charges reduce by \$173k.

Co-Lab Learning member charges were adjusted down by \$91k, reflecting changes agreed that occurred after the publication of the SOI.

Expenses

Co-Lab Learning Personnel Costs were lower (-\$92k) due to the workstream starting later than anticipated when setting the budget.

WBCG Personnel Costs were lower (-\$52k) due to the team being restructured with less time by the General Manager Service Delivery required within the workstream as much.

Expenditure related to LiDAR was less than budgeted by \$359k, with delays in some project milestones meaning supplier payments were not required during the year.

Following updated data collection strategies RATA expenditure was less than budgeted by \$378k.

The re-budgeting of WRTM following the HTM model not being procured in FY2023 saw expenditure lower by \$1,344k.

As noted above, discussions following the Affordable Water Reforms resulted in a pause in Waters Collaboration activities. Expenditure was lower than budgeted (-\$239k) as a result.

Co-Lab Water Services staff vacancies in FY2023 meant expenditure was lower than budgeted (-\$207k).

Statement of Financial Position

Cash and cash equivalents is higher than budget with lower than anticipated costs across various workstreams (as noted above).

Delays in Purchase Orders from some councils meant greater than anticipated invoicing in June, with a flow-on affect to receivables.

Current liabilities are higher than budgeted principally because of deferred revenue including WRTM, LiDAR and WRAPS, as explained above.

Statement of Cash Flows

Receipts from other revenue were less than budgeted for the reasons noted in this and earlier notes to these accounts.

Co-Lab
Notes to the financial statements
30 June 2023
(continued)

20 Explanation of major variances against budget (continued)

Payments to suppliers and employees were less than budgeted for the reasons noted in this and earlier notes to these accounts.

21 Disclosures – Water services reform programme

The New Zealand Government is implementing a water services reform programme that is intended to ensure all New Zealanders have safe, clean and affordable water services. The Government believes this will be achieved by establishing new public entities to take on the delivery of drinking water, wastewater and stormwater services across New Zealand. The reform will be enacted by three pieces of legislation:

- The Water Services Entities Act 2022, which (as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023) establishes ten publicly owned water services entities and sets out their ownership, governance and accountability arrangements. A water services entity is established (for transitional purposes) on the date on which the appointment of the entity's establishment board takes effect, and its establishment date (operational date) will be a date between 1 July 2024 and 1 July 2026.
- The Water Services Legislation Act 2023, which amended the Water Services Entities Act 2022 on 31 August 2023 to provide for the transfer of water services assets and liabilities to the water services entities.
- The Water Services Economic Efficiency and Consumer Protection Act 2023, which provides the economic regulation and consumer protection framework for water services. The consumer protection framework will come into force on 1 July 2024 and the rest of the Act came into force on 31 August 2023



Directory

Company number (for the legal entity, Waikato Local Authority Shared Services Ltd)	1730380
Registered office	6/34d Lake Street Cambridge 3434 Waikato
Directors	ION, Gavin MCLAY, Christopher MCLEOD, Don SMIT, Ben STUBBS, Peter VERVOORT, Lance
Bankers	Bank of New Zealand Hamilton Banking Centre Victoria Street Hamilton
Auditors	PKF Hamilton Audit Limited (on behalf of the Auditor General)

11.5 NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY LIMITED ANNUAL REPORT 2022-2023

File Number: A5772526

Author: Jackson Jury, Financial Analyst

Authoriser: Azoor Ali, Chief Financial Officer

EXECUTIVE SUMMARY

The purpose of this report is to provide Elected Members with the New Zealand Local Government Funding Agency Limited's (LGFA) Annual Report for the year ended 30 June 2023, as required under Section 8 of LGFA's Statement of Intent.

LGFA's Annual Report was approved by the LGFA's Board of Directors.

RECOMMENDATION

1. That the Financial Analyst's report dated 26 October 2023 titled 'New Zealand Local Government Funding Agency Limited Annual Report 2022-2023' be received.
2. That Council receives the New Zealand Local Government Funding Agency Limited Annual Report 2022-2023, included as **Attachment 1** of this report, to be published on Council's website.

BACKGROUND

LGFA is a designated Council-Controlled Organisation (CCO) under the Local Government Act 2002 (LGA). The company was incorporated on 1 December 2011.

As a CCO, LGFA is a separate legal entity from Council and is responsible for delivery of services in accordance with an agreed Statement of Intent.

Under section 67 of the LGA, within three months after the end of each financial year, the board of a CCO must deliver to the shareholders, and make available to the public, a report on the organisation's operations during that year, including financial statements and auditor's report.

The Annual Report is included as **Attachment 1**.

SUMMARY OF ACHIEVEMENTS

1. By 30 June 2023, LGFA had loans outstanding of \$16.3 billion to participating councils, an increase over the past year of \$2.24 billion. LGFA also added two new council members to bring the number of member councils to seventy-seven.
2. For the 12 month period to 30 June 2023, LGFA provided 93% of the sector borrowing which is an historical high compared with the long-term average of 77%.

3. A strong financial position has ensured a dividend payment of 4.87% for shareholders.
4. Total interest income for the financial year of \$763.6 million increased 94% over the 2021-22 result of \$393.5 million.
5. Net operating profit of \$2.5 million decreased 77% on the 2021-22 result of \$10.7 million. The decrease in net operating profit was largely driven by their decision to adopt a prudent approach of borrowing longer than their term of lending and maintaining a larger than forecast liquid asset portfolio (LAP) during a period of rising interest rates and volatile market conditions.

ANNUAL GENERAL MEETING

6. LGFA's Annual General Meeting will be held in Wellington on 23rd November 2023.

ATTACHMENTS

1. **2023 LGFA Annual Report**  



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LGFA acknowledge the assistance of the Department of Internal Affairs translation service for our Te Reo translations.

Cover photo: Taupo Town Centre Transformation project.
Taupo District Council.

Contents photo: Whangarei District Council's Civic Centre, Te Iwitihi, opened to the public in June 2023

LGFA Annual Report 2023 03

Message from the Chair and Chief Executive

He karere mai i te Toihau me te Tumuaki

For the year ended 30 June 2023

During challenging market conditions of the past year, LGFA focused on meeting the funding requirements for our local government sector, at the same time extending our suite of innovative sustainable funding and lending products and achieving several key milestones.



New Zealand Issuer of the Year
New Zealand Local Government Funding Agency

On behalf of the directors and staff of LGFA, we are pleased to highlight the following developments over the past year. Of note was the launch of our Climate Action Loan product for council and CCO members and the establishment of our Sustainable Financing Bond Framework, culminating in our first sustainable bond issuance. We achieved a 100% satisfaction outcome in our member survey, 93% market share of council borrowing, and were awarded the KangaNews Issuer of the Year Award for 2022.

2022-23 Financial and operational performance

Over the past year we achieved 16 out of our 17 performance objectives, with the only objective missed being our target for total operating income. Total interest income for the financial year of \$763.6 million increased 94% over the 2021-22 result of \$393.5 million. Net operating profit of \$2.5 million decreased 77% on the 2021-22 result of \$10.7 million. The decrease in net operating profit was largely driven by our decision to adopt a prudent approach of borrowing longer than our term of lending and maintaining a larger than forecast liquid asset portfolio (LAP) during a period of rising interest rates and volatile market conditions. There was also a modest negative impact from our decision to offer a reduced lending margin to members for our sustainability lending products. Operating expenses at \$9.1 million were \$300k below the SOI budget. There were higher than expected NZX and registry fees related to increased bond issuance and lending, as well as additional legal costs incurred

with new member accessions and the Affordable Waters Reform. These were offset by lower than forecast consultancy and information technology costs and a lower NZDM facility utilisation fee.

Borrowing activity

Our bond issuance of \$3.5 billion over the year was significantly higher than the historical average of \$1.6 billion, with year-end outstandings totalling \$17.8 billion (including \$1.1 billion of treasury stock) across 11 bond maturities ranging between 2024 to 2037. The average term of issuance during the year at 5.5 years was shorter than the prior year of 6.2 years, reflecting the more challenging market conditions for issuance and closer matching to member borrowing.

In November 2022, we were delighted to be awarded the New Zealand Issuer of the Year at the 2022 KangaNews Awards, which recognises the support that we have received from investors, intermediaries and market participants, not just over the past year, but also throughout the past decade since we commenced issuance in 2012.

The highlight for the year was the \$1.1 billion issuance in April 2023 of a new 2030 bond, being the first issuance under our Sustainable Financing Bond Framework. The bond was well received by global and domestic investors who are looking for these types of sustainable finance investments for their portfolios. Our sustainable financing bond is backed by our sustainable asset pool comprising Green Social and Sustainability Loans and Climate Action Loans to members.

As our issuance has grown it has been pleasing to see a corresponding rise in our offshore investor base who have increased their holdings over the last year by \$1.8 billion to \$6.2 billion, or an equivalent 37% of our total bonds on issue.

Over the past year, the spreads on LGFA bonds narrowed against New Zealand Government Bonds (NZGB) but widened over swap. LGFA bond spreads to NZGB beyond 2024 narrowed between 4 bps (2029 bond) and 22 bps (2025 bond) while LGFA bond spreads to swap widened between 6 bps (2025 bond) and 25 bps (2029 and 2031 bonds). This change was similar to the spread movements on other high-grade issuers and also reflected the large amount of bond issuance undertaken by LGFA during the year.

Market conditions during a period of monetary policy tightening contributed to a significant lift in yields over the year, with outright yields rising between 56 bps (2037 maturity) and 179 bps (2024 maturity).

Lending to the sector

Over the past year, we welcomed two new member councils with Dunedin City Council and Environment Southland joining as guarantors. Total council membership is now 77 out of the 78 councils in New Zealand. In addition, Dunedin City Treasury Limited and Westland Holdings Limited joined as Council-controlled organisation (CCO) members, bringing the number of CCO members to three.

Long-dated lending to members over the year was a record \$3.9 billion as members refinanced their April

2023 loans and increased their borrowing to finance infrastructure projects. Our estimated market share of total council borrowing of 93% for the year to 30 June 2023 was a historical high compared to the long-term average of 77%.

The average tenor of long-dated borrowing by members of 5.2 years over the 12-month period was shorter than the prior year's 6.2 years.

Short-dated lending for terms less than 12 months continues to be well supported by members. At June 2023, there were \$548 million of short-term loans outstanding to 37 members, a 14% increase over last year's \$478 million outstanding to 31 members.

New products and initiatives

In addition to the launch of our new Sustainable Financing Bond Framework, another significant sustainability initiative was the December 2022 launch of our Climate Action Loan (CAL) lending product which provides a discounted loan margin for members who have an approved greenhouse gas emission reduction plan in place and are meeting their reduction targets. This new initiative was well received by members, with \$521 million lent to three councils under the CAL lending product.

Over the year, members borrowed \$232 million under our Green, Social and Sustainability (GSS) lending product launched in October 2021, taking the year end outstanding of GSS loans to \$295 million to five members.

New standby facilities totalling \$55 million were approved for five new members, increasing the total of standby products to 16 members totalling \$727 million.

Climate-related events and the proposed Affordable Waters Reform Programme

Over the year, the local government sector dealt with significant climate-related events as well as the proposed Affordable Waters Reform Programme. LGFA has been assisting Central Government and our members as they work through the funding and financing implications for the proposed Affordable Waters Reform Programme. The transition date for the three waters related assets, debt, and revenue into the Water Services Entities (WSEs) has been extended to allow for WSEs to be established over the period from 1 July 2024 to 1 July 2026.

LGFA continues to assist the local government sector-led initiative in developing a Ratepayer Financing Scheme which is being developed with the objective of providing some financial relief options to ratepayers.

2023 LGFA Taituarā Local Government Excellence Awards

LGFA was the headline sponsor for the 2023 LGFA Taituarā Local Government Excellence Awards for the third consecutive year, and the ninth year that we have supported the awards. We were pleased that the winner of the Supreme Award was the Takai Here Tāngata Project (binding people together). Takai Here Tāngata is an urban village of 19 houses situated on Te Ara o Takapā in Taitā, Lower Hutt. It is the result of Hutt City's innovative partnership with its property arm Urban Plus Ltd, Kahungunu Whānau Services, and Te

Rānanganui o Te Āti Awa and is regarded as a proof of concept for a highly transferable methodology that has the potential to deliver housing at scale.

Acknowledgments

We would like to acknowledge the contribution made to LGFA by John Avery who retired as Director at the November 2022 AGM after eleven years of service. John, an independent director from establishment, played a significant role in developing our culture and guiding the organisation to where it is today, as well as representing the Board on many council visits with staff. We thank John and would like to wish him all the best for his future endeavours.

We acknowledge the support of the wider local government sector as they face several challenges including the uncertainty and additional workload from the proposed Affordable Waters Reform Programme,

rising cost pressures and ratepayer affordability issues, the challenges to balance budgets and funding depreciation as well as the impact from North Island weather events.

The Agency's work cannot be implemented without the support of our staff, fellow directors, Shareholders Council, New Zealand Debt Management (NZDM) and Central Government, all whose efforts should be acknowledged. We believe the Agency's future remains positive and look forward to working with all stakeholders in the year ahead.

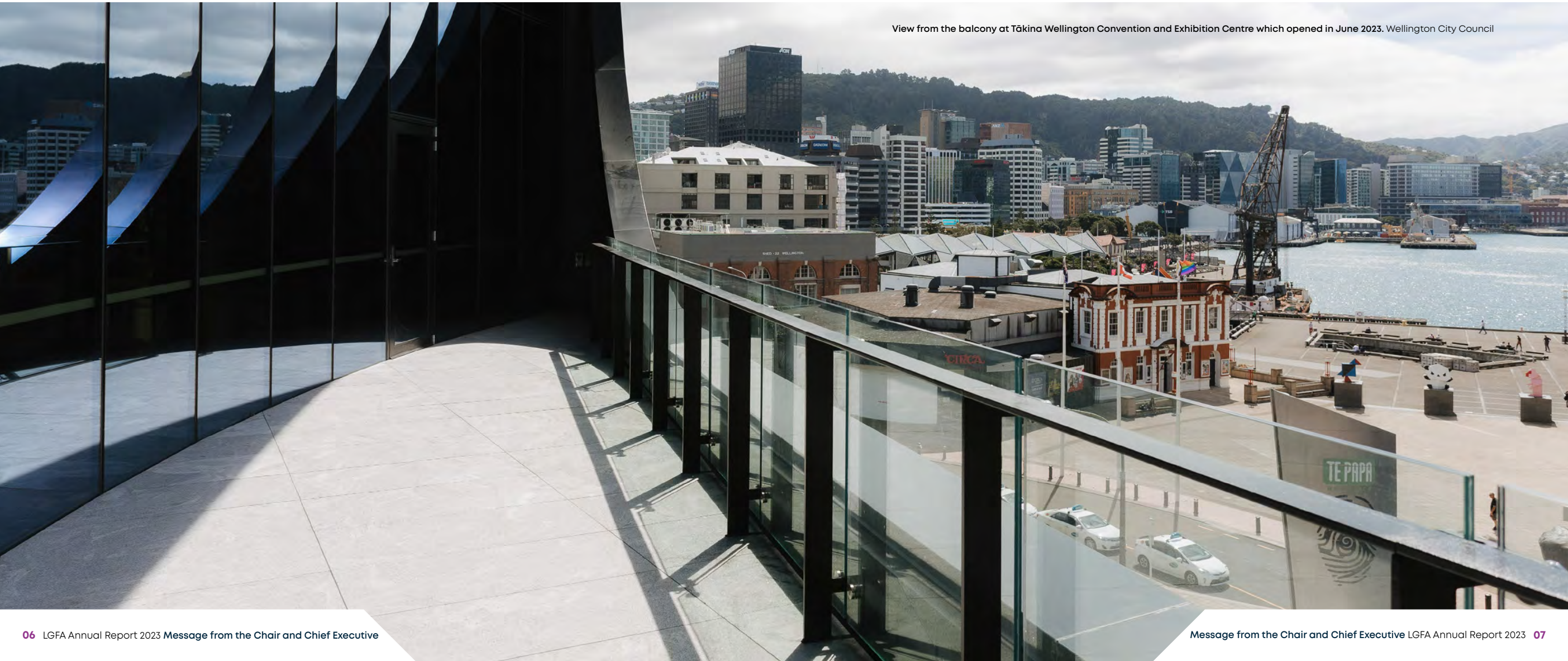


Craig Stobo
Chair



Mark Butcher
Chief Executive

View from the balcony at Tākina Wellington Convention and Exhibition Centre which opened in June 2023. Wellington City Council



Performance highlights

Ko ngā tino hua

Bonds issued over the financial year

\$3,533

million

Lending to members over the financial year

\$3,951

million

Total interest income

\$763.6

million

▲ 94%

Increase over 2021-22 year

Net operating profit

\$2.5

million

▼ 77%

Decrease over 2021-22 year

Total assets at 30 June 2023

\$18,175 million

Year	Assets (million)
2017	\$8,491
2018	\$8,835
2019	\$10,382
2020	\$13,174
2021	\$14,485
2022	\$16,250
2023	\$18,175

Liquidity at 30 June 2023

\$226 million

Cash

\$1,128 million

Marketable securities

\$348 million

Deposits

\$1,100 million

Treasury stock for repurchase

\$1,500 million

Government committed liquidity facility

Shareholder funds at 30 June 2023

\$105.8 million

Year	Funds (million)
2017	\$53.9
2018	\$64.3
2019	\$74.2
2020	\$83.6
2021	\$94.7
2022	\$104.5
2023	\$105.8

Fully paid shares

\$25.0 million

Retained earnings

\$80.8 million

Borrower notes

Borrower notes are subordinated debt instruments which LGFA may convert into redeemable shares under prescribed circumstances.

\$360 million

8 LGFA Annual Report 2023 Performance highlights

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Item 11.5 – Attachment 1

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Performance against objectives

Ko ngā whakatutukinga ki ngā whāinga

The statement of service performance provides a summary of LGFA's performance against the objectives and performance targets set out in the LGFA Statement of Intent 2022-25 (SOI)

2022-23 Objectives and performance targets

LGFA objectives and performance targets for 2022-23 fall within the following five strategic priorities which encompass our shareholders' foundation objectives and guide the Board and management in determining our strategy:

- Governance, capability and business practice
- Optimising financing services for local government
- Environmental and social responsibility
- Effective management of loans
- Industry leadership and engagement

Our quarterly reports to shareholders provide more detail on our performance against objectives and performance targets. The reports for the four quarters ended June 2023 are available on the LGFA website.

Governance, capability and business practice

LGFA is committed to best practice corporate governance to ensure its long-term sustainability and success.

Objectives	Our performance to 30 June 2023
Demonstrate best practice corporate governance.	LGFA is committed to demonstrating best practice corporate governance and we report annually on our compliance with the eight core principles underpinning the NZX Corporate Governance Best Practice Code. The 2023 Annual Report is the most recent report with commentary on our compliance with the NZX Code.
Set and model high standards of ethical behaviour.	LGFA has adopted a formal Code of Ethics, incorporating its Conflicts of Interest and Code of Conduct policies, which sets out the standards and values that directors and employees are expected to follow.
Ensure products and services offered to participating borrowers are delivered in a cost-effective manner.	LGFA prepares annual operating budgets and monitors progress against these monthly. Our performance against our financial targets for the year-ended 30 June 2023 is summarised below under our performance targets.
Be a good employer by providing safe working conditions, training and development and equal opportunities for staff.	LGFA is committed to being a good employer and we report our employment practices annually in our Annual Report. The 2023 Annual Report is our most recent report outlining our health and safety and wellbeing practices and policies, compliance with the Health and Safety at Work Act, diversity and inclusion and capability and development.

Performance targets	2022-2023 target	Our performance to 30 June 2023
Comply with the Shareholder Foundation Policies and the Board-approved Treasury Policy at all times.	No breaches.	✓ No breaches.
Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency.	LGFA credit ratings equivalent to NZ Sovereign.	✓ Our ratings remain equivalent to the New Zealand Government for both S&P Global Ratings and Fitch Ratings. Fitch Ratings upgraded LGFA Foreign Currency Rating to AA+ on 16 Sept 2022. S&P Global Ratings affirmed our domestic currency credit rating at AAA in March 2023.
LGFA's total operating income for the period to 30 June 2023.	> \$12.2 million.	✗ Not met. Total operating income \$11.6 million at 30 June 2023.
LGFA's total operating expenses for the period to 30 June 2023.	< \$9.4 million.	✓ Met. Operating expenses \$9.1 million at 30 June 2023.

Optimising financing services for local government

LGFA's primary objective is to optimise the terms and conditions of the debt funding it provides to participating borrowers. Amongst other things, LGFA will achieve this by delivering operational best practice and efficiency across our lending products and services.

Objectives	How we measure our performance												
Provide interest cost savings relative to alternative sources of financing.	<p>Comparison to other high-grade issuers – secondary market spread to swap (bps)</p> <p>LGFA's borrowing margins are comparable to other high-grade issuers in the New Zealand capital markets.</p> <p>Source: LGFA</p>												
	<p>Supranational, sovereign and agency issuers</p> <table><tr><td>Kainga Ora (AAA)</td><td>KBN (AAA)</td></tr><tr><td>Asian Development Bank (AAA)</td><td>Rentenbank (AAA)</td></tr><tr><td>IADB (AAA)</td><td>World Bank (AAA)</td></tr><tr><td>International Finance Corp (AAA)</td><td>Nordic Investment Bank (AAA)</td></tr></table> <p>Banks</p> <table><tr><td>ASB (AA-)</td><td>ANZ (AA-)</td><td>BNZ (AA-)</td><td>Westpac Bank (AA-)</td></tr></table>	Kainga Ora (AAA)	KBN (AAA)	Asian Development Bank (AAA)	Rentenbank (AAA)	IADB (AAA)	World Bank (AAA)	International Finance Corp (AAA)	Nordic Investment Bank (AAA)	ASB (AA-)	ANZ (AA-)	BNZ (AA-)	Westpac Bank (AA-)
Kainga Ora (AAA)	KBN (AAA)												
Asian Development Bank (AAA)	Rentenbank (AAA)												
IADB (AAA)	World Bank (AAA)												
International Finance Corp (AAA)	Nordic Investment Bank (AAA)												
ASB (AA-)	ANZ (AA-)	BNZ (AA-)	Westpac Bank (AA-)										
Offer flexible short and long-term lending products that meet the borrowing requirements for borrowers.	<p>LGFA provides members with short term loans (less than one year), long term loans on either a floating or fixed rate basis (between one year and April 2037), Green Social and Sustainable Loans, Climate Action Loans and standby facilities.</p> <ul style="list-style-type: none">Over the year-ended June 2023, our members borrowed \$3.95 billion in 380 long term loans across maturity dates ranging between 2023 and 2033.As at June 2023 there was \$548 million short-term loans outstanding to 37 members.As at June 2023, standby facilities totalled \$727 million across 13 members.												
Deliver operational best practice and efficiency for lending services.	<p>Over the year-ended 30 June 2023, LGFA operations staff successfully:</p> <ul style="list-style-type: none">settled 2,039 new trades with a gross value of \$10.0 billion,processed 13,527 cash flows with a gross value of \$34.0 billion, andrate set 9,314 existing trades. <p>There were no LGFA settlement errors over the year.</p>												
Ensure certainty of access to debt markets, subject always to operating in accordance with sound business practice.	<p>There was strong activity in LGFA bonds in both the primary market (tender or syndicated issuance) and secondary market (between banks and investors). Over the year-ended 30 June 2023, we issued \$3.553 billion of primary bonds and secondary market turnover totalled \$10.5 billion.</p>												

Performance targets	2022-2023 target	Our performance to 30 June 2023
Share of aggregate long-term debt funding to the Local Government sector.	> 80%	✓ Met – 93.3% as at 30 June 2023
Total lending to Participating Borrowers.	> \$15,004 million	✓ Met – \$16,314 million as at 30 June 2023
Conduct an annual survey of Participating Borrowers who borrow from LGFA as to the value added by LGFA to the borrowing activities.	> 85% satisfaction score	✓ 100% satisfaction score in August 2022 Stakeholder Survey.
Successfully refinance existing loans to councils and LGFA bond maturities as they fall due.	100%	✓ Met
Meet all lending requests from Participating Borrowers, where those requests meet LGFA operational and covenant requirements.	100%	✓ Met

Effective management of loans

LGFA will ensure its loan book remains at a high standard by ensuring it understands each participating borrower's financial position. LGFA manages its assets within an appropriate risk management framework to ensure shareholder value is not compromised.

Objectives	Our performance to 30 June 2023
Proactively monitor and review each Participating Borrower's financial position, including its financial headroom under LGFA policies. Analyse finances at the Council group level where appropriate and report to shareholders.	Over the year, we reviewed council agendas and management reports on an ongoing basis for all members on the LGFA borrower watch-list. We have received compliance certificates for LGFA covenants from all of our members with debt outstanding at June 2022 and no council has requested that they be measured on a group basis. Some certificates have been provided based upon unaudited financial statements given the delays in providing final audit signoff due to audit shortages.
Endeavour to meet each participating borrower annually, including meeting with elected officials as required, or if requested.	We met with all borrowers over the course of the year.

Performance targets	2022-2023 target	Our performance to 30 June 2023
Review each participating borrower's financial position under LGFA policies.	100%	✓ Met
Arrange to meet each Participating Borrower at least annually, including meeting with elected officials as required, or if requested.	100%	✓ Met

Environmental and social responsibility

LGFA recognises the risks inherent in climate change and supports councils shift to a low-carbon economy. LGFA will exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so.

Objectives	Our performance to 30 June 2023
Assist the local government sector in achieving their sustainability and climate change objectives.	<p>Over the year to 30 June 2023, we approved GSS loans to Hutt City Council for the Naenae swimming pool, Whangārei District Council for the Civic Centre, and approved our first eligible social lending project for Christchurch City Council's Ōtautahi Community Housing Trust.</p> <p>At 30 June 2023, we had approved five GSS loans with a combined approved value of \$562 million of which \$294.5 million had been advanced.</p> <p>On 1 December 2022, we launched Climate Action Loans (CALs) which provide a discounted loan margin for members who have implemented a Greenhouse Gas Emission Reduction Plan and meet their emission reduction targets.</p> <p>At 30 June 2023, we had approved CAL loans to Auckland Council, Hutt City Council and Dunedin City Treasury Limited, with combined advances totalling \$521 million.</p> <p>In September 2022, LGFA published our report on climate emergencies declared by New Zealand councils over 2019-2020 (16 out of 78), their subsequent responses and any opportunities for LGFA. A copy of this report is available from our website: Review of Climate Emergency Declarations and Responses by Councils.</p>
Improve sustainability outcomes within LGFA.	<p>In 2021, LGFA committed to reducing our carbon emissions over time, with our target of cutting per employee emissions by 30% by 2030, compared with a 2018/19 base year.</p>

Performance targets	2022-2023 target	Our performance to 30 June 2023
Comply with the Health and Safety at Work Act 2015.	No breaches	✓ No breaches.
Maintain Toitū net carbonzero certification.	Net carbonzero certification maintained.	✓ Toitū Net Carbon-zero recertification approved 11 October 2022.
Meet reduction targets outlined in our carbon reduction management plan.	Reduction targets met.	✓ Met. Refer to the emissions table on page 43 that highlights the uncertainties that exist in regards to emission reporting.
Increase our GSS lending book.	Two new participating borrowers enter into GSS loans.	✓ Three new participating borrowers approved for GSS lending.
Ensure Annual Report is prepared in compliance with applicable GRI Standards.	100%	✓ 2023 Annual Report prepared to meet the requirements of the Global Reporting Initiative (GRI) Standards (core option).
Meet all mandatory climate reporting standards.	100%	✓ There are no mandatory climate reporting standards applying at the date of this report. LGFA has elected to prepare this annual report in compliance with the GRI standard (core option).

Industry leadership and engagement

LGFA will take a proactive role to enhance the financial strength and depth of the local government debt market and will work with key central government and local government stakeholders on sector issues.

Objectives	How we measure our performance
Take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.	<p>This year we have introduced two new webinars for members:</p> <ul style="list-style-type: none">• LGFA Quarterly Update• Economic and Financial Market Update webinars <p>These inaugural webinars were well attended by participants and will be formalised as ongoing quarterly events.</p> <p>Over the year we met with Treasury, the National Transition Unit and Policy teams at DIA (and their advisers) regarding the proposed Affordable Water Reform, working actively on issues relating to the transition of council debt, as well as the borrowing options for the Water Services Entities (WSEs) following transition. In consultation with key stakeholders, we are considering what potential role LGFA could play under the proposed Affordable Waters Reform programme.</p>
Assist the local government sector with significant matters such as COVID -19 response and the proposed Three Waters Reform Programme.	<p>LGFA provided input into the Ratepayer Financing Scheme (RFS) project managed by a group of councils with advice from Cameron Partners. If successful, the RFS could offer temporary financial relief to ratepayers via rates postponement. LGFA is not contributing financially to this project but providing intellectual capital and assistance.</p> <p>We are continuing work on initiatives to reduce compliance and documentation requirements for members when they borrow. These initiative relate to a universal stock security certificate and delegation of a CEO certificate for borrowing.</p>
Support councils and CCOs in the development of reporting disclosures of the impacts of sector activity on climate change.	

About us

Mō mātou

The New Zealand Local Government Funding Agency Ltd (LGFA) specialises in financing the New Zealand local government sector, the primary objective being to optimise the terms and conditions of the debt funding it provides to participating borrowers.

LGFA was established to raise debt on behalf of councils on terms that are more favourable to them than if they raised the debt directly. Since establishment, LGFA has expanded its product suite to include short-dated lending, bespoke lending, standby facilities, sustainable financing alternatives and lending to CCOs. LGFA membership has grown to include 77 out of the 78 councils in New Zealand and has provided 93% of council borrowing in the year to June 2023.

Please refer to our website lgfa.co.nz for more information on LGFA, including our Statement of Intent and Quarterly Reports.

Incorporated on 1 December 2011 under the Companies Act 1993

Enabled by Local Government Borrowing Act 2011

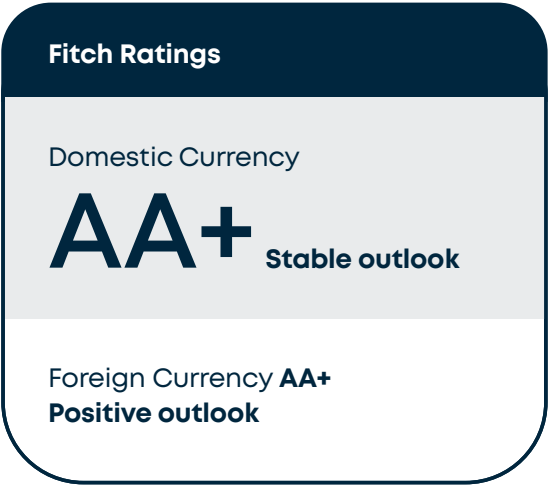
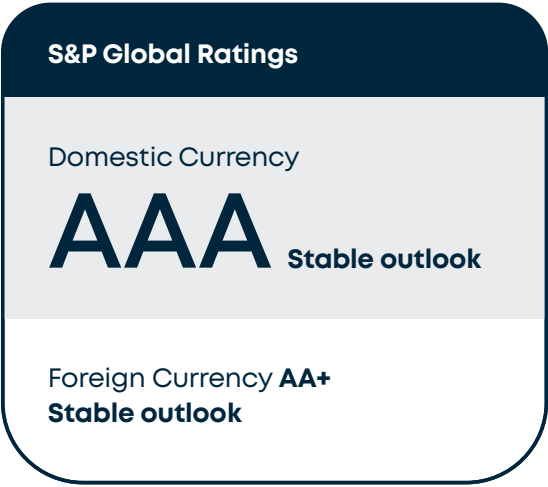
Council-controlled organisation under the Local Government Act 2002

Ownership



Share ownership is restricted to New Zealand Government or councils.

