

KAIKŌURA DISTRICT COUNCIL MEETING

Date:	Wednesday 29 March 2023
Time	9.00am
Location	Totara, Council Chambers

AGENDA

1. Open with a Karakia

Kia wātea te Wairua, Kia wātea te tinana, Kia wātea te hinengaro, Kia wātea ai te mauri, Tuturu ōwhiti whakamaua kia tina, TINA!, Haumi e, Hui e, TAIKI E!

2. Apologies

3. Declarations of Interest

4. Public Forum

9.05am – Michael McCabe as Chair of Older Person’s Working Group

Public forums provide opportunity for members of the public to bring matters, not necessarily on the meeting’s agenda, to the attention of the Council.

5. Formal Deputations

The purpose of a deputation is to enable a person, group or organisation to make a presentation to a meeting on a matter or matters covered by that meeting’s Agenda.

6. Adjourn to Works & Services Committee meeting (9.30am)

Reconvene to Council Meeting

7. Confirmation of Minutes:

7.1 Council meeting minutes dated 22 February 2023 page 3

8. Review of Actions List page 13

9. Matters of Importance to be raised as Urgent Business

10. Matters for Decision:

10.1 Adoption of Code of Conduct page 14
10.2 Adoption of Standing Orders page 89
10.3 Report to Adopt the Annual Report page 176
10.4 Plan Change 4 – Decision on how to consider the Plan Change request received from Kaikoura Business Park 2021 Ltd page 316

11. Matters for Information:

11.1 Mayoral Verbal Update
11.2 CEO Monthly Report page 322
11.3 Community Services Update Report page 330

- 11.4 Kaikōura Youth Council Report
- 11.5 Planning Update Report
- 11.6 Building and Regulatory Update Report

(11.15am) page 339
page 341
page 349

12. Council Public Excluded Session

Moved, seconded that the public be excluded from the following parts of the proceedings of this meeting, namely

- a) Public Excluded Council Meeting minutes dated 22 February 2023
- b) Ratepayers in Default
- c) Marlborough Regional Forestry Land Acquisition

The general subject matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) and 7 of the Local Government Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each to be considered	Reason for excluding the public	Grounds of the Act under which this resolution is made
Public Excluded Council Meeting minutes dated 22 February 2023	The subjects considered contained: Commercially sensitive information regarding Harbour Financial Issues Overview and is subject to ongoing negotiations	Section 7(2)(b) protect information where the making available of the information (i) would disclose a trade secret; or (ii) would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information Section 7(2)(h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities Section 7(2)(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial) Section 7(2)(a) to protect the privacy of natural persons
Ratepayers in Default	The report contains information on ratepayers who are in default and is private to those ratepayers.	Section 7(2)(a) to protect the privacy of natural persons
Marlborough Regional Forestry Land Acquisition	Contains commercial information regarding the Marlborough Regional Forestry investment activities	Section (7)(b)(ii) would be likely unreasonable to prejudice the commercial position of the person who supplied or who is subject of the information Section (7)(h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities Section (7)(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

AUDIO RECORDINGS:

"Audio recordings will be made of this meeting for the purpose of assisting the minute taker to create accurate minutes. Audio recordings should not be taken of any confidential, public excluded or otherwise sensitive matters. The Chair of the meeting is responsible for indicating if/when recording should be stopped and restarted. While held, the audio recordings are subject to LGOIMA, they may be released in line with Councils LGOIMA processes and/or at the discretion of the meeting Chair. A copy of the guidelines and principals for the use of recordings is available on request"

**MINUTES OF THE KAIKŌURA DISTRICT COUNCIL MEETING HELD ON
WEDNESDAY 22 FEBRUARY 2023, 8.58AM, AT TOTARA, COUNCIL CHAMBERS,
96 WEST END, KAIKOURA**

PRESENT: Mayor C Mackle (Chair), Deputy Mayor J Howden (present for part of the meeting), Councillor V Gulleford, Councillor T Blunt, Councillor R Roche, Councillor K Heays, Councillor J Diver, Councillor L Bond

IN ATTENDANCE: W Doughty (Chief Executive), B Makin (Executive Officer)

1. KARAKIA AND ACKNOWLEDGEMENTS

The Council acknowledged that today marked the 12th anniversary of the Christchurch earthquake.

2. APOLOGIES Nil

3. DECLARATIONS OF INTEREST Nil

4. PUBLIC FORUM Nil

5. FORMAL DEPUTATIONS Nil

6. ADJOURN TO WORKS & SERVICES COMMITTEE MEETING

The meeting adjourned to the Works & Services Committee meeting at 9.00am.

The meeting reconvened at 9.25am.

7. MINUTES TO BE CONFIRMED

7.1 Council meeting minutes dated 30 November 2022

RESOLUTION

THAT the Council:

- *Confirms as a true and correct record, the circulated minutes of a Council meeting held on 30 November 2022.*

Moved: Councillor V Gulleford

Seconded: Deputy Mayor J Howden

CARRIED UNANIMOUSLY

7.2 Hearings & deliberations minutes dated 30 November 2022

RESOLUTION

THAT the Council:

- *Confirms as a true and correct record, the circulated minutes of hearings & deliberations meeting held on 30 November 2022.*

Moved: Councillor V Gulleford

Seconded: Deputy Mayor J Howden

CARRIED UNANIMOUSLY

7.3 Council extraordinary meeting minutes dated 14 December 2022

RESOLUTION

THAT the Council:

- *Confirms as a true and correct record, the circulated minutes of a Council extraordinary meeting held on 14 December 2022.*

Moved: Councillor L Bond

Seconded: Councillor V Gulleford

CARRIED UNANIMOUSLY

8. REVIEW OF ACTION LIST

A page numbering error on the Agenda was noted for the Action List which should be page 18 rather than page 11. The Action List was reviewed and noted by the Council:

- Discretionary grants reports - two late reports were tabled to be included in today's Agenda.

9. MATTERS OF IMPORTANCE TO BE RAISED AS URGENT BUSINESS

Councillor T Blunt raised an item to be discussed in the Public Excluded Session.

10. REPORT FROM THE CHAIR OF THE FINANCE, AUDIT & RISK COMMITTEE

The meeting was handed over to Deputy Mayor J Howden as the Chair of the Finance, Audit & Risk (FAR) Committee. The report contained recommendations that the FAR Committee made to the Council. Audit NZ statutory timeframes were noted.

10.1 Finance Report to 31 December 2022

The FAR Committee had recommended staff split the capex/opex grants and subsidies for the next quarterly meeting report. The Senior Manager Operations had indicated in the Works & Services Committee that there will be an overspend on roading opex:- Council staff are accommodating the overruns and tracking them to ensure they don't have a major impact.

RESOLUTION

That the Council receives the Finance Report to 31 December 2022.

Moved: Deputy Mayor J Howden

Seconded: Mayor C Mackle

CARRIED UNANIMOUSLY

10.2 Quarterly Reports to 31 December 2022

The FAR Committee discussed the non-compliance on the borrowing terms (currently a positive problem to have). Councillor Diver noted Council's ability to be able to recover overdue rates through mortgagee sales if required.

RESOLUTION

That the cover report and the listed attachments be received.

Moved: Councillor L Bond

Seconded: Mayor C Mackle

CARRIED UNANIMOUSLY

10.3 Risk Management Report

The risk register is monitored and reviewed monthly by Council management with good updates occurring. Several new risks have been added this quarter.

RESOLUTION

It is recommended that the Council:

- a) *Receives this report*
- b) *Notes the contents of the Risk Management Report (including Risk Register)*
- c) *Provides any feedback for staff consideration.*

Moved: Deputy Mayor J Howden

Seconded: Mayor C Mackle

CARRIED UNANIMOUSLY

10.4 Reserves and Special Funds as at 31 December 2022

The FAR Committee had discussed the legal challenge fund (noting it is focused on district plan challenges and capped at \$100k). The Council has another budget for operational legal fees under a governance costing code for any general legal advice required.

RESOLUTION

That the Council receives this report.

Moved: Deputy Mayor J Howden

Seconded: Councillor V Gulleford

CARRIED UNANIMOUSLY

11. MATTERS FOR DECISION

11.1 Marlborough Regional Forestry Joint Committee Agreement

RESOLUTION

THAT the Council:

- a) *Receives this report; and*
- b) *Agrees to renew the Marlborough Regional Forestry Joint Committee Agreement with the Marlborough District Council for the operation of the Marlborough Regional Forestry estate.*

Moved: Deputy Mayor J Howden

Seconded: Councillor L Bond

CARRIED UNANIMOUSLY

11.2 TAB Board Venue Policy Review

Councillor R Roche left the meeting at 9.51am and rejoined at 9.53am.

Council staff advised that the current policy does not have a cap on venues, and they do not recommend reducing the number of venues.

RESOLUTION

THAT the Council:

- a) *The Council receives this report for information.*
- b) *The Council agrees to Option One: Rollover the current TAB venue policy without the use of the special consultative procedure*

Moved: Councillor K Heays

Seconded: Councillor L Bond

CARRIED UNANIMOUSLY

The meeting then moved to Matters for Information Item 12.10 Planning Update Report.

12.10 Planning Update Report

The Kaikōura Business Park is progressing. Council staff met with the advisor last week and the intention is for all information to be provided to the Council by 8th March. A report will come to the March Council meeting on the proposed private plan change from rural zoned landed to industrial activities (Council staff will be checking the delegations if this requires Council approval).

Dark skies are also advancing their private plan change around the lighting using their allocated Better off Funding. The spatial planning work is likely to commence in March.

RESOLUTION

THAT the Council receives this report for information.

Moved: Mayor C Mackle

Seconded: Deputy Mayor J Howden

CARRIED UNANIMOUSLY

The meeting then moved back to Matters for Decision Item 11.3 Canterbury Local Authorities' Triennial Agreement 2022-2025.

11.3 Canterbury Local Authorities' Triennial Agreement 2022-2025

The deadline to sign off the agreement is 28th February. The Chief Executive advised that separate to this agreement, is a review of the workplan and priorities with a focus of conversations around river management, transport funding and immigration. The total budget for the Mayoral Forum is approximately \$63k per annum and KDC contribute 3% towards this. The Council were happy with the collaboration and high quality of submissions at the Canterbury level.

RESOLUTION

THAT the Council:

- a) *Receives this report;*
- b) *Approve the Canterbury Local Authorities' Triennial Agreement 2022-2025 as attached.*

Moved: Mayor C Mackle

Seconded: Cr T Blunt

CARRIED UNANIMOUSLY

11.4 Adoption of Local Governance Statement 2022-2025

The Chief Executive advised that a correction has been made to the year of the Privacy Act 2020 (not Privacy Act 1993).

RESOLUTION

THAT the Council:

- c) *Receives this report;*
- d) *Adopts the Local Governance Statement for the 2022-2025 Triennium*

Moved: Councillor T Blunt

Seconded: Councillor L Bond

CARRIED UNANIMOUSLY

The meeting adjourned for break at 10.13am and reconvened at 10.45am.

12. MATTERS FOR INFORMATION

12.1 Mayoral Verbal Update

The Mayor acknowledged the damage of Cyclone Gabrielle to parts of the North Island and ensuring funds get to those people affected. The Communications Officer has posted details on how the community can contribute through the Cyclone Gabrielle Relief Fund. Unfortunately, KDC are unable to provide staff support to affected councils for business as usual activities, due to their own staff shortages. However, our Emergency Management Officer is supporting through the Canterbury C10 team and is in Auckland for two weeks initially. We will look to provide whatever support we can.

The first Citizenship Ceremony of this term was held with four new citizens; Nokome Bentley, William Loppe, Karen Moorhouse and Becky Makin. The Mayor thanked Sarah Wright for the organisation.

The Mayor advised that the opening of the Kekerengu Community Hall was successful, and Sue Murray was presented with a community services medal.

RESOLUTION

THAT the Council accept the Mayor's verbal update.

Moved: Councillor T Blunt
Seconded: Councillor R Roche

CARRIED UNANIMOUSLY

12.2 CEO Monthly Report

Resourcing remains a challenge for the operational component of the team including building and regulatory services. This will require a discussion as part of the annual plan with regards to the level of compliance and ongoing support in those areas.

The discretionary grants process will run from 1st- 31st March for the Council to evaluate and table to the April meeting. Those organisations which have had the benefit of funding rolled over would now need to apply (i.e. Museum and i-Site).

The Chief Executive met with the IWK board yesterday and talked through the Council's Three Waters submission. The KDC Executive Team and IWK Chief Executive met with the National Transition Unit and highlighted their concerns.

The Council acknowledged the staff engagement survey results and thanked the Chief Executive for his mahi.

RESOLUTION

THAT the Council receives this report for information.

Moved: Mayor C Mackle
Seconded: Councillor L Bond

CARRIED UNANIMOUSLY

12.3 KDC Half-Yearly Report

The idea is that performance measures will be reported quarterly going forward. The data for a number of measures is currently unavailable and discussions are ongoing to ensure the appropriate information is being captured. A summary update will be provided at the April meeting around the water service performance measures following further discussions with the contractor.

RESOLUTION

THAT the Council receives this report for information.

Moved: Mayor C Mackle
Seconded: Councillor T Blunt

CARRIED UNANIMOUSLY

The meeting then moved to Matters for Information Item 12.9 Kaikōura Youth Council Report

12.9 Kaikōura Youth Council Report

Jade and Theo spoke to the report and introduced the Kaikōura Youth Council new members. They are currently looking into a new recruitment drive for the Youth Council via media promotion. The Youth Council expressed their desire to support the Zone Committee. The Council thanked the Youth Council for their continued service to the community and welcomed the new members.

RESOLUTION

THAT the Council receives this report for information.

Moved: Mayor C Mackle
Seconded: Cr T Blunt

CARRIED UNANIMOUSLY

The meeting then moved to Matters for Information Item 12.8 Community Services Update Report.

12.8 Community Services Update Report

The Council acknowledged Arlene Brown for arranging a well collaborated Waitangi celebration weekend. Sean Madden provided an update on MTFJ. Current initiatives MTFJ are working on include; apprentices into cookery, pathway navigator for school leavers, trade academy, information day with MSD on 1st March, MSD products for business information night on 1st May and a youth based Rebel Business School in July 2023. Sean Madden was thanked for his mahi.

RESOLUTION

THAT the Council receives this report for information.

Moved: Mayor C Mackle
Seconded: Cr T Blunt

CARRIED UNANIMOUSLY

The meeting then moved back to Matters for Information Item 12.4 Kaikōura Enhancement Trust – Statement of Intent 2023/2024

12.4 Kaikōura Enhancement Trust (KET) – Statement of Intent (SOI) 2023/2024

RESOLUTION

That the Kaikōura Enhancement Trust Draft Statement of Intent 2023/2024 be received, noting Feedback is to be provided by 1st May to then be adopted no later than 30 June (sch 8 of the LGA 2002).

Moved: Mayor C Mackle
Seconded: Councillor L Bond

MOTION LOST

It was raised that significant work had been undertaken in preparing the draft SOI, with input from KET and Innovative Waste Kaikōura (IWK). The Chair of KET was comfortable with the draft SOI. He advised that the KET Trustees met and were happy to approve as presented unless the Council had any amendments. Councillor J Diver raised his concerns about not following the legal procedural steps. As a result of this discussion, an amended resolution was put forward.

AMENDED RESOLUTION

That the Kaikōura Enhancement Trust Draft Statement of Intent 2023/2024 be received and adopted, providing there are not any changes by KET, and note this is an alternate to the standard procedure.

Moved: Councillor R Roche

Seconded: Councillor T Blunt

Against: Councillor J Diver

CARRIED

12.5 Kaikōura Enhancement Trust – Half Yearly Report to 31 December 2022

RESOLUTION

THAT the Council receives this report for information.

Moved: Councillor L Bond

Seconded: Councillor T Blunt

CARRIED UNANIMOUSLY

12.6 Innovative Waste Kaikōura – Draft Statement of Intent 2023/2024

The Chair of KET was comfortable with discussions held with the IWK Board but would like to see Risk 21 reduce around the performance qualification. The FAR Committee had noted the ongoing qualification and raised if the right communication was given to the contractor on what they need to provide. The Council agreed that the timeframes for the SOI stay as per its statutory format and feedback be provided to the Executive Officer before 1st May (**ACTION**).

RESOLUTION

That the Innovative Waste Kaikōura Ltd Draft Statement of Intent 2023/2024 be received, noting feedback is to be provided by 1st May to then be adopted no later than 30 June (sch 8 of the LGA 2002).

Moved: Councillor T Blunt

Seconded: Councillor L Bond

CARRIED UNANIMOUSLY

12.7 Innovative Waste Kaikōura – Half Yearly Report to 31 December 2022

The rationale for the budget loss was explained; this was identified as largely due to the consultancy and design change needed for the transfer station and potential additional costs being incurred by IWK as result. This will need to be discussed and any potential costs validated with council officers.

RESOLUTION

THAT the Council receives this report for information.

Moved: Mayor C Mackle

Seconded: Cr T Blunt

CARRIED UNANIMOUSLY

Deputy Mayor J Howden gave her apologies and left the meeting at 12.30pm.

The meeting then adjourned for lunch at 12.30pm and reconvened at 1.00pm.

12.11 Building & Regulatory Update Report

It was noted that 12 monitoring licensing inspections were carried out on licensed managers under the Sale & Supply of Alcohol. KDC's Freedom Camping Bylaw excludes tents from its locations, it was raised that signage should be updated to reflect that. The Chief Executive would liaise with Council staff who are currently in the process of updating the signage (**ACTION**).

RESOLUTION

THAT the Council receives this report for information.

Moved: Mayor C Mackle
Seconded: Councillor T Blunt

CARRIED UNANIMOUSLY

12.12 Wakatu Quay Quarterly Progress Report

The Chief Executive would arrange with the project manager for the Council to have a site visit to Wakatu Quay, and for the contractor to run over the seawall repairs with them (**ACTION**).

Councillor K Heays provided an updated from the PGF Governance Group meeting and what was discussed; progress to the sea walls, monitoring visual amenity of concrete, utilities installations going ahead, ECAN consents, meeting with the boat club representatives, a potential phased approach to build any KDC/ Runanga involvement, to have infrastructure in place so the site is desirable for investors. The PGF Governance Group are aiming towards March/April to seek investors, with a decision point in June with MBIE about next steps for the project.

RESOLUTION

THAT the Council receives this report for information.

Moved: Mayor C Mackle
Seconded: Councillor T Blunt

CARRIED UNANIMOUSLY

12.13 Destination Kaikōura Quarterly Report

TV series Sarah-Kate Lynch will be coming to Kaikōura and need approx. 60 rooms. The last cruise ship will be on 1st March; KDC invoice the cruise company for \$5per person (based on those who come onshore) - mooring charges are handled via ECAN. Councillor L Bond thanked Mayor C Mackle, Sarah Wright and Whale Watch maintenance team for their help with the cruises this Summer.

RESOLUTION

THAT the Council receives this report for information.

Moved: Mayor C Mackle
Seconded: Councillor R Roche

CARRIED UNANIMOUSLY

12.14 Discretionary Grants Fund – Progress/Completion Reports

Two late reports were tabled from the Kaikōura Red Cross and Kaikōura Wildlife Centre Trust and included as part of the progress reports. The Kaikōura Cycling Club's report included a cycling hub

concept for the West End area, this had recently been received by Council staff and no decision was being sought on concept at this stage.

RESOLUTION

THAT the Council receives the progress and completion reports for information.

Moved: Mayor C Mackle
 Seconded: Councillor L Bond

CARRIED UNANIMOUSLY

13. RESOLUTION TO MOVE INTO COUNCIL PUBLIC EXCLUDED SESSION

Moved, seconded that the public be excluded from the following parts of the proceedings of this meeting, namely

- a) Public Excluded Council Meeting minutes dated 30 November 2022
- b) Report from Chair of Finance, Audit & Risk Committee
- c) Harbour Financial Issues Overview

The general subject matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) and 7 of the Local Government Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each to be considered	Reason for excluding the public	Grounds of the Act under which this resolution is made
Public Excluded Council Meeting minutes dated 30 November 2022	The subjects considered contained: Commercially sensitive information regarding the Marlborough Regional Forestry investment activities; Commercially sensitive information regarding the procurement process for Waiau Toa Clarence Access Project – rock sourcing; and Appointed two Directors to the Innovative Waste Limited Board and receive a copy of their CV as part of the appointment process.	Section 7(2)(b) protect information where the making available of the information (i) would disclose a trade secret; or (ii) would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information Section 7(2)(h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities Section 7(2)(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial) Section 7(2)(a) to protect the privacy of natural persons
Report from the Chair of Finance, Audit and Risk Committee re: Harbour Financial Issues Overview	Contains commercially sensitive information and is subject to ongoing negotiations	Section (7)(b)(ii) would be likely unreasonable to prejudice the commercial position of the person who supplied or who is subject of the information Section (7)(h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities Section (7)(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)
Harbour Financial Issues Overview	Contains commercially sensitive information and is subject to ongoing negotiations	Section (7)(b)(ii) would be likely unreasonable to prejudice the commercial position of the person who supplied or who is subject of the information Section (7)(h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities Section (7)(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

Moved: Mayor C Mackle
 Seconded: Councillor R Roche

CARRIED UNANIMOUSLY

The meeting moved into the Public Excluded Session at 1.40pm.
 The meeting moved out of the Public Excluded Session at 2.05pm.

14. CLOSED OF MEETING

There being no further business, the meeting was declared closed at 2.05pm.

CONFIRMED

_____ Chairperson
Date

UNCONFIRMED MINUTE

**ACTIONS FROM COUNCIL
MEETINGS AS AT 23 MARCH 2023**

	ACTION ITEMS	ASSIGNED TO	DUE	STATUS
1	<i>Carried Forward from previous Council:</i> Progress Reports: Te Ha, Kaikoura Wildlife Centre Trust, KORl, Kaikoura Cycling Club, Kaikoura Dark Sky Trust, Mayfair, Kaikoura Red Cross Branch, Takahanga Bowling Club, Kaikoura Croquet Club, Kaikoura Bowling Club Incorporated		May 2023 July 2023	
2	Footpath programme progress report	D Clibbery	March 2023	Once James is onboard, the team will have resources to provide this report for the next meeting.
3	Three hard copies of the rehoused District Plan were requested for elected members.	B Makin / K Andrews	-	On hold – waiting on outcome of appeal, then will provide printed copies as requested.
4	IWK Draft Statement of Intent – feedback to be provided to the Executive Officer to collate	Elected Members / B Makin	1 May 2023	
5	Freedom Camping Signage to include ‘no tents’ – liaise with Council staff	W Doughty	March 2023	Liaised with Council staff.
6	Wakatu Quay sea wall site visit / contractor update – arrange with project manager	W Doughty	TBC with project manager	

To:	Council
Date:	29 March 2023
Subject:	Adoption of Code of Conduct
Prepared by:	W Doughty – Chief Executive Officer
Input sought from:	B Makin – Executive Officer
Authorised by:	W Doughty – Chief Executive Officer

1. PURPOSE

The purpose of this report is to request that the Council review its Code of Conduct in line with a revised template provided by Local Government New Zealand and adopt a new Code of Conduct.

2. EXECUTIVE SUMMARY

The Local Government Act requires all local authorities to have a Code of Conduct for the elected members of the Council. The Council has an existing Code of Conduct in place.

Local Government New Zealand (LGNZ) has produced a new Code of Conduct template. The template is considered best practice in the sector and although individual councils are not obliged to adopt it, it is standard practice for officers to present it to the Council for consideration.

It is important to note that the Code of Conduct is a governance document and it is the elected members' Code of Conduct, therefore officers may recommend a particular approach, but it is for the elected Council to make any decisions on what it has in its Code of Conduct.

The various options were considered and discussed at an open Council workshop on the 15th March 2023 and the report and recommendations reflect the feedback from that workshop.

Attachments:

- 1 – Members Commitment and supporting appendices (based on new LGNZ Code of Conduct template)
- 2 - Guide to the Code of Conduct

3. RECOMMENDATION

It is recommended that the Council

- a) adopt the new Members Commitment and supporting appendices to take effect from the date of adoption.
- b) disestablish its Code of Conduct Review Committee, noting that it is no longer required under the new Code of Conduct.
- c) instruct the Chief Executive Officer to put in place the appropriate management processes for dealing with potential breaches of the Code of Conduct
- d) agree that recommendations from an investigator are binding.

4. REASONS FOR RECOMMENDATION

Local Government New Zealand has produced a new Code of Conduct template. In the guidance notes for this new template it is noted that the changes to the previous template are:

- An explicit description of unacceptable behaviours
- An acknowledgement of Te Tiriti o Waitangi as the foundational document for
- Aotearoa New Zealand and a description of the Treaty principles and how they apply to councils;
- An acknowledgement of the principles of good governance, drawn from the findings of the 1994 Nolan Inquiry (UK); and
- An amended approach to investigating and assessing alleged breaches designed to ensure the process is independent and focused on serious rather than minor or trivial complaints.

Adopting the LGNZ template is recommended so the Council may benefit from work done and experience gained across the sector to identify best practice in this area.

5. OPTIONS

5.1 Code of Conduct – Members’ Commitment

Option 1: Adopt new Code of Conduct template with changes - recommended

This option allows for the Council to agree that the new template is appropriate but with some additions or modifications.

Option 2: Continue with status quo – not recommended

The Council may choose to continue with its current Code of Conduct. It may also retain the current Code of Conduct but include some amendments from the new LGNZ template.

5.2 Investigations and Breaches – whether to take a single step or two step assessment process

Option 1: A two step process – recommended

This is where the chief executive refers all complaints to an initial assessor who determines whether the complaint is valid and, if so, refer the complaint to the chairperson or recommend that the parties undertake mediation. Where significant breaches or where mediation isn’t an option, the initial assessor will refer the complaint to an independent investigator, who may also re-assess the complaint.

Process = chief executive -> initial assessor -> chairperson/mediation -> independent investigator -> recommends actions

Option 2: A single step process – not recommended

This is where the chief executive refers all complaints to an independent investigator who determines whether the complaint is valid and, if so, recommends an action(s). Smaller Councils with limited resources may opt for this approach.

Process = chief executive -> independent investigator -> recommends actions

5.3 Investigations and Breaches - binding or non-binding recommendations from an investigator

Option 1: Binding recommendations from an investigator - recommended

With this option, Council agrees and therefore accept that the final recommended actions from any independent investigator are binding. This applies to both options in regard to the assessment process outlined above.

Option 2: Non-binding recommendations from an investigator – not recommended

This option allows for the Council to agree for recommendations to be non-binding. Such recommendations could then be considered by an independent committee to either endorse or amend them. The local authority would agree to be bound by that external committee’s recommendation.

6. BACKGROUND

Code of Conduct

All local authorities are required to have a code of conduct. The Council has a current Code in place and this applies to all elected members.

The current Code of Conduct was adopted in November 2019. During the last triennium no complaints or alleged breaches were dealt with under the Code of Conduct, so it has not been tested to any extent, except of course for acting as a guide for elected members' conduct.

It should be noted that the Council's current Code of Conduct has drawn heavily from the LGNZ templates.

The current Code of Conduct remains in place until it is amended by the Council. It can be amended at any time but cannot be revoked unless the Council replaces it with another one. Amendments to the Code of Conduct require a resolution supported by 75 per cent or more of the members of the Council present.

As noted earlier, Local Government New Zealand has produced a new template. LGNZ does this periodically to draw on the experiences of other local authorities in dealing with Code of Conduct matters and to ensure it stays current with societal changes. In the guidance notes for this new template it is noted that the new template has a focus on regulating specific types of behaviours, such as bullying or harassment, regardless of the domain in which they might occur, whether social media, meetings, or interactions between members.

The following have also been added to the template:

- an explicit description of unacceptable behaviours;
- an acknowledgement of Te Tiriti o Waitangi as the foundational document for Aotearoa New Zealand and a description of the Te Tiriti principles and how they apply to councils;
- an acknowledgement of the principles of good governance, drawn from the findings of the 1994 Nolan Inquiry (UK)
- an amended approach to investigating and assessing alleged breaches designed to ensure the process is independent and focused on serious rather than minor or trivial complaints.

Officers have reviewed the new template and recommend that the Council adopt it as its Code of Conduct. There are many similarities to the current Council Code of Conduct and previous LGNZ templates, as best practice remains the same in many areas, so it does not look substantially different.

Key differences between current Kaikōura District Council's Code of Conduct and LGNZ Template:

The main difference between the current Code of Conduct and the new template is regarding the process for dealing with complaints or alleged breaches of the Code. The Council's current approach involves a role for the Mayor/Chair in leading the process and for testing the materiality of any complaints received through the Code of Conduct Review Committee.

For any complaint that is found to be material, or no mutually agreed solution can be reached the Mayor/Chair would refer the complaint back to the Chief Executive who would forward it, along with any recommendations made by the Mayor/Chair, to the Council or an adjudicative body established by the Council to assess and rule on complaints made under the Code.

Under the current Code of Conduct, once a complaint has been determined to be material, the full investigation is then carried out by the Code of Conduct Review Committee, which comprises of the Mayor, Deputy Mayor and an independent member with dispute resolution skills.

The Mayor/Chair may choose to immediately refer the complaint to the independent investigator, via the Chief Executive.

The new LGNZ template has removed any role for the mayor and elected members in the process and is wholly focused on using an independent investigator process. The obvious strength of this approach is to remove any potential pressure on the mayor or other elected members that is likely to arise from

investigating their colleagues. This is a departure from previous Council practice, but officers agree that a completely independent process allows for complaints to be managed in a clear and transparent way and without any concerns that may arise around independence and possible political bias.

Should the Council adopt this new approach, it would need to disestablish its Code of Conduct Review Committee. If the Council wishes to retain its Code of Conduct Review Committee and combine that with an independent process, officers would need to do further work and bring that back to the Council.

New legislation – Members’ Interests

Members will be aware by now that the Local Government (Pecuniary Interests Register) Amendment Act 2022 (the Act) came into effect on 20 November 2022. This affects the pecuniary interests of elected members of local government.

There is now a requirement for members to submit a pecuniary interest return to the Registrar, by the due date, comprising of all the required information.

The Act is clear in stating that while the local authority must keep a register of these pecuniary interests and make a summary of the information publicly available, as well as other administrative requirements, the ultimate responsibility for complying with this Act sits with each individual member.

A member’s obligations under this Act are in addition to any other obligations under other relevant Acts. This means that members will also be asked to declare the usual pecuniary and non-pecuniary interests as required as part of the Local Authorities (Members’ Interests) Act 1968 and Office of the Auditor General guidelines. The Council’s current Code of Conduct includes a template form for members to declare their interests but this is not compulsory for members. The new LGNZ template does not include an interests declaration form and officers consider that this approach is based on the fact that members are now required by law to complete a rigorous interests declaration and it is not driven by the Code of Conduct. The new template includes discussion of this requirement on members in the legislative compliance section, but the responsibility for enforcing those requirements sits with the Secretary of Local Government rather than through the Code of Conduct. To be clear, the Secretary is responsible for enforcing requirements of the new Act, not existing obligations on elected members under other legislation.