Credit rating at 30 June 2023



Guarantee structure

All shareholder councils are guarantors as well as councils with total borrowings over \$20 million.

LGFA's securities obligations are guaranteed by council guarantors.

A council's obligations under the guarantee is secured against rates revenue.

Governance overview

31 Shareholders

30 Councils

80%

New Zealand Government

20%

Shareholders' Council

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The Shareholders' Council comprises five to ten appointees from shareholders. The role of the Shareholders' Council is to:
Review and report performance of LGFA and the Board;
Recommend to Shareholders as to the appointment, removal, replacement and remuneration of directors;
Recommend to Shareholders as to any changes to policies, or the Statement of Intent (SOI), requiring their approval;
Update Shareholders on LGFA matters and to coordinate Shareholders on governance decisions.

Board

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The Board is responsible for the strategic direction and control of LGFA's activities. The Board guides and monitors the business and affairs of LGFA, in accordance with the:

- Local Government Act 2002;
- Local Government Borrowing Act 2011;
- Companies Act 1993;
- LGFA's Constitution;
- LGFA Shareholder Agreement;
- LGFA Annual Statement of Intent.

The Board comprises five independent directors and one non-independent director.

Bonds listed on NZX Debt Market

Issue of securities to the public under the Financial Markets Conduct Act and regulated by Financial Markets Authority

Supervised by independent trustee

Our history by financial year

2011: Incorporated Dec 2011

2012: Commenced bond issuance February 2012; KangaNews NZ Domestic Issuer of the Year – 2012; INFINZ award for Best Bond issue of 2012; Inaugural LGFA Borrowers Forum

2013: Inaugural dividend of \$1.5m declared

2014: Bespoke lending introduced

2015: Implemented Treasury Management System and transitioned outsourced services from NZDMO

2016: Transitioned to Financial Markets Conduct Act; Commenced short-term lending to councils; LGFA Bonds listed on NZX November 2015

2017: Bond lending facility established October 2016

2018: First LGFA bond not matched to a New Zealand Government bond maturity; Inaugural syndication (\$1.0b)

2019: KangaNews. NZ Domestic Bond Deal of the Year

2020: Reserve Bank adds LGFA bonds to its Large Scale Asset Purchase programme. April 2020; S&P AAA credit rating achieved

2021: Toitū ZeroCarbon certification

2022: Record \$3.9 billion bonds issued in year; Future Director programme launched; Commenced lending to Council-controlled Organisations; Green, social and sustainability lending offered to members

2023: KangaNews New Zealand Issuer of the Year 2022; Inaugural Sustainable Financing Bond issue (\$1.1b); Climate Action Loans offered to members

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Item 11.5 – Attachment 1

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LGFA bonds on issue

Ko ngā pūtea taurewa
pūmau kua tukuna e te LGFA

How we issue bonds

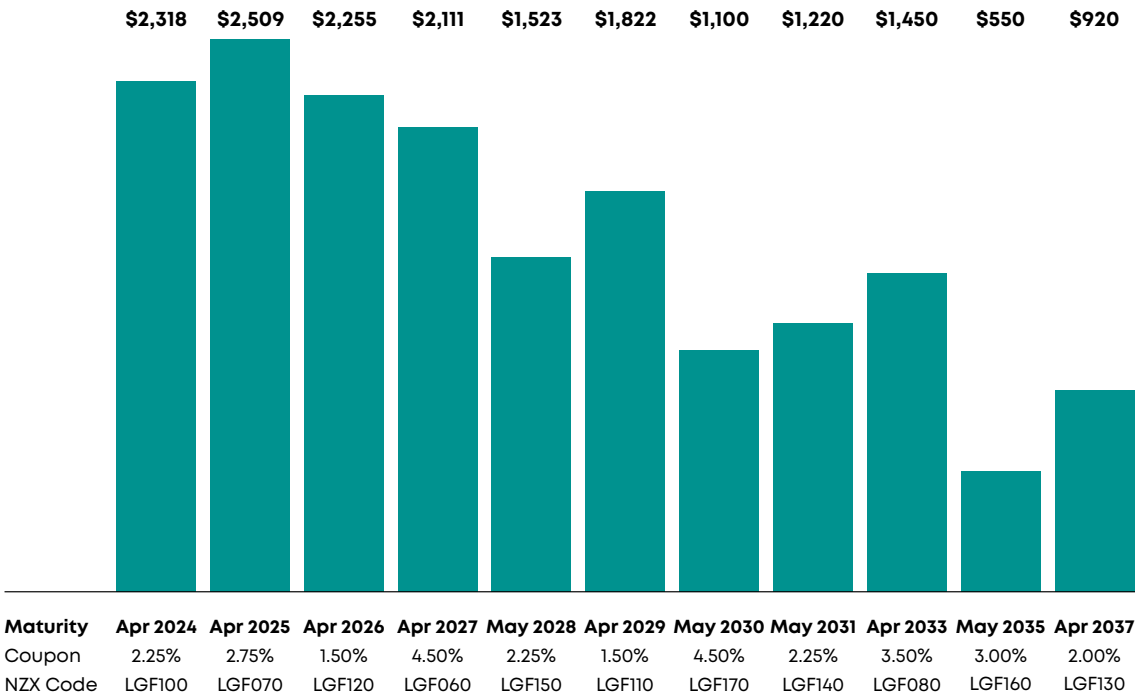
LGFA typically issues a new bond maturity via an initial syndication and then through ongoing regular scheduled tenders.

- Preferred bond tender sizes are between \$150 million to \$225 million with at least three maturities offered at each tender.
- LGFA bonds match NZGB where possible for maturity and coupon.
- Approved Issuer Levy is paid on behalf of offshore holders.
- Target issuance of \$1 billion plus per maturity over time with a cap of \$3.0 billion per maturity to support market liquidity.
- All bonds have been issued in New Zealand dollar (NZD) to June 2023, but have capability to issue non-NZD bonds if required.
- All LGFA retail bonds are listed on the NZX.

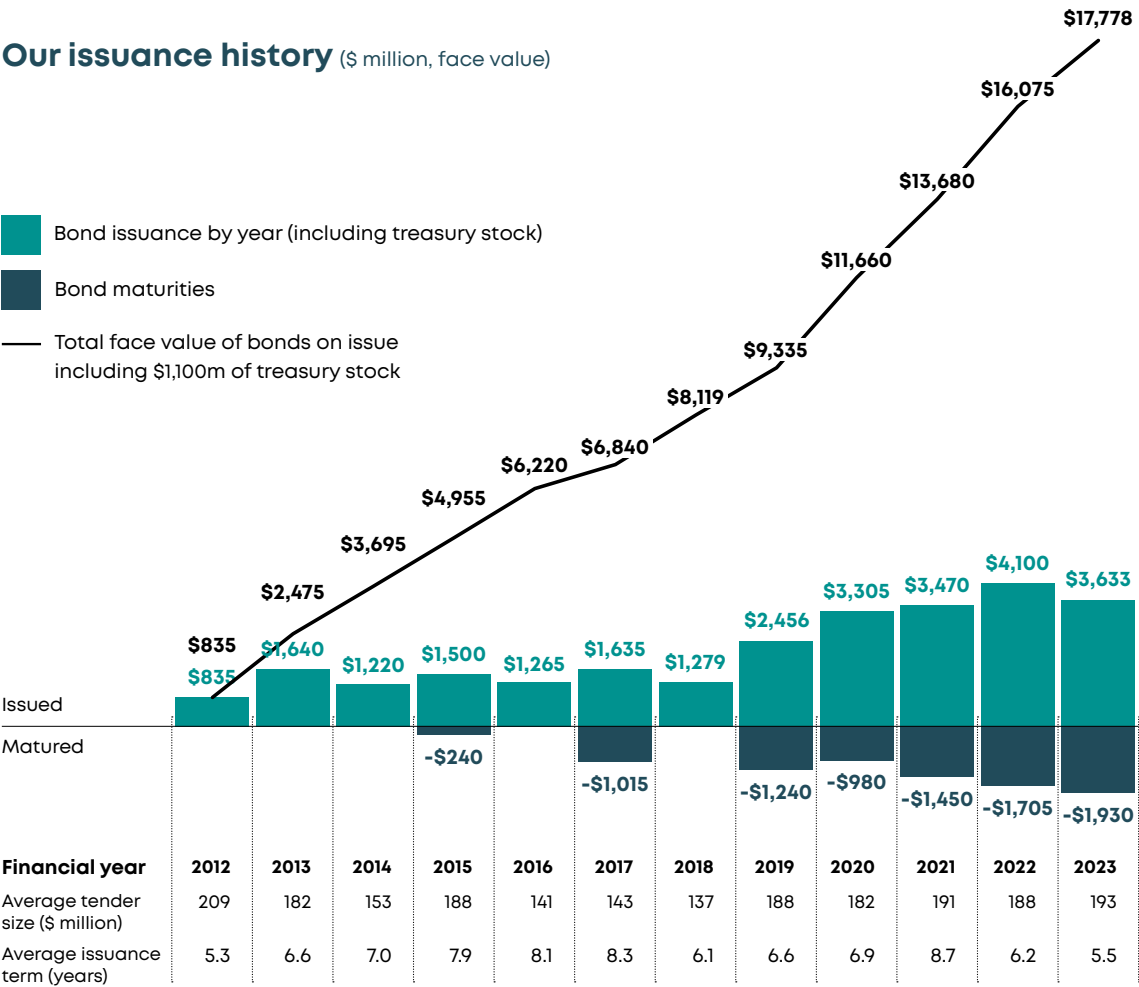
LGFA NZX-listed bonds on issue (\$ million, face value)

As 30 June 2023 : \$17,778 million

Includes \$1,100 million treasury stock (refer note 16, page 79)



Our issuance history (\$ million, face value)

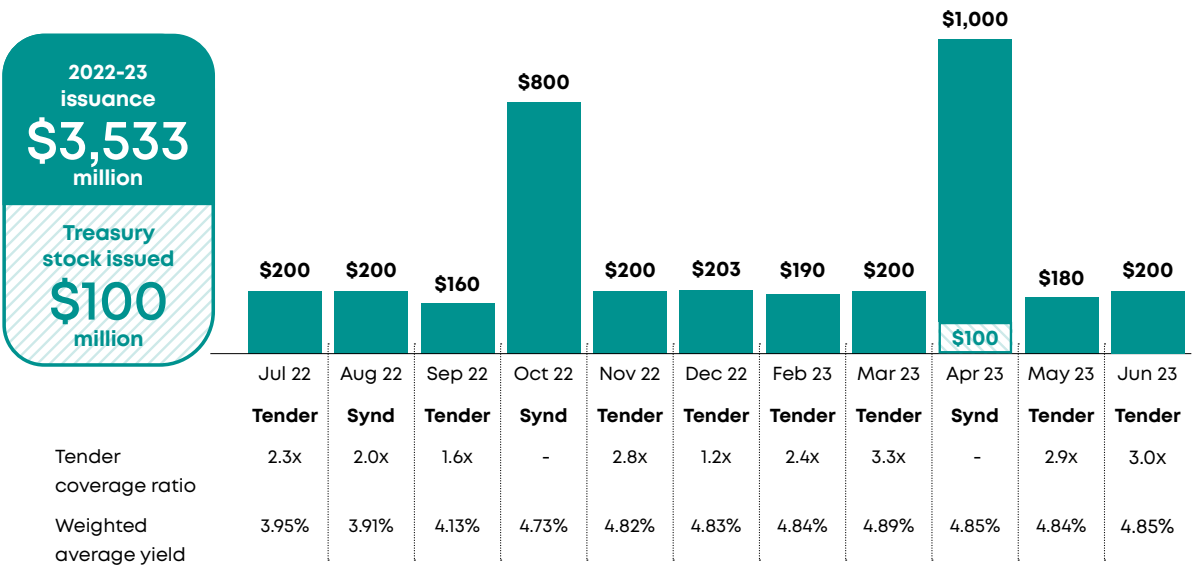


2022-23 issuance by maturity (\$ million, face value)

LGFA bond issuance by bond maturity over the 12-month period to 30 June 2023

Tenders	Apr 24	Apr 25	Apr 26	Apr 27	May 28	Apr 29	May 30	May 31	Apr 33	May 35	Apr 37	Total
6 Jul 22	-	70	-	70	-	-	-	60	-	-	-	200
10 Aug 22	60	-	50	-	50	-	-	40	-	-	-	200
7 Sep 22	-	60	-	60	-	-	-	-	-	-	40	160
9 Nov 22	50	-	100	-	-	-	-	50	-	-	-	200
14 Dec 22	-	-	90	-	53	-	-	-	60	-	-	203
1 Feb 23	60	-	-	70	-	-	-	60	-	-	-	190
1 Mar 23	50	-	50	-	-	50	-	-	-	-	50	200
10 May 23	-	-	-	60	-	60	-	60	-	-	-	180
7 Jun 23	-	-	50	-	50	50	-	-	-	50	-	200
2022/23 tender issuance	220	130	340	260	153	160	-	270	60	50	90	1,733
2022/23 syndication	-	600	-	-	-	200	1,000	-	-	-	-	1,800
Total 2022/23 issuance	220	730	340	260	153	360	1,000	270	60	50	90	3,533
Prior issuance	1,998	1,679	1,815	1,751	1,270	1,362	-	850	1,290	400	730	13,145
Total bonds excluding Treasury Stock	2,218	2,409	2,155	2,011	1,423	1,722	1,000	1,120	1,350	450	820	16,678
Treasury stock	100	100	100	100	100	100	100	100	100	100	100	1,100
Total bonds on issue	2,318	2,509	2,255	2,111	1,523	1,822	1,100	1,220	1,450	550	920	17,778

2022-23 issuance by month (\$ million, face value)



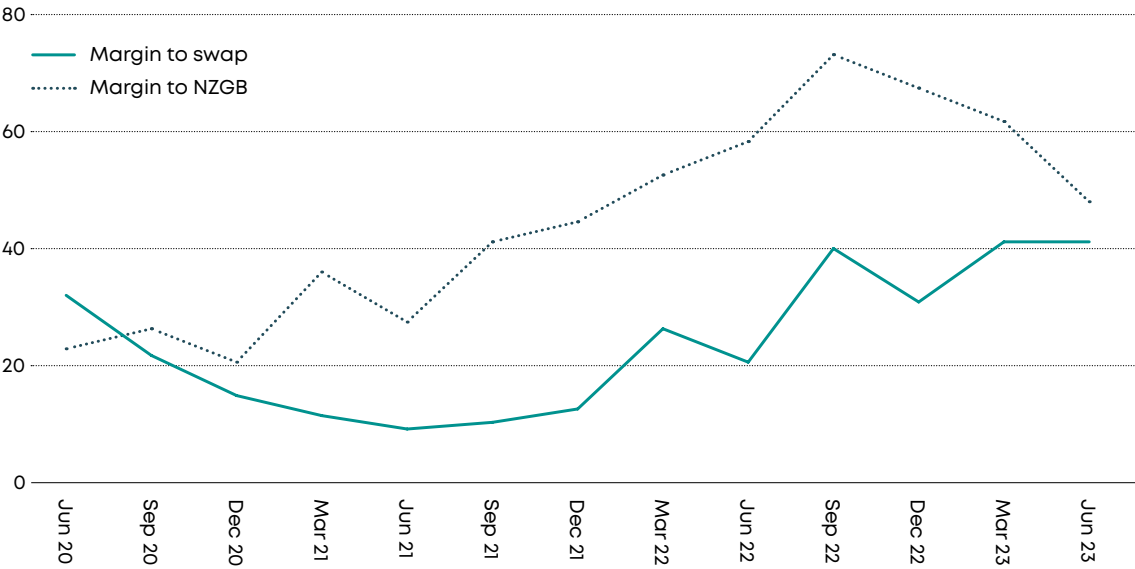
LGFA bond margins (basis points)

LGFA bond margins against swap and NZGB

Margin to swap	Apr 24	Apr 25	Apr 26	Apr 27	May 28	Apr 29	May 30	May 31	Apr 33	May 35	Apr 37
30 June 2022	(10)	(1)	5	16	19	28	N/A	40	49	62	70
30 June 2023	2	5	11	29	43	53	58	65	72	84	88
Annual change	(12)	(6)	(6)	(13)	(24)	(25)	N/A	(25)	(23)	(22)	(18)

Margin to NZGB	Apr 24	Apr 25	Apr 26	Apr 27	May 28	Apr 29	May 30	May 31	Apr 33	May 35	Apr 37
30 June 2022	34	53	55	61	60	61	N/A	66	65	78	79
30 June 2023	41	31	43	47	54	57	56	60	60	64	63
Annual change	(7)	22	12	14	6	4	N/A	6	5	N/A	16

LGFA bond margins to swap over NZGB over the 36 months to 30 June 2023 (basis points)



Average of all LGFA bonds outstanding.
Secondary market levels as at end of each month taken from end of month closing rate sheets published by NZ banks.

LGFA is New Zealand's largest:

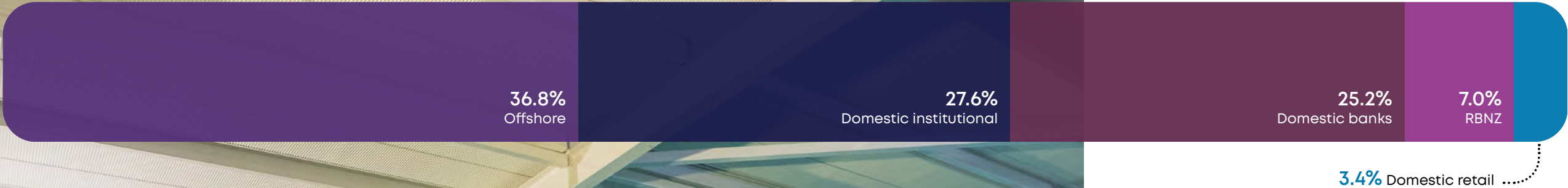
- issuer of NZD bonds (excluding New Zealand Government)
- issuer of debt listed on the NZX

New bond maturities issued in the year to June 2023:

May 2030
4.5% coupon

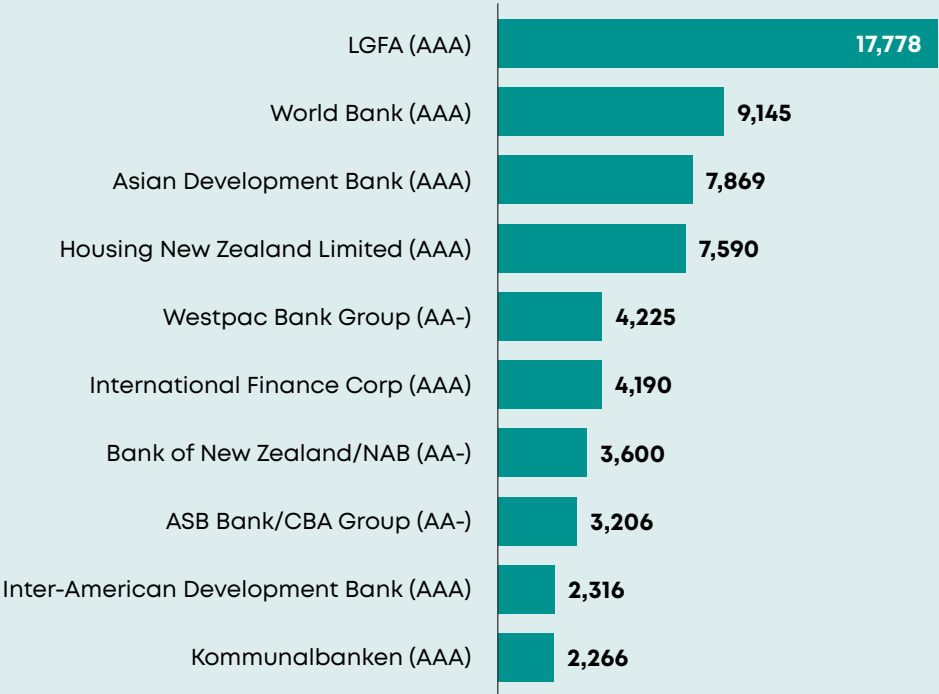


LGFA bond holders by investor group as at 30 June 2023



Largest issuers of NZD bonds by outstandings

excluding NZGB, as at 30 June 2023 (\$ million)



LGFA estimate, based on aggregation of Bloomberg sourced data.

Pool side at Wai o Rua – Stratford Aquatic Centre which opened in October 2022. Stratford District Council

LGFA members

Ko ngā LGFA e noho mema ana

LGFA operates with the primary objective to optimise the terms and conditions of the debt funding it provides to participating borrowers.

Participating councils and Council-controlled organisations are collectively referred to as LGFA members.

Among other things this includes:

- Providing savings in annual interest costs
- Offering short and long-term borrowings with flexible lending terms
- Enhancing the certainty of debt markets
- Being the funder of choice for New Zealand councils.

To become a member of LGFA, a council or CCO is required to complete a formal application. Following an application for membership, LGFA management completes a review of the prospective member's financial position and its ability to comply with LGFA's financial covenants, which is considered by the Board who approve all council memberships. All member councils are required to complete a compliance certificate each year which certifies that the council has complied with LGFA's financial covenants. In addition, LGFA monitors all members' annual reports, annual plans and long term plans on an ongoing basis to ensure that the financial forecasts are consistent with the LGFA financial covenants.

Total member borrowings at 30 June 2023 (\$ million)

Member type	Number of councils	Amount borrowed	% of total borrowings
Guarantors	70	16,184	99.0%
Non guarantors	8	167	1.0%
Total	78	16,351	100%

Member	Amount borrowed	% of total borrowings
Auckland Council	3,226	19.7%
Christchurch City Council	2,200	13.5%
Wellington City Council	1,179	7.2%
Tauranga City Council	824	5.0%
Hamilton City Council	804	4.9%
Greater Wellington Regional Council	678	4.1%
Queenstown Lakes District Council	510	3.1%
Hutt City Council	373	2.3%
Rotorua District Council	353	2.2%
Hastings District Council	295	1.8%
57 councils	5,909	36.2%
	16,351	100%

Loans to Auckland Council are limited to a maximum of **40%** of total loans

As at 30 June 2023

77 councils **3** council-controlled organisation were eligible to borrow from LGFA

30 member councils are shareholders

70 member councils were guarantors

THE NUMBERS

Over the 12 months to 30 June 2023

\$3,921 million of long term loans

At 30 June 2023

\$548 million of short term loans

were issued to

66 members

across

380 individual term loans

with an average term of

5.21 borrowing years

were outstanding to

37 members

Member councils are required to comply with LGFA financial covenants at all times

93%

LGFA's estimated market share of local government debt

LGFA member councils by year of joining

North Island

2011-12	Auckland Council	Shareholder
2011-12	Bay of Plenty Regional Council	Shareholder
2011-12	Greater Wellington Regional Council	Shareholder
2011-12	Hamilton City Council	Shareholder
2011-12	Hastings District Council	Shareholder
2011-12	Masterton District Council	Shareholder
2011-12	New Plymouth District Council	Shareholder
2011-12	Otorohanga District Council	Shareholder
2011-12	South Taranaki District Council	Shareholder
2011-12	Taupo District Council	Shareholder
2011-12	Tauranga City Council	Shareholder
2011-12	Waipa District Council	Shareholder
2011-12	Wellington City Council	Shareholder
2011-12	Western Bay of Plenty District Council	Shareholder
2011-12	Whangārei District Council	Shareholder
2012-13	Far North District Council	Borrower and Guarantor
2012-13	Gisborne District Council	Shareholder
2012-13	Hauraki District Council	Shareholder
2012-13	Horowhenua District Council	Shareholder
2012-13	Hutt City Council	Shareholder
2012-13	Kapiti Coast District Council	Shareholder
2012-13	Manawatu District Council	Shareholder
2012-13	Matamata-Piako District Council	Borrower and Guarantor
2012-13	Palmerston North City Council	Shareholder
2012-13	Rotorua District Council	Borrower and Guarantor
2012-13	Thames-Coromandel District Council	Shareholder
2012-13	Waikato District Council	Borrower and Guarantor
2012-13	Whakatane District Council	Shareholder
2012-13	Whanganui District Council	Shareholder
2013-14	Horizons District Council	Borrower and Guarantor
2013-14	Upper Hutt City Council	Borrower and Guarantor
2014-15	Opotiki District Council	Borrower
2014-15	Porirua City Council	Borrower and Guarantor
2014-15	Taranaki District Council	Borrower and Guarantor
2015-16	Kaipara District Council	Borrower and Guarantor
2015-16	South Wairarapa District Council	Borrower and Guarantor
2016-17	Central Hawkes Bay District Council	Borrower and Guarantor
2016-17	Northland Regional Council	Borrower and Guarantor
2016-17	Waitomo District Council	Borrower and Guarantor
2017-18	Rangitikei District Council	Borrower
2017-18	Stratford District Council	Borrower and Guarantor
2018-19	Hawkes Bay Regional Council	Borrower and Guarantor
2018-19	Ruapehu District Council	Borrower and Guarantor
2018-19	Waikato Regional Council	Borrower and Guarantor
2018-19	Wairoa District Council	Borrower
2019-20	Taranaki Regional Council	Borrower and Guarantor
2019-20	Carterton District Council	Borrower
2020-21	Kawerau District Council	Borrower
2020-21	Napier City Council	Borrower and Guarantor
2020-21	South Waikato District Council	Borrower and Guarantor

2011-2012 (18)	2015-2016 (5)	2019-2020 (3)
2012-2013 (21)	2016-2017 (3)	2020-2021 (5)
2013-2014 (3)	2017-2018 (3)	2021-2022 (3)
2014-2015 (3)	2018-2019 (8)	2022-2023 (2)

South Island

2011-12	Christchurch City Council	Shareholder
2011-12	Selwyn District Council	Shareholder
2011-12	Tasman District Council	Shareholder
2012-13	Ashburton District Council	Borrower and Guarantor
2012-13	Grey District Council	Borrower and Guarantor
2012-13	Marlborough District Council	Shareholder
2012-13	Nelson City Council	Borrower and Guarantor
2012-13	Queenstown Lakes District Council	Borrower and Guarantor
2012-13	Timaru District Council	Borrower and Guarantor
2012-13	Waimakariri District Council	Shareholder
2013-14	Hurunui District Council	Borrower and Guarantor
2015-16	Buller District Council	Borrower
2015-16	Canterbury Regional Council	Borrower and Guarantor
2015-16	Gore District Council	Borrower and Guarantor
2017-18	Westland District Council	Borrower and Guarantor
2018-19	Clutha District Council	Borrower and Guarantor
2018-19	Invercargill City Council	Borrower and Guarantor
2018-19	Mackenzie District Council	Borrower
2018-19	West Coast Regional Council	Borrower
2019-20	Kaikoura District Council	Borrower
2020-21	Central Otago District Council	Borrower and Guarantor
2020-21	Waitaki District Council	Borrower and Guarantor
2021-22	Otago Regional Council	Borrower and Guarantor
2021-22	Southland District Council	Borrower and Guarantor
2021-22	Waimate District Council	Borrower and Guarantor
2022-23	Dunedin City Council	Borrower and Guarantor
2022-23	Environment Southland Regional Council	Borrower and Guarantor

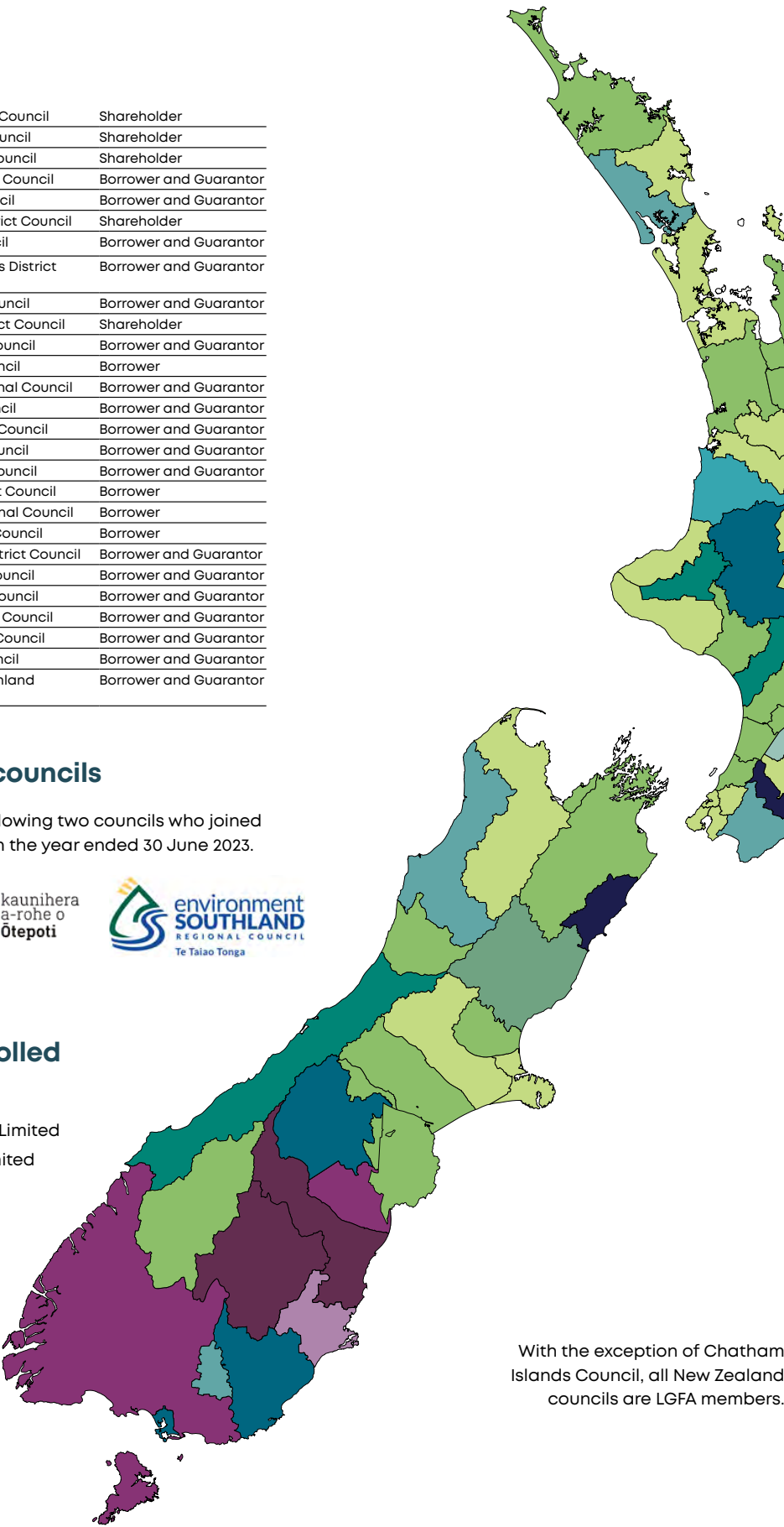
New member councils

LGFA welcomes the following two councils who joined as eligible borrowers in the year ended 30 June 2023.



New member Council-controlled organisations

Dunedin City Treasury Limited
Westland Holdings Limited



With the exception of Chatham Islands Council, all New Zealand councils are LGFA members.

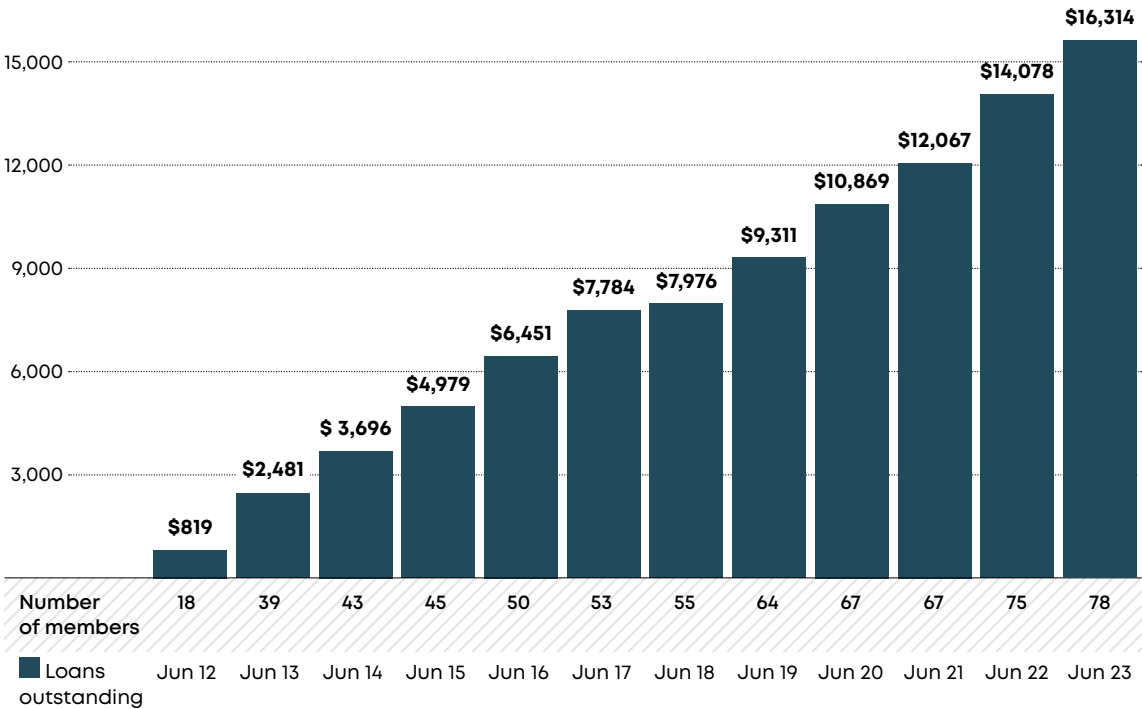
The Whare Mahana Luggate Memorial Centre is New Zealand's first Passive House community venue.
Queenstown Lakes District Council

85% loans to councils with AA- external rating or better

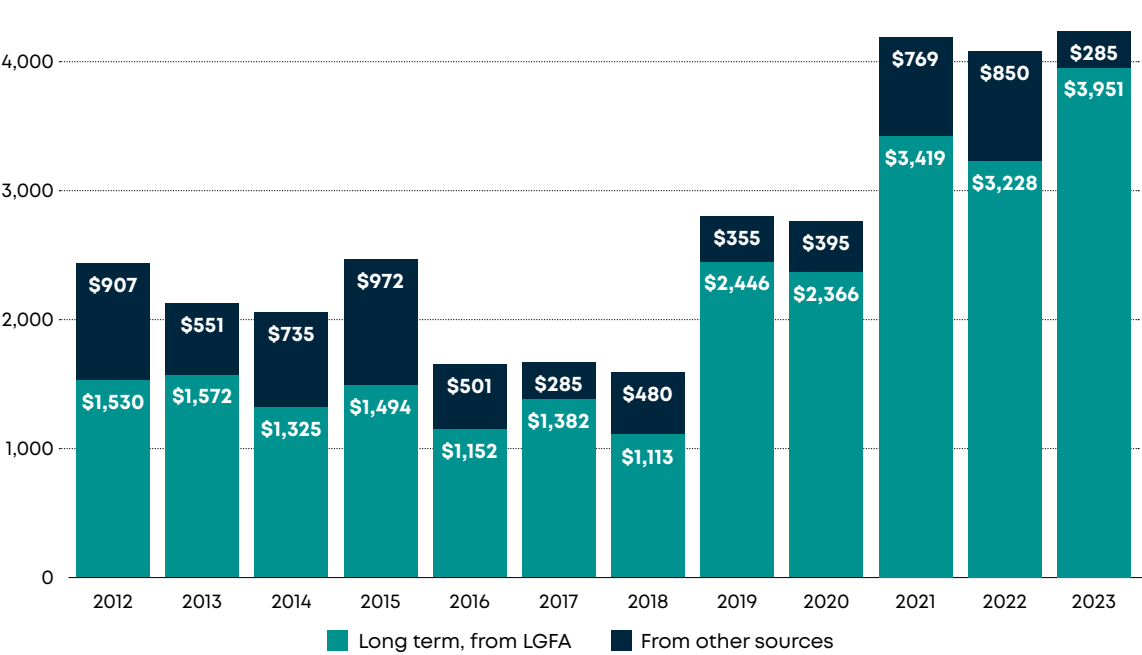
77 of New Zealand's 78 councils are approved borrowers as at 30 June 2023

LGFA assign internal credit ratings for all councils, including all councils without external credit ratings.

Loans to members outstanding (\$ million, nominal)



Borrowing by members (\$ million, nominal)



Sustainability at LGFA

Te toitūtanga kei te LGFA

LGFA seeks to continuously improve sustainability outcomes within the company as well as assisting the local government sector in achieving their sustainability and climate change objectives.

The Statement of Intent (SOI) requires us to improve sustainability outcomes within LGFA and assist the local government sector in achieving their sustainability and climate change objectives.

This section sets out our management approach for LGFA's environmental, social and governance (ESG) risks and opportunities. LGFA is committed to improving sustainability outcomes within the company, as well as assisting the local government sector achieve their sustainability and climate change objectives within their communities.

This Annual Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards (core option).

Sustainability Committee

In 2021, LGFA established our Sustainability Committee to assist us to achieve our sustainability objectives. The Committee is chaired by LGFA's Head of Sustainability and comprises three employees and four independent members.

The Committee's purpose is to advise the Chief Executive and Board on sustainability issues within LGFA, across its operating, borrowing and lending activities and includes providing input in our GSS lending programme. GSS loan applications are reviewed by LGFA's Sustainability Committee prior to approval, with approved loans monitored for ongoing compliance.

Independent members of the LGFA Sustainability Committee at 30 June 2023

Alison Howard
Erica Miles
Chris Thurston
David Woods

Our material issues

Material issues are those issues that reflect our significant economic, environmental, and social impacts, or that substantively influence the assessments and decisions of our stakeholders.

LGFA's materiality issues were determined with the assistance of Proxima, an independent sustainability consultancy. LGFA's material issues, unchanged from last year, reflect our increasing focus on sustainability.

Our organisation

- Culture, ethics and governance
- Transparency and disclosure
- Health, safety and wellbeing
- Diversity and inclusion
- Capability and development

Responsible finance

- Deliver efficient and cost-effective funding
- Financial performance
- Industry collaboration and engagement
- Best practice and influence

Our environment

- Green, social and sustainability lending
- Responsible investment
- Sustainable business practices

Climate-related disclosure framework

The Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 makes it mandatory for climate reporting entities to produce climate statements according to disclosure standards in the Aotearoa New Zealand Climate Standards issued by the External Reporting Board in December 2022.

LGFA is a designated Climate Reporting Entity as it is a listed issuer of quoted debt securities with a combined face value of quoted debt exceeding \$60 million.

Climate Reporting Entities are required to make annual disclosures covering governance arrangements, risk management, strategies and metrics and targets for mitigating and adapting to climate change impacts.

The mandatory reporting regime takes effect for accounting periods that start on or after the 1 January 2023. This means that LGFA will be required to disclose according to the standard for the accounting period commencing on 1 July 2023, with our first climate statement as part of our 2024 Annual Report.

LGFA is New Zealand’s largest debt issuer after the New Zealand Government. Our issuance and lending functions impact our stakeholders, our communities and the environment.

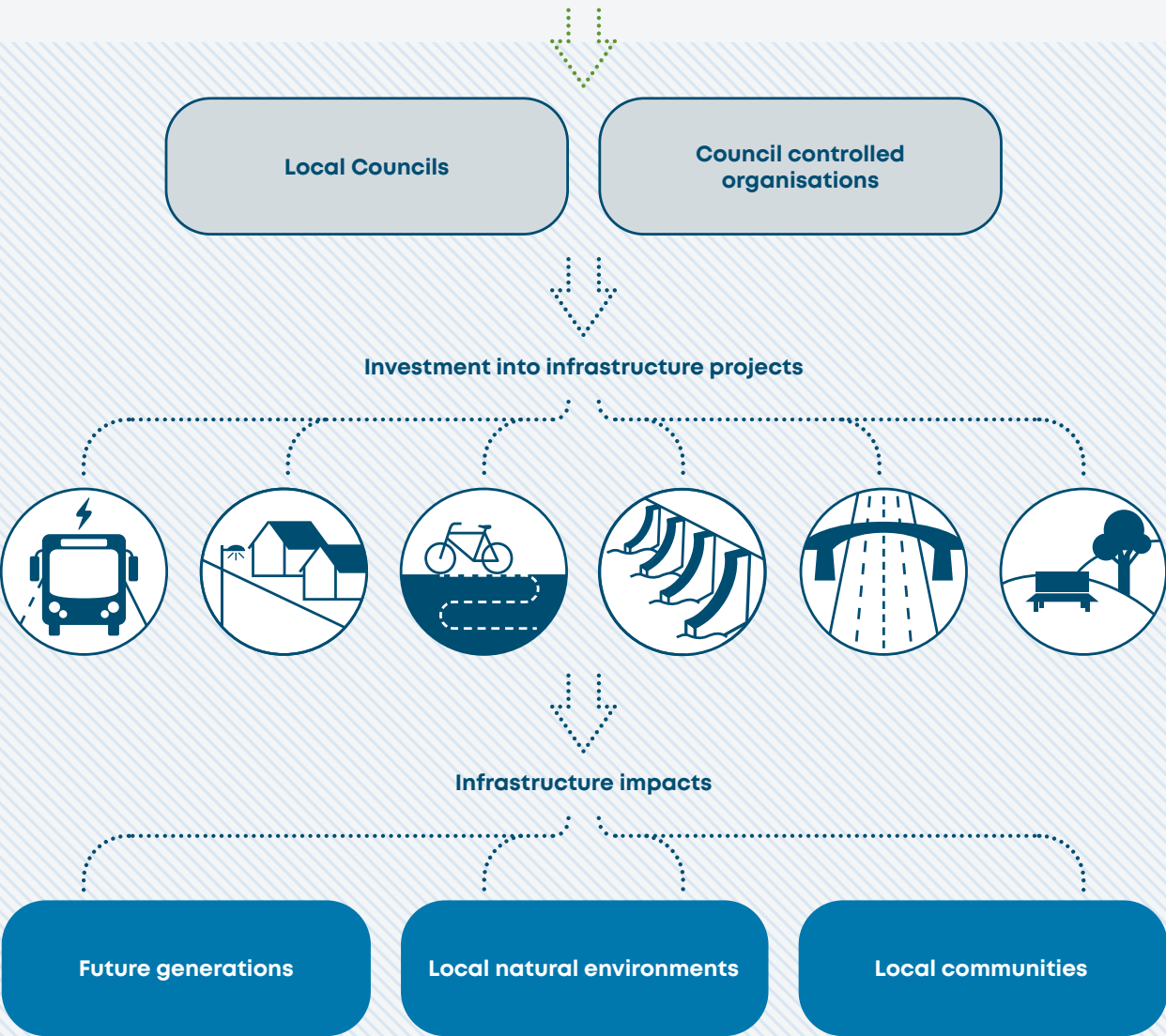
Our stakeholders



LGFA is the predominant funder of New Zealand’s local government and their activities and projects funded through our loans impact across our communities and environment. The impacts from council activities funded via LGFA will be either positive and/or negative and, while we do not specify or control the use of our proceeds from our loans, we are increasingly working with council members and the sector on progressing positive impact projects for the environment and our communities.

Through our sustainable lending products, LGFA continues to work with members to better understand the environmental footprint for each council, as well as identifying where they are undertaking climate reduction initiatives.

Our impacts



Promoting environmental and social stewardship

LGFA recognises the emerging risks for councils from climate change and supports their commitment towards improving sustainable outcomes for local communities. LGFA supports member councils and council-controlled organisations (CCOs) on financing projects to build towards a more sustainable and resilient society. As the primary lender to the local government sector, LGFA finances members’ core investment into improving New Zealand’s infrastructure and services to residents and visitors. By extension, these members’ investments form an important element of LGFA’s sustainability context.

Industry collaboration and engagement

One of LGFA’s core objectives is to take a proactive role in enhancing the financial strength and depth of local government debt market by working with key central government and local government stakeholders on sector and individual council issues.

Contributing to capital markets development to enhance local government sector debt is a key role for LGFA and we regularly meet with key industry stakeholders, including the Reserve Bank of New Zealand, Department of Internal Affairs, Office of the Auditor General, Taituarā, Infrastructure New Zealand and New Zealand Green Investment Finance. The importance of capital investment in infrastructure has been a focus over the past year, with LGFA actively engaging with councils, CCOs, central Government in relation to the work being progressed on the proposed Affordable Waters Reform Programme.



Sustainable lending products

Offering members with innovative sustainable lending products aligns to LGFA's commitment to display sector leadership on sustainable lending and incentivising member councils and CCOs to progress sustainability issues. Our sustainable lending products comprise Green, Social and Sustainable lending and Climate Incentive Loans.

Green, social and sustainability lending

A commitment to assist our members to finance projects that promote environmental and social wellbeing in New Zealand.

LGFA acknowledges the importance of financing projects that promote environmental and social wellbeing in New Zealand, and which fund eligible green and/or social projects.

Our green, social and/or sustainability (GSS) lending programme, launched in 2021, provides funding for our members across the following nine green project categories and three social project categories:

- Green Project Categories

 - Energy Efficiency
 - Green Buildings
 - Clean Transportation
 - Sustainable Water and Wastewater Management
 - Renewable Energy
 - Pollution Prevention and Control
 - Sustainable Management of Living Natural Resources and land use and Use
 - Climate Change Adaptation
 - Terrestrial and Aquatic Biodiversity Conservation
- Social Project Categories

 - Affordable Basic Infrastructure-Clean Water, Sewer, Transport
 - Access to Essential Services-Education, Healthcare
 - Affordable Housing

Under the GSS programme, LGFA lends to councils and CCOs at a discounted margin to incentivise them to undertake projects that help drive forward climate, environmental and social projects across the New Zealand local government sector.

Climate Action Loans

A commitment to incentivise our members to act on climate change and reduce greenhouse gas emissions.

LGFA launched its Climate Action Loans (CALs) lending programme in December 2022. CALs are target-based lending structures designed to incentivise councils and council-controlled organisations (CCOs) to act on climate change and reduce greenhouse gas (GHG) emissions.

A CAL rewards a borrower through a lending margin discount if they have adopted an Emission Reduction Plan setting out specific Emissions Reduction Targets for their operational greenhouse gas emissions at member council or CCO level. CALs are available for all members, including those who may not have eligible projects to access Green, Social and Sustainability (GSS) loans.

LGFA are pleased to welcome Hutt City Council, Whangārei City Council and Christchurch City Council as new lenders under the GSS programme.

Whangārei Civic Centre
Whangārei District Council

Whangārei District’s new civic building has been designed to provide a welcoming, inclusive and easily accessible customer experience. The building has also been designed to be sustainable and to strongly reflect Whangārei’s cultural identity and heritage. The building will be a central hub for local government-related activities, including:

- democratic processes;
- customer services;
- administrative functions;
- council staff; and
- Northland Transport Alliance staff.

In addition to the sustainable aspect of the building, a solar array system was designed to specifically meet Whangārei District Council’s requirements and according to the roof space available for the Civic Centre.

The building also has a number of innovative aspects including a Green wall / Fire Stairs. The fire escape stairs on each side of the building have a 4-storey green wall utilising an endangered species from the Three Kings Islands, with the plants irrigated via rainwater harvesting from the roof.

Cultural connections – The building and surrounding landscape incorporates a very strong cultural narrative, with a Roopu Kaumatua group representing local hapū involved throughout the design process. As well as influencing design themes, this input has led to specific construction features that support tikanga Maori, such as the siting of ablution, cooking and eating spaces throughout the building; as well as the choice of materials used.



Naenae Pool and Fitness Centre
Hutt City Council

The rebuild of the existing Naenae Pool and Fitness Centre with a new swimming pool that will be 65% bigger than the old pool and will be much more energy efficient with up to 53% reduction on energy use. Due to open in July 2024, the Naenae Pool and Fitness Centre will have the following sustainability design features:

- A building that is resilient to the impacts of a changing climate and natural disasters;
- High quality indoor air quality and high standards of acoustic, lighting, visual and thermal comfort;
- EV parks with charging points and secure bicycle stands;
- Ground-water source heat pumps;
- High efficiency heat recovery air-handling units providing dehumidification and air conditioning;
- High efficiency window and glazing suites.

Hutt City Council Chief Executive Jo Miller said “caring for and protecting the environment was one of the six key priorities in the Council’s 10-year-plan. A key driver across the Naenae Pool and Fitness Centre planning was sustainability, not just during the life of the project build but also for the future operation of the facility.

Being part of the LGFA GSS funding programme recognises all the work the team has put in to deliver a greener facility with the additional benefit of cost savings across the life of the loan. This is a win-win situation for our ratepayers who get a state-of-the-art pool and fitness centre with savings because of our determination to build greener. We continue to improve the infrastructure across the city which was a main element of feedback on our 10-year-plan while being financial prudent and finding savings where we can – this all supports building a better place to live for Hutt residents.”



Ōtautahi Community Housing Trust – Affordable Housing Project
Christchurch City Council

The Ōtautahi Community Housing Trust (ŌCHT) is the second largest Community Housing Provider in New Zealand. ŌCHT is a charitable trust offering affordable homes and building sustainable communities across greater Ōtautahi. ŌCHT's objective is to deliver a tenant-centric service and a financially sustainable portfolio. In doing so, it wants to improve and grow community housing in Christchurch. It is a Charitable Trust, so surpluses are reinvested into community housing.

ŌCHT was formed in 2016 out of Christchurch

City Council's (CCC's) wish for a financially sustainable model for its social housing portfolio. CCC passed the management of about 2,300 units across to the ŌCHT.

Part of ŌCHT's programme is to build at least 400 units to replace those lost due to the Canterbury earthquakes and the GSS Loan provided by LGFA financed the build of these properties. The Ministry of Housing and Urban Development supports the development and ŌCHT is contracted to provide homes for people on the Public Housing Register.

Taituarā LGFA Local Government Excellence Awards

This year we are delighted to announce that Hutt City Council won the 2023 LGFA Supreme Award for its Takai Here Tāngata initiative.

The Takai Here Tāngata initiative led by the Hutt City Council (HCC), Kahungunu Whānau Services, Te Rānanganui o Te Āti Awa, and Urban Plus Limited (UPL) had the goal of putting more people into permanent housing.

Takai Here Tāngata (the binding of people together) signifies how through collaboration and partnership new pathways and practices can be created to enable healthy, thriving, secure, and affordable homes to be built across Lower Hutt.

"HCC is incredibly proud of our partnership and are delighted to see nineteen whānau now living in purpose-built environmentally friendly homes.

The housing of mana whenua and all our people has been identified by the partners as a key priority. Housing has a major impact on people, providing for improved quality of life, stability, and better health outcomes, and ultimately it enables our whānau to have a greater say in determining their own well-being and futures."



Deliver efficient and cost-effective funding

LGFA was established to provide more efficient financing costs and diversified financing sources for New Zealand councils. A core objective is to raise debt on behalf of councils on terms that are more favourable to them than if they raised the debt directly.

By providing our members with access to cost-effective and efficient financing, LGFA supports local government by financing development and investment into New Zealand's local and regional sectors for a resilient and sustainable society.

A key indicator of satisfaction with service and pricing to members is LGFA's estimated overall market share for council lending. Since our incorporation

in 2011, LGFA has firmly established itself as the prime lender to the local government sector, with a current estimated market share in excess of 90% of local government debt.

Under the Local Government Act 2002, councils' are required to manage finances prudently. To assist councils, LGFA works closely with our members to encourage ongoing best practice local government financial management. LGFA's financial covenants for lenders ensure prudent levels of debt are maintained and our tiered credit margins provide financial incentives for members to seek independent external credit ratings.

Over the last seven years, there has been an improving trend in the underlying credit quality of New Zealand's council sector. As at June 2023, 34 members had current external credit ratings, with 85% of all LGFA loans being held by AA- rated councils and CCOs or better.

LGFA reports on its cost of borrowing relative to other issuers on a quarterly basis to shareholders and in our annual and half year reports. LGFA surveys members on its performance annually in relation to business delivery and satisfaction with pricing.

Best practice and influence

Delivering operational best practice and efficiency across our issuance programme and lending services is a key objective for LGFA.

Over recent years, LGFA has invested significant resource in developing our risk management framework to reflect financial markets best practice, the objective being to ensure effective management of our risks and compliance with LGFA's governance and legislative requirements.

Managing treasury risks is a critical component of LGFA's market operations and in 2021 we engaged external consultants to assist in providing an independent assessment of our treasury policies. The Managing risk section of this report provides more information on our risk management processes.

Over the reporting year, LGFA operations processed over 13,500 transactions with total gross cash flows in excess of \$34 billion without error. Where possible, LGFA employ straight-through processing to minimise operational risk across our treasury operations.

Improving our information technology control environment to mitigate emerging risks from cyber threats was another key focus over the past year, with independent consultants engaged to review our cyber control environment for compliance against best practice cyber risk controls.

Responsible investment

Our Responsible Investment Policy commits to investing responsibly by incorporating environmental, social and governance (ESG) factors into its investment analysis and decision-making processes relating to the management of the liquid assets portfolio.

Sustainable business practices

LGFA is committed to reviewing internal processes to reduce our carbon emissions. In 2021, LGFA directors committed to reducing our carbon emissions over time, with our target of cutting per employee emissions by 30% by 2030, compared with a 2018/19 base year.

Total carbon emission intensity for year ended June 2023

Total carbon emissions	Emissions (tC)2e		Variance (change %)	
	FY 23	FY 22	To FY 22	To Base year
Verified				
Scope 1	0.00	0.00	--	--
Scope 2	3.04	2.48	+23%	+24%
Scope 3	50.52	39.75	+27%	-63%
Total	53.56	42.23	+27%	-61%

In aggregate, our scope 1 and 2 emissions are minimal, with scope 3 air travel, at 90% of total, representing the significant majority of our 2022/23 emissions. The increase in our travel-related emissions over 2021/22 followed the full lifting of Covid travel restrictions which facilitated the first opportunity since Covid to visit key offshore investors. While a certain level of air travel is essential for our business, we have achieved a substantial reduction over our base year. We constantly review options to reduce air travel where practical, including the recent introduction of one virtual Board meeting, increased use of hybrid meetings (in-person and virtual attendance) as well as offering a virtual option for members attending our annual Shareholder and Borrowers' day.

The scope of the emissions disclosure includes all activities within the operational boundaries of LGFA including its offices in Wellington and Auckland. LGFA has measured the emissions resulting from its operational activities, purchased energy, and selected impacts from its value chain activities, including business travel, freight, and waste sent to landfill. It is noted that there are a range of activities that have previously been shown to be de minimis and these are excluded from the scope of the inventory. GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Toitū net carbonzero certification

As part of our carbon reduction process, LGFA has maintained a Toitū net carbonzero certification since 2021. The Toitū certification recognises the processes LGFA has put in place to measure our greenhouse gas (GHG) emissions, as well as management plans to reduce our company's emissions. Where LGFA are unable to eliminate emissions, these are offset through the purchase of high-impact carbon credits from a Gold Standard-certified international project.



Kauri 2000

Kauri 2000 was established in 1999 as a project to celebrate the start of the new millennium by planting 2000 kauri on the Coromandel Peninsula. To date the Trust has planted over 55,500 trees and continues to plant kauri throughout the Coromandel. LGFA donates to Kauri 2000 on an annual basis to assist the Trust with their planting programme. In 2023, LGFA donated \$4,000.



Governance and culture

Te whakaruruhau me te ahurea

The Board is responsible for the strategic direction and control of LGFA's activities and is committed to ensuring LGFA demonstrates ongoing commitment to strong and sound corporate governance.

LGFA governance policies and documents

- Audit and Risk Committee Charter

Board Charter

Code of Ethics

Constitution

Diversity Policy

Foundation Policies

Internal Audit Charter
- Remuneration Policy

Responsible Investment Policy

Risk Management Policy

Shareholders Agreement

Sustainability Policy

Treasury Policy

NZX Corporate Governance Best Practice Code

LGFA is a listed issuer on the NZX Debt Market and complies with the eight core principles underpinning the NZX Corporate Governance Best Practice Code (1 April 2023).

LGFA considers that its governance practices have not materially differed from the NZX Code for the year ended 30 June 2023. Areas where LGFA has implemented alternative measures to the Code are as follows:

- An issuer should establish a nomination committee to recommend director appointments to the board.

An issuer should have a remuneration committee which operates under a written charter.
- The process for the nomination and remuneration of directors is documented in the Constitution of New Zealand Local Government Funding Agency Limited and outlined on page 54.

Our purpose

Benefiting local communities through delivering efficient financing for local government.

Our values Ō mātau uara



We act with integrity E pono ana mātau

We are honest, transparent and are committed to doing what is best for our customers and our company



We are customer focused E arotahi ana mātau ki te kiritaki

Our customers are our council borrowers, investors, and all other organisations that we deal with. We listen to them and act in their best interests to deliver results that make a positive difference



We strive for excellence E whakapau kaha mātau kia hiranga te mahi

We strive to excel by delivering financial products and services that are highly valued at least cost while seeking continuous improvement in everything we do.



We are innovative He auaha mātau

To meet our ever-changing customer requirements, we will encourage innovation and provide a diverse range of financial products and services.



We provide leadership He kaiārahi mātau

We are here for our stakeholders in being strategically minded, providing resilience and executing our strategy. We embrace a high-performance culture and can be relied upon to deliver results.

Culture, ethics and governance

The Board is committed to ensuring LGFA demonstrates ongoing commitment to strong and sound corporate governance, and that the conduct of both directors and staff at all times meets the high standards required to reflect the company’s values and to protect its reputation.

LGFA’s required standards for conduct are defined in our Code of Ethics and is reflected throughout the following key governance documents: The Constitution; Shareholders’ Agreement; Board Charter; Audit and Risk Committee Charter; Internal Audit Charter; and the Diversity Policy.

Code of Ethics

LGFA has adopted a formal Code of Ethics, incorporating its Conflicts of Interest and Code of Conduct policies, which sets out the standards and values that directors and employees are expected to follow.

Impartiality and transparency in governance and administration are essential to maintaining the integrity of LGFA. Accordingly, our Conflicts of Interest Policy provides guidance to directors and employees in relation to actual and potential conflicts of interest, including specific guidance on managing potential conflicts that may arise for non-independent directors. Directors and employees are expected to avoid all actions, relationships and other circumstances that may impact on their ability to exercise their professional duties.

Our Code of Conduct Policy requires employees and directors to maintain high standards of integrity and conduct by clearly setting out standards for

expected behaviour. In addition, the policy sets out our commitment to employees to act in a fair and reasonable manner, while providing a fair and safe working environment.

Protected Disclosures and Whistle Blowing

Our Protected Disclosures and Whistle Blowing Policy outlines procedure, support and protection to persons who disclose information which they reasonably believe to be about serious wrongdoing in or by LGFA.

Financial Products Trading Policy

Our Financial Products Trading Policy, which applies to directors, employees and contractors, details the policy and rules for dealing in listed debt securities issued by LGFA and any other LGFA-quoted financial products.

LGFA demonstrates transparency through its annual Statement of Intent (SOI) and quarterly reporting to shareholders on its performance against the objectives set out in the SOI.

The Audit and Risk Committee has responsibility to provide assurance to the Board that due process has been followed in the preparation and audit of the financial statements and to ensure there are appropriate processes and activities to ensure compliance with relevant regulatory and statutory requirements.

LGFA has adopted a formal Continuous Disclosure Policy, the requirements of which ensure that we meet the continuous disclosure requirements of the NZX Listing Rules, including the disclosure for material environmental, social and governance (ESG) factors.

The GRI sustainability reporting standards are the most widely adopted global standards for sustainability reporting and this year’s annual report has been prepared to meet the requirements of the Global Reporting Initiative (GRI) Standards (core option).

Transparency and disclosure

Transparency and disclosure are essential for shareholder, rating agencies and investor confidence and codified through:

- Shareholders’ agreement
- NZX listing rules
- Financial accounting standards
- Regulatory compliance

LGFA is committed to ensuring the highest standards are maintained in financial reporting and disclosure of all relevant information. Transparency in how we operate is core to achieving our shareholders’ objectives as well as for our wider stakeholders including investors, banks and other financial intermediaries and the credit rating agencies. As such, transparency in how we operate is reflected in operating requirements outlined in our foundation documents, including the Constitution, Shareholders’ Agreement and Board Charter, as well as Company policies on Continuous Disclosure, Financial Products Trading, and Protected Disclosures and Whistle Blowing.

Audit and Risk Committee

The Audit and Risk Committee is a committee of the Board.

The Audit and Risk Committee is governed by its own Charter which states that the purpose of the Committee is to provide advice, assurance and observations to the Board relating to the effectiveness and adequacy of internal control and risk management systems, processes and activities across LGFA. The Committee assists the Board to fulfil its duties by considering, reviewing and monitoring:

- Risk management framework and processes;
- Internal control environment and mechanisms;
- Operations and effectiveness of the internal audit function;
- Preparation and audit of financial statements;
- Integrity of performance information, including financial reporting;
- Governance framework and process;
- Policies, processes and activities to ensure compliance with legislation, policies and procedures; and
- Statutory/regulatory disclosure and reporting and performance against Statement of Intent targets.

Audit and Risk Committee members are appointed by the Board. Membership comprises at least three directors, the majority of whom must be independent.