7. CONSIDERATIONS

Financial Implications

There is no immediate cost in adopting the LGNZ Code of Conduct template. Should the independent investigation process be required, there would be a cost involved with commissioning the independent person.

Significance and Engagement Assessment

The significance of this decision is considered to be low. The significance of this report is considered low as it is a governance administrative matter.

No engagement has been undertaken.

The decision does not involve a significant decision in relation to land or a body of water, therefore no specific consideration of tangata whenua values has been undertaken.

There is no direct impact on the four wellbeings, however by ensuring the Council operates in an open and transparent manner and within statutory obligations, all areas of Council activity are supported and robust.

8. COMMUNITY OUTCOMES SUPPORTED



Community

We communicate, engage and inform our community



Development

We promote and support the development of our economy



Services

Our services and infrastructure are cost effective, efficient and fit-for-purpose



Environment

We value and protect our environment



Future

We work with our community and our partners to create a better place for future generations



Kaikōura District Council

Code of Conduct

Name of Code:	Code of Conduct
Purpose of Code:	Sets boundaries on standards of behaviour and provides a means of resolving situations when elected members breach those standards
Code Applies to:	Elected Members
Adopted by:	Council
Date Adopted:	29 March 2023
Responsible for its Updating:	CEO/Executive Officer

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Part One: Code of Conduct Wāhanga Tuatahi: Anga Tikanga Whanonga

The Kaikōura District Council Code of Conduct has been adopted in accordance with the requirements of the Clause 15, Schedule 7 of the LGA 2002, which requires every local authority to adopt a code of conduct for members of the local authority.

Members' commitment Ngā herenga a ngā mema

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 of a local authority must comply with the Code of Conduct of that local authority. More detail explaining the Code of Conduct is set out in Appendix 1.

A copy of clause 15 of Schedule 7 of the LGA, which sets out the requirements for a code of conduct, is contained in Appendix 2.

Appendix 1: The Code of Conduct explained He whakamārama mō te Tikanga Whanonga

1. Definitions

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

- the governing body of the local authority,
- any committee or sub-committee of the local authority,
- any local board of the local authority, or
- any community board of the local authority.

Local authority means the kaunihera, local board or community board which has adopted this Code.

2. Te Tiriti o Waitangi

The Kaikōura District Council kaunihera commits to operating in a manner that recognises and respects the significance of the principles of Te Tiriti o Waitangi and acknowledges the following principles:

1. Tino Rangatiratanga: The principle of self-determination provides for Māori self-determination and mana motuhake. This requires local authorities to be open to working with mana whenua partners in the design and delivery of their work programmes,
2. Partnership: The principle of partnership implies that local authorities will seek to establish a strong and enduring relationship with iwi and Māori, within the context of iwi and Māori expectations. Kaunihera should identify opportunities, and develop and maintain ways, for Māori to contribute to kaunihera decisions, and consider ways kaunihera can help build Māori capacity to contribute to council decision-making,
3. Equity: The principle of equity requires local authorities to commit to achieving the equitable delivery of local public services,
4. Active protection: The principle of active protection requires local authorities to be well informed on the wellbeing of iwi, hapū and whanau within their respective rohe,
5. Options: The principle of options requires local authorities to ensure that its services are provided in a culturally appropriate way that recognises and supports the expression of te ao Māori.

3. 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.

4. Behaviours

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

- conducting the business of the local authority,
- acting as a representative of the local authority,
- acting as a representative of their electorate,
- communicating with other members, the media, the public and staff, and
- using social media and other communication channels.¹

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 local authority 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, your local authority. 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 the local authority, 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 local authority any information received that is pertinent to the ability of the local authority 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 kaunihera 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

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

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 local authority, 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 local authority 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 local authority, 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 local authority 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 local authority into disrepute.

Members 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 local authority as well as themselves and can serve to either boost or erode public confidence in both.

Behaviours that might bring a local authority 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 local authority and fellow members to account or constructively challenge and express concerns about decisions and processes undertaken by their local authority.

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 local authority 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, the local authority.

Officers work for the local authority 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:

- make themselves aware of the obligations that the local authority 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 local authority's chief executive, or, if the concerns are to do with the chief executive, raise them with the mayor, the council chairperson, or chief executive performance committee.

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 the local authority.

Appendix 2: Requirement for a code of conduct Te herenga kia whai tikanga whanonga

Clause 15, Schedule 7 of the Local Government Act 2002 requires every local authority to adopt a code of conduct for members of the local authority. It states:

15 Code of conduct

A local authority must adopt a code of conduct for members of the local authority as soon as practicable after the commencement of this Act.

The code of conduct must set out –

1. 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:
 - 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 local authority 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 local authority may amend or replace its code of conduct but may not revoke it without replacement.
3. A member of a local authority must comply with the code of conduct of that local authority.
4. 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.
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 Two: The Kaikōura District Council policy for investigating and ruling on alleged breaches of the Code of Conduct Te kaupapahere o te Kaunihera o [ingoa] hei tiro tiro me te whakatau i ngā whakapae kua takahia te Tikanga Whanonga

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 will have a 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 must forward the complaint to an independent person, either an independent investigator or an initial assessor, for an assessment.

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.

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.

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 a chair or mayor

In the case of a breach that is not serious or amendable to mediation, the initial assessor may refer the person responsible for the alleged breach to the chair or mayor for their advice and guidance. These will not be reported to the local authority. A meeting or meetings with the chair will be regarded as sufficient to resolve the complaint. Where a member is referred to the chair, the initial assessor may also recommend, for the chair'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.

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 local authority 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 local authority's independent investigators' panel assembled by the chief executive, or an independent investigator service that is contracted to the kaunihera. Complaints that involve a chairperson or chief executive will be referred directly to the independent investigator.

Complaints that are dismissed, referred to a chairperson, or resolved by mediation, will not be reported to the local authority.

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 local authority should take in response to the breach.

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

Any recommended actions made in response to a complaint that has been upheld are binding on the local authority. 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 kaunihera?
- 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 the kaunihera 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.

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

Kaunihera 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 kaunihera.

Part 3: Attachments Ngā tāpiritanga

3.1: Process for determining and investigating complaints Te tukanga whakatau me te tiroiro i ngā amuamu

Step 1: Chief executive receives complaint

All complaints made under this Code of Conduct must be made in writing and forwarded to the chief executive who will refer the complaint to the initial assessor. The chief executive 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 local authority. 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 the kaunihera 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 the kaunihera, 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

Independent investigator's recommendations are binding

The council's policy for determining and investigating complaints provides for an independent investigator's recommendations to be binding on the local authority:

- 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.

3.2: Selecting the initial assessor and independent investigator Te kōwhiri i te tangata motuhake me te kaitiro tiro motuhake

Selecting an initial assessor

The chief executive is responsible for this. In selected the initial assessor, the chief executive will consult with the local authority.

The initial assessor should be a person, or a position, that is independent of a local authority'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 a kaunihera's Audit and Risk 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 local authority chief executive.
- A retired local authority 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 kaunihera, 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, provide on their own behalf or by the local authority. The chief executive also needs to ensure that investigations are undertaken within budgetary limits negotiated in advance.

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

3.3: Actions that may be applied when a breach has been confirmed Ngā mahi ka whāia pea ina whakatauhia tētahi takahanga

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 local authority 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.
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 local authority sends a letter of censure to the member.
9. That the local authority passes a vote of no confidence in the member.
10. That the member loses certain kaunihera-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 kaunihera 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 local authority. 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).

3.4: Legislation which sets standards for ethical behaviour Ngā ture e whakatakoto ana i ngā paerewa mō ngā whanonga matatika

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 kaunihera decision-making, governance principles, Te Tiriti obligations as set by the Crown, and the role of the chief executive which is:

1. implementing the decisions of the local authority,
2. providing advice to members of the local authority 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 local authority, 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 local authority,
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 local authority,
7. providing leadership for the staff of the local authority,
8. employing, on behalf of the local authority, the staff of the local authority (in accordance with any remuneration and employment policy), and
9. negotiating the terms of employment of the staff of the local authority (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 local authority employees in the course of their duty or the protection of such people from improper pressure or harassment;
- maintain legal professional privilege;
- enable any local authority 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 the kaunihera 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 kaunihera, and elected members must work within the rules adopted by each kaunihera.

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 local authority 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 the local authority takes whatever action the Ombudsman considers would be an appropriate remedy. Any such recommendation is, however, not binding. Recommendations made to the local authority under this Act will, in general, become binding unless the local authority 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 the local authority 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 the kaunihera.

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

Kaunihera 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.

The Health and Safety Act 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](#).

3.5: Case studies for assessing potential breaches: Ngā rangahau whakapūaho mō te aromatawai i ngā tūpono takahanga

Example one: staff accused of improper motives

Councillor Smith was elected on a platform of stopping the sale of kaunihera housing. The kaunihera has made a decision to sell the kaunihera housing. Cr Smith makes media comments against the decision after it is made. Those same statements suggested that kaunihera staff advising on the sale “must have owned shares” in the company that proposed to buy the houses.

Cr Smith’s actions in releasing a media statement criticising a decision after it has been made would probably not in and of itself constitute a breach of a reasonable code of conduct. Cr Smith has a right to express a viewpoint and, provided that he makes it clear he is expressing a personal view, then issuing a critical press statement is an action he is entitled to take. If his statements failed to make it clear that he was expressing a personal or minority view then it may be a non-material breach of the Code, probably one where censure would be the appropriate response.

However, this media statement includes an allegation that staff advice was based on improper motives or corruption. This is a breach of most codes of conduct. It is most likely to be a material breach given the potential impact on the kaunihera’s reputation and the reputation of staff.

Also, there is no qualified privilege attached to public statements about employees which are false and damaging. In other words, elected members may be sued for defamatory statements made about employees.

Example two: leak of confidential information

Cr Jones is on the kaunihera’s Works and Services Committee. The Committee is currently considering tenders for the construction of a new wastewater treatment plant and has received four tenders in commercial confidence. The Committee has recommended to kaunihera that they award the contract to the lowest tenderer. Cr Jones is concerned the lowest tender proposes to treat sewage to a lesser standard than others. She leaks all four tenders to the local media. A subsequent investigation by the kaunihera conclusively traces the leak back to her.

In leaking the tender information to the media, Cr Jones will have breached most codes of conduct. This breach has potentially serious consequences for the kaunihera as a whole. It not only undermines elected members trust of each other, it also undermines the confidence of suppliers in the kaunihera, which may lead to them not dealing with council in future, or even complaints under the Privacy Act 2020.

In circumstances such as these where an elected member fails to respect a commercial confidence censure and removal from the committee is an obvious first step. The kaunihera may be liable for prosecution under the Privacy Act 2020 and even to civil litigation.

In the event that the kaunihera suffers financial loss it may elect to ask the Auditor-General to prepare a report on the loss (or the Audit Office may do so on their own initiative), which may result in Cr Jones having to make good the loss from her own pocket.

Example three: member purports to speak on behalf of kaunihera

Eastland Regional Council is conducting a performance review of the chief executive. It has established a chief executive Performance Management Committee to conduct the review. In the course of that review the committee meets informally with the chief executive to review which performance targets were met and which were not. The meeting notes that the chief executive has been unable to meet two of his twenty targets and resolves to formally report this to the full kaunihera for its consideration. At the conclusion of that meeting Councillor Black leaves to find a local reporter waiting outside and makes the comment that “Jack White won’t be getting a pay increase this year because he didn’t meet all his targets”.

This action will probably constitute a breach of most codes of conduct in that it:

- breached a confidence,
- presumed to speak on behalf of council,
- purported to commit council to a course of action before the council and made a decision (or even met to consider the matter), and
- failed to treat a staff member with respect and/or courtesy.

In addition to the provisions of the Code of Conduct, Cr Black’s actions will severely undermine the relationship between the chief executive and the kaunihera, which may well constitute grounds for litigation against the kaunihera both in terms of employment and privacy law.

Example four: member criticises staff performance in media

Cr Mary Fogg, concerned about the failure of her kaunihera to respond quickly to resident complaints about flooding in their neighbourhood, expressed her frustration when speaking at a public meeting and, as part of her response to questions stated that kaunihera staff had dropped the ball and failed to take residents’ concerns seriously.

The councillor’s remarks were reported in the local suburban paper and were read by kaunihera staff, some of whom felt that they had been unfairly criticised and raised the matter with their chief executive. The chief executive felt it necessary to lodge a complaint under the council’s Code of Conduct because the member’s comments were disrespectful of staff.

The question for the initial assessor is whether, publicly expressing disappointment in the performance of the staff is a breach of the Code of Conduct. Considerations might include:

- Whether there was a basis of fact for the member’s comments.
- How the member’s views were expressed, that is, as a form of constructive criticism or not.
- The right of an employer (staff are employed by the local authority) to express a view should an organisation fail to live up to expectations.
- Whether a general statement about the performance of staff is in anyway comparable to a public criticism of an individual staff member, which would be a clear breach and might be an example of intimidation or harassment.

In this case the initial assessor concluded that it was not unreasonable for a member to make general statement about the performance of staff as a collective, indeed, one of her pre-election commitments was to improve the responsiveness of kaunihera staff. However, the assessor also concluded that the article lacked sufficient context to explain why she was disappointed, especially when some of the concerns were outside the control of staff and recommended that the member meet with the mayor to get guidance on how to raise such concerns in the future.

Example five: member accused of using sexist language and humour

Towards the end of the first year of the new triennium, the chief executive received a complaint, signed by four councillors, alleging that Cr Rob Jones regularly used sexist language in meetings, workshops and other official engagements. The councillors who made the complaint alleged that his tendency to call female colleagues 'girls'; interrupt them while speaking or ignore their comments; and that his use of sexist humour was demeaning to women and inconsistent with the behaviours set out in the Code of Conduct; the commitment to treat other members, staff and members of the public with respect. The chief executive forwarded the complaint to the independent investigator.

The investigator, having access to minutes, video recordings and the testimony of other members, was able to easily confirm that the complaint was justified and that both Cr Jones' language and behaviour was inconsistent with the Code. That left the Investigator with the task of determining how serious the breach was and what actions should be taken. Factors that the investigator took into consideration included:

- that the issue had been raised with Cr Jones earlier in the year by a colleague, with no obvious change in behaviour
- that Cr Jones was one of the kaunihera's representatives on its Youth Committee, bringing him into regular contact with young people
- that the kaunihera had adopted a specific policy to be a safe and supportive workplace for both elected members and staff.

Taking these factors into account the Investigator recommended that Cr Jones be removed from his role as a kaunihera representative on the Youth Committee; should be enrolled in a relevant course to better understand offensive behaviour and its impacts; and meet monthly with mayor to monitor his behaviour.

Example six: Councillor Facebook page used to disparage others

Councillors Sarah Smith and William Getty share political views in common and have recently established a Facebook group through which they promote debate and discussion with like-minded people in their district. Some of the participants in that Facebook Group make posts that include explicit criticism of other councillors, sometimes using explicit language, commenting on things like the way they voted, their motivations and personal matters. Some of the councillors targeted by the abuse complained to Cllrs Smith and Getty who, in response, closed the Facebook page to other councillors, preventing them from joining or viewing the content.

Rather than solve the concerns the decision to close the Facebook to others created additional anxiety for some councillors who became concerned that the page may be sharing their personal details and

mis-representing their views. A complaint was made to the chief executive that the Code of Conduct had been breached, on the basis that the decision to exclude them from the website, and the fact that it appeared to me unmoderated, was intimidating, potentially exposed them to harm and allowed promoted statements about them and the council that were clearly untrue. The chief executive referred the complaint to the council's independent investigator.