Internal audit

LGFA has an internal audit function to provide assurance that its risk management, governance and internal controls are operating effectively.

The Audit and Risk Committee has responsibility for oversight of the internal audit function, including:

- Reviewing the Internal Audit Charter, the operations of the internal audit and organisational structure of the internal audit function;
- Approving the annual audit plan;
- Reviewing the effectiveness of the internal audit function; and
- Meeting separately with the internal auditor to discuss any matters that the Audit and Risk Committee or Internal Audit considers should be discussed privately.

External audit

The external audit of LGFA is conducted in accordance with Section 14 of the Public Audit Act 2001, including the appointment of the external auditors of LGFA by the Auditor-General.

The Audit and Risk Committee has responsibility for all processes relating to the audit of financial statements, including the setting of audit fees and ensuring the independence and objectivity of the auditors.

The external audit of LGFA is conducted in accordance with a formal external audit plan which is reviewed and approved by the Audit and Risk Committee on an annual basis. The external auditor attends LGFA’s Annual General Meeting.

Our team

Health, safety and wellbeing

LGFA is committed to providing a safe and healthy working environment for all employees and a flexible workplace environment that promotes increasing employee engagement, productivity and enhancing recruitment and retention.

LGFA maintains policies on health and safety, flexible working, diversity and employment which outlines the company's commitment to health, safety and wellbeing.

Our Health and Safety Policy sets out the duty of directors and staff under the Health and Safety at Work Act 2015. A staff health and safety committee has been established with responsibility to continuously review health and safety issues and ongoing compliance with the Act, with reporting on health and safety issues at each Board meeting.

LGFA provides staff with access to professional support for general counselling services, individual case management and on-going monitoring of an employee's progress to ensure the assistance and treatment in meeting their needs.

Capability and development

LGFA is committed to ongoing education and professional development for staff and directors by funding professional development courses, membership of professional bodies and attendances at industry conferences.

The Future Director programme, launched in 2021 by the Board and Shareholder Council, aims to give talented people within the Local Government sector with an interest in corporate governance the opportunity to observe and participate in Boardroom discussions for an 18-month period. The Future Director actively participates at Board meetings, but they have no voting rights. Anita Furniss commenced on 1 July 2022 as the inaugural Future Director.

Diversity and inclusion

LGFA is committed to promoting a culture that supports both workplace diversity and inclusion within the organisation.

Diversity at LGFA involves recognising and valuing the contribution that people can make because of their skills, experience, background and differing perspectives. LGFA values employees by encouraging participation and providing opportunities for its people to succeed.

LGFA has formally adopted a Diversity Policy which applies to both LGFA employees and directors. Diversity and inclusiveness at LGFA involves recognising the value of individual differences and managing them in the workplace. Diversity in this context covers gender, age, ethnicity, cultural background, sexual orientation, religious belief, disability, education and family responsibilities.

Each year, we complete a diversity review which is reported through to the Board and, when undertaking recruitment, selection panels for interview are split by gender.

Appointments to the Board are made in accordance with our Constitution and the Shareholders Agreement.

2023			
	Female		Male
Board	👤👤		
Staff	👤👤👤		

2023			
	Under 30 years	30-50 years	Over 50 years
Board	-	-	100%
Staff	12%	22%	60%

2022			
	Female		Male
Board	👤		
Staff	👤👤👤		

2022			
	Under 30 years	30-50 years	Over 50 years
Board	-	-	100%
Staff	12%	22%	60%

LGFA Board of Directors



From left: Anthony Quirk, Alan Adcock, Linda Robertson, Craig Stobo, Helen Robinson, Phillip Cory-Wright. Absent Anita Furniss (Future Director).

LGFA Staff



From left: Koshick Ranchhod, Mark Butcher, Ariadne Clarke, Neil Bain, Jane Phelan, Sumitha Kaluarachi, Andrew Michl, Nick Howell. Absent: Maya Ranzinger

Our Board

The LGFA Board Charter sets out the roles and responsibilities of the Board. The Charter states that role of the Board is to ensure that LGFA achieves its goals. Having regard to its role, the Board will direct, and supervise the management of the business and affairs of LGFA, including:

- ensuring that LGFA's goals are clearly established, and that strategies are in place for achieving them;
- establishing policies for strengthening LGFA's performance;
- ensuring strategies are in place for meeting expectations set out in the current Statement of Intent and monitoring performance against those expectations, in particular LGFA's primary objective to optimise the debt funding terms and conditions for participating borrowers;
- monitoring the performance of management;
- appointing the CEO, setting the terms of the CEO's employment contract and, where necessary, terminating the CEO's employment;
- deciding on whatever steps are necessary to protect LGFA's financial position and the ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken;
- ensuring that LGFA's financial statements are true and fair and otherwise conform with law;
- ensuring that LGFA adheres to high standards of ethics and corporate behaviour; and
- ensuring that LGFA has appropriate risk management/regulatory compliance policies in place. In the normal course of events, day-to-day management of LGFA will be in the hands of management. The Board will satisfy itself that LGFA is achieving its goals, and engaging and communicating with Shareholders Council; and
- engaging and communicating with shareholders.

Board composition

The Board comprises five independent directors and one non-independent director. An independent director is a director who, within five years prior to appointment, was not an employee of any shareholder, employee of a council-controlled organisation owned by a shareholder, or a councillor of any local authority which is a shareholder.

The directors of LGFA as at 30 June 2023



Craig Stobo
Independent Chair
BA (Hons) Economics First Class, Otago; C.F.Inst.D
Associate Member CFA Society New Zealand

Craig has worked as a diplomat, economist, investment banker and Chief Executive Officer of BT Funds Management (NZ) Limited. He has completed the Advanced Management Programme at Wharton Business School in Philadelphia, authored reports to the New Zealand Government on the Taxation of Investment Income (which led to the PIE regime), and the creation of New Zealand as a funds domicile. He currently chairs the listed companies Precinct Properties New Zealand Limited and NZ Windfarms. He has directorship and private equity interests in financial services and other businesses.

Director
Precinct Properties New Zealand
NZ Windfarms
Appello Services
Director/Shareholder
Biomarine Group
Elevation Capital Management
Legend Terrace
Saturn Portfolio Management
SouthWest Trustees
Managing Director/Shareholder
Stobo Group



Alan Adcock
Non-Independent Director
Member Audit and Risk Committee
B.Com, MBA (with Distinction)

Alan has over 35 years' experience in the financial services and local government sectors at executive level, with over twenty years in banking, insurance and funds management followed by his current role as General Manager Corporate / CFO at Whangārei District Council.
His involvement with LGFA began in its initial planning stage, as a representative of the 'tight nine' councils that worked together to turn the concept into reality in 2011. He was an inaugural member of the Shareholders' Council, which he chaired from 2014 before joining the Board in 2021.

Chief Financial Officer
Whangārei District Council
Director
Whangārei Waste Limited



Philip Cory-Wright
Independent Director
Member Audit and Risk Committee
LLB (Hons), BCA Business Management, INFENZ (Cert), C.F.Inst.D

Philip is a solicitor of the High Court of New Zealand and Victoria. He has worked as a corporate finance adviser in New Zealand to the corporate sector on debt and equity matters for more than 30 years. He is currently a director of NZ Windfarms, Powerco, Matariki Forests, South Port New Zealand and Papa Rererangi I Puketapu (New Plymouth Airport). Philip is also a strategic adviser to clients in the energy and infrastructure sectors. He was a member of the Local Government Infrastructure Expert Advisory Group tasked with advising the Minister of Local Government on improvements in local government infrastructure efficiency.

Director
Matariki Forest Group
Papa Rererangi i Puketapu (New Plymouth Airport) (Chair)
NZ Wind Farms
Para Bidco
Powerco
South Port New Zealand



Anthony Quirk
Independent Director
Member Audit and Risk Committee
BCA Hons (First Class), INFINZ (Fellow), M.Inst.D

Anthony is an experienced financial services sector professional with extensive executive experience in the sector. He has a varied portfolio of governance interests with an emphasis on areas that improve or contribute to communities. He is a Fellow of the Institute of Finance Professionals New Zealand (INFINZ) and is a former Chairman of that organisation. He was previously Chair of the Asset Management Advisory Board of the New Zealand Exchange, Deputy Chair and Board member of the New Zealand Society of Investment Analysts and a previous member of the Financial Reporting Standards Board of the New Zealand Society of Accountants.

Chair
Milford Asset Management Limited
(and some associated subsidiaries)
Humanitix, New Zealand
Trustee
Milford Foundation



Linda Robertson
Independent Director
Chair Audit and Risk Committee
B.Com, Dip Bank, INFINZ (Distinguished Fellow), C.F.Inst.D, GAICD, FGNZ

Linda is professional company director with over 20 years governance experience, combined with 30 years senior financial management experience having worked in both the banking and energy sectors in New Zealand. Linda holds a Bachelor of Commerce Degree and a Diploma in Banking. Linda is a Distinguished Fellow of the Institute of Finance Professionals New Zealand (INFINZ), a Graduate Member of the Australian Institute of Company Directors, a Certified Fellow of the Institute of Directors in New Zealand and a Fellow of Governance NZ. Linda is currently chair of Crown Irrigation Investments, Central Lakes Trust and Central Otago District Council's Audit and Risk Committee. She is a director of Horizon Energy, Invercargill City Holdings, Kordia, SBS Bank and Alpine Energy. Linda is also a member of the Capital Markets Advisory Committee and the Risk and Audit Committee of The Treasury; and the Audit and Risk Committee of the Office of the Auditor General.

Chair
Central Lakes Trust and associated subsidiary
Central Otago District Council, Audit & Risk Committee
Crown Irrigation Investments Limited
Director
Alpine Energy Limited and associated subsidiary
Kordia Group Limited
Invercargill City Holdings Limited and associated subsidiary
Horizon Energy Distribution Limited and associated subsidiaries
Southland Building Society (SBS Bank) and associated subsidiary
Member
Office of the Auditor-General and Audit New Zealand, Audit and Risk Committee
The Treasury, Capital Markets Advisory Committee
The Treasury, Risk and Audit Committee



Helen Robinson
Independent Director
Member Audit and Risk Committee
ONZM

Helen is an experienced business leader locally and internationally mostly in the technology and sustainability sectors. Helen was Managing Director of Microsoft New Zealand, VP of Pivotal Corporation Asia Pacific and Managing Director, Markit Group (now S&P Global). Helen founded and was CEO for Organic Initiative Ltd (Oi). Helen has decades of governance experience acting as Director or Chair for numerous public, private and public sector organisations. She is a member of Global Women, a Chartered Member of the NZ Institute of Directors, and holds an international honorary membership to Beta Gamma Sigma. Helen was awarded the NZ Women of Influence Supreme Award 2016, the Most Inspiring Individual at NZ Innovation Awards 2017, Next Magazine's Woman of the Year in Business & Innovation, and Most Inspiring Women Leader at the NZ International Business Awards in 2019.

Director and Shareholder
Organic Initiative Limited
Penguin Consulting Limited
Chair
Kara Technologies Limited
Astrix Astronautics Limited

Directors did not hold any interests in debt securities (including listed bonds) in the company as at 30 June 2023.



Staff
Mark Butcher
Chair
Waikato-Tainui Group Investment Committee
Member
New Zealand Superannuation Fund, Nominating Committee
NZ Financial Markets Association Board
Neil Bain
Chair
Central Hawkes Bay District Council, Audit & Risk Committee

The Bandsmen's Memorial Rotunda is a well-known landmark in the Christchurch Botanic Gardens.
Christchurch City Council

Director tenure and meetings of the Board

John Avery, Independent Director, retired from the Board on 23 November 2022. John was appointed to the Board on 1 December 2011 and served as a Director for 11 years.

There were seven Board meetings and five Audit and Risk Committee meetings over the year.

Director	Date commenced in office	Board meetings held/attended	Audit and Risk Committee held/attended
Craig Stobo (Chair)	1 December 2011	7/7	-
Alan Adcock	23 November 2021	7/7	5/5
John Avery	1 December 2011	3/3	-
Philip Cory-Wright	1 December 2011	6/7	5/5
Anthony Quirk	21 November 2017	7/7	5/5
Linda Robertson	24 November 2015	7/7	5/5
Helen Robinson	23 November 2022	4/4	2/3

Board performance review

The Board has an annual formal self-assessment to assess director, Board and committee performance. In addition, Board performance is reviewed by external consultants on a periodic basis.

Nomination of Directors

Director nominations can only be made by a shareholder by written notice to LGFA and the Shareholders' Council, no more than three months, nor less than two months, before a meeting of shareholders. All valid nominations are required to be sent by LGFA to all persons entitled to attend the meeting.

Retirement and re-election of Directors

Directors are appointed to the Board by an Ordinary Resolution of shareholders. A Director must not hold office (without re-election) past the third annual meeting of the Company following the Director's appointment or three years, whichever is longer. A retiring Director shall be eligible for re-election.

Indemnities and insurance

Under LGFA's constitution, LGFA indemnifies directors for potential liabilities and costs they may incur for acts of omission in their capacity as directors. LGFA has arranged directors' and officers' liability insurance covering directors and management acting on behalf of the company. Cover is for damages, judgements, fines, penalties, legal costs awarded and defence costs arising from wrongful acts committed while acting for LGFA. The types of acts that are not covered are dishonest, fraudulent, malicious acts, or omissions, wilful breach of statute or regulation, or duty to LGFA, improper use of information to the detriment of LGFA, or breach of professional duty.

Remuneration

The remuneration of the Board reflects LGFA's size and complexity and the responsibilities, skills, performance and experience of the directors. A specialist independent adviser is used periodically to ensure the remuneration is appropriate.

Board remuneration is determined by an Ordinary Resolution of shareholders. The current board remuneration was approved by shareholder resolution at the Annual General Meeting on 23 November 2021.

Director annual fee breakdown

Position. Fees per annum	2023	2022
Board Chair	\$108,000	\$108,000
Audit and Risk Committee Chair	\$67,000	\$67,000
Director / ARC Member	\$63,000	\$63,000
Director	\$60,000	\$60,000

Director	2023
Craig Stobo (Chair)	\$108,000
Alan Adcock	\$63,000
John Avery ¹	\$25,000
Philip Cory-Wright	\$63,000
Anthony Quirk	\$63,000
Linda Robertson	\$67,000
Helen Robinson ²	\$36,750

1. John Avery retired as director on 23 November 2022.
2. Helen Robinson was appointed as director on 23 November 2022.

The remuneration of the CEO is determined by the Board and is reviewed annually taking into consideration the scope and complexity of the position with reference to the remuneration of CEOs of similar organisations. A specialist independent adviser is used periodically

to ensure the remuneration is appropriate. The CEO remuneration package comprises a fixed cash component of \$754,000 per annum as at 30 June 2023 (\$572,900, 2022) and an at-risk short-term incentive of the fixed cash component. The short-term incentive payment is made annually at the Board's discretion subject to the CEO and LGFA meeting a range of specific performance objectives for the respective financial year.

Chief Executive remuneration

Per annum	2023	2022
Salary	\$754,000	\$572,900
Taxable benefits	-	-
Subtotal	\$754,000	\$572,400
Pay for Performance STI	\$113,100	\$85,935
Kiwisaver Employer Contribution	\$34,684	\$26,245
Total remuneration	\$901,784	\$685,080

Staff remuneration

The following table shows the number of staff who received more than \$100,000 in total remuneration, in \$10,000 bands.

Total remuneration	2023
\$160,000 to \$169,999	1
\$180,000 to \$189,999	1
\$210,000 to \$219,999	1
\$270,000 to \$279,999	1
\$350,000 to \$359,999	1
\$360,000 to \$369,999	1
\$900,000 to \$909,999	1

LGFA Future Director

In 2022, LGFA appointed Anita Furniss as its inaugural Future Director under the LGFA Future Directors programme, effective 1 July 2022 for a period of 18 months.

The purpose of the Future Director programme is to give talented people working in the Local Government sector the opportunity to observe and participate in Board room discussions over an 18-month period. During this time, the Future Director actively participates in all Board meetings, although they do not possess voting rights and are not involved in decision-making.



Anita Furniss
LGFA Future Director

Anita has a legal background and during her 16 years of legal practice experience she worked in a litigation team in private practice, and in local government in both London and New Zealand on a broad range of legal issues.

Anita started her local government career at Franklin District Council in 2007 and following her time at the London Borough of Camden and London Borough of Hackney, returned to New Zealand and to the Auckland Council.

In her time at Auckland Council, Anita has provided legal and strategic advice on a wide range of issues for executive and governance level decisions in a range of roles. She began in the Public Law team, was the Executive Officer to the Finance Division, Executive Officer to the Deputy Chief Executive, Acting General Manager People & Culture, Implementation Lead for Strategic Programme; and is currently Executive Officer for the Group Services Division.

“ Anita reflects on her experience as LGFA’s inaugural Future Director:
The LGFA Future Director role has been an extraordinary opportunity to expand my governance experience by seeing and being part of a professional, high performing and innovative Board of Directors in action.

I went into the role with an interest in how robust governance decision making grapples with complex challenges, and it has been inspiring to see the Board’s purpose led approach. There is no doubt that the wider local government sector, future generations, and local communities throughout New Zealand benefit from the efficient financing that LGFA provides.

The LGFA participating in the Future Director programme is an example of the leadership it provides the local government sector. As one of many local government employees throughout New Zealand, and the inaugural Future Director, I am proud to have played a small part in the LGFA journey and in its achievements.”

Shareholders

Foundation documents

The Constitution and the Shareholders Agreement are foundation documents.

The Constitution defines the rights and the exercise of powers of shareholders, the acquisition and redemption of company shares, proceedings of shareholder meetings, voting at meetings and the right to demand polls, shareholder proposals and review of management.

The Shareholders Agreement is an agreement between LGFA and its shareholders which clearly defines LGFA’s business, its objectives, the role of the Board, the establishment of the Shareholders Council and the approval rights of the shareholders.

Shareholders Council

The Shareholders Council comprises five to ten appointees from the Council Shareholders and the New Zealand Government. The role of the Shareholders Council comprises the following:

- Review and report performance of LGFA and the Board;
- Recommendations to shareholders as to the appointment, removal, replacement and remuneration of directors;
- Recommendations to shareholders as to any changes to policies, or the Statement of Intent (SOI), requiring their approval;
- Update shareholders on LGFA matters and to coordinate shareholders on governance decisions.

Members of the Shareholders Council as at 30 June 2023

Kumaren Perumal (Chair)
Bay of Plenty Regional Council

Mike Drummond (Deputy Chair)
Tasman District Council

John Bishop / Andrew John
Auckland Council

Steve Ballard
Christchurch City Council

David Bryant
Hamilton City Council

Joy Buckingham
New Plymouth District Council

Kathryn Sharplin
Tauranga City Council

Sarah Houston-Eastergaard
Wellington City Council

Adele Henderson
Western Bay of Plenty District Council

Nyika Gwanoya / Phoebe Slee
The Treasury

James Stratford
Department of Internal Affairs



Front Entrance at Wai o Rua – Stratford Aquatic Centre which opened in October 2022.
Stratford District Council

Managing risk

Ko te whakahaere tūraru

An effective risk management framework is a critical component of LGFA's business structure for managing the company's exposure to business and treasury risks arising from its business operations of raising and on-lending funds to approved members.

LGFA risk register

The LGFA risk register is a key component of the company's risk management framework. The key objective of the risk register is to ensure that the company assesses the inherent risks faced by the business on an ongoing basis.

The risk register:

- Identifies the inherent risks that LGFA is exposed to when conducting its core business activities;
- Assesses the likelihood and potential impact of the inherent risks on the business;
- Describes the internal control framework and management processes for managing and mitigating the identified inherent risks;
- Provides commentary on internal audit coverage of the identified inherent risks; and
- Provides an overall inherent and residual risk assessment and compares these to approved risk appetite settings and risk tolerance ranges

The risk register is reviewed quarterly by management and the Audit and Risk Committee.

- Minimise operational risk by maintaining adequate internal controls, systems and staffing competencies.
- Provide timely reporting to the Board with meaningful and accurate reporting of interest rate exposures, liquidity, asset and liability maturity, funding, counterparty credit, performance and policy compliance.

Specific treasury exposures relate to liquidity, interest rate/market risk, foreign exchange, counterparty credit, operational and lending risks.

The objective of LGFA's risk management function is to ensure that effective controls and frameworks are implemented to manage risks effectively and in compliance with LGFA's governance and legislative requirements. The risk management function ensures that LGFA can achieve its objectives, as set out in the Statement of Intent, within the risk appetite of the company's shareholders and Board.

The objective of LGFA's risk management framework is to ensure that the organisation operates within shareholder and Board-approved risk limits. LGFA's approach to risk management is based on the following core elements:

- The Board oversees the risk appetite of the organisation and ensures that it is consistent with the Constitution and Shareholders Agreement.
- The risk appetite is reflected in policies approved by the Board and Audit and Risk Committee.
- LGFA management implements policies and controls to ensure that all relevant risks are identified, monitored, measured and managed effectively.
- The Internal Audit and risk and compliance functions provide assurance to both the Board and the Audit and Risk Committee on the performance of internal controls and risk management systems.

LGFA adopts the three lines of defence model to ensure that essential risk management functions adopt a systematic approach that reflects industry best practice:

- The first line of defence establishes risk ownership within the company and is represented by its operational risk and control processes. LGFA managers are responsible for identifying controls, maintaining effective controls and mitigating risks.
- The second line of defence ensures that the operational risk and control processes are actively and appropriately managed by processes such as the regular review of risk reports and compliance monitoring against the risk management framework.
- The third line of defence is the independent assurance provided by both the internal and external audit functions which review and highlight control weaknesses and inefficiencies to management and the Board.

Treasury risk management

LGFA finances itself through domestic and international wholesale and retail debt capital markets, with the funds raised on-lent to members. LGFA activities are governed by the Local Government Borrowing Act 2011, the Local Government Act 2002, and the Companies Act 1993. In addition, the company is required to comply with Foundation Policies outlined in the Shareholders Agreement. Any change to the Foundation Policies require shareholders consent.

LGFA's risk management uses an approved risk identification and assessment framework to actively monitor and manage all treasury and financial risks by applying best practice risk management principles, processes and practices.

LGFA has treasury exposures arising from its normal business activities that principally relate to the raising and on-lending of funds. LGFA manages treasury exposures under a Board-approved Treasury Policy, the objectives for which are to:

- Effectively manage treasury risks, within approved compliance limits, to protect LGFA's capital position and net interest margin over time.
- Fund members in the most cost effective manner and in accordance with LGFA's operating principles, values and objectives.
- Protect LGFA's assets and prevent unauthorised transactions.
- Promote professional expertise of financial and management control to all external parties.



Liquidity risk

Liquidity risk is the potential inability to meet financial obligations when they become due, under normal or abnormal/stressed operating conditions.

Liquidity risk is managed using a forecast cashflow approach measured over a 90-day period. LGFA is required to maintain sufficient liquidity (comprising a government standby facility, and holdings of cash and liquid investments) to support six months of funding commitments.

Interest rate risk / market risk

Interest rate risk is the risk that financial assets may re-price/mature at a different time and/or by a different amount than financial liabilities.

Interest rate / market risk is managed using Value at Risk (VaR) and Partial Differential Hedge (PDH) limits to mitigate the potential change in value of the balance sheet due to changes in interest rates.

- Value at Risk calculates the potential amount a portfolio could be expected to lose, 5% of the time, over a given time period. It is calculated using historical changes in underlying risk variables and applying those changes to the current portfolio.

VaR is measured over a daily time horizon with a 95% confidence interval. A daily 95% VaR exposure of \$1 million means that there is a 5% chance that the portfolio could potentially lose more than \$1 million over the next business day.

- Partial Differential Hedge measures the sensitivity of a portfolio to a one basis point change in underlying interest rates. For example, a PDH of NZD\$100,000 means that the portfolio value will increase by NZD\$100,000 for a one basis point fall in interest rates.

In addition, LGFA also undertakes scenario analysis to model the potential effect of changing market environments on the balance sheet.

Counterparty credit risk

Counterparty credit risk is the risk of financial loss arising from a counterparty defaulting on an investment, security and/or financial instrument where LGFA is a holder or party.

Counterparty credit risk is managed through counterparty limits for investments. These limits are determined as a function of the term of investment, liquidity and credit quality of the counterparty (as measured by a recognised credit rating).

All derivative contracts are subject to formal collateral arrangements to mitigate counterparty risk.

Investment is restricted to approved financial instruments listed in the Treasury Policy.

Foreign currency risk

Foreign currency risk is the risk of an adverse change in the fair value of a financial instrument due to a change in foreign exchange rates.

Foreign currency risk could exist if LGFA accesses foreign capital markets for funding purposes. To date, all funding has been sourced through the New Zealand domestic currency.

Foreign exchange risk would be managed through a requirement to fully hedge back to floating rate New Zealand dollar the full amount and term of all foreign currency funding and cash flows.

Operational risk

Operational risk, with respect to treasury management, is the risk of financial and/or reputation loss arising from human error, fraud, negligent behaviour, system failures and inadequate procedures and controls.

Operational risk is managed using internal controls and procedures across operational functions. Segregation of duties between staff members who have the authority to enter transactions with external counterparties and the staff who control, check and confirm such transactions is a cornerstone internal control principle.

Financial instruments are not entered into if the systems, operations and internal controls do not satisfactorily support the measurement, management and reporting of the risks associated with the instrument.

Lending risk

Lending risk is the risk of financial loss that could occur from lending funds to councils or council-controlled organisations.

LGFA provides debt funding to New Zealand councils and council-controlled organisations, subject to Board approval.

The Board have ultimate discretion on approving members.

All member organisations that borrow from LGFA:

- Provide debenture security in relation to their borrowing from LGFA and related obligations, and (if relevant), equity commitment liabilities to LGFA and (if relevant) guarantee liabilities to a security trustee approved for LGFA's creditors.
- Where LGFA is the only lender to a council controlled organisation, a general security arrangement (GSA) might be used in place of a debenture security.
- Are required to become a party to a deed of guarantee and an equity commitment deed if the principal amount of their borrowings is at any time equal to, or greater than, NZD 20 million.
- Issue securities (bonds/floating rate notes/ commercial paper) to LGFA (ie. not enter into facility arrangements).
- Comply with their own internal borrowing policies.
- Comply with the financial covenants outlined in the table below, provided that:
 - Unrated borrowers or borrowers with a long-term credit rating lower than 'A' equivalent can have bespoke financial covenants that exceed the:
 - Lending policy covenants outlined in the following table only with the approval of the Board;
 - Foundation policy covenants outlined in the following table only with the approval of an Ordinary Resolution of shareholders.

On 30 June 2020, a Special General Meeting of Shareholders approved a change to the Net Debt/ Total Revenue covenant contained within the Foundation Policy Covenants. For the financial year ended June 2020 a covenant limit of 250% applied. This increased to 300% for the June 2021 and June 2022 years and then reduces by 5% for each of the subsequent years until 280% applies from the June 2026 year.

- Net debt is defined as total consolidated debt less liquid financial assets and investments.
- Total revenue is defined as cash earnings from rates, government grants and subsidies, user charges, interest, dividends, financial and other revenue and excludes non-government capital contributions, eg. developer contributions and vested assets.
- Borrowers with a long-term credit rating of 'A' equivalent or higher can have bespoke financial covenants that exceed the foundation policy covenants only with the approval of an Ordinary Resolution of shareholders.
- Any Board or Ordinary Resolution approval of bespoke financial covenants will only be provided after a robust credit analysis and any approval must also include bespoke reporting and monitoring arrangements.
- Non-compliance with the financial covenants will either preclude a member council from borrowing from LGFA or, in the case of existing council borrowers', trigger an event of review. An event of default will occur when (among other things) a council fails to meet an interest or principal payment (subject to grace periods). An event of default will enable LGFA to accelerate a council's repayment of loans.
- Financial covenants are measured on a parent council only basis, not consolidated group, unless requested by a parent council and approved by the Board.

Financial covenant	Lending policy covenants Unrated councils	Foundation policy covenants Rated councils
Net debt/ total revenue	<175%	<280%*
Net interest / total revenue	<20%	<20%
Net interest/ annual rates income	<25%	<30%
Liquidity	>110%	>110%

* From June 2026, refer description above.

Taupō Town Centre Transformation project.
Taupo District Council



- **Net interest** is defined as the amount equal to all interest and financing costs less interest income for the relevant period.
- **Annual rates income** is defined as the amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received from other local governments for services provided and for which the other local governments rate.
- **Liquidity** is defined as external debt plus committed loan facilities plus liquid investments divided by external debt.

Financial statements

Nga taukī pūtea

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Statement of comprehensive income

For the year ended ended 30 June 2023 in \$000s

	Note	2023	2022
Interest income		763,600	393,507
Interest expense		753,308	375,991
Net interest income	4	10,293	17,516
Other operating income	5	1,349	1,090
Total operating income		11,642	18,607
Operating expenses	6	9,138	7,933
Net operating profit		2,505	10,673
Total comprehensive income		2,505	10,673

These statements are to be read in conjunction with the notes to the financial statements.

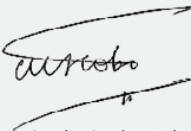
Due to rounding, numbers presented in the financial statements and associated notes may not add up precisely to the reported totals.

The Board of Directors of the New Zealand Local Government Funding Agency Limited authorised these statements or issue on 28 August 2023.

Statement of changes in equity

For the year ended 30 June 2023 in \$000s

	Note	Share capital	Retained earnings	Total equity
Equity as at 30 June 2021		25,000	69,743	94,743
Net operating profit			10,673	10,673
Total comprehensive income for the year			10,673	10,673
Transactions with owners			-	-
Dividend paid on 3 September 2021			(857)	(857)
Equity as at 30 June 2022		25,000	79,560	104,560
Net operating profit			2,505	2,505
Total comprehensive income for the year			2,505	2,505
Transactions with owners			-	-
Dividend paid on 2 September 2022			(1,218)	(1,218)
Equity as at 30 June 2023	28	25,000	80,847	105,847



Craig Stobo, Director
Board Chair



Linda Robertson, Director
Chair, Audit and Risk Committee

Statement of financial position

As at 30 June 2023 in \$000s

	Note	2023	2022
Assets			
Financial assets			
Receivables	11	492	360
Cash and bank balances		226,222	158,033
Cash pledged as collateral		93,175	76
Marketable securities		1,127,879	1,491,148
Deposits		348,492	462,866
Derivatives in gain	10	63,845	94,767
Loans	12	16,313,562	14,041,908
Non-financial assets			
Prepayments		919	852
Other assets	13	58	156
Total assets		18,174,644	16,250,167
Equity			
Share capital	27	25,000	25,000
Retained earnings		80,847	79,560
Total equity		105,847	104,560
Liabilities			
Financial liabilities			
Payables and provisions	14	6,132	45,066
Bills	15	782,630	562,803
Bond repurchases	16	130,043	31,671
Derivatives in loss	10	1,628,316	1,206,175
Bonds	17	15,160,432	14,015,862
Borrower notes	18	360,348	283,180
Non-financial liabilities			
Other liabilities	19	896	850
Total liabilities		18,068,797	16,145,607
Total equity and liabilities		18,174,644	16,250,167

These statements are to be read in conjunction with the notes to the financial statements.