The investigator found that, while Cllrs Smith and Getty were not directly mis-representing the views of their colleagues, they were indirectly encouraging it, which breached the Code. Because this was the first complaint, and because the two councillors believed that by limiting access to the website, they had addressed the initial concerns, the investigator did not regard the breach as material. She recommended that the two councillors remove the block preventing other councillors from joining or accessing the site and install a system for approving posts, such as a moderator, before they are published.

Te Tikanga Whanonga A LGNZ

The Local Government Code Of Conduct



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Taura tuawhā: i whakahēngia e tētahi mema ngā mahi a ngā kaimahi ki roto i te arapāho
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Introduction

// Kupu whakataki

Congratulations on being elected as a member of local government. Your community has bestowed a unique and special honour on you to represent them and make decisions on their behalf that will provide benefit for current and future generations. It's an honour that should not be taken lightly.

The way you conduct yourself while participating as a member of your council (kaunihera) should reflect the responsibility you have been given and requires you to be inclusive of all, respectful, and to uphold the mana of your position.

The Code of Conduct is designed to ensure that the governance of our local authorities is undertaken with the highest degree of integrity while also providing a safe and rewarding environment in which all elected members can thrive.

All kaunihera have a statutory obligation under the Local Government Act 2002, to adopt a code of conduct. This guide has been prepared to assist kaunihera in meeting that obligation and includes:

- » A code of conduct template.
- » A draft policy for assessing alleged breaches of the Code of Conduct.
- » Supplementary information, including an overview of the legislation that sets standards for ethical behaviour, criteria for assessing alleged breaches and actions that local authorities can take where a complaint has been upheld.

Why a code of conduct?

// He aha te take o te tikanga whanonga?

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 local authority to its communities, and
- » a culture of mutual trust and respect between members of the local authority and with management.

Codes of conduct should promote effective working relationships within a local authority 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.

Codes of conduct cannot stand alone

// Ehara te tikanga whanonga
i te tikanga motuhake

Codes of conduct work best when they are supported by other mechanisms. For example, codes should be linked to other procedural documents, such as Standing Orders, which provide rules for the conduct for meetings, while a code governs day-to-day and less formal relationships.

Matters to consider before adopting a code of conduct

// Ngā take hei whakaaro ake i mua i te whakatū tikanga whanonga

To be effective a code needs to be “owned” by elected members; members must be comfortable with the content and the processes for investigating breaches. Nothing is more likely to promote non-compliance than elected members being expected to adhere to something they have had no input into. To reinforce the importance of the code, the Local Government Commission, in its report on codes of conduct to the Minister of Local Government, recommends that the code is included in the statutory briefing made at each local authority’s inaugural meeting.¹

In addition, members should discuss the nature of good governance and the code at their council-organised induction workshop, usually held in the months immediately following local authority elections. It is also recommended that a review of the code is undertaken part way through the triennium, assisted by an independent facilitator.

Review and amendment

// Te arotake me te whakahou

Once adopted, the code continues in force until amended by the kaunihera. It can be amended at any time but cannot be revoked unless the kaunihera replaces it with another code. Amendments require a resolution supported by 75 per cent of the kaunihera members present at the kaunihera meeting at which the amendment is considered. Kaunihera are encouraged to formally review their existing code and either amend or re-adopt it as soon as practicable after the beginning of each triennium, to ensure that the code is fully endorsed by all members.

Changes to the 2019 LGNZ Code of Conduct template

// Ngā whakahoutanga ki te anga Tikanga Whanonga a LGNZ 2019

A significant change to the 2022 template is the focus on managing specific types of behaviors, such as bullying or harassment, regardless of the place or platform on which the member is engaging, such as social media, in meetings, or interactions between members. The following have also been added to the template:

- » An explicit description of unacceptable behaviours.
- » An acknowledgement of Te Tiriti o Waitangi as the foundational document for Aotearoa New Zealand and a description of Te Tiriti principles and how they apply to kaunihera.
- » An acknowledgement of the principles of good governance (the Nolan principles), drawn from the UK Government’s Committee on Standards in Public Life and the findings of the 1994 Nolan Inquiry²
- » An amended approach to investigating and assessing alleged breaches designed to ensure the process is independent and focused on serious rather than minor or trivial complaints.





1

**Template Code of
Conduct >>**



Anga Tikanga
Whanonga >>

Wāhanga ONE

The [council, local, or community board] Code of Conduct has been adopted in accordance with the requirements of the Clause 15, Schedule 7 of the LGA 2002, which requires every local authority to adopt a code of conduct for members of the local authority.

Members' commitment

// Ngā herenga a ngā mema

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 of a local authority must comply with the Code of Conduct of that local authority. More detail explaining the Code of Conduct is set out in Appendix 1.

A copy of clause 15 of Schedule 7 of the LGA, which sets out the requirements for a code of conduct, is contained in Appendix 2.



Appendix

Āpitihangā

1.

**The Code of
Conduct
explained >>**



He whakamārama
mō te Tikanga
Whanonga >>

// 1. Definitions

// Ngā whakamārama

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

- » the governing body of the local authority,
- » any committee or sub-committee of the local authority,
- » any local board of the local authority, or
- » any community board of the local authority.

Local authority means the kaunihera, local board or community board which has adopted this Code.

// 2. Te Tiriti o Waitangi

The [name] kaunihera commits to operating in a manner that recognises and respects the significance of the principles of Te Tiriti o Waitangi and acknowledges the following principles:

// 1

Tino Rangatiratanga: The principle of self-determination provides for Māori self-determination and mana motuhake. This requires local authorities to be open to working with mana whenua partners in the design and delivery of their work programmes,

// 2

Partnership: The principle of partnership implies that local authorities will seek to establish a strong and enduring relationship with iwi and Māori, within the context of iwi and Māori expectations. Kaunihera should identify opportunities, and develop and maintain ways, for Māori to contribute to kaunihera decisions, and consider ways kaunihera can help build Māori capacity to contribute to council decision-making,

// 3

Equity: The principle of equity requires local authorities to commit to achieving the equitable delivery of local public services,

// 4

Active protection: The principle of active protection requires local authorities to be well informed on the wellbeing of iwi, hapū and whanau within their respective rohe,

// 5

Options: The principle of options requires local authorities to ensure that its services are provided in a culturally appropriate way that recognises and supports the expression of te ao Māori.

// 3. Principles of good governance

// Ngā mātāpono o te mana urungi pai

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.

// 4. Behaviours

// Ngā whanonga

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

- » conducting the business of the local authority,
- » acting as a representative of the local authority,
- » acting as a representative of their electorate,
- » communicating with other members, the media, the public and staff, and
- » using social media and other communication channels.³

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

// Te whakaute

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 local authority 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, your local authority. 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 the local authority, the relevant social media provider or the police.

Bullying, harassment, and discrimination

// Te whakaweti, te whakatīwheta me te whakatoihara

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.

³Please refer to the Guidelines for the responsible use of social media in the LGNZ Good Governance Guide

Unlawful discrimination occurs when a person is treated unfairly, or less favourably, than another person because of any of the following⁴:

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

// Te tuari mōhiohio

Members will share with the local authority any information received that is pertinent to the ability of the local authority 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 kaunihera 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 disclose such information, for example, to a governing body meeting in public exclusion.

Expressing personal views publicly

// Te whakaatu i ngā whakaaro whaiaro ki te marea

Members, except when authorised to speak on behalf of the local authority, 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 local authority 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 local authority, 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 local authority or other members.

Members will abide by the social media protocols described in Attachment Two.

Provide equitable contribution

// Me tautika ngā mahi

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

// Te māteatea

Members will not bring the local authority into disrepute.

Members 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 local authority as well as themselves and can serve to either boost or erode public confidence in both.

Behaviours that might bring a local authority 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 local authority and fellow members to account or constructively challenge and express concerns about decisions and processes undertaken by their local authority.

Use of position for personal advantage

// Te whiwhi huanga whaiaro i tō tūranga

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 local authority 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

// Te tōkeke

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

Officers work for the local authority 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:

- » make themselves aware of the obligations that the local authority 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 local authority's chief executive, or, if the concerns are to do with the chief executive, raise them with the mayor, the council chairperson, or chief executive performance committee.

Maintaining confidentiality

// Te ū ki te matatapu

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 the local authority.



Āpitihanga


Appendix

2.

**Requirement
for a code of
conduct >>**



Te herenga kia
whai tikanga
whanonga >>



Clause 15, Schedule 7 of the Local Government Act 2002 requires every local authority to adopt a code of conduct for members of the local authority. It states:

Clause 15 Code of conduct

A local authority must adopt a code of conduct for members of the local authority as soon as practicable after the commencement of this Act.

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 towards 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 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 –
 - ii. the Local Government Official Information and Meetings Act 1987; and
 - ii. any other enactment or rule of law applicable to members.

A local authority may amend or replace its code of conduct, but may not revoke it without replacement.

A member of a local authority must comply with the code of conduct of that local authority. 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.

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.

To avoid doubt, a breach of the code of conduct does not constitute an offence under this Act.



2

**Policy for dealing
with alleged
breaches of the
Code >>**



Te kaupapahere hei
whakahaere i ngā
whakapae i takahia
te Tikanga >>

Wāhanga TWO

Introduction

// Kupu whakataki

In its 2006 report on codes of conduct, the Office of the Auditor General (OAG) noted that many kaunihera lacked a process for distinguishing between trivial and serious breaches of the code and consequently spent considerable time and resource hearing complaints on inconsequential matters. Many other issues have also arisen, such as:

- » failure to adequately guard against the risk of members with an interest in a complaint taking part in the decision on whether or not to uphold a complaint,
- » examples of members of the public making complaints about the behaviour of individual members for reasons that appear to be more concerned with settling ‘political’ differences, and
- » lack of preparedness. Many kaunihera discover, when faced with a code of conduct complaint, that they have failed to establish in advance the processes for handling the complaint, thus exacerbating the original issue.

Processes need to be put in place for investigating and resolving breaches of the code and the principles of natural justice must apply to the investigation, assessment and resolution of complaints made under the code.

Public Interest

// Te Pānga Tūmatanui

In their report on codes of conduct, the Local Government Commission noted a lack of consistency in the way in which information about complaints and sanctions is communicated to the public. It stated that “codes should provide for the proactive release of investigation outcomes in a timely manner and consistent fashion, in line with LGOIMA” (LGC p.16).⁵ Reflecting the Commission’s sentiments, the draft template for dealing with alleged breaches does not require minor breaches, or those that can be resolved through mediation, to be reported to the kaunihera. Maintaining confidentiality should reduce the incentive to use a code of conduct for political purposes.

Where a complaint has been referred to an independent investigator the draft policy recommends that the investigator’s full report should be tabled at a kaunihera meeting and that should be public unless grounds to exclude the public exist. This reflects the likelihood that complaints that have been found to be material, and which have not been able to be resolved through mediation, or less, will of necessity be of high public interest.

Applying a penalty or sanction under the Code of Conduct should ideally be the last, rather than the first response. Most situations should be able to be resolved without the need for sanctions – frequently an apology is all it will take to resolve an issue.

Matters to consider when adopting a policy for dealing with alleged breaches

// Ngā take hei whakaaro ake ina whakatū kaupapahere hei whakahaere i ngā whakapae i takahia te Tikanga

Having adopted the Code of Conduct members should consider adopting a policy for dealing with alleged breaches of the code. A policy to investigate and assess alleged breaches needs to be tailored to the circumstances of each kaunihera, given the diversity in capacity, resources, and cultural context.

The following policy template sets out procedures for investigating and assessing alleged breaches of the Code of Conduct. To ensure the policy is appropriate for the different scale and circumstances of kaunihera, the template provides a range of procedural options that need to be considered before the Policy should be adopted. The options are:

Decision 1 - A single step or two step assessment process?

This option is concerned with the process that should be followed once a complaint is received. Both are independent of the local authority; however the two-step process is designed to quickly address those complaints that have a low level of materiality, and with a minimum expense to the kaunihera. (See Attachment 3.3 for guidance on selecting the initial assessor and independent investigator.)

// 1

A **single step process**, in which the chief executive refers all complaints to an independent investigator who determines whether the complaint is valid and, if so, recommends an action(s) appropriate to the level of materiality or significance of the breach.

// 2

A **two-step process**, in which the chief executive refers all complaints to an initial assessor who determines whether the complaint is valid and, if so, can refer the complaint to a chairperson or recommend that the parties undertake mediation. Where the nature of a breach is significant and where mediation is not an option (or not agreed to) then the initial assessor will refer the complaint to an independent investigator, who may also re-assess the complaint.

Please Note: The LGNZ template employs the two-step process which will need to be removed if a kaunihera chooses a single step process, or a third option.

Decision 2 – Binding or non-binding recommendations from an investigator?

A key principle is that the process for investigating an alleged breach must be politically independent and be seen to be so. The proposal for investigating and making recommendations is designed to achieve that independence, however, the perception of independence and objectivity may be lost if it is elected members who decide the nature of the action to be taken when a complaint is upheld, particularly in kaunihera with small numbers of elected members.

One solution is for a local authority to agree to be bound by an independent investigator's recommendations. A slight variation would be to create an independent committee to consider an independent investigator's recommendations and either endorse or amend them. The local authority would agree to be bound by that external committee's recommendations.

Please note: The draft template policy (below) makes an investigator's recommendations binding as the default. Before adopting the template, local authorities need to make sure they are comfortable with this option or amend it as appropriate.

Process for adopting a policy for dealing with alleged breaches

Whether discussed at a council's induction, a stand-alone workshop, or at a local authority meeting, choices are available, for example:

- » The Code of Conduct may be adopted without a policy for dealing with breaches, which may be left for further discussion at a later date.
- » The Code of Conduct and the breach policy are adopted together, after members have made decisions about the investigation process (one or two step) and recommendations (binding or not) have been made.

The Attachments (set out in Part 3) are not part of the Code of Conduct or the breach policy, except where they are referenced explicitly. They have been prepared to assist members and officials implement the Code of Conduct and the breach policy.

The [name] Council policy for investigating and ruling on alleged breaches of the Code of Conduct

// Te kaupapahere o te
Kaunihera o [ingoa] hei
tirotiro me te whakatau i
ngā whakapae kua takahia
te Tikanga Whanonga

Ngā mātāpono

// 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 will have a 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 resolution⁶.

Who can make a complaint?

// Ka taea e wai te tuku amuamu?

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 must forward the complaint to an independent person, either an independent investigator or an initial assessor, for an assessment.

Role of the initial assessor⁷

// Te mahi a te kaitirotiro tuatahi

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:

Refer to a chair or mayor

// Tukuna ki te ūpoko, te koromatua rānei

In the case of a breach that is not serious or amendable to mediation, the initial assessor may refer the person responsible for the alleged breach to the chair or mayor for their advice and guidance. These will not be reported to the local authority. A meeting or meetings with the chair will be regarded as sufficient to resolve the complaint. Where a member is referred to the chair, the initial assessor may also recommend, for the chair'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.

Mediation

// Te takawaenga

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 local authority unless the complaint is referred to an independent investigator, usually due to a failure of the mediation.

Refer to an independent investigator

// Tukuna ki tētahi kitirotiro motuhake

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 local authority's independent investigators' panel assembled by the chief executive, or an independent investigator service that is contracted to the kaunihera. Complaints that involve a chairperson or chief executive will be referred directly to the independent investigator.

Complaints that are dismissed, referred to a chairperson, or resolved by mediation, will not be reported to the local authority.