Statement of cash flows

For the year ended 30 June 2023 in \$000s

	Note	2023	2022
Cash flows from operating activities			
Cash applied to loans	12	(2,222,368)	(1,972,398)
Interest paid on bonds issued		(496,597)	(445,533)
Interest paid on bills issued		(25,942)	(5,141)
Interest paid on borrower notes		(4,886)	(1,063)
Interest paid on bond repurchases		(5,140)	(1,067)
Interest received from loans		600,415	191,228
Interest received from cash & cash equivalents		7,102	3,234
Interest received from marketable securities		38,465	14,108
Interest received from deposits		23,192	7,360
Net interest on derivatives		(134,734)	251,708
Cash proceeds from provision of standby facilities		1,349	1,090
Payments to suppliers and employees		(8,965)	(7,752)
Net cash flows from operating activities	32	(2,228,108)	(1,964,224)
Cash flows from investing activities			
Purchase of marketable securities		362,942	(734,412)
(Purchase)/maturity of deposits		22,664	192,800
Purchase of plant and equipment		-	-
Net cash flows from investing activities		385,606	(541,613)
Cash flows from financing activities			
Cash proceeds from bonds issued	17	1,327,354	2,229,503
Cash proceeds (outflows) from bills issued		219,827	(46,822)
Cash proceeds (outflows) from bond repurchases		98,180	(35,987)
Cash proceeds from borrower notes		68,750	57,246
Dividends paid		(1,218)	(857)
Cash applied to derivatives		197,795	68,952
Net cash flows from financing activities		1,910,690	2,272,036
Net (decrease) / increase in cash		68,188	(233,801)
Cash, cash equivalents at beginning of year		158,033	391,835
Cash, cash equivalents at end of year		226,222	158,033

These statements are to be read in conjunction with the notes to the financial statements.

Notes to the financial statements

1. Reporting entity

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

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

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

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

The financial statements are as at and for the year ended 30 June 2023.

These financial statements were authorised for issue by the Directors on 28 August 2023.

2. Statement of compliance

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

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

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

3. Basis of preparation

Measurement base

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

The financial statements are prepared on an accrual basis.

Functional and presentation currency

The financial statements are presented in New Zealand dollars rounded to the nearest thousand,

unless separately identified. The functional currency of LGFA is New Zealand dollars.

Foreign currency conversions

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

Changes in accounting policies

There have no changes to accounting policies.

Early adoption standards and interpretations

LGFA has not early adopted any standards.

Standards not yet adopted

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

Financial instruments

Financial assets

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

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

Cash provided by LGFA as security for financial arrangements remains a financial asset of LGFA and is recognised as cash pledged as collateral in the Statement of Financial Position, separate from cash and cash equivalents

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

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

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

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

Financial liabilities

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

Derivatives

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

Fair value hedge

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

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

Other assets

Property, plant and equipment

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

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

Intangible assets

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

Other liabilities

Employee entitlements

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

Revenue

Interest income

Interest income is accrued using the effective interest rate method.

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

Expenses

Expenses are recognised in the period to which they relate.

Interest expense

Interest expense is accrued using the effective interest rate method.

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

Income tax

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

Goods and services tax

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Segment reporting

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

Judgements and estimations

The preparation of these financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts. For example, the fair value of financial instruments depends critically on judgements regarding future cash flows, including inflation assumptions and the risk-free discount rate.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under

the circumstances. Actual results may differ from these estimates and these estimates and underlying assumptions are reviewed on an ongoing basis. Where these judgements significantly affect the amounts recognised in the financial statements they are described in the following notes.

The financial statements as at 30 June 2023 include estimates and judgements of the potential impact of

the proposed Affordable Waters Reform Programme on LGFA's financial position and performance. Whilst there has been no material impact on the estimates and judgements at the date these financial statements are authorised, it is noted that there is significant uncertainty with regards to the outcome of the proposed Affordable Waters Reform Programme on the local government sector.

Revenue and expenditure

4. Net interest income

For the year ended 30 June in \$000s	2023	2022
Interest income		
Cash and cash equivalents	10,280	3,527
Marketable securities	41,661	14,827
Lease liability	13	-
Deposits	21,392	7,854
Derivatives	-	140,956
Loans	690,256	226,342
Fair value hedge ineffectiveness	-	-
Total interest income	763,600	393,507
Interest expense		
Bills	25,942	5,141
Bond repurchase transactions	5,331	1,084
Lease liability	-	7
Derivatives	240,445	-
Bonds	468,411	366,044
Borrower notes	13,179	3,715
Total interest expense	753,308	375,991
Net interest income	10,293	17,516

5. Other operating income

As at 30 June 2023, LGFA had provided credit standby facilities totalling \$727 million (2022: \$662 million) to selected councils. As at balance date, there were no drawdowns outstanding under the facilities.

For the year ended 30 June in \$000s	2023	2022
Standby facilities fee income	1,349	1,090
Total other operating income	1,349	1,090

6. Operating expenses

Issuance and on-lending expenses are those costs that are incurred as a necessary expense to facilitate the ongoing issuance of LGFA debt securities.

For the year ended 30 June in \$000s	2023	2022
Issuance and on-lending expenses		
Approved issuer levy ¹	561	701
Rating agency fees	672	654
NZDMO facility fee	1,385	672
Legal fees – issuance	397	508
NZX	782	715
Trustee fees	110	108
Regulatory, registry, other fees	246	174
	4,154	3,531
Other operating expenses		
Information technology	656	807
Consultants	303	208
Directors fees	427	424
Insurance	96	90
Legal fees	287	137
Other expenses	437	309
Auditors' remuneration		
Statutory audit	121	110
Advisory services	-	-
Personnel	2,658	2,317
	4,984	4,403
Total operating expenses	9,138	7,933

1. The amount of Approved Issuer Levy is a function of the number of the offshore holders of the 2027 bond maturity.

Financial instruments

7. Financial instruments accounting policy

Financial instruments recognised in the statement of financial position at amortised cost.

Fair values of financial instruments not recognised in the statement of financial position at fair value are determined for note disclosure as follows:

Cash and bank, trade and other receivables, trade and other payables

The carrying value of cash and bank, trade and other receivables, trade and other payables approximate their fair value as they are short-term instruments.

Cash pledged as collateral

LGFA enters into derivative financial instruments for hedging purpose which may require LGFA to post collateral as security with counterparties.

In line with standard industry practice, collateral is provided for derivative transactions in accordance with Credit Support Annexes (CSAs). LGFA's practice is to annex each CSA to the International Swaps and Derivatives Association (ISDA) Master Agreement it has with derivative counterparties.

LGFA is required to pledge cash deposits at call in order to meet its obligations under the CSAs for derivative positions. The pledged assets will be returned to LGFA when the underlying transaction is terminated, but in the event of default the counterparty is entitled to apply the collateral in order to settle the outstanding liability.

Marketable securities and bonds

The fair value of bonds and marketable securities are determined using the quoted price for the instrument.

Deposits

The fair value for deposits is determined using a discounted cash flow analysis. The interest rates used to discount the estimated cash flows are based on current market interest rates.

Loans

The fair value of loans is determined using a discounted cash flow analysis. The interest rates used to discount the estimated cash flows are based on LGFA bond yields at the reporting date plus an appropriate credit spread to reflect the counterparty's credit risk.

Leases

The lease liability is recognised at the present value of the remaining lease payments, discounted using LGFA's incremental borrowing rate, with the corresponding right-of-use asset recognised as an equal amount.

Borrower notes

The fair value of borrower notes is determined using a discounted cash flow analysis. The interest rates used to discount the estimated cash flows are based on LGFA bond yields at the reporting date.

Fair value of financial assets and financial liabilities

The following table shows the fair value of financial assets and financial liabilities, together with the carrying amounts shown in the statement of financial position.

As at 30 June 2023 in \$000s	Financial liabilities at amortised cost	Financial assets at amortised cost	Financial assets measured at fair value in accordance with NZ IFRS 9	Fair value
Financial assets				
Receivables	-	492	-	492
Cash and bank balances	-	226,222	-	226,222
Cash pledged as collateral	-	93,175	-	93,175
Marketable securities	-	1,127,879	-	1,140,099
Deposits	-	348,492	-	441,713
Derivatives	-	-	63,845	63,845
Loans	-	16,313,562	-	16,512,334
	-	18,109,822	63,845	18,477,881
Financial liabilities				
Payables and provisions	6,132	-	-	6,132
Bills	782,630	-	-	782,566
Bond repurchases	130,043	-	-	130,044
Derivatives	-	-	1,628,316	1,628,316
Bonds	15,160,432	-	-	15,022,449
Borrower notes	360,348	-	-	347,825
	16,439,585	-	1,628,316	17,917,332

As at 30 June 2022 in \$000s	Financial liabilities at amortised cost	Financial assets at amortised cost	Financial assets measured at fair value in accordance with NZ IFRS 9	Fair value
Financial assets				
Receivables	-	360	-	360
Cash and bank balances	-	158,033	-	158,033
Cash pledged as collateral	-	76	-	76
Marketable securities	-	1,491,148	-	1,597,633
Deposits	-	462,866	-	462,859
Derivatives	-	-	94,767	94,767
Loans	-	14,041,908	-	14,188,283
	-	16,154,392	94,767	16,502,012
Financial liabilities				
Payables and provisions	45,066	-	-	45,066
Bills	562,803	-	-	562,498
Bond repurchases	31,671	-	-	31,671
Derivatives	-	-	1,206,175	1,206,175
Bonds	14,015,862	-	-	14,028,971
Borrower notes	283,180	-	-	276,085
	14,938,582	-	1,206,175	16,150,466

8. Derivative financial instruments

Derivative financial instruments are the only instruments recognised in the statement of financial position at fair value.

Derivative financial instruments are valued under level 2 of the following hierarchy.

Level 1 – Quoted market prices: Fair value based on quoted prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques using observable market inputs: Fair value based on a valuation technique using other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 – Valuation techniques using significant non-observable market inputs: Fair value based on a valuation technique using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of derivative financial instruments is determined using a discounted cash flow analysis. Interest rates represent the most significant assumption used in valuing derivative financial instruments. The interest rates used to discount estimated cash flows are based on the New Zealand dollar swap curves at the reporting date.

9. Hedge accounting

LGFA is exposed to interest rate risk from its borrowing, lending and investment activities and uses interest rate swaps to manage this risk. For hedge accounting purposes, LGFA has designated these swaps in fair value relationships to its fixed rate borrowings, loans and investments.

The following table shows the gain or loss on the hedging instrument and the hedged item attributable to the hedged risk for fair value hedge relationships.

As at 30 June in \$000s	2023 Gain/(loss)	2022 Gain/(loss)
Hedged items attributable to the hedged risk	(149,558)	(1,304,237)
Hedging instruments – interest rate swaps	149,558	1,304,237
Ineffectiveness recognised in profit or loss from fair value hedges	-	-

The gains or losses on the hedging instrument (interest rate swaps) and the hedged item (bonds, loans and investments) are mapped to the same fair value account. For this reason, the statement of comprehensive income will only report any ineffectiveness arising from the fair value hedge.

10. Offsetting

NZ IAS 32: Financial Instruments Presentation allows financial assets and liabilities to be offset only when there is a current legally enforceable right to set off the amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

LGFA does not offset any amounts.

The following table shows the amounts subject to an enforceable master netting arrangement or similar agreement that are not offset in the statement of financial position.

As at 30 June 2023 in \$000s	Derivative assets	Derivative liabilities
Gross amounts	63,845	1,628,316
Amounts offset	-	-
Carrying amounts	63,845	(63,845)
Amounts that don't qualify for offsetting	-	-
Financial assets & liabilities	(63,845)	(63,845)
Collateral	-	(93,175)
Net amount	-	1,471,295

As at 30 June 2022 in \$000s	Derivative assets	Derivative liabilities
Gross amounts	94,767	1,206,175
Amounts offset	-	-
Carrying amounts	94,767	(94,767)
Amounts that don't qualify for offsetting	-	-
Financial assets & liabilities	(94,767)	(94,767)
Collateral	-	(76)
Net amount	-	1,111,332

11. Receivables

As at 30 June In \$000s	2023	2022
Trade debtors	492	360
Total receivables	492	360

12. Loans

As at 30 June in \$000s	2023 Short-term loans	Loans	2022 Short-term loans	Loans
Ashburton District Council	12,110	74,243	12,048	78,898
Auckland Council	-	3,225,659	-	3,413,415
Bay of Plenty Regional Council	57,428	161,353	25,651	167,941
Buller District Council	-	20,030	-	20,015
Canterbury Regional Council	10,116	65,272	4,018	75,214
Carterton District Council	-	17,523	-	14,762
Central Hawkes Bay District Council	4,072	38,314	2,024	20,107
Central Otago District Council	20,117	5,072	5,024	-
Christchurch City Council	-	2,200,409	2,017	2,036,724
Clutha District Council	7,554	62,905	5,532	32,394
Dunedin City Treasury	-	126,119	-	-
Far North District Council	-	91,984	-	71,822
Gisborne District Council	-	126,028	-	86,095
Gore District Council	8,556	41,915	6,035	29,631
Greater Wellington Regional Council	-	678,358	-	576,343
Grey District Council	3,990	26,799	3,980	26,717
Hamilton City Council	-	803,843	-	633,049
Hastings District Council	-	294,992	-	237,990
Hauraki District Council	-	62,620	-	43,212
Hawkes Bay Regional Council	25,313	55,262	-	37,992
Horizons Regional Council	9,936	51,871	11,984	49,771
Horowhenua District Council	15,175	151,192	11,001	127,395
Hurunui District Council	8,092	38,435	8,033	30,147
Hutt City Council	-	373,239	-	256,607
Invercargill City Council	55,448	68,788	12,845	68,725
Invercargill City Holdings Ltd	12,323	78,514	22,076	68,354
Kaikoura District Council	-	5,346	-	5,331
Kaipara District Council	-	44,545	-	44,229
Kapiti Coast District Council	-	277,935	-	256,128
Kawerau District Council	-	2,024	-	-
Mackenzie District Council	3,001	8,086	10,002	-
Manawatu District Council	15,136	79,502	11,559	77,725
Marlborough District Council	21,241	131,594	37,325	100,289
Masterton District Council	-	52,336	-	50,260
Matamata-Piako District Council	-	45,520	-	38,191
Napier City Council	-	10,014	-	-
Nelson City Council	-	186,666	-	140,581
New Plymouth District Council	10,114	221,668	-	170,350

As at 30 June in \$000s	2023 Short-term loans	Loans	2022 Short-term loans	Loans
Northland Regional Council	-	18,565	-	14,147
Opotiki District Council	-	9,557	-	7,073
Otago Regional Council	46,665	104,177	66,715	48,443
Otorohanga District Council	6,052	-	-	4,028
Palmerston North City Council	-	214,483	-	187,872
Porirua City Council	-	198,906	-	172,335
Queenstown Lakes District Council	56,007	454,003	50,275	241,015
Rangitikei District Council	-	31,207	-	19,157
Rotorua District Council	1,889	351,358	43,112	245,298
Ruapehu District Council	8,050	42,130	8,020	29,557
Selwyn District Council	-	116,198	-	75,343
South Taranaki District Council	-	117,428	-	112,566
South Waikato District Council	-	44,457	4,874	34,171
Southland District Council	-	21,960	-	16,899
South Wairarapa District Council	-	29,148	-	26,537
Stratford District Council	2,030	31,858	6,027	26,299
Taranaki Regional Council	-	19,652	-	14,587
Tararua District Council	4,047	53,778	-	51,244
Tasman District Council	25,515	246,751	24,193	198,190
Taupo District Council	-	146,271	-	125,522
Tauranga City Council	-	823,933	-	648,528
Thames-Coromandel District Council	-	67,813	-	73,365
Timaru District Council	19,456	187,561	28,724	136,516
Upper Hutt City Council	-	113,212	-	91,421
Waikato District Council	9,975	111,225	-	95,454
Waikato Regional Council	5,120	25,276	-	25,120
Waimakariri District Council	-	181,960	-	170,903
Waimate District Council	-	3,540	-	-
Waipa District Council	20,010	207,374	25,530	124,377
Wairoa District Council	8,015	11,109	-	10,062
Waitaki District Council	8,978	33,280	4,491	20,583
Waitomo District Council	4,071	24,204	4,017	24,092
Wellington City Council	-	1,178,503	-	967,101
West Coast Regional Council	3,243	9,991	3,761	6,616
Western Bay Of Plenty District Council	-	80,992	-	70,366
Westland District Council	-	27,078	-	29,933
Westland Holdings Ltd	1,618	5,456	-	-
Whakatane District Council	-	114,768	-	86,396
Whanganui District Council	7,557	110,179	7,523	99,522
Whangārei District Council	9,927	228,151	9,972	182,813
Fair value hedge adjustment	-	(37,850)	-	(36,332)
	547,944	15,765,618	478,385	13,563,522

As at 30 June 2023, \$2,512 million of loans are due to mature within 12 months. This comprises all short-term loans and \$1,964 million of loans.

13. Other assets

As at 30 June in \$000s	2023	2022
Right-of-use lease asset	58	156
Total other assets	58	156

14. Payables and provisions

As at 30 June in \$000s	2023	2022
Loans/purchases to be advanced	5,000	44,000
Trade creditors	804	800
Credit provision	123	161
Other provisions	205	105
Total payables	6,132	45,066

15. Bills

As at 30 June 2023 in \$000's	Face value	Unamortised premium	Accrued interest	Total
7 July 2023	45,000	(32)	-	44,968
12 July 2023	100,000	(142)	-	99,858
19 July 2023	35,000	(87)	-	34,913
2 August 2023	25,000	(112)	-	24,888
11 August 2023	75,000	(442)	-	74,558
17 August 2023	20,000	(144)	-	19,856
8 September 2023	70,000	(713)	-	69,287
15 September 2023	55,000	(630)	-	54,370
22 September 2023	102,000	(1,277)	-	100,723
28 September 2023	40,000	(549)	-	39,451
11 October 2023	25,000	(381)	-	24,619
17 October 2023	5,000	(81)	-	4,919
8 November 2023	20,000	(397)	-	19,603
28 November 2023	50,000	(1,166)	-	48,834
6 December 2023	25,000	(609)	-	24,391
14 December 2023	50,000	(1,282)	-	48,718
20 December 2023	50,000	(1,325)	-	48,675
	792,000	(9,370)	-	782,630

As at 30 June 2022 in \$000's	Face value	Unamortised premium	Accrued interest	Total
7 July 2022	15,000	(4)	-	14,996
13 July 2022	70,000	(30)	-	69,970
19 July 2022	35,000	(33)	-	34,967
4 August 2022	25,000	(33)	-	24,967
10 August 2022	80,000	(167)	-	79,833
19 August 2022	20,000	(60)	-	19,940
30 August 2022	50,000	(201)	-	49,799
9 September 2022	68,000	(296)	-	67,704
14 September 2022	100,000	(538)	-	99,462
19 September 2022	27,000	(120)	-	26,880
6 October 2022	25,000	(148)	-	24,852
9 November 2022	25,000	(238)	-	24,762
7 December 2022	25,000	(329)	-	24,671
	565,000	(2,197)	-	562,803

16. Treasury stock and bond repurchases

Periodically, LGFA subscribes for LGFA bonds as part of its issuance process and holds these bonds as treasury stock. LGFA bonds held by LGFA as treasury stock are derecognised at the time of issue and no liability is recognised in the statement of financial position. As at 30 June 2023, \$1,100 million of LGFA bonds had been subscribed as treasury stock.

LGFA makes these treasury stock bonds available to banks authorised as its tender counterparties to borrow under short-term repurchase transactions. The objective of the bond lending facility is to assist with improving secondary market liquidity in LGFA bonds. Bonds lent to counterparties are disclosed as a separate stock lending liability on the face of the statement of financial position.

As at 30 June in \$000s	2023	2022
15 April 2024	16,619	1,456
15 April 2025	1,920	6,773
15 April 2026	-	5,395
15 April 2027	52,513	-
20 April 2029	19,437	7,390
15 May 2031	3,287	-
14 April 2033	1,750	4,566
15 May 2035	34,518	818
15 April 2037	-	5,272
	130,043	31,671

17. Bonds

Bonds on issue do not include \$1,100 million face value of issued LGFA bonds subscribed by LGFA and held as treasury stock. Refer Note 16: Treasury stock and bond repurchase transactions.

As at 30 June 2023 in \$000's	Face Value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
Fixed interest bonds					
15 April 2024	2,218,000	(2,151)	10,499		
15 April 2025	2,409,000	(36,176)	13,937		
15 April 2026	2,155,000	(54,361)	6,801		
15 April 2027	2,011,000	68,977	19,039		
15 May 2028	1,423,000	(60,216)	4,089		
20 April 2029	1,722,000	(83,580)	5,081		
15 May 2030	1,000,000	(17,002)	5,747		
15 May 2031	1,120,000	(60,338)	3,218		
14 April 2033	1,350,000	33,003	10,070		
15 May 2035	450,000	(7,728)	1,724		
15 April 2037	820,000	(41,281)	3,450		
Total	16,678,000	(260,853)	83,656	(1,340,372)	15,160,432

As at 30 June 2022 in \$000's	Face Value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
Fixed interest bonds					
15 April 2023	1,830,000	25,117	21,175		
15 April 2024	1,998,000	5,625	9,458		
15 April 2025	1,679,000	(13,379)	9,714		
15 April 2026	1,815,000	(31,599)	5,728		
15 April 2027	1,751,000	85,460	16,577		
15 May 2028	1,270,000	(53,384)	3,650		
20 April 2029	1,362,000	(21,893)	4,019		
15 May 2031	850,000	(19,801)	2,443		
14 April 2033	1,290,000	43,486	9,622		
15 May 2035	400,000	2,166	1,533		
15 April 2037	730,000	(12,837)	3,072		
Total fixed interest	14,975,000	8,962	86,989	(1,185,774)	13,885,177
Floating rate notes					
14 October 2022	130,000	(7)	692	-	130,684
Total	15,105,000	8,955	87,681	(1,185,774)	14,015,862

18. Borrower notes

Borrower notes are subordinated debt instruments which are required to be held by each local authority that borrows from LGFA in an amount equal to a fixed percentage of the aggregate borrowings by that local authority. The fixed percentage is 2.5% for loans issued from 1 July 2020. Prior to this date, the fixed percentage was 1.6%.

LGFA may convert borrower notes into redeemable shares if it has made calls for all unpaid capital to be paid in full and the Board determines it is still at risk of imminent default.

19. Other liabilities

As at 30 June in \$000s	2023	2022
Lease liability	58	156
Accruals	838	694
Total receivables	896	850

20. Operating leases

As at 30 June in \$000s	2023	2022
Less than one year	58	66
Between one and five years	-	90
Total non-cancellable operating leases	58	156

Risk management

21. Financial risk management

The Board of Directors has overall responsibility for carrying out the business of LGFA in accordance with risk management policies, including those relating to investing, lending, borrowing and treasury activities. The use of financial instruments exposes LGFA to financial risks, the most significant being market risk, credit risk, and liquidity risk. The exposure and management of these risks is outlined below.

22. Market risk

Market risk is the risk that changes in market prices will affect LGFA's income or value of financial instruments. The most significant market risk which LGFA is exposed to is interest rate risk. LGFA has no significant exposure to foreign exchange risk.

23. Interest rate risk

Interest rate risk is the risk that future cash flows or the fair value of financial instruments will decrease because of a change in market interest rates. LGFA is exposed to interest rate risk through its interest-bearing financial assets and liabilities.

Interest rate risk is managed using Value at Risk (VaR) and Partial Differential Hedge (PDH) limits to mitigate the potential change in value of the balance sheet due to changes in interest rates. PDH risk measures the sensitivity of a portfolio to a one basis point change in underlying interest rates, whereas VaR measures the expected loss for a given period with a given confidence.

The table below indicates the earliest period in which the interest-bearing financial instruments reprice.

As at 30 June 2023 in \$000s	Face value	Less than 6 months	6 months - 1 year	1-2 years	2-5 years	Over 5 years
Financial assets						
Cash and bank Balances	226,222	226,222	-	-	-	-
Marketable securities	1,150,805	540,532	154,418	104,273	351,582	-
Deposits	447,115	447,115	-	-	-	-
Loans	16,201,725	13,382,721	363,171	370,400	1,418,820	666,614
Financial liabilities						
Bills	(792,000)	(792,000)	-	-	-	-
Bond repurchases	(129,833)	(129,833)	-	-	-	-
Derivatives	-	(13,758,700)	1,843,500	2,031,200	4,145,000	5,739,000
Bonds	(16,678,000)	-	(2,218,000)	(2,409,000)	(5,589,000)	(6,462,000)
Borrower notes	(338,809)	(277,881)	(6,110)	(7,492)	(32,191)	(15,135)
Total	87,225	(361,825)	136,979	89,381	294,211	(71,521)

As at 30 June 2022 in \$000s	Face value	Less than 6 months	6 months - 1 year	1-2 years	2-5 years	Over 5 years
Financial assets						
Cash and bank Balances	158,033	158,033	-	-	-	-
Marketable securities	1,503,175	533,296	401,624	174,200	394,055	-
Deposits	461,649	441,649	20,000	-	-	-
Loans	13,975,845	11,652,617	327,675	266,900	976,700	751,953
Financial liabilities						
Bills	(565,000)	(565,000)	-	-	-	-
Bond repurchases	(31,653)	(31,653)	-	-	-	-
Derivatives	-	(12,419,250)	1,583,750	1,645,500	3,895,200	5,294,800
Bonds	(15,105,000)	(130,000)	(1,830,000)	(1,998,000)	(5,245,000)	(5,902,000)
Borrower notes	(270,059)	(223,289)	(4,574)	(5,557)	(19,932)	(16,707)
Total	126,991	(583,597)	498,476	83,044	1,023	128,046

Interest rate sensitivity

Changes in interest rates impact the fair value of fixed rate assets and liabilities, cash flows on floating rate assets and liabilities, and the fair value and cash flows of interest rate swaps. A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss and equity by the amounts shown in the following table. This analysis assumes that all other variables remain constant.

For the period ending 30 June in \$000s	2023		2022	
	100 bps increase \$000s	100 bps decrease \$000s	100 bps increase \$000s	100 bps decrease \$000s
Fair value sensitivity analysis				
Fixed rate assets	-	-	-	-
Fixed rate liabilities	547,192	(557,506)	518,112	(529,330)
Derivative financial instruments	(547,324)	557,646	(517,469)	528,667
	(132)	140	643	(664)
Cash flow sensitivity analysis				
Variable rate assets	132,093	(132,093)	115,784	(115,784)
Variable rate liabilities	(2,775)	2,775	(3,541)	3,541
Derivative financial instruments	(137,537)	137,537	(124,063)	124,063
	(8,219)	8,219	(11,820)	11,820

24. Credit risk

Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. LGFA is exposed to credit risk through its lending and investing activities.

Credit risk associated with lending activities is managed by requiring members that borrow from LGFA to meet specific credit lending criteria and to provide security against the borrowing. LGFA's credit risk framework restricts credit exposures to specific counterparties.

Credit risk associated with investing activities, excluding on-lending, is managed by only investing with New Zealand Government Agencies or counterparties that meet a minimum credit rating of A (Standard & Poor's equivalent). LGFA's credit risk framework limits concentrations of credit risk for any single counterparty.

Exposure to credit risk

LGFA monitors the concentration of credit risk by the type of counterparty. The following table shows the carrying value and maximum exposure to credit risk at the reporting date, before taking account of collateral or other credit enhancements, for significant counterparty types.

As at 30 June 2023 in \$000s	NZ government agencies	NZ councils	NZ registered banks	Other counter- parties	Fair Value hedge adjustment	Total carrying value
Financial assets						
Receivables	-		-	492		492
Cash and bank balances	223,783	-	2,439	-		226,222
Cash pledged as collateral	93,175					93,175
Marketable securities	79,082	16,950	347,933	706,787	(22,873)	1,127,879
Deposits	(93,175)	-	436,739	4,929		348,492
Derivatives	(1,468,363)	-	(96,108)	-		(1,564,470)
Loans	-	16,351,411	-	-	(37,850)	16,313,562
	(1,165,498)	16,368,361	691,002	712,208	(60,722)	16,545,351

As at 30 June 2022 in \$000s	NZ government agencies	NZ councils	NZ registered banks	Other counter- parties	Fair Value hedge adjustment	Total carrying value
Financial assets						
Receivables	-		-	360		360
Cash and bank balances	156,331	-	1,702	-		158,033
Cash pledged as collateral	76					76
Marketable securities	239,937	29,235	331,290	910,038	(19,351)	1,491,148
Deposits	-	-	377,463	85,403		462,866
Derivatives	(1,111,408)	-	-	-		(1,111,408)
Loans	-	14,078,239	-	-	(36,331)	14,041,908
	(715,064)	14,107,474	710,455	995,801	(55,682)	15,042,984

Collateral and credit enhancements

LGFA holds collateral against borrowings from councils in the form of debenture securities and guarantees.

Credit quality of financial assets

All financial assets are neither past due nor impaired. The carrying value of the financial assets is expected to be recoverable.

25. Liquidity risk

Liquidity risk is the risk that LGFA will encounter difficulty in meeting the obligations of its financial

liabilities. LGFA manages liquidity risk by holding cash and a portfolio of liquid assets to meet obligations when they fall due. LGFA is required by policy to maintain sufficient liquidity (comprising a committed liquidity facility and holdings of cash and liquid investments) to meet all operating and funding commitments over a rolling 12-month period.

The Treasury (New Zealand Debt Management) provides a committed liquidity facility that LGFA can draw upon to meet any exceptional and temporary liquidity shortfall. As at 30 June 2023, the undrawn committed liquidity facility was \$1,500 million (2022: \$1,300 million). The facility is due to expire in December 2031.

26. Contractual cash flows of financial instruments.

The following table shows the contractual cash flows associated with financial assets and liabilities.