Role of the independent investigator⁸

// Te mahi a te kaitirotiro motuhake

The independent investigator will:

- » determine whether a breach has occurred,
- » if so, determine the seriousness of the breach, and
- » determine actions that a local authority should take in response to the breach.

Any recommended actions made in response to a complaint that has been upheld are binding on the local authority. 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 kaunihera?
- » What is the impact of the breach on other elected members, on kaimahi (officials) and on the community in general?

⁸See Attachment four for advice on the appointment of an Independent Investigator.

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 the kaunihera 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.

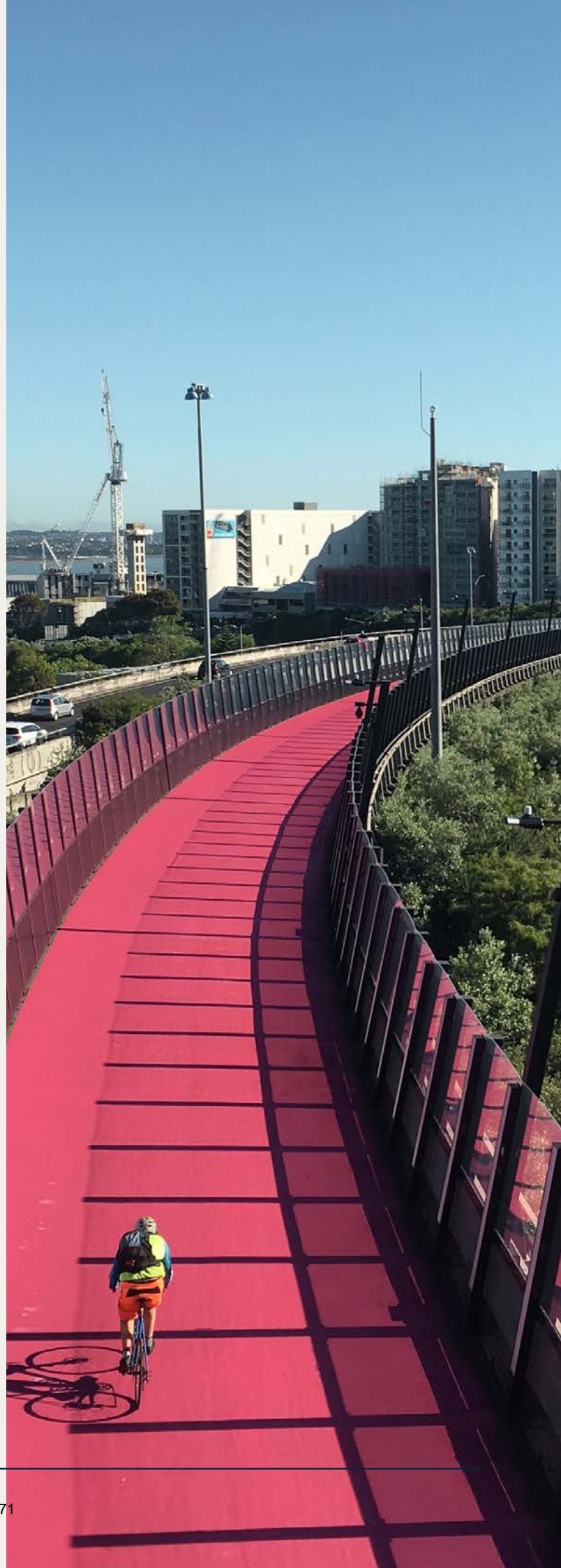
Please note: All actions taken in the implementation of a policy must be consistent with the Bill of Rights Act 1990. No appeal right is included in the Code of Conduct. Members who are unhappy with an independent investigator's decision have access to judicial review and/or the Ombudsman's Office.

Costs and support

// Te utu me te tautoko

Kaunihera 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 kaunihera.





3

Attachments >>



Ngā tāpiritanga >>

Wāhanga **THREE**

3.1:

Process for determining and investigating complaints

// Te tukanga whakatau me te tiroiro i ngā amuamu

Step 1: Chief executive receives complaint

// Hātepe 1: Ka tae te amuamu ki te tumu whakarae

All complaints made under this Code of Conduct must be made in writing and forwarded to the chief executive who will refer the complaint to the initial assessor. The chief executive 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

// Hātepe 2: Ka whakarite whakatau me te takawaenga te kaitiroiro tuatahi

// 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 local authority. 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

// Hātepe 3: Ka whakawā me te whakatau te kaitiroiro i te take

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 the kaunihera 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 the kaunihera, 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

Hātepe 4: Te tukanga hei whakaaro ake ki te pūrongo a te kaitirotiro

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 local authority, 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 local authority, 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 Attachment Three.

⁸See Attachment four for advice on the appointment of an Independent Investigator.

3.2:

Selecting the independent person and independent investigator

// Te kōwhiri i te tangata motuhake me te kaitirotiro Motuhake

Selecting an initial assessor

// Te kōwhiri i tētahi kaitirotiro tuatahi

The chief executive is responsible for this. In selected the initial assessor, the chief executive will consult with the local authority.

The initial assessor should be a person, or a position, that is independent of a local authority'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 a kaunihera's Audit and Risk 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 local authority chief executive.
- » A retired local authority politician.
- » A member of the public with relevant experience and competency.

Selecting an independent investigator⁹

// Te kōwhiri i tētahi kaitirotiro

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 kaunihera, 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, provide on their own behalf or by the local authority. 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

// Ngā mahi ka whāia pea ina whakatauhia tētahi takahanga

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 local authority 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.

// 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 local authority sends a letter of censure to the member.

// 9

That the local authority passes a vote of no confidence in the member.

// 10

That the member loses certain kaunihera-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 kaunihera 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 local authority. 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

// *Ngā whakautu ki ngā takahanga ture*

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).

3.4:

Legislation which sets standards for ethical behaviour

// *Ngā ture e whakatakoto ana i ngā paerewa mō ngā whanonga matatika*

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 kaunihera decision-making, governance principles, Te Tiriti obligations as set by the Crown, and the role of the chief executive which is:

// 1

implementing the decisions of the local authority,

// 2

providing advice to members of the local authority 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 local authority, 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 local authority,

// 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 local authority,

// 7

providing leadership for the staff of the local authority,

// 8

employing, on behalf of the local authority, the staff of the local authority (in accordance with any remuneration and employment policy), and

// 9

negotiating the terms of employment of the staff of the local authority (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 local authority employees in the course of their duty or the protection of such people from improper pressure or harassment;
- » maintain legal professional privilege;
- » enable any local authority 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 the kaunihera 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 kaunihera, and elected members must work within the rules adopted by each kaunihera.

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 local authority 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 the local authority takes whatever action the Ombudsman considers would be an appropriate remedy. Any such recommendation is, however, not binding. Recommendations made to the local authority under this Act will, in general, become binding unless the local authority 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 the local authority 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 the kaunihera.

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

Kaunihera 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.

The Health and Safety Act 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](#).

3.5:

Case studies for assessing potential breaches

// Ngā rangahau whakapūaho mō te aromatawai i ngā tūpono takahanga

Example one: staff accused of improper motives

Tauira tuatahi: kua whakapaehia ngā kaimahi he mahi whakatuapeka rātou

Councillor Smith was elected on a platform of stopping the sale of kaunihera housing. The kaunihera has made a decision to sell the kaunihera housing. Cr Smith makes media comments against the decision after it is made. Those same statements suggested that kaunihera staff advising on the sale “must have owned shares” in the company that proposed to buy the houses.

Cr Smith’s actions in releasing a media statement criticising a decision after it has been made would probably not in and of itself constitute a breach of a reasonable code of conduct. Cr Smith has a right to express a viewpoint and, provided that he makes it clear he is expressing a personal view, then issuing a critical press statement is an action he is entitled to take. If his statements failed to make it clear that he was expressing a personal or minority view then it may be a non-material breach of the Code, probably one where censure would be the appropriate response.

However, this media statement includes an allegation that staff advice was based on improper motives or corruption. This is a breach of most codes of conduct. It is most likely to be a material breach given the potential impact on the kaunihera’s reputation and the reputation of staff.

Also, there is no qualified privilege attached to public statements about employees which are false and damaging. In other words, elected members may be sued for defamatory statements made about employees.

Example two: leak of confidential information

Tauira tuarua: kua whākina ngā kōrero matatapu

Cr Jones is on the kaunihera’s Works and Services Committee. The Committee is currently considering tenders for the construction of a new wastewater treatment plant and has received four tenders in commercial confidence. The Committee has recommended to kaunihera that they award the contract to the lowest tenderer. Cr Jones is concerned the lowest tender proposes to treat sewage to a lesser standard than others. She leaks all four tenders to the local media. A subsequent investigation by the kaunihera conclusively traces the leak back to her.

In leaking the tender information to the media, Cr Jones will have breached most codes of conduct. This breach has potentially serious consequences for the kaunihera as a whole. It not only undermines elected members trust of each other, it also undermines the confidence of suppliers in the kaunihera, which may lead to them not dealing with council in future, or even complaints under the Privacy Act 2020.

In circumstances such as these where an elected member fails to respect a commercial confidence censure and removal from the committee is an obvious first step. The kaunihera may be liable for prosecution under the Privacy Act 2020 and even to civil litigation.

In the event that the kaunihera suffers financial loss it may elect to ask the Auditor-General to prepare a report on the loss (or the Audit Office may do so on their own initiative), which may result in Cr Jones having to make good the loss from her own pocket.

Example three: member purports to speak on behalf of kaunihera

Tauira tuatoru: i puta he kōrero i tētahi mema anō nei he māngai ia mō te kaunihera

Eastland Regional Council is conducting a performance review of the chief executive. It has established a chief executive Performance Management Committee to conduct the review. In the course of that review the committee meets informally with the chief executive to review which performance targets were met and which were not. The meeting notes that the chief executive has been unable to meet two of his twenty targets and resolves to formally report this to the full kaunihera for its consideration.

At the conclusion of that meeting Councillor Black leaves to find a local reporter waiting outside and makes the comment that “Jack White won’t be getting a pay increase this year because he didn’t meet all his targets”.

This action will probably constitute a breach of most codes of conduct in that it:

- » breached a confidence,
- » presumed to speak on behalf of council,
- » purported to commit council to a course of action before the council and made a decision (or even met to consider the matter), and
- » failed to treat a staff member with respect and/or courtesy.

In addition to the provisions of the Code of Conduct, Cr Black’s actions will severely undermine the relationship between the chief executive and the kaunihera, which may well constitute grounds for litigation against the kaunihera both in terms of employment and privacy law.

Example four: member criticises staff performance in media

Tauira tuawhā: i whakahēngia e tētahi mema ngā mahi a ngā kaimahi ki roto i te arapāho

Cr Mary Fogg, concerned about the failure of her kaunihera to respond quickly to resident complaints about flooding in their neighbourhood, expressed her frustration when speaking at a public meeting and, as part of her response to questions stated that kaunihera staff had dropped the ball and failed to take residents’ concerns seriously.

The councillor’s remarks were reported in the local suburban paper and were read by kaunihera staff, some of whom felt that they had been unfairly criticised and raised the matter with their chief executive. The chief executive felt it necessary to lodge a complaint under the council’s Code of Conduct because the member’s comments were disrespectful of staff.

The question for the initial assessor is whether, publicly expressing disappointment in the performance of the staff is a breach of the Code of Conduct. Considerations might include:

- » Whether there was a basis of fact for the member’s comments.
- » How the member’s views were expressed, that is, as a form of constructive criticism or not.
- » The right of an employer (staff are employed by the local authority) to express a view should an organisation fail to live up to expectations.
- » Whether a general statement about the performance of staff is in anyway comparable to a public criticism of an individual staff member, which would be a clear breach and might be an example of intimidation or harassment.

In this case the initial assessor concluded that it was not unreasonable for a member to make general statement about the performance of staff as a collective, indeed, one of her pre-election commitments was to improve the responsiveness of kaunihera staff. However, the assessor also concluded that the article lacked sufficient context to explain why she was disappointed, especially when some of the concerns were outside the control of staff and recommended that the member meet with the mayor to get guidance on how to raise such concerns in the future.

Example five: member accused of using sexist language and humour

Tauira tuarima: i whakapaehia tētahi mema mō te reo me te pukuhoe toihara ira

Towards the end of the first year of the new triennium, the chief executive received a complaint, signed by four councillors, alleging that Cr Rob Jones regularly used sexist language in meetings, workshops and other official engagements. The councillors who made the complaint alleged that his tendency to call female colleagues ‘girls’; interrupt them while speaking or ignore their comments; and that his use of sexist humour was demeaning to women and inconsistent with the behaviours set out in the Code of Conduct; the commitment to treat other members, staff and members of the public with respect. The chief executive forwarded the complaint to the independent investigator.

The investigator, having access to minutes, video recordings and the testimony of other members, was able to easily confirm that the complaint was justified and that both Cr Jones’ language and behaviour was inconsistent with the Code. That left the Investigator with the task of determining how serious the breach was and what actions should be taken. Factors that the investigator took into consideration included:

- » that the issue had been raised with Cr Jones earlier in the year by a colleague, with no obvious change in behaviour
- » that Cr Jones was one of the kaunihera’s representatives on its Youth Committee, bringing him into regular contact with young people
- » that the kaunihera had adopted a specific policy to be a safe and supportive workplace for both elected members and staff.

Taking these factors into account the Investigator recommended that Cr Jones be removed from his role as a kaunihera representative on the Youth Committee; should be enrolled in a relevant course to better understand offensive behaviour and its impacts; and meet monthly with mayor to monitor his behaviour.

Example six: Councillor Facebook page used to disparage others

Tauira tuaono: I whakamahia te whārangi Pukamata a tētahi Kaikaunihera hei whakaparahako i ētahi atu

Councillors Sarah Smith and William Getty share political views in common and have recently established a Facebook group through which they promote debate and discussion with like-minded people in their district. Some of the participants in that Facebook Group make posts that include explicit criticism of other councillors, sometimes using explicit language, commenting on things like the way they voted, their motivations and personal matters. Some of the councillors targeted by the abuse complained to Cllrs Smith and Getty who, in response, closed the Facebook page to other councillors, preventing them from joining or viewing the content.

Rather than solve the concerns the decision to close the Facebook to others created additional anxiety for some councillors who became concerned that the page may be sharing their personal details and mis-representing their views. A complaint was made to the chief executive that the Code of Conduct had been breached, on the basis that the decision to exclude them from the website, and the fact that it appeared to me unmoderated, was intimidating, potentially exposed them to harm and allowed promoted statements about them and the council that were clearly untrue. The chief executive referred the complaint to the council’s independent investigator.

The investigator found that, while Cllrs Smith and Getty were not directly mis-representing the views of their colleagues, they were indirectly encouraging it, which breached the Code. Because this was the first complaint, and because the two councillors believed that by limiting access to the website, they had addressed the initial concerns, the investigator did not regard the breach as material. She recommended that the two councillors remove the block preventing other councillors from joining or accessing the site and install a system for approving posts, such as a moderator, before they are published.





To:	Council
Date:	29 March 2023
Subject:	Adoption of Standing Orders
Prepared by:	W Doughty – Chief Executive Officer
Input sought from:	B Makin – Executive Officer
Authorised by:	W Doughty – Chief Executive Officer

1. EXECUTIVE SUMMARY

This report presents a new set of Draft Standing Orders for adoption by the Council for the triennium 2022-2025.

Attachments:

1 – Draft Standing Orders (LGNZ 2022 Template with Te Reo/English Headings) including amendments discussed at the open Council workshop of the 15th March 2023.

2. RECOMMENDATION

It is recommended that the Council:

- a) adopt the Draft Standing Orders 2022-2025 with Te Reo/English Headings, with the following amendments:
- b) That the standing orders enable members to join hui by audio visual link (SO.13.7)
- c) That the chairperson does not have a casting vote except where the Law requires it (SO.19.3)
- d) That Option C be adopted as the default option for speaking and moving motions (SO. 22.4)
- e) That Deputations and Petitions give officials two days in which to prepare the advice (SO.16 & SO.17)
- f) Other amendments and updates as outlined in section 4 f).

3. BACKGROUND

The purpose of Standing Orders is to enable Kaikōura District Council to exercise its decision-making responsibilities in a transparent, inclusive and lawful manner for the benefit of its residents.

Standing Orders are the rules governing the conduct of proceedings for meetings of a council and its committees.

All councils are required to adopt and operate within a set of standing orders (clause 27 Schedule 7 of the Local Government Act 2002). Standing Orders are reviewed and updated as needed, typically once each triennium.

Governance staff have reviewed the Council's current Standing Orders that were adopted in 2019 and recommend adopting the LGNZ Standing Orders Template for 2022.

Adopting the most updated Standing Orders based on best practice should improve our decision-making processes and make us more consistent with the rest of New Zealand.

4. OPTIONS

a) Councils' preference on Standing Orders template with English Only or Te Reo/English headings

LGNZ have provided two options for Council to consider:

Option 1: Template with English Only headings – not recommended

Option 2: Template with Te Reo/English headings - recommended

b) Should members have a right to attend by audio or audio-visual link?

The LGA 2002 allows members to participate in meetings, if they are not physically present, via audio or audio-visual means. While a member can take part in discussions and vote when joining a hui electronically, they are not part of the quorum. This is to ensure there is a physical quorum for each meeting.

Should a governing body, local or community board decide they do not wish to allow members to do this, then this section of the standing orders SO 13.7 Right to attend by audio or audio-visual link must be deleted from the template before it is adopted. (see Part 3: Meeting Procedures for more information).

Option 1: Do not allow members the right to attend by audio or audio-visual link – not Recommended

Option 2: Allow members the right to attend by audio or audio-visual link - recommended

c) Should mayors/chairs have a casting vote?

The LGNZ standing orders template includes the casting vote option. Should a governing body, local or community board decide that it does not wish for its chairs to have a casting vote, then SO 19.3 Chairperson has a casting vote, will need to be deleted before the template is adopted.

Option 1: Chairperson does not have a casting vote except where the Law requires it (e.g. statutory plans) – recommended

Option 2: - not recommended

The LGA 2002 allows a chairperson (chair) to use a casting vote if this is specified in standing orders. The vote can be used when there is a 50/50 split in voting.

d) Speaking and moving options

The LGNZ template offers the Council (kaunihera) a choice of three frameworks for speaking to and moving motions and amendments, see the discussion on SO 22.1 for more information.

Option 1: not recommended

Option A (SO 22.2) is the most formal of the three and limits the number of times members can speak and move amendments. For example, members who have moved and seconded a motion cannot then move and second an amendment to the same motion and only members who have not spoken to a motion or substituted motion may move or second an amendment to it. This is the framework used in the 2003 Standards New Zealand Model Standing Orders.

Option 2: not recommended

Option B (SO 22.3) is less formal. While limiting the ability of movers and seconders of motions to move amendments, this option allows any other member, regardless of whether they have spoken to the motion or substituted motion, to move or second an amendment.

Option 3: recommended

Option C (SO 22.4) is the least formal. It gives members more flexibility by removing the limitations on movers and seconders speaking which exist in the other two options.

e) Time needed for officials (kaimahi) to prepare advice

Standing orders provide for members of the community to engage with the Council (kaunihera), their various committees and local or community boards. It is common for officials (kaimahi) to be asked to prepare advice on the items to be discussed. Before adopting the LGNZ template, the Council (kaunihera) should ensure that the five-day default is appropriate and practicable.

Option 1: not recommended

SO.16 Deputations and SO.17 Petitions. In both cases the default standing orders give officials five days in which to prepare the advice; whether this is practical will depend upon the size of a Council (kaunihera) and the way it works.

Option 2: recommended

That Deputations and Petitions give officials two days in which to prepare the advice (SO.16 & SO.17)

f) Other updates

Various other amendments have been made to the new template by LGNZ. Upon consideration of these at the Open Council Workshop held on the 15th March a further amendment has been suggested as below:

19.6 Recording of Votes

The minutes must record all members’ vote or abstention. Recording any other matters, such as a members’ reason for their vote or abstention, is not permitted.

28.2 Matters recorded in the minutes

(p) All members’ vote or abstention.

5. CONSIDERATIONS

Significance Assessment

In accordance with our policy the significance of this decision is deemed as low.

Risk Analysis

Adopting the most updated Standing Orders based on best practice should improve our decision-making processes and make us more consistent with the rest of New Zealand.

Policy/Legal Considerations

These orders are compliant with the requirements of the LGA 2002.

Community Outcomes Supported

The work is in support of all KDC core community outcomes.

6. COMMUNITY OUTCOMES SUPPORTED



Community

We communicate, engage and inform our community



Development

We promote and support the development of our economy



Services

Our services and infrastructure are cost effective, efficient and fit-for-purpose



Environment

We value and protect our environment



Future

We work with our community and our partners to create a better place for future generations



Kaikōura District Council

Standing Orders

Ngā Tikanga Whakahaere Hui

Adopted by:	Council
Date Adopted:	29 March 2023
Responsible for its Updating:	CEO/Executive Officer

Preface/ Kupu whakapuaki

Standing orders contain rules for the conduct of the proceedings of local authorities, committees, subcommittees, subordinate decision-making bodies, and local and community boards. Their purpose is to enable local authorities to exercise their decision-making responsibilities in a transparent, inclusive, and lawful manner.

In doing so the application of standing orders contributes to greater public confidence in the quality of local governance and democracy in general.

These standing orders have been designed specifically for local authorities, their committees, subcommittees, subordinate decision-making bodies, and local and community boards. They fulfil, regarding the conduct of meetings, the requirements of the Local Government Act 2002 (LGA 2002) and the Local Government Official Information and Meetings Act 1987 (LGOIMA).

Although it is mandatory that local authorities adopt standing orders for the conduct of their meetings, it is not necessary that they are adopted every triennium. However, LGNZ recommends that every council, committee, subordinate body and local and community board review their standing orders within at least the first six months following an election to ensure that they fully meet their needs for effective and inclusive meetings (see LGA 2002, sch 7, cl 27).

For clarity's sake whenever a question about the interpretation or application of these Standing Orders is raised, particularly where a matter might not be directly provided for, it is the responsibility of the chairperson of each meeting to make a ruling.

All members of a local authority must abide by standing orders.

LGNZ has made every reasonable effort to provide accurate information in this document, however it is not advice and we do not accept any responsibility for actions taken that may be based on reading it.

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1. Introduction/Kupu Whakataki

These standing orders have been prepared to enable the orderly conduct of local authority meetings. They incorporate the legislative provisions relating to meetings, decision making and transparency. They also include practical guidance on how meetings should operate so that statutory provisions are complied with and the spirit of the legislation fulfilled.

To assist elected members and officials the document is structured in three parts:

- Part 1 deals with general matters.
- Part 2 deals with pre-meeting procedures.
- Part 3 deals with meeting procedures.

The Appendix, which follows Part 3, provides templates and additional guidance for implementing provisions within the Standing Orders. Please note, the Appendix is an attachment to the Standing Orders and not part of the Standing Orders themselves, consequently amendments to the Appendix do not require the agreement of 75% of those present. In addition, the 'Guide to Standing Orders' provides additional advice on the application of the Standing Orders; the Guide is not part of the Standing Orders.

1.1 Principles/Ngā Mātāpono

Standing orders are part of the framework of processes and procedures designed to ensure that our system of local democracy and in particular decision-making within local government is transparent and accountable. They are designed to give effect to the principles of good governance, which include that a local authority should:

- Conduct its business in an open, transparent and democratically accountable manner;
- Give effect to its identified priorities and desired outcomes in an efficient and effective manner;
- Make itself aware of, and have regard to, the views of all of its communities;
- Take account, when making decisions, of the diversity of the community, its interests and the interests of future communities as well;
- Ensure that any decisions made under these Standing Orders comply with the decision-making provisions of Part 6 of the LGA 2002; and
- Ensure that decision-making procedures and practices meet the standards of natural justice.

These principles are reinforced by the requirement that all local authorities act so that "governance structures and processes are effective, open and transparent" (LGA 2002, s 39).

1.2 Statutory references/Ngā tohutoro ā-ture

The Standing Orders consist of statutory provisions about meetings along with guidance on how those provisions should be applied in practice. Where a statutory provision has been augmented with advice on how it might be implemented the advice (so as not to confuse it with the statutory obligation) is placed below the relevant legislative reference. In some cases, the language in the statutory provision has been modernised for ease of interpretation or amended to ensure consistency with more recently enacted statutes.

It is important to note that statutory references in the Standing Orders apply throughout the period of a meeting, regardless of whether parts or all of the Standing Orders have been suspended. These provisions must also be carried through into any amendment of the Standing Orders that might be made. Please note, where it is employed the word 'must', unless otherwise stated, identifies a mandatory legislative requirement.

1.3 Acronyms Ngā/kupu rāpoto

LGA 2002	Local Government Act 2002
LGOIMA	Local Government Official Information and Meetings Act 1987
LAMIA	Local Authorities (Members' Interests) Act 1968

1.4 Application/Te hāngaitanga

For the removal of any doubt these Standing Orders do not apply to workshops or meetings of working parties and advisory groups unless specifically included in their terms of reference.

2. Definitions/Ngā whakamārama

Adjournment means a break in the proceedings of a meeting. A meeting, or discussion on a particular business item, may be adjourned for a brief period, or to another date and time.

Advisory group means a group of people convened by a local authority for the purpose of providing advice or information that is not a committee or subcommittee. These Standing Orders do not apply to such groups. This definition also applies to workshops, working parties, working group, panels, forums, portfolio groups, briefings and other similar bodies.

Agenda means the list of items for consideration at a meeting together with reports and other attachments relating to those items in the order in which they will be considered. It is also referred to as an 'order paper'.

Amendment means any change of proposed change to the original or substantive motion.

Appointed member means a member of a committee, or subsidiary organisation of a council, who is not elected.

Audio link means facilities that enable audio communication between participants at a meeting where one or more of the participants is not physically present at the place of the meeting.

Audiovisual link means facilities that enable audiovisual communication between participants at a meeting when one or more of them is not physically present at the place of the meeting.

Chairperson means the person in a position of authority in a meeting or other gathering, also known as the presiding member.

Chief executive means the chief executive of a territorial authority or regional council appointed under s 42 of the LGA 2002, and includes, for the purposes of these Standing Orders, any other officer authorized by the chief executive.

Clear working days means the number of working days (business hours) prescribed in these Standing Orders for giving notice and excludes the date of the meeting and date on which the notice is served.

Committee includes, in relation to a local authority:

- (a) A committee comprising all the members of that authority;
- (b) A standing committee or special committee appointed by that authority;
- (c) A joint committee appointed under cl 30A of sch 7 of the LGA 2002; and
- (d) Any subcommittee of a committee described in (a), (b) and (c) of this definition.

Community board means a community board established under s 49 of the LGA 2002.

Conflict of Interest means any pecuniary interest and any interest arising because of that person's position as a trustee, director, officer, employee or member of another body or because of any personal non-pecuniary interest, such as pre-determination or bias.

Contempt means being disobedient to, or disrespectful of, the chair of a meeting, or disrespectful to any members, officers or the public.

Council means, in the context of these Standing Orders, the governing body of a local authority.

Debate means discussion by members that occurs once a motion has been moved/seconded

Deputation means a request from any person or group to make a presentation to the local authority which is approved by the Chairperson and which may be made in English, te reo Māori or New Zealand Sign Language.

Division means a formal vote at a Council, committee or subcommittee meeting whereby the names of those members present, including the mayor/chair, are formally recorded as voting either for or against. This includes a vote where the names and votes are recorded electronically.

Electronic link means both an audio and audiovisual link.

Emergency meeting has the same meaning as defined in cl 22A of sch 7 of the LGA 2002.

Extraordinary meeting has the same meaning as defined in cl 22 of sch 7 of the LGA 2002.

Foreshadowed motion means a motion that a member indicates their intention to move once the debate on a current motion or amendment is concluded.

Internet site means, in relation to a local authority or other person or entity, an Internet site that is maintained by, or on behalf of, the local authority, person, or entity and to which the public has free access.

Item means a substantive matter for discussion at a meeting.

Leave of the meeting means agreement without a single member present dissenting.

Joint committee means a committee in which the members are appointed by more than one local authority in accordance with cl 30A of sch 7 of the LGA 2002.

Karakia timatanga means an opening prayer.

Karakia whakamutunga means a closing prayer.

Lawfully excluded means a member of a local authority who has been removed from a meeting due to behaviour that a Chairperson has ruled to be contempt.

Leave of absence means a pre-approved absence for a specified period of time consistent with the council policy should one be in place.

Local authority means in the context of these Standing Orders a regional council or territorial authority, as defined in s 5 of the LGA 2002, which is named in these Standing Orders, and any subordinate decision-making bodies established by the local authority.

Mayor means the Mayor of a territorial authority elected under the Local Electoral Act 2001.

Meeting means any first, inaugural, ordinary, extraordinary, or emergency meeting of a local authority, subordinate decision-making bodies and any community or local board of the local authority convened under the provisions of LGOIMA.

Member means any person elected or appointed to the local authority.

Member of the Police means a Constable of the New Zealand Police within the definition of s 4 of the Policing Act 2008.

Mihi whakatau means a brief welcome typically delivered by one person without any further formalities.

Minutes means the record of the proceedings of any meeting of the local authority.

Motion means a formal proposal to a meeting.

Mover means the member who initiates a motion.

Newspaper means a periodical publication published (whether in New Zealand or elsewhere) at intervals not exceeding 40 days, or any copy of, or part of any copy of, any such publications; and

this includes every publication that at any time accompanies and is distributed along with any newspaper.

Notice of motion means a motion given in writing by a member in advance of a meeting in accordance with, and as provided for, in these Standing Orders.

Officer means any person employed by the council either full or part time, on a permanent or casual or contract basis.

Pecuniary Interest includes any interest described in s 3 and 6 of the Local Authorities (Members Interests) Act 1968.

Open voting means voting that is conducted openly and in a transparent manner (i.e. enables an observer to identify how a member has voted on an issue) and may be conducted by electronic means. The result of the vote must be announced immediately it has concluded. Secret ballots are specifically excluded.

Order paper means the list of items for consideration at a meeting together with reports and other attachments relating to those items set out in the order in which they will be considered. An order paper is also referred to as an agenda.

Ordinary meeting means any meeting, other than the first meeting, of a local authority publicly notified in accordance with ss 46(1) and (2) of LGOIMA.

Petition means a request to a local authority which contains at least 20 signatures.

Powhiri means a formal welcome involving a Karanga from the Tangata Whenua (the home people) followed by formal speech making. A Powhiri is generally used for formal occasions of the highest significance.

Present at the meeting to constitute quorum means the member is to be physically present in the room.

Presiding member means the chairperson.

Procedural motion means a motion that is used to control the way in which a motion or the meeting is managed as specified in Standing Orders 24.1 – 24.7.

Public excluded information refers to information which is currently before a public excluded session, is proposed to be considered at a public excluded session, or had previously been considered at a public excluded session and not yet been released as publicly available information. It includes:

- Any minutes (or portions of minutes) of public excluded sessions which have not been subsequently released by the local authority; and
- Any other information which has not been released by the local authority as publicly available information.