As at 30 June 2023 in \$000s	On demand	Up to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Total contractual cash flows	Total carrying value
Financial assets							
Receivables	492	-	-	-	-	492	492
Cash and bank balances	226,222	-	-	-	-	226,222	226,222
Cash pledged as collateral	93,175	-	-	-	-	93,175	93,175
Marketable securities	-	168,607	350,627	709,893	-	1,229,127	1,127,879
Deposits	-	209,258	145,558	-	-	354,816	348,492
Loans	-	676,189	2,722,811	10,726,760	6,001,820	20,127,580	16,313,562
Financial liabilities							
Payables and provisions	(6,132)	-	-	-	-	(6,132)	(6,132)
Bills	-	(567,000)	(225,000)	-	-	(792,000)	(782,630)
Bond repurchases	-	(130,215)	-	-	-	(130,215)	(130,043)
Bonds	-	-	(2,662,170)	(9,221,173)	(7,131,780)	(19,015,123)	(15,160,432)
Borrower notes	-	(1,549)	(40,931)	(220,864)	(178,502)	(441,846)	(360,348)
Derivatives	-	(210,678)	(254,986)	(1,243,521)	(807,012)	(2,516,197)	(1,564,470)
	313,757	144,611	35,909	751,096	(2,115,474)	(870,101)	105,766

As at 30 June 2022 in \$000s	On demand	Up to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Total contractual cash flows	Total carrying value
Financial assets							
Receivables	360	-	-	-	-	360	360
Cash and bank balances	158,033	-	-	-	-	158,033	158,033
Cash pledged as collateral	76	-	-	-	-	76	76
Marketable securities	-	199,206	473,654	834,261	-	1,507,122	1,491,148
Deposits	-	322,580	142,572	-	-	465,151	462,866
Loans	-	405,638	2,296,504	7,921,322	5,316,424	15,939,887	14,041,908
Financial liabilities							
Payables and provisions	(45,066)	-	-	-	-	(45,066)	(45,066)
Bills	-	(490,000)	(75,000)	-	-	(565,000)	(562,803)
Bond repurchases	-	(31,681)	-	-	-	(31,681)	(31,671)
Bonds	-	(807)	(2,398,906)	(8,336,675)	(6,560,835)	(17,297,223)	(14,015,862)
Borrower notes	-	(2,194)	(32,788)	(149,518)	(135,615)	(320,116)	(283,180)
Derivatives	-	(74,548)	58,917	(198,031)	(180,497)	(394,159)	(1,111,408)
	113,403	328,192	464,952	71,359	(1,560,523)	(582,617)	104,403

Capital and dividends

27. Share capital

As at 30 June 2023, LGFA had 45 million ordinary shares on issue, 20 million of which remain uncalled. All ordinary shares rank equally with one vote attached to each ordinary share. Ordinary shares have a face value of \$1 per share.

28. Shareholder information

Registered holders of equity securities as at 30 June	2023		2022	
Minister of Finance and Minister for Local Government	5,000,000	11.1%	5,000,000	11.1%
Auckland Council	3,731,960	8.3%	3,731,960	8.3%
Christchurch City Council	3,731,960	8.3%	3,731,960	8.3%
Hamilton City Council	3,731,960	8.3%	3,731,960	8.3%
Bay of Plenty Regional Council	3,731,958	8.3%	3,731,958	8.3%
Greater Wellington Regional Council	3,731,958	8.3%	3,731,958	8.3%
Tasman District Council	3,731,958	8.3%	3,731,958	8.3%
Tauranga City Council	3,731,958	8.3%	3,731,958	8.3%
Wellington City Council	3,731,958	8.3%	3,731,958	8.3%
Western Bay of Plenty District Council	3,731,958	8.3%	3,731,958	8.3%
Whangārei District Council	1,492,784	3.3%	1,492,784	3.3%
Hastings District Council	746,392	1.7%	746,392	1.7%
Marlborough District Council	400,000	0.9%	400,000	0.9%
Selwyn District Council	373,196	0.8%	373,196	0.8%
Gisborne District Council	200,000	0.4%	200,000	0.4%
Hauraki District Council	200,000	0.4%	200,000	0.4%
Horowhenua District Council	200,000	0.4%	200,000	0.4%
Hutt City Council	200,000	0.4%	200,000	0.4%
Kapiti Coast District Council	200,000	0.4%	200,000	0.4%
Manawatu District Council	200,000	0.4%	200,000	0.4%
Masterton District Council	200,000	0.4%	200,000	0.4%
New Plymouth District Council	200,000	0.4%	200,000	0.4%
Otorohanga District Council	200,000	0.4%	200,000	0.4%
Palmerston North District Council	200,000	0.4%	200,000	0.4%
South Taranaki District Council	200,000	0.4%	200,000	0.4%
Taupo District Council	200,000	0.4%	200,000	0.4%
Thames-Coromandel District Council	200,000	0.4%	200,000	0.4%
Waimakariri District Council	200,000	0.4%	200,000	0.4%
Waipa District Council	200,000	0.4%	200,000	0.4%
Whakatane District Council	200,000	0.4%	200,000	0.4%
Whanganui District Council	200,000	0.4%	200,000	0.4%
	45,000,000	100%	45,000,000	100%

29. Capital management

LGFA's capital is equity, which comprises share capital and retained earnings. The objective of managing LGFA's equity is to ensure LGFA achieves its goals and objectives for which it has been established, whilst remaining a going concern.

30. Dividend

LGFA paid a dividend of \$1,217,500 on 2 September 2022, being \$0.0487 per paid up share (2022: \$856,500 on 3 September 2021, being \$0. 03426 per paid up share).

31. Capital commitments

As at 30 June 2023, there are no capital commitments.

Other Notes

32. Reconciliation of net profit to net cash flow from operating activities

For the year ended 30 June in \$000s	2023	2022
Net profit/(loss) for the period	2,505	10,673
Cash applied to loans	(2,222,368)	(1,972,398)
Non-cash adjustments		
Amortisation and depreciation	(8,417)	(2,527)
Working capital movements		
Net change in trade debtors and receivables	96	(148)
Net change in prepayments	(67)	(169)
Net change in accruals	144	345
Net Cash From Operating Activities	(2,228,108)	(1,964,224)

33. Contingencies

There are no contingent liabilities at balance date.

34. Related parties

Identity of related parties

LGFA is related to the councils set out in the Shareholder Information in note 12. LGFA operates under an annual Statement of Intent that sets out the intentions and expectations for LGFA's operations and lending to participating borrowers. Shareholding councils, and non-shareholder councils who borrow more than \$20 million, are required to enter into a guarantee when they join or participate in LGFA. The guarantee is in respect of the payment obligations of other guaranteeing councils to LGFA (cross guarantee) and of LGFA itself.

Related party transactions

LGFA was established for the purpose of raising funds from the market to lend to member borrowers. The lending to individual councils is disclosed in note 12, and interest income recognised on this lending is

shown in the statement of comprehensive income.

The purchase of LGFA borrower notes by participating borrowers. Refer note 18.

The Treasury (New Zealand Debt Management) provides LGFA with a committed credit facility and is LGFA's derivatives counterparty.

Transactions with key management personnel:

Salaries \$1,239,462 (2022: \$1,016,801)

Fees paid to directors are disclosed in operating expenses in Note 6.

35. Subsequent events

On 28 August 2023, the Directors of LGFA declared a dividend of \$1,712,500 (\$0.0685 per paid up share).

Subsequent to balance date, LGFA has issued \$420 million in NZD bonds and AUD 1 billion in AUD bonds.



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY LIMITED'S FINANCIAL STATEMENTS
AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2023

The Auditor-General is the auditor of New Zealand Local Government Funding Agency Limited (the company). The Auditor-General has appointed me, David Gates, using the staff and resources of KPMG, to carry out the audit of the financial statements and performance information of the company on his behalf.

Opinion

We have audited:

- the financial statements of the company on pages 64 to 87, that comprise the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the company on pages 10 to 15.

In our opinion:

- the financial statements of the company on pages 64 to 87:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2023 and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS); and
- the performance information of the company on pages 10 to 15 presents fairly, in all material respects, the company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the company's objectives for the year ended 30 June 2023.

Our audit was completed on 28 August 2023. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw attention to the inherent uncertainties in the measurement of greenhouse gas emissions. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Inherent uncertainties in the measurement of greenhouse gas emissions

The company has chosen to include a measure of its greenhouse gas (GHG) emissions in its performance information. Without modifying our opinion and considering the public interest in climate change related information, we draw attention to page 14 of the annual report, which outlines the uncertainty in the reported GHG emissions. Quantifying GHG emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG sources are still evolving, as are GHG reporting and assurance standards.



Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole. The materiality for the financial statements as a whole was set at \$135 million determined with reference to a benchmark of company Total Assets. We chose the benchmark because, in our view, this is a key measure of the company's performance. In addition, we also assess whether other matters that come to our attention during the audit would in our judgement change or influence the decisions of a reasonably knowledgeable person ('qualitative' materiality).

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the readers as a body may better understand the process by which we arrived at our audit opinion. Our procedures were undertaken in the context of and solely for the purpose of our statutory audit opinion on the financial statements as a whole and we do not express discrete opinions on separate elements of the financial statements.

The key audit matter	How the matter was addressed in our audit
Existence and impairment of loans	
Refer to Note 12 to the Financial Statements. The loans LGFA has provided to local government make up over 89% of total assets. The loans are recognised at amortised cost and the nature of the counterparties is such that we do not consider these loans to be at high risk of significant misstatement. However, based on their materiality, and the judgement involved in assessing the credit worthiness of counterparties they are considered to be the area which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.	Our audit procedures included: <ul style="list-style-type: none">understanding the processes in place to assess borrowers and to record loan transactions. This included evaluating the control environment in place at LGFA.agreeing the 30 June 2023 loan balances to external confirmations received from NZ Clear.assessing the borrowers' compliance with financial covenants. We did not identify material differences in relation to the existence or impairment of loans.
Application of hedge accounting	
Refer to Note 9 of the Financial Statements. LGFA enters into derivatives (interest rate swaps) to manage interest rate risk related to issuing fixed rate borrowings, loans and investments. Fair value hedge accounting is applied where specific requirements are met around documentation of the hedge relationship and the relationship is demonstrated as being an effective hedge. Hedge accounting is complex, particularly in the area of whether the requirements (both initial and ongoing) for its application are met. Should the requirements for hedge accounting not be met, LGFA could experience significant volatility in the Statement of Comprehensive Income from changes in the fair value of the derivatives. Due to the size of the derivative positions and the complexity of hedge accounting we consider this to be a key audit matter.	Our audit procedures included: <ul style="list-style-type: none">reviewing LGFA's accounting policies related to financial instruments.agreeing the terms of the derivatives to the confirmation provided by the derivative counterparty.using our treasury valuation specialists we independently recalculated the fair value of all of the derivatives recorded by LGFA.ensuring the hedge documentation supporting the application of hedge accounting was in accordance with NZ IFRS 9 and the disclosures made in the financial statements were appropriate.determining that management's hedge effectiveness calculations were correctly performed using appropriate source information. We did not identify material differences in relation to the application of hedge accounting.



Responsibilities of the Board of Directors for the financial statements and the performance information

The Board of Directors is responsible on behalf of the company for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand in accordance with NZ IFRS and IFRS. The Board of Directors is also responsible for preparing the performance information for the company.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board of Directors is responsible on behalf of the company for assessing the company's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Local Government Act 2002 and the Financial Markets Conduct Act 2013.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the company's statement of intent.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the company's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.



- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 1 to 9, 16 to 63 and 92 to 97 but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the company in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

For the year ended 30 June 2023 and subsequently, the Chair of the company's Audit and Risk Committee is a member of the Auditor-General's Audit and Risk Committee. The Auditor-General's Audit and Risk Committee is regulated by a Charter that specifies that it should not assume any management functions. There are appropriate safeguards to reduce any threat to auditor independence, as the member of the Auditor-General's Audit and Risk Committee does not assume any management functions as part of their oversight role of the audit of the company.

Other than the audit, and the relationship with the Auditor-General's Audit and Risk Committee, we have no relationship with, or interests in, the company.

David Gates
KPMG
On behalf of the Auditor-General
Wellington, New Zealand

Other disclosures

He whākitanga anō

Donations

A donation of \$4,000 was made to Kauri 2000 for the year ended 30 June 2023.

Net Tangible Assets

Net tangible assets per \$1,000 of listed bonds as at 30 June 2023 is \$6.35 (2022: \$6.92).

Earnings per security

Earnings per \$1,000 of bonds on issue as at 30 June 2023 is \$0.15 (2022: \$0.71).

Amount per security of final dividends

Not applicable

Spread of Quoted Security holders

Holding Range	Holder Count	Holder Count %	Holding Quantity	Holding Quantity %
10,000 to 49,999	457	46	\$10,998,000	0.06
50,000 to 99,999	193	19	\$13,417,000	0.08
100,000 to 499,999	217	22	\$41,531,000	0.23
500,000 to 999,999	31	3	\$21,074,000	0.12
1,000,000 to 9,999,999,999,999	103	10	\$17,690,980,000	99.51
Total	1,001	1,001	\$17,778,000,000	100.00

Directory

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Auckland 1010



Taranaki's Yarrow Stadium is being redeveloped; the stadium has one of the best backdrops in Aotearoa New Zealand – Mt Taranaki.
Taranaki Regional Council
Photo by Charles Woollin

GRI Index

Kuputohu GRI

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102-41. Collective bargaining agreements	None
102-42. Identifying and selecting stakeholders	Pages 33
102-43. Approach to stakeholder engagement	Pages 33-43
102-44. Key topics and concerns raised	Page 33
102-45. Entities included in the consolidated financial statements	Page 68
102-46. Defining report content and topic Boundaries	Page 33
102-47. List of material topics	Pages 32-57
102-48. Restatements of information	None
102-49. Changes in reporting	None

The GRI Standards are the world’s most widely used sustainability reporting standard. This is the second year LGFA has prepared its annual report in compliance with the GRI Standards. The following index is based on the GRI core option.

Disclosure title	Reference/Disclosure
102-50. Reporting period	1 July 2022 to 30 June 2023
102-51. Date of most recent report	2023 Annual Report
102-52. Reporting cycle	Annual
102-53. Contact point for questions regarding the report	lgfa@lgfa.org.nz
102-54. Claims of reporting in accordance with the GRI Standards	The report has been prepared in accordance with the GRI standards: core option
102-55. GRI content index	Pages 94-95
102-56. External assurance	None
Cost effective funding	Pages 4-7, 10-15, 27
Culture, ethics and governance	Pages 32-57
Transparency and disclosure	Pages 4-7, 32-57
Environmental and social impact of lending	Pages 4-7, 32-43
Health & safety and wellbeing	Pages 11, 14-15, 32-43
Collaboration and local engagement	Pages 4-7, 13, 32-43
Financial markets best practice and influence	Pages 4-7, 10-15, 44-57
Diversity and inclusion	Pages 4-7, 48
Capability and development	Pages 4-7, 48
Carbon footprint	Pages 32-43
Emissions	
305-1 Direct (Scope 1) GHG emissions	Page 43
305-2 Energy indirect (Scope 2) GHG emissions.	Page 43
305-3 Other indirect (Scope 3) GHG emissions.	Page 43
Health and Safety and Wellbeing	
403-1 Occupational health and safety management system	Page 48
403-9 Work-related injuries	Pages 14
403-10 Work-related ill health	Pages 14
Diversity and Inclusion	
405-1 Diversity of governance bodies and employees	Page 48
Capability and Development	
404-2 Programs for upgrading employee skills and transition assistance programs	Page 48

Glossary

Kuputaka

AIL	Approved Issuer Levy
Annual Plans	Annual budgets issued by councils ahead of their June financial year end
Bespoke Lending	Any lending to a council with a maturity date that does not match an LGFA bond maturity dated
bps	Basis points (100 basis points equals one percentage).
CCO	Council Controlled Organisation
CCTO	Council Controlled Trading Organisation
CAL	Climate Action Loans
Coverage Ratio	In a tender the amount of bids received divided by the amount of bonds on offer. The higher the Bod Coverage ratio the more demand there is
ESG	Environmental, social and governance
Financial Covenants	Four financial covenants that council must adhere to Debt/Revenue, Interest Expense to Rates Revenue, Interest Expense to Total Revenue, Liquidity. Annual attestation and if in breach then can be an event of repayment of loans.
Fitch	Credit rating agency who rates LGFA and a small number of councils
Foundation Policy Covenants	Within Shareholder Agreement – any changes require shareholder approval. Now mainly the financial covenants.
GHG	Greenhouse gas
GRI	Global Reporting Initiative
GSS	Green, Social and Sustainability
GSA	General security arrangement
Guarantee and Indemnity Deed	Joint and Several Guarantee with a side agreement that pro ratas the council guarantors obligations to that of proportionate share of rates revenue
Guarantor	Any council shareholder or any council who borrows more than \$20m is required to sign the Guarantee and Indemnity Deed.
IA	Internal audit
INFINZ	Institute of Finance Professionals
LAP	Liquid Assets Portfolio
LGFA Bills	Short dated securities (less than 1 year) issued by LGFA
LGFA Bonds	Fixed rate coupon bonds issued by LGFA with maturities between 2024 and 2037. Issued via tenders or syndication
Local Government Act 2002	Overarching legislation for Councils, CCOs and CCTOs

Local Government Borrowing Act 2011	Act that established LGFA
Multi Issuer Deed (MID)	Over arching borrowing document – accession of councils and CCOs, reps and warranties, financial covenants, BN conversion
NII	Net interest income
Non Guarantor	Any member council that is not a guarantor. Non-Guarantor member councils cannot borrow more than \$20m
NZD	New Zealand Dollar
NZDM	New Zealand Debt Management of the Treasury – our contact point for our Crown Liquidity Facility and derivative swap counterparty
NZDM Facility	Crown Liquidity Facility where we can drawdown up to \$1.5 billion of emergency funding (subject to certain conditions)
NZGB	New Zealand Government Bonds
PDH	Partial Differential Hedge
S&P	Standard and Poor's
Shareholders Agreement	Board, Shareholder Council appointments, sale of shares, voting rights and Foundation policies
SOI	Statement of Intent
Spread to NZGB	The basis point difference between LGFA Bonds and NZ Government Bonds. Investors will often use the spread the gauge when LGFA bonds are trading at a premium or discount
Spread to Swap	The basis point difference between LGFA Bonds and the swaps curve. The spread is often used as a proxy to gauge if LGFA bonds are being issued at a discount or premium
SSA	Supra and Sub Sovereign Agency issuers- same as Supras – they issue Kauri bonds in NZD. Examples are World Bank, Asian Development Bank, Kommunalbanken (LGFA Norway equivalent)
Swap	Interest rate derivative instruments transacted with the NZDM to hedge the balance sheet and convert fixed rate borrowing into floating rate exposures.
Syndication	LGFA issues Bonds by Syndication normally twice a year, if market conditions are favourable. Syndications provide diversity to LGFA's funding program, by offering an alternative funding tool to the scheduled bond tenders.
Taituarā	Formerly Society of Local Government Managers (SOLGM)
TCFD	Task Force on Climate Related Financial Disclosures
Tender	LGFA issues Bonds and Bills to the market in scheduled tenders, typically every six weeks of the financial year.
UN SDG	United Nations' Sustainable Development Goals
VaR	Value at risk
WSE	Water service entities



11.6 BAY OF PLENTY LOCAL AUTHORITY SHARED SERVICES LIMITED (BOPLASS) ANNUAL REPORT 30 JUNE 2023

File Number: A5758135

Author: Ezelle Thiar, Finance Business Partner

Authoriser: Sarah Bedford, Finance Manager

EXECUTIVE SUMMARY

The purpose of this report is to provide Elected Members with Bay of Plenty Local Authority Shared Services Limited's (BOPLASS) Annual Report for the year ended 30 June 2023.

BOPLASS' Annual Report has been approved by their Board of Directors.

RECOMMENDATION

1. That the Financial Business Partner's report dated 26 October 2023 titled 'Bay of Plenty Local Authority Shared Services Limited (BOPLASS) Annual Report' be received.
2. That Council receives Bay of Plenty Local Authority Shared Services Limited's (BOPLASS) Annual Report for the year ended 30 June 2023, included as **Attachment 1** of this report.

BACKGROUND

1. BOPLASS is a designated Council Controlled Organisation (CCO) under the Local Government Act 2002 (LGA). The company was formally established in January 2008 by the nine local authorities in the Bay of Plenty and Gisborne regions to foster collaboration between councils in the delivery of services, particularly back office or support services.
2. As a CCO, BOPLASS is a separate legal entity from Council and is responsible for delivery of services in accordance with an agreed Statement of Intent.
3. Under Section 67 of the LGA, within three months after the end of each financial year, the board of a CCO must deliver to the shareholders, and make available to the public, a report on the organisation's operations during that year, including financial statements and auditor's report.
4. The BOPLASS Annual report is included as **Attachment 1** to this report.

SUMMARY

5. For the year ended 30 June 2023 BOPLASS returned a net deficit of \$23,549 compared to a net surplus in prior year of \$6,244. This is mainly due to employee related costs.
6. BOPLASS returned a net increase in cashflows of \$75,165 which was mainly due to an increase in acquisition of investments.

ATTACHMENTS

1. **BOPLASS Annual Report 2022–2023** 



ANNUAL REPORT 2022-2023

For the year ended
30 June 2023



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PART ONE – OUR YEAR



BOPLASS Chair's Report

On behalf of our Directors, I am pleased to present the BOPLASS 2023 Annual Report to our Shareholders.

Every year the number of projects managed by BOPLASS continues to grow, requiring a significant commitment to contract renewals, reviews, and supplier management on behalf of our shareholding councils. 2022/23 was a particularly challenging period for renewals, given the high-inflationary environment and many vendors pushing for increases. However, through the continued aggregation of councils' volumes and maintaining competitive procurement processes, BOPLASS has performed extremely well, with the majority of collective contracts being renewed with little or no price increases. Shareholding councils have directly benefited from this approach, allowing them to achieve continued savings, significantly reduced costs, efficient use of centralised resources, and improved levels of service.

Several new joint procurement initiatives were initiated this year, with the appointment of a new printer and photocopier supplier being of particular note. Significant financial savings and technology benefits were achieved across all councils through this new tender, with benefits to community groups also negotiated into the agreement. Community benefits and broader outcomes are an important consideration within BOPLASS procurement, and the board encourage the continued development of environmental and cultural measures within BOPLASS processes.

Communities are the heart of local government, so I'm pleased to report on multiple projects undertaken by BOPLASS that assist councils with community engagement and safety. Some of these projects included:

- Media monitoring services
- Social listening services
- CCTV monitoring
- Crime Prevention Through Environmental Design (CPTED)
- Managing conflict & aggressive behaviour – workshops
- Business continuity – 24/7 emergency communication

In 2022/23 a key BOPLASS project played an integral part in helping our constituent councils create safer environments for their communities. In recognition of the continuing rise in retail crime rates, and particularly youth offending, BOPLASS councils initiated a project to coordinate their activities in developing initiatives to help address these problems. Through successful engagement with the Ministry of Social Development, the region has received \$1,000,000 co-funding to help support these important projects. A collaborative project is now underway to collectively develop and improve CCTV, CCTV monitoring, and Crime Prevention Through Environmental Design across the Bay of Plenty. Improvement to this infrastructure provides the opportunity to help stop or reduce crime, identify perpetrators, and ultimately make our communities safer.

Council infrastructure insurance placements remain challenging in what is currently referred to as a 'hard market' with limited capacity from insurers. Given the recent NZ weather events (and global natural catastrophes), it is likely this will only continue to become more challenging. Despite the restricted market capacity, and risk adverse underwriters, very good outcomes were achieved for all councils through the BOPLASS renewal. The BOPLASS collective insurance programme continues to deliver substantial benefits to all councils, in both the insurance rates and the level of cover provided.

International underwriters were particularly impressed with the use of Light Detection and Ranging (LiDAR) data by BOPLASS councils to better understand their risks. Our work was described by them as 'world leading'. Earlier this year, the final LiDAR data for the Bay of Plenty region was captured and delivered ahead of schedule. This essential data assists councils in better understanding the ground terrain in their regions, preparing for severe weather events, and planning for climate change.

New technology has also been a focus for BOPLASS, with scoping of Oblique Aerial Imagery undertaken as an additional option to standard aerial imagery. This data helps provide more detailed information than traditional imagery, allowing a better understanding of the regions' vegetation, landscape and topography.

We welcomed two directors to the governance table in 2022/23. Firstly, the Board welcomed Stace Lower from Ōpōtiki District Council, replacing our long-serving director, Aileen Lawrie, now Chief Executive Officer at Thames-Coromandel District Council. Stace has worked in local government for 22 years including Whakatāne District Council and as the Engineering & Services Group Manager at Ōpōtiki District Council.

More recently, the Board welcomed Julie Gardyne from Taupō District Council, replacing Gareth Green, now the Chief Executive Officer at New Plymouth District Council. Julie has a particular interest in economic development and has worked across a variety of private sector and local government roles.

On behalf of the Board, I wish to acknowledge both Aileen's and Gareth's significant contribution to the company and thank them for their assistance and support during their tenure as BOPLASS directors.

During 2022/23 BOPLASS has continued to deliver significant value to the shareholding councils for a modest investment. We would like to thank the various individuals within all of the councils who have supported and assisted with the achievements of the company.



Craig O'Connell
Chair



Company Directory

Nature of Business:	Shared Service Provider
Registered Office:	91 Willow Street, Tauranga 3110
Telephone:	+64 7 577 7342
Email:	contact@boplass.govt.nz
Website:	https://www.boplass.govt.nz
Incorporation Number:	2074873
Incorporation Date:	14 January 2008
IRD Number:	98-965-361
Directors:	Craig O'Connell Fiona McTavish Julie Gardyne Geoff Williams Martin Grenfell John Holyoake Nedine Thatcher-Swann Russell George Stephanie O'Sullivan Stace Lewer
Shareholders:	Bay of Plenty Regional Council Gisborne District Council Kawerau District Council Opotiki District Council Rotorua Lakes Council Taupo District Council Tauranga City Council Western Bay of Plenty District Council Whakatane District Council
Auditor:	BDO Tauranga
Bankers:	ANZ Bank
Solicitors:	Cooney Lees and Morgan

Statement of Intent and Performance

The company has complied with section 64 of the Local Government Act 2002 (LGA) and has had the Statement of Intent for 2023-2026 and associated budget formally adopted by the directors by resolution on 23 June 2023.

Performance Targets 2023-2026

To ensure the company continues to operate effectively in both governance and management terms over the next three years the targets are to:

Targets 2023-2026	How	Measure
Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS councils.	Manage and/or renegotiate existing contracts.	Contracts are reviewed annually to test for market competitiveness. New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable.
Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils.	Procure from sources offering best value, service, continuity of supply and/or continued opportunities for integration.	A minimum of four new procurement initiatives investigated. Initiatives provide financial savings of greater than 5% and/or improved service levels to the participating councils.
Identify opportunities to collaborate with other LASS in Procurement or Shared Service projects where alliance provides benefits to all parties.	BOPLASS to regularly engage with other LASS to identify and explore opportunities for further inter-regional collaboration.	Quarterly reporting on engagement and a minimum of one new collaborative initiative undertaken annually.
Further develop and extend the Collaboration Portal for access to, and sharing of, project information and opportunities from other councils and the greater Local Government community to increase breadth of BOPLASS collaboration.	Increase usage of the Collaboration Portal by providing support and training material for new and existing users. Proactively market the benefits to councils.	Number of active users to increase by 5% per year.
Communicate with each shareholding council at appropriate levels.	Actively engage in obtaining political support for identified projects.	Information provided to elected members, and feedback sought, on BOPLASS projects, benefits to local communities, and value added to each council.
Ensure current funding model is appropriate.	Review BOPLASS expenditure and income and review council contributions and other sources of funding.	Performance against budgets reviewed quarterly. Company remains financially viable.

Statement of Intent and Performance continued

The following is a report of performance against targets set in the Statement of Intent for 2022/25.