Public excluded session, also referred to as confidential or in-committee session, refers to those meetings or parts of meetings from which the public is excluded by the local authority as provided for in LGOIMA.

Public forum refers to a period set aside usually at the start of a meeting for the purpose of public input.

Public notice means one that is made publicly available, until any opportunity for review or appeal in relation to the matter notified has lapsed, on the local authority's website. And in addition, is published in at least one daily newspaper circulating in the region or district of the local authority, or one or more other newspapers that have a combined circulation in that region or district which is at least equivalent to that of a daily newspaper circulating in that region or district.

Publicly notified means notified to members of the public by a notice contained in a newspaper circulating in the district of the local authority, or where there is no such newspaper, by notice displayed in a public place. The notice may also be replicated on a council's website.

Qualified privilege means the privilege conferred on member by s 52 and s 53 of LGOIMA.

Quasi-judicial means a meeting involving the consideration of issues requiring the evaluation of evidence, the assessment of legal argument and/or the application of legal principles.

Quorum means the minimum number of members required to be present in order to constitute a valid meeting.

Regional Council Chairperson means the member of the governing body of a regional council elected as chairperson of that regional council under cl 25 of sch 7 of the LGA 2002.

Resolution means a motion that has been adopted by the meeting.

Right of reply means the right of the mover of a motion to reply to those who have spoken to the motion. (The right does not apply to an amendment).

Secunder means the member who seconds a motion or amendment.

Sub judice means under judicial consideration and therefore prohibited from public discussion elsewhere.

Subordinate decision-making body means committees, subcommittees, and any other bodies established by a local authority that have decision-making authority, but not local or community boards or joint committees.

Substantive motion means the original motion. In the case of a motion that is subject to an amendment, the substantive motion is the original motion incorporating any amendments adopted by the meeting.

Substantive resolution means the substantive motion that has been adopted by the meeting or a restatement of a resolution that has been voted on in parts.

Subcommittee means a subordinate decision-making body established by a council, or a committee of a council, local board or community board. See definition of “Committee”.

Working day means a day of the week other than:

- (a) Saturday, Sunday, Good Friday, Easter Monday, Anzac Day, Labour Day, the Sovereign’s birthday, Matariki, and Waitangi Day. If Waitangi Day or Anzac Day falls on a Saturday or a Sunday, then the following Monday;
- (b) The day observed in the appropriate area as the anniversary of the province of which the area forms a part; and
- (c) A day in the period commencing with 20 December in any year and ending with 10 January in the following year.

Should a local authority wish to meet between the 20th of December and the 10th of January of the following year any meeting must be notified as an extraordinary meeting, unless there is sufficient time to notify an ordinary meeting before the commencement of the period.

Working party means a group set up by a local authority to achieve a specific objective that is not a committee or subcommittee and to which these Standing Orders do not apply.

Workshop means in the context of these Standing Orders, a gathering of elected members for the purpose of considering matters of importance to the local authority at which no decisions are made and to which these Standing Orders will not apply, unless required by the local authority. Workshops may include non-elected members. Workshops may also be described as briefings.

General matters/Ngā take whānui

3. Standing orders/Ngā tikanga whakahaere hui

3.1 Obligation to adopt standing orders/Te kawenga ki te whakatū tikanga whakahaere hui

A council is required to operate in accordance with standing orders for the conduct of its meetings and the meetings of its committees and subcommittees. Local boards and community boards must also adopt standing orders. Standing orders must not contravene any Act.

LGA 2002, sch 7, cl 27(1) & (2).

3.2 Process for adoption and alteration of standing orders Te tukanga mō te whakatū me te whakahou i ngā tikanga whakahaere hui

The adoption of standing orders and any amendment to standing orders must be made by the Council and by a vote of not less than 75% of the members present. Similarly, in the case of a local and community board the adoption of standing orders and any amendments also requires a vote of not less than 75% of the members of the specific board.

LGA 2002, sch 7, cl 27(3).

3.3 Members must obey standing orders/Me whai ngā mema i ngā tikanga whakahaere hui

All members of the local authority, including members of committees and subcommittees, must obey these Standing Orders. Local boards and community boards which have adopted these Standing Orders must also comply with them.

LGA 2002, sch 7, cl 16(1).

3.4 Application of standing orders/Te whakahāngai i ngā tikanga whakahaere hui

These Standing Orders apply to all meetings of the local authority, its committees, subcommittees and subordinate decision-making bodies. They will also apply to any local boards and community boards unless stated otherwise. This includes meetings and parts of meetings that the public are excluded from.

3.5 Temporary suspension of standing orders/Te tārewa taupua i ngā tikanga whakahaere hui

Any member of a council, committee, subcommittee and subordinate body, and local and community board, may move a motion to suspend specified Standing Orders at a meeting of which they are a member. Any such motion must also include the reason for the suspension. If seconded,

the chairperson must put the motion without debate and at least 75 per cent of the members present and voting must support the motion for it to be carried.

LGA 2002, sch 7, cl 27(4).

A motion to suspend Standing Orders may be taken before or during a debate. The motion to suspend Standing Orders must also identify the specific Standing Orders to be suspended. Please Note: in the event of suspension, those Standing Orders prescribed in statute will continue to apply, such as the quorum requirements.

3.6 Quasi-judicial proceedings/Ngā whakawā a te Kaunihera

For quasi-judicial proceedings the local authority or a local or community board may amend meeting procedures. For example, committees hearing applications under the Resource Management Act 1991 have additional powers under the Commissions of Inquiry Act 1908.

3.7 Physical address of members/Ngā wāhi noho o ngā mema

Every member of a local authority, local board and community board must give to the chief executive a physical residential or business address within the district or region of the local authority and, if desired, an electronic or other address, to which notices and material relating to meetings and local authority business may be sent or delivered. Members are to provide their address within 5 working days of the publication of the declaration of the election results. Public access to those addresses is subject to the Privacy Act.

4. Meetings/Ngā hui

4.1 Legal requirement to hold meetings/Te tikanga ā-ture ki te whakahaere hui

The local authority must hold meetings for the good government of its city, district or region. The same requirement applies to local boards and community boards in respect of their communities. Meetings must be called and conducted in accordance with:

- (a) Schedule 7 of the LGA 2002;
- (b) Part 7 of LGOIMA; and
- (c) These Standing Orders.

A meeting can be adjourned to a specified time and day if required by resolution of the meeting.

4.2 Meeting duration/Te roa o ngā hui

A meeting cannot continue more than six hours from when it starts (including any adjournments) or after 10.30pm, unless the meeting resolves to continue. If there is no such resolution, then any business on the agenda that has not been dealt with must be adjourned, transferred to the next meeting, or transferred to an extraordinary meeting.

No meeting can sit for more than two hours continuously without a break of at least ten minutes unless the meeting resolves to extend the time before a break.

4.3 Language/Te reo

A member may address a meeting in English, te reo Māori or New Zealand Sign Language. A chairperson may require that a speech is translated and printed in English or te reo Māori.

If a member intends to address the meeting in New Zealand Sign Language, or in te reo Māori, when the normal business of the meeting is conducted in English, they must give prior notice to the chairperson not less than 2 working days before the meeting.

Where the normal business of the meeting is conducted in te reo Māori then prior notice of the intention to address the meeting in English must also be given to the chairperson not less than 2 working days before the meeting.

4.4 Webcasting meetings/Te pāho mataora i ngā hui

Webcast meetings should be provided in accordance with the protocols contained in Appendix 7.

4.5 First meeting (inaugural)/Te hui tuatahi

The first meeting of a local authority, following a local authority triennial general election, must be called by the chief executive as soon as practicable after the results of the election are known. The chief executive must give elected members not less than 7 days' notice of the meeting. However, in the event of an emergency the chief executive may give notice of the meeting as soon as practicable.

LGA 2002, sch, cl 21(1) - (4).

4.6 Requirements for the first meeting/Ngā tikanga mō te hui tuatahi

The chief executive (or, in the absence of the chief executive, their nominee) must chair the first meeting until the chairperson has made an oral declaration and attested the declaration (see LGA 2002, sch 7, cl 21(4)).

The business to be conducted at the first meeting following a general election must include the following:

- (a) The making and attesting of the declarations required of the mayor (if any) and members under LGA 2002, sch 7, cl14;
- (b) The election of the chairperson (if any) and the making and attesting of the declaration required of the chairperson under LGA 2002, sch 7, cl 14;
- (c) A general explanation, given or arranged by the chief executive, of:
 - i. LGOIMA; and
 - ii. Other laws affecting members, including the appropriate provisions of the Local Authorities (Members Interests) Act 1968; and ss 99, 105, and 105A of the Crimes Act 1961; and the Secret Commissions Act 1910; and the Financial Markets Conduct Act 2013.

- (d) The fixing of the date and time of the first meeting of the local authority, or the adoption of a schedule of meetings; and
- (e) The election of the deputy Mayor or deputy chairperson in accordance with the LGA 2002, sch7, cl 17.

LGA 2002, sch 7, cl 21(5).

It is common for councils to adopt standing orders at the first meeting; however, this is not always necessary as, if not amended, standing orders will remain in force after each triennial election.

Please note, that the election of a deputy mayor is not required if the Mayor has already made the appointment under s 41A(3)(a) of the LGA 2002 prior to the meeting. Nothing limits a territorial authority from removing a deputy Mayor from office in accordance with cl 18 of sch 7 of the LGA 2002.

5. Appointments and elections/Ngā kopounga me ngā pōtitanga

5.1 Mayoral appointment of deputy Mayor, committee chairs and members/Te kopounga a te Koromatua i te Koromatua tuarua, ngā ūpoko o ngā komiti me ngā mema

A Mayor may appoint the deputy Mayor, the chairperson and the members of each committee of the territorial authority. The names of any appointments made by the Mayor must be tabled at the first meeting of the council after the appointments are made. The Mayor may also appoint themselves.

LGA 2002, s 41A(3).

5.2 Council discharge of a mayoral appointment/Te whakakore a te Kaunihera i tētahi tūranga i kopoua e te Koromatua

Nothing, however, limits or prevents a territorial authority from discharging deputy Mayor, a chairperson or a member of a committee appointed by the Mayor. Any decision by the territorial authority to discharge a deputy Mayor shall follow the procedure in Standing Order 5.5.

If the Mayor declines to appoint a deputy Mayor or committee chairpersons in accordance with LGA 2002, s 41A, the council (or a committee, if directed by the council) must elect those positions in accordance with Standing Order 5.4.

LGA 2002, sch 7, cl 31.

5.3 Establishment of committees by the Mayor/Te whakatū a te koromatua i ngā komiti

The Mayor may establish committees of the territorial authority. Where a Mayor exercises this right, a list of the committees and their terms of reference must be tabled at the next following meeting of the council. Should the Mayor decline to establish committees under s 41A, then any decision to establish committees must follow the processes set out in these Standing Orders.

Nothing, however, limits or prevents a territorial authority from discharging or reconstituting, in accordance with cl 30 of sch 7, LGA 2002, a committee established by the Mayor, or appointing more committees in addition to any established by the Mayor.

Please note, a Mayor is a member of every committee unless specific legislation provides otherwise, such as a committee established under s 189 of the Sale and Supply of Alcohol Act 2012.

LGA 2002, s 41A (3) and (4).

5.4 Elections of regional chairpersons, deputy Mayors and deputy chairpersons/Te pōti i ngā ūpoko ā-rohe, ngā Koromatua tuarua me ngā ūpoko tuarua

The council (or a committee responsible for making the appointment) must decide by resolution to use one of two voting systems (see Standing Order 5.6) when electing people to the following positions:

- The chairperson and deputy chairperson of a regional council;
- The deputy Mayor;
- The chairperson and deputy chairperson of a committee; and
- A representative of a local authority.

Please note, this provision does not apply in situations where a mayor has used their powers under LGA 2002, s 41A to appoint a deputy Mayor, or committee chairs. See the LGNZ Guide to Standing Orders for more information.

LGA 2002, sch 7, cl 25.

5.5 Removal of a deputy Mayor/Te whakakore i te tūranga a tētahi Koromatua tuarua

A deputy Mayor, whether appointed by the Mayor under the Standing Order 5.1, or elected by the council, can only be removed in accordance with cl 18, sch 7, of the LGA 2002. See Appendix 9.

LGA 2002, sch 7, cl 18.

5.6 Voting system for chairs, deputy Mayors and committee chairs/Te pūnaha pōti mō ngā ūpoko, ngā Koromatua tuarua me ngā ūpoko komiti

When electing a regional council chair, a deputy Mayor or a committee chair the local authority must resolve to use one of the following two voting systems.

System A

The candidate will be elected or appointed if he or she receives the votes of a majority of the members of the local authority or committee who are present and voting. This system has the following characteristics:

- (a) There is a first round of voting for all candidates;
- (b) If no candidate is successful in the first round, there is a second round of voting from which the candidate with the fewest votes in the first round is excluded; and
- (c) If no candidate is successful in the second round, there is a third round, and if necessary subsequent rounds, of voting from which, each time, the candidate with the fewest votes in the previous round is excluded.

In any round of voting, if two or more candidates tie for the lowest number of votes, the person to be excluded from the next round is resolved by lot.

System B

The candidate will be elected or appointed if he or she receives more votes than any other candidate. This system has the following characteristics:

- (a) There is only one round of voting; and
- (b) If two or more candidates tie for the most votes, the tie is resolved by lot.

LGA 2002, sch 7, cl 25.

6. Delegations/Te tuku mana

6.1 Duty to consider delegations to community boards/Te haepapa ki te whakaaroaro ki te tukunga mana ki ngā poari hapori

The council of a territorial authority must consider whether to delegate to a community board if the delegation will enable the community board to best achieve its role.

LGA 2002, sch 7, cl 32(6).

Please note: A council is advised to delegate a range of decision-making responsibilities to its chief executive to cover the period from the day following the Electoral Office's declaration until the new council is sworn in. See the LGNZ Guide to Standing Orders for further information.

6.2 Limits on delegations/Ngā tepenga o te tuku mana

Unless clearly stated in the LGA 2002 or any other Act, a council may, for the purposes of efficiency and effectiveness, delegate to a committee, subcommittee, subordinate decision-making body, community board, local board, member, or officer of the local authority, any of its responsibilities, duties, or powers except:

- (a) The power to make a rate;
- (b) The power to make a bylaw;
- (c) The power to borrow money, or purchase or dispose of assets, other than in accordance with the long-term plan;
- (d) The power to adopt a long-term plan, annual plan, or annual report;
- (e) The power to appoint a chief executive;
- (f) The power to adopt policies required to be adopted and consulted on under the LGA in association with the long-term plan or developed for the purpose of the local governance statement;
- (g) *Repealed*; and
- (h) The power to adopt a remuneration and employment policy.

LGA 2002, sch 7, cl 32 (1).

6.3 Committees may delegate/Ka taea e ngā komiti te tuku mana

A committee, subcommittee, subordinate decision-making body, local board, community board, member, or officer of the local authority, may delegate any of its responsibilities, duties, or powers to a subcommittee or person, subject to any conditions, limitations, or prohibitions imposed by the body that made the original delegation.

LGA 2002, sch 7, cl (2) & (3).

6.4 Use of delegated powers/Te whakamahi i ngā mana tuku

The committee, subcommittee, other subordinate decision-making body, community board, or member or officer of the local authority to which or to whom any responsibilities, powers, duties are delegated may, without confirmation by the council, committee or body or person that made the delegation, exercise or perform them in the like manner and with the same effect as the local authority could itself have exercised or performed them.