Target <u>2022/23</u>	Result	Narration
<p>Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS councils.</p> <p>Manage and/or renegotiate existing contracts.</p> <p>Contracts are reviewed annually to test for market competitiveness.</p> <p>New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable.</p>	Achieved	<p>Contracts negotiated and/or renewed for:</p> <p><u>Cyber Insurance</u> – BOPLASS was able to again maintain councils' cyber insurance policies with Berkshire Hathaway by working closely with councils to ensure all underwriter requirements were met and demonstrated. Through the collective approach, BOPLASS was able to secure the renewal on favourable terms and with an increased policy limit across the collective group. <i>Cyber cover is an annual agreement that requires going to market every year.</i></p> <p><u>GIS software and services</u> – Geocortex Essentials Geocortex Analytics NZ Archaeological Association <i>Contracts renegotiated and renewed – no alternative suppliers.</i></p> <p><u>FME software</u> – significant price increase negated by negotiating two-year extension of current agreement under the same terms and pricing. <i>Sole NZ provider</i></p> <p><u>X-Tools</u> - With the agreement of councils' GIS managers, a decision was made to discontinue the XTools maintenance licence as it was purchased from Russia. This supported the NZ Government's position on trade sanctions and the absence of this software did not have an undue impact on council operations.</p> <p><u>LiDAR Capture</u> – the capture of LiDAR data was completed this year across the BOP region ahead of schedule. The early provision of this updated data helps councils with catchment mapping, understanding and preparing for natural hazards, and better planning for climate change.</p> <p><u>My Everyday Wellbeing</u> – BOPLASS renewed the annual subscription for the staff online wellbeing platform with the supplier continuing to provide pricing for all participating councils as a single entity. Increased participation from MW LASS, Co-Lab and BOPLASS councils resulted in further financial savings for the collective.</p>

		<p><u>Print Media Copyright Agency (PMCA)</u> – a collective contract providing savings, for all BOPLASS councils has been renewed with PMCA for councils' print and media copyright services. <i>Sole NZ provider of print and media copyright services.</i></p> <p><u>ESRI Enterprise Licensing Agreement</u> – Core GIS software used in all BOPLASS councils. BOPLASS Enterprise Agreement renegotiated and renewed for a further 3-year term with no increases. Retained the same structure, with all councils continuing to participate under a collective MOU. <i>No alternative provider in NZ.</i></p> <p><u>n3 (previously known as GSB)</u> – Collective purchasing group membership negotiated by BOPLASS. Councils achieving significant savings on membership costs and trade pricing through the group scheme. Agreement renewed for another year at same rates. <i>Sole NZ provider.</i></p> <p><u>Media Monitoring Services</u> – BOPLASS continues to manage a collective media monitoring service with Isentia that provides automatic monitoring and reporting of broadcast, print and social media based upon council requirements. The single BOPLASS portal provides substantial savings to councils while also providing a significant reduction in internal resource requirements. This service has proven to be invaluable for councils during the pandemic and weather events. <i>Service to be put to tender in 2023-24.</i></p> <p><u>Inter-Council Network (ICN)</u> – Review, redesign and renegotiation of suppliers and services – the ICN is a shared service high-capacity fibre network connecting the majority of BOPLASS councils. A review of ICN contracts was undertaken in 2021 to deliver further cost reductions. Since then, further reviews have been conducted with some service costs reduced. This was balanced out by additional services as requested from councils.</p> <p><u>Zoom Video Conferencing Services</u> – Zoom video conference services continue to provide BOPLASS councils with a centralised account management and shared infrastructure. The collective contract was renewed through BOPLASS. <i>VC infrastructure upgrades underway.</i></p> <p><u>Standards NZ</u> – BOPLASS has renewed the agreement with Standards NZ for discounted access to the full Standards catalogue at significantly reduced pricing for all BOPLASS councils. <i>No alternative provider in NZ.</i></p>
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		<p><u>Antenno</u> – this LG community engagement tool is used by the majority of BOPLASS councils. Uptake in the Waikato and MW LASS regions has recently increased. By working in conjunction with the other two LASS a discounted fee was negotiated for any further LASS councils wishing to take up the service.</p> <p><u>Health & Safety Management Software</u> – BOPLASS has negotiated with the collective H&SMS provider on behalf of BOPLASS and Waikato councils for an improvement to reporting systems and an alternative fee structure.</p> <p><u>IPWEA Membership</u> - The Institute of Public Works Engineering Australasia (IPWEA) agreement was renewed in 2022 to provide a single BOPLASS portal to allow all constituent councils to access the full IPWEA online catalogue at heavily reduced pricing. The standards are used by all councils for a variety of engineering purposes. The collective agreement provides for unrestricted access for all councils at a significantly lower cost than under individual arrangements.</p> <p><i>No alternative provider in NZ.</i></p> <p><u>Aerial Imagery</u> – BOPLASS coordinates a regional imagery programme across the region. Two new tenders were run for orthophotography services this year with contracts awarded to AAM NZ for the BOP region and a TCC interim flying programme, including specific requirements for the capture of high growth areas and high specification 8-Pulse LiDAR.</p> <p><u>GIS Training</u> – BOPLASS coordinated specialised GIS ArcPro training across the BOPLASS councils. Substantial savings were achieved through the collective training while also helping to bring all councils up to similar skill levels.</p>
<p>Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils.</p> <p>Procure from sources offering best value, service, continuity of supply and/or continued opportunities for integration.</p> <p>A minimum of four new procurement initiatives investigated. Initiatives provide financial savings of greater than 5% and/or improved service levels to the participating councils.</p>	Achieved	<p>The new procurement initiatives which have been investigated during the year are as follows:</p> <p><u>MFDs (Photocopiers/Printers)</u> – Joint procurement for a multi-function device provider resulted in Canon NZ being appointed as preferred provider to the BOPLASS councils. The outcome through the group approach included very competitive pricing, with further savings achieved through bundled services and shared software solutions across the councils. The procurement process maintained a strong focus on achieving broader outcomes, with Canon demonstrating support for local businesses and communities, working with Māori/Pasifika communities through Ākina and Amotai, and practicing sustainable and environmental processes.</p>

		<p><u>Oblique Aerial Imagery</u> – BOPLASS investigated collaborative opportunities for the capture of Oblique Aerial Imagery for the BOPLASS councils. The imagery provides a more effective visual experience than traditional vertical imagery and is particularly useful for discerning features in the landscape. Delivered through a tailored online viewer and using a subscription-based model through BOPLASS negates the need for councils to store and manage the data. <i>One council has trialled the solution and negotiations with the provider are underway for group pricing.</i></p> <p><u>Infrastructure Insurance</u> – the international placements for BOPLASS councils' infrastructure insurance are only provided on a 12-month term and all placements need to be procured annually. This involves identifying and negotiating with alternative markets every year and often undertaking placements through new or different insurers. Negotiations for councils' infrastructure insurance were undertaken in late 2022 through direct engagement with the London markets and Lloyds syndicates. The size of the collective BOPLASS account allows us to undertake this direct engagement. Despite the restricted capacity and the underwriters become more risk adverse, very good outcomes were achieved for all councils, in both insurance rates and the level of cover achieved. Insurance markets remain cautious about the risk they are prepared to write but have demonstrated confidence in the BOPLASS programme due to the quality of information provided and our historical relationship.</p> <p><u>Social Listening Services</u> – Although BOPLASS manages a media monitoring contract on behalf of the councils, the growth in social media (and decline in traditional media) requires specific tools for identifying and analysing online conversations about councils' brand, to help better understand our communities and their feedback through these channels. <i>A collective procurement process has been initiated.</i></p> <p><u>Crime Prevention Co-funding</u> – BOPLASS successfully secured co-funding from the Ministry of Social Development (MSD) to undertake crime prevention initiatives and programmes within the Bay of Plenty. BOPLASS councils identified the key areas as installation of CCTV equipment and monitoring services; and Crime Prevention through Environmental Design (CPTED) projects. <i>\$1M co-funding has been received and the below projects initiated.</i></p>
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		<p><u>CCTV Monitoring</u> – BOPLASS has worked with councils to identify opportunities for improved CCTV coverage and to collaborate with CCTV monitoring. Joint procurement of systems and technologies are being undertaken as well as shared project management resource. <i>Project is still underway.</i></p> <p><u>Crime Prevention through Environmental Design (CPTED)</u> – To support further crime reduction initiatives, BOPLASS is working with councils on the effective use of the environmental design to reduce criminal opportunity, with designs also fostering positive social interaction within community spaces. <i>Project is still underway.</i></p> <p><u>24/7 Emergency Communications</u> – The BOPLASS IT Managers group have reviewed the harsh lessons learned about telecommunication interruptions in the aftermath of Cyclone Gabrielle. They have undertaken a project to identify improved technologies for councils' usage that are not reliant on traditional methods of delivery. Starlink has been identified as a reliable solution during severe weather events and investigations are underway to determine the opportunities for councils to share membership and/or hardware or leverage improved pricing through collective procurement. <i>Project is still underway.</i></p> <p><u>New service for ICN</u> – Following a redesign of some aspects of the Inter-Council Network (ICN) new links were required. BOPLASS engaged with suitable vendors and Spark were appointed to provision this service. Discounted rates were achieved on behalf of the councils. Procurement was undertaken for the addition of a service in Whakatāne for a new council site and reinstatement of a service to provide backup/redundant services for councils between Whakatāne and Tauranga.</p> <p><u>Waste Operator and Licensing Data System (WOLDS)</u> – The second phase of this project has been initiated with procurement underway for a WOLDS service provider including the provision of an Information Management System. This BOPLASS led project covers all BOPLASS and Co-Lab councils, with a number of other councils expressing interest in participating once the service is established. A single shared service provides the opportunity for standardisation across all regions, improved waste data, and savings through a centralised service. <i>Project is still underway.</i></p>
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		<p><u>NAMS+ Subscription</u> – BOPLASS negotiated discounted rates for NAMS+ subscription used by council asset managers.</p> <p><u>Electronic Signing</u> – BOPLASS has led a project undertaking investigation into a shared agreement for DocuSign for councils.</p> <p><i>Project is still underway.</i></p>
<p>Identify opportunities to collaborate with other LASS in Procurement or Shared Service projects where alliance provides benefits to all parties.</p> <p>BOPLASS to regularly engage with other LASS to identify and explore opportunities for further inter-regional collaboration.</p> <p>Quarterly reporting on engagement and a minimum of one new collaborative initiative undertaken annually.</p>	Achieved	<p>BOPLASS continues to work closely with MW LASS and Co-Lab with the LASS leads engaging regularly and formally meeting on a quarterly basis.</p> <p>Shared services projects being undertaken by other LASS have been offered to BOPLASS councils, with the board making a decision to utilise these opportunities to avoid any duplication of services where we can work with other LASS.</p> <p>Some of the shared service projects offered to BOPLASS councils include:</p> <ul style="list-style-type: none"> • Debt Management Central • Archives Central • Building Consent services <p>BOPLASS is leading or managing, on behalf of other LASS:</p> <ul style="list-style-type: none"> • Waste Operator and Licensing Data System • Postal services • Courier services • H&S management system • Staff wellbeing portal • Regional contractor database • Occupational Health Services <p><u>Broader Outcomes in Procurement</u> – The BOPLASS Procurement Group have identified the need to develop a framework around broader outcomes in procurement. To assist this process, BOPLASS are also working closely with Co-Lab and MW LASS for extended understanding, sharing of best practice, and to explore the opportunity for establishing a standard framework across the three regions.</p> <p>In conjunction with this shared work, MWLASS are leading a specific project on social procurement and sharing the outputs with the other two LASS.</p> <p><u>Health & Safety training</u> – BOPLASS and Co-Lab have established aligned contracts with H&S trainers. To provide improved market leverage and ensure the best value is delivered to all councils, it was agreed to tender for service as a collective covering all BOPLASS and Co-Lab councils. This project is being led by Co-Lab on behalf of both LASS.</p>

		<p><u>Managing Conflict & Aggressive Behaviour</u> – The BOPLASS Health & Safety Advisory Group identified an increase in aggressive behaviour across all BOPLASS councils. Working in collaboration with Waikato councils allowed the group to share resources between regions ensuring best practice was shared and to reduce the duplication of effort to the benefit of all parties.</p> <p><u>SHE Prequalification</u> – Co-Lab have funded full access to the SHE prequalification database and extended this access to cover BOPLASS councils opting into the scheme.</p> <p><u>Insurance Markets Joint Communications</u> – To ensure an aligned approach to insurance renewals, and leverage maximum benefits from an aggregated approach, LASS leads collaborated to develop joint underwriter communications that emphasised the geographical spread of assets and the diversity of risk across the greater region. The communications also highlighted risk management and resiliency work undertaken by LASS councils that had proved to perform well through recent events. Continued collective messaging and leveraging of our underwriter relationships remains critical to reinstalling confidence within the markets we engage with.</p> <p><u>Insurance Forum</u> – BOPLASS hosted and coordinated an insurance forum to cover key insurance topics in local government. The forum was well attended by councils from throughout the upper and central North Island.</p> <p><u>Engagement with other LG collaborative groups:</u> Taranaki councils have formed an informal corporate services group to collaborate and share information across the district. BOPLASS and Co-Lab presented to the group on how our formal arrangements work and the benefits achieved, both within the LASSes and inter-regionally. An offer has been made to include Taranaki councils in any BOPLASS contracts that will be beneficial to all parties.</p> <p>A similar presentation and offer were provided to the Canterbury Mayoral Forum (10 TAs and the regional council), with the group expressing strong interest in utilising the MahiTahi Portal and widening their collaboration</p>
Further develop and extend the Collaboration Portal for access to, and sharing of, project information and opportunities from other councils and the greater Local Government community to	Achieved	Projects continue to be added to the MahiTahi LG Collaboration Portal, increasing 5% from 88 to 93 this year. Over time, usage of the dedicated project area has declined, with project activity increasing but now being mainly run from within specific Teams or Channels within the Portal. Given this change in usage, and the

<p>increase breadth of BOPLASS collaboration.</p> <p>Increase usage of the Collaboration Portal by providing support and training material for new and existing users.</p> <p>Proactively market the benefits to councils.</p> <p>Number of listed projects to increase by 5% per year.</p> <p>Number of active users to increase by 5% per year.</p>		<p>difficulty of monitoring individual Channels, this target has been removed for future years.</p> <p>Continued promotion of the MahiTahi LG Collaboration Portal has seen a 13% increase in registered users with numbers increasing from 429 to 485.</p> <p>On-boarding and training material has been helpful in creating a smooth transition for any new members.</p> <p>The Regional Software Holdings Limited migration has resulted in exponential growth, with the Te Uru Kahika hub (regional and unitary councils) now hosted within the same environment as the MahiTahi Collaboration Portal. Both the MahiTahi LG Collaboration Portal and Te Uru Kahika sit side-by-side, with regional council users able to interact on both platforms.</p> <p>A Teams environment was developed for Entity B of the Affordable Water Reform in order to provide a secure workspace and assist the group with communications and collaboration. The development of this Team was conducted in conjunction with the Entity B stakeholders and a third-party Teams developer.</p>
<p>Communicate with each shareholding council at appropriate levels.</p> <p>Meeting with members of Executive Leadership Team.</p> <p>At least one meeting per year.</p>	Achieved	<p>BOPLASS continues to regularly engage with our constituent councils, senior management, and shareholders to ensure opportunities continue to be developed to the benefit of all stakeholders.</p> <p>Engagement with individual ELT members was regularly undertaken but formal meetings with all executive teams was unable to be completed with all councils this year.</p>
<p>Ensure current funding model is appropriate.</p> <p>Review BOPLASS expenditure and income and review council contributions and other sources of funding.</p> <p>Performance against budgets reviewed quarterly. Company remains financially viable.</p>	Achieved	<p>The sources of BOPLASS funding and the viability of the funding model are regularly reviewed with financial reporting provided to the BOPLASS Board.</p> <p>Council contributions were levied with annual council contributions now CPI adjusted.</p> <p>Contributions were received from activities producing savings.</p> <p>Vendor rebates collected.</p> <p>An annual contribution from Co-Lab, MW LASS, Regional Software Holdings (RSHL) and BOPLASS councils is received for membership of the MahiTahi Local Government Collaboration Portal.</p> <p>Monthly and quarterly performance reviewed.</p> <p>Financial statements and budget variances reported and reviewed at Board meetings.</p> <p>Financial position year end 30 June 2023: -\$22,979 deficit.</p>

Statement of Intent and Performance continued

The following is a report of performance against targets set in the Statement of Intent for 2021/22 and is provided for comparative purposes.

Target <u>2021/22</u>	Result	Narration
<p>Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS councils.</p> <p>Manage and/or renegotiate existing contracts.</p> <p>Contracts are reviewed annually to test for market competitiveness.</p> <p>New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable.</p>	Achieved	<p>Contracts negotiated and/or renewed for:</p> <p><u>Zoom Video Conferencing Services</u> – Renewed group enterprise agreement. Zoom video conference services continue to provide BOPLASS councils with centralised account management and shared infrastructure.</p> <p><i>Enterprise contract renegotiated and renewed. No alternative providers.</i></p> <p><u>GIS software and services</u> –</p> <ul style="list-style-type: none"> • FME • Geocortex Essentials & Geocortex Analytics • X-Tools • NZ Archaeological Association • RetroLens <p><i>Contracts renegotiated and renewed – no alternative suppliers</i></p> <p><u>Print Media Copyright Agency (PMCA)</u> – a collective contract providing savings for all BOPLASS councils has been renewed with PMCA for councils’ print and media copyright services.</p> <p><i>Sole NZ provider of print and media copyright services.</i></p> <p><u>Health & Safety Management Software</u> – BOPLASS manages a collective agreement for H&SMS across BOPLASS and Waikato councils. A change of ownership with the incumbent supplier saw a decline in service levels and BOPLASS engaged with the supplier to address the service shortfalls or seek an alternative supplier. Given the number of councils under the collective agreement, improvements were quickly undertaken by the vendor and improved service levels established.</p> <p><i>Project still ongoing.</i></p> <p><u>Media Monitoring Services</u> – BOPLASS continues to manage a collective media monitoring service with Isentia that provides automatic monitoring and reporting of broadcast, print and social media based upon council requirements. The single BOPLASS portal provides substantial savings to councils while</p>

		<p>also providing a significant reduction in internal resource requirements. <i>Service to be put to tender in 2022-23.</i></p> <p><u>ESRI Enterprise Licensing Agreement</u> – Core GIS software used in all BOPLASS councils. BOPLASS Enterprise Agreement renewed at no increase in cost to councils. <i>No alternative provider in NZ.</i></p> <p><u>n3 (previously known as GSB)</u> – Purchasing group membership negotiated by BOPLASS. Councils achieving significant savings on membership costs and trade pricing through the group scheme. Agreement renewed for another year at same rates. <i>Sole NZ provider.</i></p> <p><u>Health and Safety Training provider</u> – BOPLASS renewed the collective agreement with Vertical Horizonz for H&S training across the BOPLASS councils. The agreement provides tailored training and discounted rates. (WLASS have aligned their contract dates with BOPLASS, providing for opportunities to procure collectively at the end of the new contract term.)</p> <p><u>Standards NZ</u> – BOPLASS has renewed the agreement with Standards NZ for discounted access to the full Standards catalogue at significantly reduced pricing for all BOPLASS councils. <i>No alternative provider in NZ.</i></p> <p><u>Inter-Council Network (ICN)</u> – Review, redesign and renegotiation of suppliers and services – the ICN is a shared service high-capacity fibre network connecting the majority of BOPLASS councils. A review of ICN contracts was undertaken to deliver further cost reductions, along with the addition of new links for councils. Kordia were appointed to replace Vocus. The resultant contract will provide an improvement in service levels and financial savings for all participating councils. Migration of services to Kordia has been initiated.</p> <p><u>MFDs (Photocopier/printers)</u> – Due to the variable print volumes through Covid lockdowns and the subsequent high level of working from home, BOPLASS negotiated with our incumbent provider to extend the current agreement for a further 16 months. The Variation Agreement included benefits such as retaining existing equipment, providing flexibility through the pandemic disruption, and further discounts to print rates. <i>A full tender will be undertaken in 2022 when councils should have an improved understanding of volumes and requirements.</i></p>
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		<p><u>IPWEA Membership</u> - The Institute of Public Works Engineering Australasia (IPWEA) agreement was renewed in 2021 to provide a single BOPLASS portal to allow all constituent councils to access the full IPWEA online catalogue at heavily reduced pricing. The standards are used by all councils for a variety of engineering purposes. The collective agreement provides for unrestricted access for all councils at a significantly lower cost than under individual arrangements.</p> <p><i>No alternative provider in NZ.</i></p>
<p>Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils.</p> <p>Procure from sources offering best value, service, continuity of supply and/or continued opportunities for integration.</p> <p>A minimum of four new procurement initiatives investigated. Initiatives provide financial savings of greater than 5% and/or improved service levels to the participating councils.</p>	Achieved	<p>The new procurement initiatives which have been investigated during the year are as follows:</p> <p><u>Postal Services</u> – Joint procurement for councils' mail services resulted in DX Mail being appointed as preferred supplier. The BOPLASS-led process covered BOPLASS, Co-Lab, MW LASS and Hawke's Bay councils. Savings for all councils will be substantial, particularly for councils with high volumes of urban mail. The contract also provides sustainability and efficiency benefits for councils.</p> <p><u>Courier Services</u> – In conjunction with the Postal services tender a process was managed to identify opportunities for savings with courier services across the BOPLASS, Co-Lab and MW LASS councils. BOPLASS engaged with DIA and ACC to facilitate access to the ACC syndicated contract for courier services. This provides a substantial saving for all councils over their incumbent providers and the alignment with the mail provider offers efficiencies within council mailrooms.</p> <p><u>Infrastructure Insurance</u> – Given the current restricted capacity in the international insurance markets, councils' insurance is only provided on a 12-month term and all placements need to be procured annually. This involves identifying and negotiating with alternative markets every year and often undertaking placements through different insurers. Negotiations for councils' infrastructure insurance were undertaken in late 2021 through direct engagement with London underwriters and Lloyds syndicates. Very good outcomes were achieved for all councils – both in insurance rates and the cover achieved. Insurance markets remain cautious about the risk they are prepared to write but have confidence in the BOPLASS programme due to the quality of information provided and our historical relationship.</p>

		<p><u>My Everyday Wellbeing</u> – Staff online wellbeing platform used extensively across local government. Negotiated for BOPLASS councils to be treated as a single entity. Added Co-Lab and MW LASS councils into same enterprise membership. Negotiated 12-month subscription providing savings to the collective group.</p> <p><u>Rapid Antigen Tests (RATs)</u> – BOPLASS engaged with other LASS and CCOs to aggregate volumes to leverage improved pricing. Several RATs orders were placed on behalf of BOPLASS, Co-Lab, MW LASS and council CCOs. The volume of the collective order resulted in heavily discounted pricing and priority service.</p> <p><u>GIS Training</u> – BOPLASS coordinated specialised GIS ArcPro training across the BOPLASS councils, providing substantial savings through the collective training and also helping to bring all councils up to similar skill levels.</p> <p><u>High-Volume Print</u> – The benefits of councils collaborating in high-volume print services are being investigated. Councils currently use a variety of solutions ranging from in-house commercial print equipment/print rooms to outsourced models. <i>Investigation still under action.</i></p> <p><u>Cyber Insurance</u> – The renewal of councils' cyber insurance policies was facilitated by BOPLASS through a collective programme. Insurers have become much more selective in their placements and local government are viewed as a high-risk client. BOPLASS were able to bring Berkshire Hathaway Specialty Insurance onto the programme who thoroughly analysed councils' IT systems and security. Despite an initial rejection of cover for some councils, BOPLASS was able to provide further information to the insurers, resulting in the collective approach being reinstated and all councils able to secure cover at a reduced cost. <i>Cyber cover is an annual agreement that requires going to market every year.</i></p> <p><u>Aerial Imagery</u> – As part of the BOPLASS regional imagery programme, three tenders were run for orthophotography services this year. Separate contracts were awarded to AAM NZ for the eastern BOP region and TCC interim flying programmes. The flying and imagery for TCC included specific requirements for the capture of high growth areas. A separate procurement process was undertaken for Gisborne District Council with the contract awarded to Aerial Surveys.</p>
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<p>Identify opportunities to collaborate with other LASS in Procurement or Shared Service projects where alliance provides benefits to all parties.</p> <p>BOPLASS to regularly engage with other LASS to identify and explore opportunities for further inter-regional collaboration.</p> <p>Quarterly reporting on engagement and a minimum of one new collaborative initiative undertaken annually.</p>	Achieved	<p>BOPLASS has led several InterLASS projects this year or worked together with other LASS to develop inter-regional benefits:</p> <ul style="list-style-type: none"> • Waste Operator Licencing Data System • Courier Services • Mail Services • H&S Management System • H&S training providers • Occupational Health Services • Rapid Antigen Tests purchasing • Staff Wellbeing Portal • Regional Contractor Database • Risk Management Practices • Collaborative Policy Development • Insurance Renewals Standardisation • Debt Recovery Services <p>BOPLASS continues to work closely with MW LASS and Co-Lab with the LASS leads aiming to meet on a quarterly basis. Several joint procurement projects have been completed and further opportunities identified.</p> <p>Projects being undertaken by other LASS are offered to BOPLASS councils on a commercial basis.</p>
<p>Further develop and extend the Collaboration Portal for access to, and sharing of, project information and opportunities from other councils and the greater Local Government community to increase breadth of BOPLASS collaboration.</p> <p>Increase usage of the Collaboration Portal by providing support and training material for new and existing users.</p> <p>Proactively market the benefits to councils.</p> <p>Number of listed projects to increase by 5% per year.</p> <p>Number of active users to increase by 10% per year.</p>	Achieved	<p>Projects continue to be added to the MahiTahi Collaboration Portal, increasing from 53 to 88 this year.</p> <p>Continued promotion of the MahiTahi Collaboration Portal has seen a 10.5% increase in registered users with numbers increasing from 388 to 429.</p> <p>On-boarding and training material has been helpful in creating a smooth transition for any new members.</p> <p>Working with the DIA, the MahiTahi Collaboration Portal now includes secure areas to support Local Transition Groups working collectively on the Three Waters project.</p> <p>Regional Software Holdings Limited are migrating the regional sector Special Interest Groups to be hosted in a similar collaborative environment as the MahiTahi Collaboration Portal. Technical aspects of the migration are being supported by BOPLASS.</p>
<p>Communicate with each shareholding council at appropriate levels.</p> <p>Meeting with each Executive Leadership Team.</p> <p>At least one meeting per year.</p>	Not Achieved	<p>BOPLASS continues to regularly engage with our constituent councils, senior management and shareholders to ensure opportunities continue to be developed to the benefit of all stakeholders.</p> <p>Formal meetings with all council executive teams were unable to be completed this year. Staff absences,</p>

		travel restrictions and increased workloads meant not all councils could be covered. See Covid Disclosure p. 47.
<p>Ensure current funding model is appropriate.</p> <p>Review BOPLASS expenditure and income and review council contributions and other sources of funding.</p> <p>Performance against budgets reviewed quarterly. Company remains financially viable.</p>	Achieved	<p>The sources of BOPLASS funding and the viability of the funding model are regularly reviewed with financial reporting provided to the BOPLASS Board.</p> <p>Council contributions levied.</p> <p>Contributions received from activities producing savings.</p> <p>Vendor rebates collected.</p> <p>Monthly and quarterly performance reviewed.</p> <p>Financial statements reported and reviewed at Board meetings.</p> <p>Financial position year end 30 June 2022: \$6,244 surplus.</p>

Building Blocks

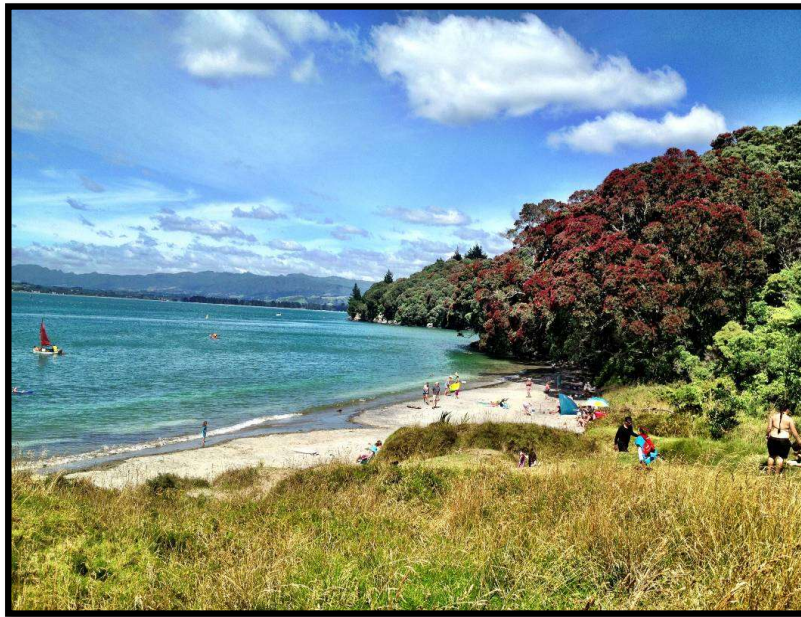
BOPLASS Ltd has been built on a number of principles and activities and these are the building blocks of our success.

You will find examples in text boxes scattered through the document.





PART TWO – ACCOUNTABILITY STATEMENTS



Statement of Responsibility



The following pages 24-47 outline the financial statements and notes for year ended 30 June 2023 for BOPLASS Limited.

The directors believe that proper accounting records have been kept that enable, with reasonable accuracy, the determination of the financial position of the company and facilitate compliance of the financial statements with the Financial Reporting Act 1993.

The directors consider that they have taken adequate steps to safeguard the assets of the company, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide reasonable assurance as to the integrity and reliability of the financial statements.

The directors are pleased to present the financial statements of BOPLASS Ltd for the twelve months ended 30 June 2023.

For and on behalf of the Board of Directors:

Signed:		Craig O'Connell – Chair	Date:	29 September 2023
Signed:		Fiona McTavish – Director	Date:	29 September 2023

**MahiTahi Local Government
Collaboration Portal**

A portal for registration of council projects, collaboration opportunities and identification of potential project partners. Also includes collaboration areas for staff to engage with their peers within other councils.



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New Zealand

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF BOP LASS LIMITED'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2023

The Auditor-General is the auditor of BOP LASS Limited (the company). The Auditor-General has appointed me, Donna Taylor, using the staff and resources of BDO Tauranga, to carry out the audit of the financial statements and performance information of the company on his behalf.

Opinion

We have audited:

- the financial statements of the company on pages 27 to 47, that comprise the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information and
- the performance information of the company on pages 7 to 21.

In our opinion:

- the financial statements of the company on pages 27 to 47:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2023; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Simple Format Reporting- Accrual (Public Sector); and
- the performance information of the company on pages 7 to 21 presents fairly, in all material respects, the company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the company's objectives for the year ended 30 June 2023.

Our audit was completed on 29 September 2023. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

PARTNERS: Fraser Lellman CA Janine Hellyer CA Paul Manning CA Donna Taylor CA Linda Finlay CA Michael Lim CA

BDO New Zealand Ltd, a New Zealand limited company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO New Zealand is a national association of independent member firms which operate as separate legal entities.

Responsibilities of the Board of Directors for the financial statements and the performance information

The Board of Directors is responsible on behalf of the company for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparing the performance information for the company.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board of Directors is responsible on behalf of the company for assessing the company's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Local Government Act 2002.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of shareholders, taken on the basis of these financial statements and the performance information.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the company's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the

performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 1 to 6, 22 to 23 and 47, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the company in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the company.




Donna Taylor
BDO Tauranga
On behalf of the Auditor-General
Tauranga, New Zealand


Financial Statements – Statement of Financial Position

STATEMENT OF FINANCIAL POSITION - AS AT 30 JUNE 2023			
BOP LASS LTD	Notes	BOP LASS Ltd	
		2022/23 Actual	2021/22 Actual
ASSETS - CURRENT			
Bank accounts and cash	10	445,751	370,585
Short Term Investments	10	250,000	550,000
Debtors and Other Receivables	11	1,813,692	153,287
Prepayments	12	171,055	116,891
Total Current Assets		2,680,500	1,190,763
ASSETS - NON-CURRENT			
Intangible Assets	13	7,055	9,340
Plant and Equipment	14	16,855	22,762
Total Non-Current Assets		23,910	32,101
TOTAL ASSETS		2,704,410	1,222,864
LIABILITIES - CURRENT			
Creditors and Accrued Expenses	15	459,207	281,151
Employee Costs Payable	16	40,554	31,070
Income in Advance	17	2,176,128	858,574
Borrowings	18	0	0
Total Current Liabilities		2,675,889	1,170,795
TOTAL LIABILITIES		2,690,891	1,170,795
TOTAL ASSETS less TOTAL LIABILITIES		28,520	52,070
EQUITY			
Accumulated Deficits	19	(70,482)	(46,932)
Share Capital	19	99,002	99,002
TOTAL EQUITY		28,520	52,070

The notes and Statement of Accounting Policies form part of these financial statements.

For and on behalf of the Board of Directors:

Signed:  Craig O'Connell – Chair Date: 29 September 2023

Signed:  Fiona McTavish – Director Date: 29 September 2023



Financial Statements – Statement of Financial Performance

STATEMENT OF FINANCIAL PERFORMANCE - FOR THE YEAR ENDED 30 JUNE 2023				
BOP LASS LTD	Notes	BOP LASS Ltd		
		2022/23 Actual	2022/23 Budget	2021/22 Actual
REVENUE				
Council Contribution	2	328,507	313,792	306,140
Project Revenue	2	1,583,738	1,295,700	1,632,054
Interest Revenue	3	14,936	4,300	9,425
Other Income	2.5	0	0	50,000
Total Revenue		1,927,181	1,615,592	1,997,619
EXPENSES				
Depreciation and Amortisation	4	8,191	8,350	7,355
Employee Related Costs	5	319,349	289,520	312,989
Directors Costs	6	19,393	21,000	18,000
Finance Cost	7	0	500	0
Other Expenses	8	1,603,799	1,296,222	1,647,109
Total Expenses		1,950,730	1,615,592	1,985,454
Surplus/(Deficit) before tax		(23,549)	0	12,165
Income Tax Expense/(Benefit)	9	0	0	5,921
Surplus/(Deficit) after tax		(23,549)	0	6,244

The notes and Statement of Accounting Policies form part of these financial statements.
 Explanations of major variances against budget are provided in note 25.

Media Monitoring

A shared media monitoring portal provides councils with improved visibility of community feedback through monitoring of press and social media.



Financial Statements – Statement of Cashflows

STATEMENT OF CASHFLOWS - FOR THE YEAR ENDED 30 JUNE 2023			
BOP LASS LTD	Notes	BOP LASS Ltd	
		2022/23 Actual	2021/22 Actual
CASHFLOWS FROM OPERATING ACTIVITIES			
Council Contribution		328,507	306,140
Other Revenue		0	50,000
Project Revenue		1,221,724	1,439,315
Interest Revenue		14,936	9,425
Tax Paid - RWT (net)		0	0
Goods and Services Tax (net)		0	(8,669)
Total Cash Provided		1,565,167	1,796,211
Employee Related Costs		(301,800)	(299,491)
Payments to Suppliers		(1,694,384)	(1,722,774)
Interest Paid		0	0
Tax Paid - RWT (net)		(3,837)	3,019
Goods and Services Tax (net)		210,022	0
Total Cash Applied		(1,789,999)	(2,019,246)
NET CASHFLOWS FROM OPERATING ACTIVITIES		(224,835)	(223,035)
CASHFLOWS FROM INVESTING ACTIVITIES			
Acquisition of Investments		300,000	250,000
Purchase of Plant and Equipment		0	(25,096)
Purchase of Intangibles		0	0
Total Investing Cash Applied		300,000	224,904
NET CASHFLOWS FROM INVESTING ACTIVITIES		300,000	224,904
CASHFLOWS FROM FINANCING ACTIVITIES			
Proceeds from Loans		0	0
Repayment of Loans		0	0
NET CASHFLOWS FROM FINANCING ACTIVITIES		0	0
NET INCREASE/(DECREASE) IN CASH		75,165	1,869
CASH AT BEGINNING OF THE YEAR		370,586	368,716
CASH AT END OF THE YEAR	10	445,751	370,586

The GST component of operating activities reflects the net GST paid and received to and from the Inland Revenue Department. The GST component has been prepared on a net basis, as the gross amounts do not provide meaningful information for financial purposes.

The notes and Statement of Accounting Policies form part of these financial statements.



Entity Information for the Year Ended 30 June 2023**LEGAL NAME**

BOPLASS Limited stands for Bay of Plenty Local Authority Shared Services.

TYPE OF ENTITY AND LEGAL BASIS

BOPLASS Limited is incorporated in New Zealand under the Companies Act 1993.

COMPANY'S PURPOSE

BOPLASS Ltd is based in Tauranga and is a joint venture between nine councils formed to provide shared services.

STRUCTURE OF COMPANY'S OPERATIONS INCLUDING GOVERNANCE ARRANGEMENTS


The company is owned and controlled by the nine councils and comprises a Board of ten directors who oversee the governance of the company. A Chief Executive is responsible for the day-to-day operations of the company and reports to the Board, with two other staff supporting the Chief Executive in delivering against the company's objectives. The Board is made up of nine Chief Executives from participating councils and one independent director. Refer Statutory Disclosure note page 46 for list of councils.

MAIN SOURCE OF THE COMPANY'S CASH AND RESOURCES

Annual operating contribution received from each of the nine councils and project commissions are the main source of funding.

OUTPUTS

As per the Statement of Intent and Performance.

**All of Government (AoG) Procurement**

BOPLASS takes into account and supports opportunities available through All of Government purchasing arrangements.



Statement of Accounting Policies**Statement of Accounting Policies for the Year Ended 30 June 2023****ACCOUNTING POLICIES APPLIED:*****BASIS OF PREPARATION***

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

All transactions in the financial statements are reported using the accrual basis of accounting. The financial statements are presented in New Zealand dollars (\$) and all values are rounded to the nearest dollar. The functional currency of BOPLASS Ltd is New Zealand dollars.

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

SIGNIFICANT ACCOUNTING POLICIES

There have been no changes to accounting policies during the reporting period.

GOODS AND SERVICES TAX

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

REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable.

Contributions received from the nine shareholder councils are BOPLASS Limited's primary source of funding for the 12 months ended 30 June 2023.

Council contributions are recognised as revenue when they become receivable unless there is an obligation to return the funds if conditions of the contributions are not met. No such obligation is attached to the council contributions received for the twelve months ended 30 June 2023.

Project revenue is recognised when the sale of goods or services is sold to the customer.

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



EMPLOYEE RELATED COSTS

Wages, salaries, and annual leave are recorded as an expense as staff provide services and become entitled to wages, salaries and leave entitlements.

Performance payments are recorded when the employee is notified that the payment has been granted.

Superannuation contributions are recorded as an expense as staff provide services.

ADMINISTRATION, OVERHEADS AND PROJECT EXPENDITURE COSTS

These are expensed when the related service has been received.

LEASE EXPENSES

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

BANK ACCOUNTS AND CASH

Bank accounts and cash comprise cash on hand, cheque or savings accounts, and deposits held at call with banks.

DEBTORS AND OTHER RECEIVABLES

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

PLANT AND EQUIPMENT

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

For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amount. For an asset to be used by the company, the asset is impaired if the value to the company in using the asset falls below the carrying amount of the asset.

Depreciation is provided on a diminishing value basis over the estimated useful life, at the same rate as is allowed by the Income Tax Act 1994.

The useful lives for associated depreciation rates of other assets have been estimated using the diminishing value basis as follows:

Office equipment	5 years	20%
Computer equipment/ICN	4 years	25%



INTANGIBLE ASSETS

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred.

The carrying value of an intangible asset with a finite life is amortised on a diminishing value basis over its estimated useful life, at the same rate as is allowed by the Income Tax Act 1994. This charge is recognised as an expense.

The useful lives for associated amortisation rates of major classes of intangible assets have been estimated using the diminishing basis as follows:

2021 Computer Software	2 years	50%
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CREDITORS AND ACCRUED EXPENSES

Creditors and accrued expenses are measured at the amount owed.

EMPLOYEE COSTS PAYABLE

A liability for employee costs payable is recognised when an employee has earned the entitlement.

These include salaries and wages accrued up to balance date and annual leave earned but not yet taken at balance date. A liability and expense for long service leave and retirement gratuities is recognised when the entitlement becomes available to the employee.

INTEREST BEARING LOANS AND BORROWINGS

Loans & Borrowings are recognised at the amount borrowed from the lender.

Interest costs and interest accrued are recognised as an expense when incurred.

INCOME TAX

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

BUDGET FIGURES

The budget figures are derived from the Statement of Intent as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with Tier 3 standards, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.



COMMITMENT AND CONTINGENT LIABILITIES

Commitments and contingencies are disclosed exclusive of GST.

EQUITY

Equity is measured by the value of total assets less total liabilities.

TIER 3 PBE ACCOUNTING STANDARDS APPLIED

BOPLASS Ltd has applied Tier 3 Accounting Standards in preparing its Financial Statements to:

- Property, plant and equipment to show intangible assets separate from property, plant & equipment.
- Debtors and prepayments reported separately.

Print Services

A collective contract with Canon for photocopiers and printers has delivered significant savings to the group. It has also provided a common technology platform supporting the development and delivery of further shared services.



Notes to Financial Statements

NOTE 2: COUNCIL CONTRIBUTION / PROJECT REVENUE

	Notes	BOP LASS Ltd		
		2022/23 Actual	2022/23 Budget	2021/22 Actual
Core Revenue				
Council Contribution		328,507	313,792	306,140
				306,140
Project Revenue				
Rebates	*	622	2,500	3,188
Aerial Photography Revenue	**	741,188	400,000	688,275
Video Conferencing Revenue	***	22,472	15,000	26,145
Revenue - ICN	****	127,595	130,000	142,596
Recoveries	*****	654,611	700,000	735,151
Collaboration Portal Revenue	*****	37,250	50,000	36,700
				1,632,054
TOTAL CORE AND PROJECT REVENUE		1,912,245	1,611,292	1,938,194

- * Rebates for Services contracted by BOPLASS Ltd are received from NZ Post Ltd and a final from CSG.
- ** Aerial Photography revenue is offset by Aerial Photography expenditure paid by BOPLASS Ltd on behalf of the councils. Refer to Note 8.
- *** Video Conferencing Revenue is offset by Video Conferencing expenditure.
- **** ICN Revenue is offset by ICN expenditure.
- ***** Recovery Revenue is offset by recovery expenditure refer to Note 8. This is the recovery of BOPLASS project or procurement costs incurred on behalf of the participating councils.
- ***** Collaboration Portal Revenue is offset by Collaboration Portal expenditure.

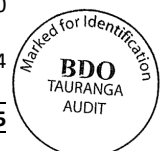
NOTE 2.5: OTHER INCOME

	Notes	BOP LASS Ltd		
		2022/23 Actual	2022/23 Budget	2021/22 Actual
Other Income				
LINZ Grant	*	0	0	50,000
Reimbursement		0	0	0
TOTAL OTHER INCOME		0	0	50,000

- * A one-off \$50,000 contribution to the BOPLASS aerial imagery programme received from LINZ.

NOTE 3: INTEREST REVENUE

	Notes	BOP LASS Ltd		
		2022/23 Actual	2022/23 Budget	2021/22 Actual
Core Revenue				
Interest Revenue - Current account		6,039	200	640
Project Revenue				
Interest Revenue - Aerial Trust account		8,897	4,100	8,784
TOTAL INTEREST REVENUE		14,936	4,300	9,425



NOTE 4: DEPRECIATION AND AMORTISATION EXPENSE

	Notes	BOP LASS Ltd		
		2022/23 Actual	2022/23 Budget	2020/21 Actual
Core Expenditure				
Intangibles	*	2,285	7,700	3,138
Plant and Equipment	**	5,906	650	4,217
TOTAL DEPRECIATION AND AMORTISATION EXPENSE		8,191	8,350	7,355

* Intangibles refer to note 13.

** Plant and Equipment refer to note 14.

NOTE 5: EMPLOYEE RELATED COSTS

	Notes	BOP LASS Ltd		
		2022/23 Actual	2022/23 Budget	2021/22 Actual
Core Expenditure				
Salary and Wages		275,060	265,670	271,338
Superannuation	*	20,379		18,813
Direct Personnel Overheads	**	23,910	23,850	22,837
TOTAL EMPLOYEE RELATED COSTS		319,349	289,520	312,989

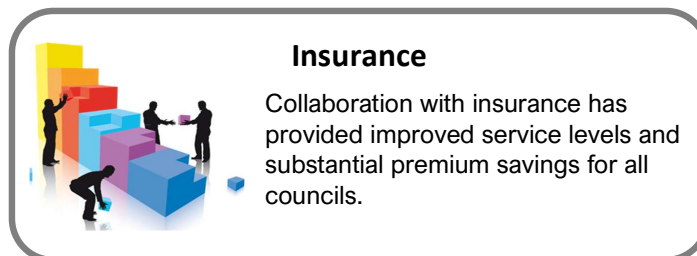
* Superannuation includes employer contributions to Kiwisaver.

** Direct Personnel Overheads include ACC, Fringe Benefit Tax, staff training costs and other staff support costs.

NOTE 6: DIRECTORS COSTS

	Notes	BOP LASS Ltd		
		2022/23 Actual	2022/23 Budget	2021/22 Actual
Core Expenditure				
Directors Costs (Fees & Travel)	*	19,393	21,000	18,000
TOTAL DIRECTORS COSTS		19,393	21,000	18,000

* Craig O'Connell is the only independent paid Director, commenced February 2015. The other nine Directors are the Chief Executives of participating Councils and do not receive any remuneration from BOPLASS.



NOTE 7: FINANCE COST

	Notes	BOP LASS Ltd		
		2022/23 Actual	2022/23 Budget	2022/23 Actual
Core Expenditure				
Interest on Borrowings	*	0	500	0
TOTAL FINANCE COST		0	500	0

* Interest on Tauranga City Council loan refer to Note 18.

NOTE 8: OTHER EXPENSES

	Notes	BOP LASS Ltd		
		2022/23 Actual	2022/23 Budget	2021/22 Actual
Core Expenditure				
Audit Fees	*	21,277	21,300	21,277
Administration Expenses	**	18,049	17,500	14,814
Consultancy	***	8,400	5,300	8,250
General Costs	****	9,985	10,600	5,320
Insurance		10,950	10,500	9,860
Crime Prevention		13,163	0	0
		81,824	65,200	59,521
Project Expenditure				
Aerial Photography	*	741,188	400,000	688,275
Video Conferencing	**	19,360	14,100	26,145
Inter Council Network (ICN)	**	115,910	124,800	108,582
Recoveries	***	618,870	665,000	742,601
Collaboration Portal Opex	****	26,647	27,122	21,985
		1,521,975	1,231,022	1,587,588
TOTAL OTHER EXPENSES		1,603,799	1,296,222	1,647,109

Core

* Audit Fees for 2023 are \$21,277

** Administration Expenses

*** Consultancy includes tax advice for both 2022 and 2023

**** Accommodation & Travel, Bank Fees, Conferences, General Expenses, Health & Safety, Legal, Subscriptions

Project

* BOPLASS Ltd has a contract for aerial photography on behalf of the councils. This expenditure is offset from the revenue received from the councils. BOPLASS Ltd is acting on behalf of the councils.

** ICN Expenses. This expenditure is offset from the revenue received from the councils. BOPLASS Ltd is acting on behalf of the councils.

*** Recoveries - This expenditure is offset from the revenue received from the councils for project work.

**** Collaboration Portal Opex - to assist in accelerating growth of shared service strategies and projects throughout local government in New Zealand by increasing visibility of councils' opportunities to collaborate.



NOTE 9: INCOME TAX EXPENSE

	Notes	BOP LASS Ltd	
		2022/2023 Actual	2021/2022 Actual
Components of tax expense			
Current Tax Expense		0	0
Adjustments to current tax in prior years		0	5,921
Tax Expense		0	0
INCOME TAX EXPENSE		0	5,921
Relationship between tax expense and accounting profit			
Net surplus (deficit) before Taxation*		(23,550)	12,165
Tax calculation @ 28%		(6,594)	3,406
Plus/(Less) Taxation effect of:		0	0
Non-deductible Expenditure		328,507	278,706
Imputation credit adjustment		0	0
Non-taxable (income)/expenditure		(328,507)	(278,436)
Prior Period Adjustment		0	5,921
Group loss offset		0	0
Tax Losses not recognised		0	0
Deferred tax adjustment		(6,594)	(3,676)
TOTAL INCOME TAX EXPENSE		0	5,921

Tax credit of \$7,025.20 are available to carry forward and offset against any future taxable income.

Joint Procurement

The procurement of services or products by two or more councils, from an external provider regardless of whether the service is paid for through BOPLASS or individually by participating councils.



NOTE 10: BANK ACCOUNTS, CASH AND OTHER FINANCIAL ASSETS

	Notes	BOP LASS Ltd	
		2022/23 Actual	2021/22 Actual
Cash at Bank - Current account		439,819	361,609
Cash at Bank - Aerial Trust account		5,932	8,976
Term Deposit 182 days		250,000	550,000
TOTAL BANK ACCOUNTS AND CASH		695,751	920,585

NOTE 11: DEBTORS AND OTHER RECEIVABLES

	Notes	BOP LASS Ltd	
		2022/23 Actual	2021/22 Actual
Debtors – Other		1,734,157	3,457
Goods and Services		0	22,999
Accrued Revenue		67,758	118,890
Tax (Payable) / Receivable		11,777	7,941
TOTAL DEBTORS AND OTHER RECEIVABLES		1,813,692	153,287

Debtors are non-interest bearing and receipt is normally 30-day terms. Therefore, the carrying figure of debtors approximates their fair value.

NOTE 12: PREPAYMENTS

	Notes	BOP LASS Ltd	
		2021/22 Actual	2021/22 Actual
Under 1 Year		171,055	116,891
TOTAL PREPAYMENTS		171,055	116,891

Coalition of the Willing

BOPLASS councils work within an opt-in principle, meaning projects initially advance with willing and active participants.



NOTE 13: INTANGIBLE ASSETS

	Notes	BOP LASS Ltd	
		2022/23 Actual	2021/22 Actual
Computer Software			
Cost			
Cost at beginning of Year		79,174	79,174
Current Year Additions		0	0
Current Year Disposals		0	0
Cost Balance at Year End		79,174	79,174
Accumulated Amortisation and Impairment			
Cost at beginning of Year		(69,835)	(66,696)
Amortisation Expense		(2,284)	(3,139)
Impairment Losses			
Accumulated Amortisation and Impairment Balance at Year End		(72,119)	(69,835)
Carrying Amounts			
Cost at beginning of Year		9,340	12,478
Carrying Amount at Year End		7,055	9,340

Amortisation Expense was at varying rates between 15% to 60%.

No impairment losses have been recognised for intangible assets.

NOTE 14: PLANT AND EQUIPMENT

	Notes	BOP LASS Ltd	
		2022/23 Actual	2021/22 Actual
Office and Computer Equipment			
Cost			
Cost at beginning of Year		29,613	4,516
Current Year Additions		0	25,097
Current Year Disposals		0	0
Cost Balance at Year End		29,613	29,613
Accumulated Depreciation and Impairment			
Cost at beginning of Year		(6,852)	(2,635)
Depreciation Expense		(5,905)	(4,217)
Impairment Losses		0	0
Loss on Disposal of Asset		0	0
Accumulated Depreciation and Impairment Balance at Year End		(12,757)	(6,852)
Carrying Amounts			
Cost at beginning of Year		22,762	1,882
Carrying Amount at Year End		16,855	22,762

Office equipment has been depreciated over its life (5 years).

Computer equipment has been depreciated over its life (4 years).



NOTE 15: CREDITORS AND ACCRUED EXPENSES

	Notes	BOP LASS Ltd	
		2022/23 Actual	2021/22 Actual
ANZ Business Credit Card		0	3,887
Creditors		202,057	194,596
Accrued Expenses		25,691	25,497
Goods and Services Tax Payable		194,515	0
Retentions		36,944	57,172
TOTAL CREDITORS AND ACCRUED EXPENSES		459,207	281,151

ANZ Business Credit Card facilities were arranged primarily to pay international accounts for software to reduce the fees charged and to improve expense processes and reporting.

Creditors are non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of creditors and other payables approximates their fair value.

NOTE 16: EMPLOYEE COSTS PAYABLE

	Notes	BOP LASS Ltd	
		2022/23 Actual	2021/22 Actual
Accrued Salaries and Wages		8,163	7,295
Annual Leave		23,357	11,222
PAYE		9,034	12,553
TOTAL EMPLOYEE COSTS PAYABLE		40,554	31,070

NOTE 17: INCOME IN ADVANCE

	Notes	BOP LASS Ltd	
		2022/23 Actual	2021/22 Actual
Income in Advance	*	2,176,128	858,574
TOTAL INCOME IN ADVANCE		2,176,128	858,574

* Income in advance that relates to 2022/23 financial year:
 \$9,850,000 relating to Crime Prevention
 \$653,439 is for aerial photography
 \$388,391 ESRI Licensing
 \$49,999 is for Proof-of-Concept budget for OpsCom Projects
 \$28,863 N3 Expenses
 \$26,166 Geocortex
 \$17,954 Solid Waste
 \$16,050 MCA and IPWEA Subs
 \$10,266 is for the Geospatial Web project



NOTE 18: BORROWINGS

	Notes	BOP LASS Ltd	
		2022/23 Actual	2021/22 Actual
Maturing in Under 1 Year		0	0
TOTAL BORROWINGS		0	0

BOPLASS Ltd has a reciprocal borrowing arrangement with Tauranga City Council which allows for the borrowing of funds and placement of excess funds. The current loan balance as at 30 June 2023 is \$NIL. Interest is accrued during each interest period. This loan facility is still available to BOPLASS Ltd.

Interest is calculated at current market rates. The loan from Tauranga City Council is unsecured.

NOTE 19: EQUITY

	Notes	BOP LASS Ltd	
		2022/23 Actual	2021/22 Actual
Share Capital			
Balance at beginning of Year		99,002	99,002
Fully Paid up Shares		0	0
Balance at Year End		99,002	99,002
Accumulated Surpluses/(Deficit)			
Balance at beginning of Year		(46,932)	(53,176)
Surplus/(Deficit) after Taxation		(23,550)	6,244
Balance at Year End		(70,482)	(46,932)

Share Capital - As at 30 June 2023, share capital comprised of thirty-one Ordinary Shares and twenty-two Non-Voting Shares.

The holders of the ordinary shares are entitled to receive dividends as declared from time to time, are entitled to one vote per share at meetings of the Company and rank equally regarding the Company's residual assets.

Dividends - No dividends have been paid or are proposed by the Company.

NOTE 20: CONTINGENCIES

BOPLASS Ltd have no contingencies at year end and that there were no contingencies for prior year.

NOTE 21: EVENTS OCCURRING AFTER BALANCE DAY

No events have occurred since balance date for BOPLASS Ltd.



NOTE 22: STATEMENT OF COMMITMENTS

	Notes	BOP LASS Ltd	
		2022/23 Actual	2021/22 Actual
Capital Commitments		0	0
TOTAL CAPITAL COMMITMENTS		0	0


This statement represents extraordinary or exceptionally large commitments for that type of expenditure within the normal course of business, which have been contractually entered. As at balance date, BOPLASS Ltd has no large commitments of this nature.

BOPLASS Ltd has a contractual agreement with AAM Limited and Aerial Surveys Ltd to provide aerial photos for the councils. This is treated as an operational expense in the BOPLASS Ltd accounts.

OPERATING LEASES AS LESSEE	Notes	BOP LASS Ltd	
		2022/23 Actual	2021/22 Actual
Not later than one year		0	0
Later than one year and not later than five years		0	0
Later than five years		0	0
TOTAL OPERATING LEASES AS LESSEE		0	0

The expense of \$115,910 for the Inter Council Network is recognised in the Statement of Financial Performance refer to Note 8. Participating councils are invoiced by BOPLASS Ltd on a quarterly basis to recover the costs of the Inter Council Network. The pricing is reviewable not less than annually and adjustments are to be made for market trends and for the number of councils participating.

RECOVERY OF OPERATING LEASES PAYMENTS FROM PARTICIPATING COUNCILS	Notes	BOP LASS Ltd	
		2022/23 Actual	2021/22 Actual
Not later than one year		0	0
Later than one year and not later than five years		0	0
Later than five years		0	0
TOTAL OPERATING LEASES AS LESSOR		0	0



Video Conferencing

Distance and travel time are a significant cost. BOPLASS has assisted councils to implement video conferencing to make activities more efficient.



NOTE 23: RELATED-PARTY TRANSACTIONS

Related-party disclosures have not been made for transactions with related parties that are within a normal supplier or client / recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the company would have adopted in dealing with the party at arm's length in the same circumstances.

Related party required to be disclosed

Tauranga City Council provided accounting services to BOPLASS Ltd during the financial year to 30 June 2023 free of charge. An estimated value of the accounting services provided for the year is \$15,000.

NOTE 24: STATEMENT OF PERFORMANCE AGAINST STATEMENT OF INTENT

The Equity Ratio is a good indicator of the level of leverage used by a company. The Equity Ratio measures the proportion of the total assets that are financed by stockholders and not creditors.

The calculation of equity ratio is:

2023: 1.05% (2022: 4.32%)

NOTE 25: EXPLANATIONS OF MAJOR VARIANCES AGAINST BUDGET

BOP LASS Ltd	
Statement of Financial Performance	Variance against Budget
Aerial Photography Revenue and Expenditure (Note 2)	Due to favourable weather conditions, suppliers were able to complete more work than expected. As a result, revenue and expenses have increased proportionally.
Collaboration Portal (Note 2)	Collaboration Portal revenue and expenses have decreased proportionally through various cost saving activities.
ICN Expenditure (Note 8)	ICN expenditure has decreased due to the capital recognition of \$25,097 which will be depreciated over 4 years. (Note 14)
Video Conference Revenue and Expenditure (Note 2)	Fewer video conference services purchased, decreasing expenditure and revenue against budget.
Recoveries and Projects – Recoveries (Note 2)	Project timing is often impacted by reprioritisation of workstreams, with this affecting Project Recoveries and Expenditure. Both the expense and revenue remained proportional.
Interest Revenue (Note 3)	Increasing interest rates have resulted in the increase we see in bank interest.



NOTE 26: BOPLASS CONTRACTUAL OFFSETTING REVENUE & EXPENDITURE TRANSACTIONS

	BOP LASS Ltd 2022/23			
	Revenue	Expenditure	Net Operating Surplus/(Deficit)	Explanation
Core				
Council Contribution	328,507	0	328,507	BOPLASS Ltd receives funds from nine councils to fund administrative costs not related to projects. Includes CPI Adjustment.
Interest Revenue	6,039	0	6,039	Refer Note 3.
Other Income – Reimbursement	0	0	0	Refer Note 2.5.
Depreciation & Amortisation	0	8,191	(8,191)	Refer to Note 4.
Salary and Wages	0	275,060	(275,060)	Refer to Note 5.
Superannuation	0	20,379	(20,379)	Refer to Note 5.
Direct Personnel	0	23,910	(23,339)	Refer to Note 5.
Overheads				
Directors Fees & Costs	0	19,393	(19,393)	Refer to Note 6.
Administration Expenses	0	18,049	(18,049)	Refer to Note 8.
Audit Fees	0	21,277	(21,277)	Refer to Note 8.
Consultancy	0	8,400	(8,400)	Refer to Note 8.
Insurance	0	10,950	(10,950)	Refer to Note 8.
General	0	9,985	(9,985)	Refer to Note 8.
Crime Prevention	0	13,163	(13,163)	Refer to Note 8.
Total	334,546	428,755	(93,639)	
Projects				
Aerial Photography	741,188	741,188	0	Participating councils are invoiced by BOPLASS Ltd and AAM Ltd is paid as percentages of the work on the project are completed.
Interest Revenue related to Aerial Photography	8,897	0	8,897	Bank interest received on the BOPLASS Ltd Aerial Photography Trust account. Refer to Note 3.
Canon Video Conferencing	22,472	19,360	3,112	Councils pay BOPLASS Ltd an amount charged by Canon plus an administrative fee for BOPLASS Ltd maintaining a service and maintenance contract on behalf of the councils.
Inter Council Network	127,595	115,910	11,685	Participating councils are invoiced by BOPLASS Ltd on a quarterly basis to recover the cost for the Inter Council Regional Network Platform. ICN revenue includes recovery of other operating expenditure - ICN, interest on borrowings - ICN loan and BOPLASS Ltd administration fees.
Project Recoveries	654,611	618,870	35,741	BOPLASS charges an administration fee for management of the software purchase and recoveries.
Rebates	622	0	622	Rebates earned by BOPLASS from CSG Technology and NZ Post Ltd.



Collaboration Portal	37,250	26,647	10,603	The Portal is to assist in accelerating growth of shared service strategies and projects throughout local government in New Zealand by increasing visibility of councils' opportunities to collaborate. Membership Revenue lower than expected.
Total	1,592,635	1,521,975	70,659	

Overall Total	1,927,181	1,950,730	(23,550)	
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BOP LASS Ltd 2020/21

	BOP LASS Ltd 2021/22		
	Revenue	Expenditure	Net Operating Surplus/(Deficit)
Core			
Council Contribution	306,140	0	306,140
Interest Revenue	640	0	640
Other Income – Reimbursement	50,000	0	50,000
Depreciation & Amortisation	0	7,355	(7,355)
Salary and Wages	0	271,338	(271,338)
Superannuation	0	18,813	(18,813)
Direct Personnel Overheads	0	22,837	(22,837)
Directors Fees & Costs	0	18,000	(18,000)
Administration Expenses	0	14,814	(14,814)
Audit Fees	0	21,277	(21,277)
Consultancy	0	8,250	(8,250)
Insurance	0	9,860	(9,860)
General	0	5,320	(5,320)
Tax Expense	0	5,921	(5,921)
Total	356,780	403,785	(47,005)
Projects			
Aerial Photography	688,275	688,275	0
Interest Revenue related to Aerial Photography	8,784	0	8,784
Canon Video Conferencing	26,145	26,145	0
Inter Council Network	142,596	108,582	34,014
ESRI Enterprise Licence (Recoveries)	374,500	370,800	3,700
Other Recoveries	360,651	371,801	(11,151)
Rebates	3,188	0	3,188
Collaboration Portal	36,700	21,985	14,715
Total	1,640,838	1,587,589	53,249

Overall Total	1,997,619	1,991,375	6,244
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Statutory Disclosures as per section 211 (1) of the Companies Act (1993)

NATURE OF BUSINESS

There has been no change in the nature of the business of the company during the year.

DIRECTORS APPOINTED

Under the Shareholder Agreement directors are appointed by the constituent councils. Directors and their dates of appointment are as follows:

Independent director	Craig O'Connell	26 February 2015 Chair from 16 March 2016
Kawerau District Council	Russell George	14 January 2008
Bay of Plenty Regional Council	Fiona McTavish	30 June 2018
Western Bay of Plenty District Council	John Holyoake	19 July 2021
Rotorua Lakes Council	Geoff Williams	1 July 2013
Whakatane District Council	Stephanie O'Sullivan	19 November 2018
Tauranga City Council	Martin Grenfell	3 September 2018
Taupo District Council	Gareth Green	26 July 2016 until 24 March 2023
	Julie Gardyne	2 June 2023
Gisborne District Council	Nedine Thatcher-Swann	13 March 2017
Opotiki District Council	Aileen Lawrie	10 August 2010 until 26 July 2022
	Miles McConway (Acting)	16 August 2022 until 22 September 2022
	Stace Lewer	23 September 2022

INTEREST REGISTER

There have been no disclosures of self-interest during the period.

DIRECTORS REMUNERATION

In February 2015 the Board appointed an independent director. The independent director receives remuneration and is reimbursed for related expenses. No remuneration had been paid to other directors.

DONATIONS

There were no donations made by the company during the period.



11.7 MAYOR'S REPORT TO COUNCIL**File Number:** A5768869**Author:** Charlene Page, Senior Executive Assistant Mayor/CEO**Authoriser:** James Denyer, Mayor**EXECUTIVE SUMMARY**

The purpose of this report is for the Mayor to provide an update to Council on the below subjects or meetings.

RECOMMENDATION

That the Senior Executive Assistant to Mayor/CEO's report dated 26 October 2023 titled 'Mayor's Report to Council' be received.

BACKGROUND**Meetings**

External functions and meetings attended by me between 14 September 2023 and 6 October 2023 include:

Pamela Grealey, Katikati	15	September
Climate Action Festival Speakers Forum, Tauranga	15	September
Cr Sarah-Jane Bourne, Tauranga	15	September
Future for Local Government hui, Wellington	17-18	September
Mayor/Chairs/CEs catch up, Tauranga	19	September
Te Puke Mountain Bike Park proposal site visit, Te Puke	20	September
Tauranga Brand steering group, Tauranga	21	September
Te Puke Business Excellence Awards, Te Puke	22	September
Space for Nature workshop, Katikati	24	September
KiwiRail Board and Senior Executives, Tauranga	25	September
Friends of Acorn update meeting, Katikati	26	September
BOPCDEMJC briefing, Zoom	27	September
Sikh Parade, Te Puke	30	September
Waihi Beach, Beach Pod launch event, Waihi Beach	1	October
Regional Cruise Hui (TBOP), Tauranga	4	October
Esther Williams et al, Pongakawa	5	October
BOP Agricultural Advisory Committee, Te Puke	5	October

12 INFORMATION FOR RECEIPT**13 RESOLUTION TO EXCLUDE THE PUBLIC****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
13.1 – Confidential Minutes of the Council Meeting held on 3 October 2023	<p>s7(2)(a) – the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(f)(ii) – the withholding of the information is necessary to maintain the effective conduct of public affairs through the protection of Council members, officers, employees, and persons from improper pressure or harassment</p> <p>s7(2)(g) – the withholding of the information is necessary to maintain legal professional privilege</p> <p>s7(2)(h) – the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p>	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
13.2 – Tourism Bay of Plenty Appointment of Trustees	s7(2)(a) – the withholding of the information is necessary to protect the privacy of	s48(1)(a)(i) – the public conduct of the relevant part of the proceedings of the

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