LGA 2002, sch 7, cl 32(2),(3), and (4).

6.5 Decisions made under delegated authority cannot be rescinded or amended/E kore e taea te whakakore, te whakahou rānei i ngā whakatau i raro i te mana tuku

Nothing in these Standing Orders allows a council, committee, and subcommittee to rescind or amend a lawfully made decision of a subordinate decision-making body carried out under a delegation authorising the making of that decision. The same requirement applies to a local board and community board in relation to any committees or subcommittees with delegated authority.

LGA 2002, sch 7, cl 30 (6).

6.6 Committees and sub committees subject to the direction of the local authority/Kei raro ngā komiti me ngā komiti āpiti i te mana a te mana ā-rohe

A committee, subcommittee or other subordinate decision-making body is subject in all things to the control of the local authority and must carry out all general and special directions of the local authority given to them.

LGA 2002, sch 7, cl 30(3) & (4).

7. Committees/Ngā komiti

7.1 Appointment of committees and subcommittees/Te kopounga o ngā komiti me ngā komiti āpiti

A council may appoint the committees, subcommittees, and other subordinate decision-making bodies that it considers appropriate. A committee may appoint the subcommittees that it considers appropriate unless it is prohibited from doing so by the council.

LGA 2002, sch 7, cl 30(1) & (2).

7.2 Discharge or reconstitution of committees and subcommittees/Te whakakore, te whakahou rānei i ngā komiti me ngā komiti āpiti

Unless expressly provided otherwise in legislation or regulation:

- (a) A local authority may discharge or reconstitute a committee or subcommittee, or other subordinate decision-making body; and
- (b) A committee may discharge or reconstitute a subcommittee.

A committee, subcommittee, or other subordinate decision-making body is, unless a council resolves otherwise, discharged when members elected at a subsequent triennial general election come into office.

LGA 2002, sch 7, cl 30 (5) & (7).

Please note: Section 12 (2) of the Civil Defence and Emergency Management Act 2002 states that a Civil Defence and Emergency Management Group is not deemed to be discharged following a triennial election. The same is true for District Licensing Committees (see the LGNZ Guide to Standing Orders).

7.3 Appointment or discharge of committee members and subcommittee members/Te kōupounga, te whakakore rānei i ngā mema komiti me ngā mema komiti āpiti

A council may appoint or discharge any member of a committee and, if established by the council, a subcommittee. A committee may appoint or discharge any member of a subcommittee appointed by the committee unless directed otherwise by the council.

LGA 2002, sch 7, cl 31(1) & (2).

7.4 Elected members on committees and subcommittees/Te tū a ngā mema pōti ki ngā komiti me ngā komiti āpiti

The members of a committee or subcommittee may be, but are not required to be, elected members of a local authority. A council or committee may appoint a person who is not a member of the local authority to a committee or subcommittee if, in the opinion of the council or committee, the person has the skills, attributes or knowledge to assist the committee or subcommittee.

At least one member of a committee must be an elected member of the council. In the case of a committee established by a local board or community board at least one member must be a member of that board. A staff member of the local authority, in the course of their employment, can be a member of a subcommittee but not a committee.

LGA 2002, sch 7, cl 31(4).

7.5 Local authority may replace members if committee not discharged/Ka āhei te mana ā-rohe ki te whakakapi i ngā mema mēnā kāore i whakakorehia te komiti

If a local authority resolves that a committee, subcommittee or other subordinate decision-making body is not to be discharged under cl 30 (7), sch 7, LGA 2002, the local authority may replace the members of that committee, subcommittee or subordinate decision-making body after the next triennial general election of members.

LGA 2002, sch 7, cl 31(5).

7.6 Membership of Mayor/Te mema tangata a te Koromatua

The Mayor is a member of every committee of the local authority unless specific legislation provides otherwise, such as a committee established under s 189 of the Sale and Supply of Alcohol Act 2012.

LGA 2002, s 41A(5).

7.7 Decision not invalid despite irregularity in membership/Kāore e noho manakore tētahi whakatau ahakoa i rangirua te mematangā

For the purpose of these Standing Orders a decision of a local authority, committee, local board and community board is not invalidated if:

1. There is a vacancy in the membership of the local authority, committee, local or community board at the time of the decision; or
2. Following the decision some defect in the election or appointment process is discovered and/or that the membership of a person on the committee at the time is found to have been ineligible.

LGA 2002, sch 7, cl 29.

7.8 Appointment of joint committees/Te kopounga o ngā komiti hono

A local authority may appoint a joint committee with another local authority or other public body if it has reached agreement with each local authority or public body. The agreement must specify:

- (a) The number of members each party may appoint;
- (b) How the chairperson and deputy chairperson are to be appointed;
- (c) The terms of reference of the committee;
- (d) What responsibilities, if any, are to be delegated to the committee by each party; and
- (e) How the agreement may be varied.

The agreement may also specify any other matter relating to the appointment, operation, or responsibilities of the committee agreed by the parties.

LGA 2002, sch 7, cl 30A(1) & (2).

7.9 Status of joint committees/Te tūnga o ngā komiti hono

A joint committee is deemed to be both a committee of a council and a committee of each other participating local authority or public body.

LGA 2002, sch 7, cl 30A(5).

7.10 Power to appoint or discharge individual members of a joint committee/Te mana ki te kopou me te whakakore i ngā mema takitahi o tētahi komiti hono

The power to discharge any individual member of a joint committee and appoint another member in their stead must be exercised by the council or public body that made the appointment.

LGA 2002, sch 7, cl 30A(6)(a).

Pre-meeting/I mua i te hui

8. Giving notice/Te tuku pānui

Please note; the processes described in this section (Standing Orders 8.1 – 8.12) apply as appropriate to local boards and community boards.

8.1 Public notice – ordinary meetings/Te pānui tūmatanui – ngā hui noa

All meetings scheduled for the following month must be publicly notified not more than 14 days and not less than 5 days before the end of the current month, together with the dates, the times and places on and at which those meetings are to be held. In the case of meetings held on or after the 21st day of the month public notification may be given not more than 10 nor less than 5 working days before the day on which the meeting is to be held. (See the LGNZ Guide to Standing Orders for more information).

LGOIMA, s 46.

8.2 Notice to members - ordinary meetings/Te pānui ki ngā mema – ngā hui noa

The chief executive must give notice in writing to each member of the local authority of the date, time and place of any meeting. Notice must be given at least 14 days before the meeting unless the council has adopted a schedule of meetings, in which case notice must be given at least 14 days before the first meeting on the schedule.

LGA 2002, sch 7, cl 19(5).

8.3 Extraordinary meeting may be called/Ka āhei ki te karanga hui Motuhake

An extraordinary council meeting may be called by:

- (a) Resolution of the council, or
- (b) A requisition in writing delivered to the chief executive which is signed by:
 - i. The Mayor; or
 - ii. Not less than one third of the total membership of the council (including vacancies).

LGA 2002, sch 7, cl 22(1).

8.4 Notice to members - extraordinary meetings/Te pānui ki ngā mema – ngā hui Motuhake

The chief executive must give notice, in writing, of the time and place of an extraordinary meeting called under the Standing Order 8.3, as well as the general nature of business to be considered, to

each member of the council at least 3 working days before the day appointed for the meeting. If the meeting is called by a resolution then notice must be provided within such lesser period as is specified in the resolution, as long as it is not less than 24 hours.

LGA 2002, sch 7, cl 22(3).

8.5 Emergency meetings may be called/Ka āhei ki te karanga hui ohotata

If the business a council needs to deal with requires a meeting to be held at a time earlier than is allowed by the notice requirements for holding an extraordinary meeting and it is not practicable to call the meeting by resolution, an emergency meeting may be called by:

- (a) The Mayor; or
- (b) If the Mayor is unavailable, the chief executive.

LGA 2002, sch 7, cl 22A(1).

8.6 Process for calling an emergency meeting/Te pūnaha mō te karanga hui ohotata

The notice of the time and place of an emergency meeting, and of the matters in respect of which the emergency meeting is being called, must be given by the person calling the meeting or by another person on that person's behalf.

The notice must be given, by whatever means is reasonable in the circumstances, to each member of the local authority, and to the chief executive, at least 24 hours before the time appointed for the meeting.

LGA 2002, sch 7, cl 22A(2).

8.7 Public notice – emergency and extraordinary meeting/Te pānui tūmatanui – ngā hui ohotata me te Motuhake

Where an emergency or extraordinary meeting of a local authority is called but the notice of the meeting is inconsistent with these Standing Orders, due to the manner in which it was called, the local authority must cause that meeting and the general nature of business to be transacted at that meeting:

- (a) To be publicly notified as soon as practicable before the meeting is to be held; or
- (b) If it is not practicable to publish a notice in newspapers before the meeting, to be notified as soon as practicable on the local authority's website and in any other manner that is reasonable in the circumstances.

LGOIMA, s 46(3).

8.8 Meetings not invalid/Kāore e manakore ngā hui

The failure to notify a public meeting under these Standing Orders does not of itself make that meeting invalid. However, where a local authority becomes aware that a meeting has been incorrectly notified it must, as soon as practicable, give public notice stating:

- That the meeting occurred without proper notification;
- The general nature of the business transacted; and
- The reasons why the meeting was not properly notified.

LGOIMA, s 46(6).

8.9 Resolutions passed at an extraordinary meeting/Ngā tatūnga i whakamanahia i te hui Motuhake

A local authority must, as soon as practicable, publicly notify any resolution passed at an extraordinary meeting of the local authority unless:

- (a) The resolution was passed at a meeting or part of a meeting from which the public was excluded; or
- (b) The extraordinary meeting was publicly notified at least 5 working days before the day on which the meeting was held.

LGOIMA, s 51A.

8.10 Meeting schedules/Ngā hōtaka hui

Where the local authority adopts a meeting schedule it may cover any period that the council considers appropriate and may be amended. Notification of the schedule, or an amendment, will constitute notification to members of every meeting on the schedule or the amendment. This does not replace the requirements under LGOIMA to publicly notify each meeting.

LGA 2002, sch 7, cl 19(6).

8.11 Non-receipt of notice to members/Te kore e whiwhi pānui a ngā mema

A meeting of a local authority is not invalid if notice of that meeting was not received, or not received in due time, by a member of the local authority or board unless:

- (a) It is proved that the person responsible for giving notice of the meeting acted in bad faith or without reasonable care; and
- (b) The member concerned did not attend the meeting.

A member of a local authority may waive the need to be given notice of a meeting.

LGA 2002, sch 7, cl 20(1) & (2).

8.12 Meeting cancellations/Te whakakore hui

The chairperson of a scheduled meeting may cancel the meeting if, in consultation with the chief executive, they consider this is necessary for reasons that include lack of business, lack of quorum or clash with another event.

The chief executive must make a reasonable effort to notify members and the public as soon as practicable of the cancellation and the reasons behind it.

9. Meeting agenda/Te rāangi take o ngā hui

9.1 Preparation of the agenda/Te whakarite i te rāangi take

It is the chief executive's responsibility, on behalf of the chairperson, to prepare an agenda for each meeting listing and attaching information on the items of business to be brought before the meeting so far as is known, including the names of the relevant members.

When preparing business items for an agenda the chief executive must consult, unless impracticable, such as in the case of the inaugural meeting, the chairperson, or the person acting as chairperson for the coming meeting.

9.2 Process for raising matters for a decision/Te pūnaha mō te whakatakoto take hei whakatau

Requests for reports may be made by a resolution of the council, committee, subcommittee, subordinate decision-making body, local boards or community board and, in the case of all decision-making bodies other than the council, must also fall within the scope of their specific delegations.

9.3 Chief executive may delay or refuse request/Ka āhei te tumu whakarae ki te whakaroa, whakakore rānei i tētahi tono

The chief executive may delay commissioning any reports that involve significant cost or are beyond the scope of the committee that made the request. In such cases the chief executive will discuss options for meeting the request with the respective chairperson and report back to a subsequent meeting with an estimate of the cost involved and seek direction on whether the report should still be prepared.

Where a Chief executive refuses a member's request to prepare a report, an explanation for that refusal should be provided to the member.

9.4 Order of business/Te raupapatanga o ngā mahi

At the meeting the business is to be dealt with in the order in which it stands on the agenda unless the chairperson, or the meeting, decides otherwise. An example of a default order of business is set out in Appendix 10.

The order of business for an extraordinary meeting must be limited to items that are relevant to the purpose for which the meeting has been called.

9.5 Chairperson's recommendation/Te marohi a te ūpoko

A chairperson, either prior to the start of the meeting and/or at the meeting itself, may include a recommendation regarding any item on the agenda brought before the meeting. Where a chairperson's recommendation varies significantly from an officer's recommendation the reason for the variation must be explained. A recommendation that differs significantly from the officer's recommendation must comply with the decision-making requirements of Part 6 of the LGA 2002.

9.6 Chairperson may prepare report/Te pūrongo a te ūpoko

The chairperson of a meeting has the right to prepare a report to be included in the agenda on any matter which falls within the responsibilities of that meeting, as described in its terms of reference.

For clarity, any recommendation must comply with the decision-making requirements of Part 6 of the LGA 2002.

9.7 Public availability of the agenda/Te wātea o te rārangi take ki te marea

All information provided to members at a local authority, or local or community board, meeting must be publicly available, except where an item included in the agenda refers to a matter reasonably expected to be discussed with the public excluded.

LGOIMA, ss 5 & 46A.

9.8 Public inspection of agenda/Te tiro tiro a te marea i te rārangi take

Any member of the public may, without payment of a fee, inspect, during normal office hours and within a period of at least 2 working days before a meeting, all agendas and associated reports circulated to members of the local authority and local and community boards relating to that meeting. The agenda:

- (a) Must be available for inspection at the public offices of the local authority (including service centres), at public libraries under the authority's control and on the council's website, and:
- (b) Must be accompanied by either:
 - i. The associated reports; or
 - ii. A notice specifying the places at which the associated reports may be inspected.

LGOIMA, s 46A(1).

9.9 Withdrawal of agenda items/Te tango take i te rārangi take

If justified by circumstances, an agenda item may be withdrawn by the chief executive. In the event of an item being withdrawn the chief executive should inform the chairperson.

9.10 Distribution of the agenda/Te tuari i te rārangi take

The chief executive must send the agenda to every member of a meeting at least two clear working days before the day of the meeting, except in the case of an extraordinary meeting or an emergency meeting (see Standing Orders 8.4 and 8.10).

The chief executive may send the agenda, and other materials relating to the meeting or other council business, to members by electronic means.

9.11 Status of agenda/Te tūnga o te rārangi take

No matter on a meeting agenda, including recommendations, may be considered final until determined by a formal resolution of that meeting.

9.12 Items of business not on the agenda which cannot be delayed/Ngā take kāore i runga i te rārangi take e kore e taea te whakaroa

A meeting may deal with an item of business that is not on the agenda where the meeting resolves to deal with that item and the chairperson provides the following information during the public part of the meeting:

- (a) The reason the item is not on the agenda; and
- (b) The reason why the discussion of the item cannot be delayed until a subsequent meeting.

LGOIMA, s 46A(7).

Items not on the agenda may be brought before the meeting through a report from either the chief executive or the chairperson.

Please note, that nothing in this standing order removes the requirement to meet the provisions of Part 6 of the LGA 2002 with regard to consultation and decision-making.

9.13 Discussion of minor matters not on the agenda/Te kōrerorero i ngā take iti kāore i runga i te rārangi take

A meeting may discuss an item that is not on the agenda only if it is a minor matter relating to the general business of the meeting and the chairperson explains at the beginning of the public part of the meeting that the item will be discussed. However, the meeting may not make a resolution, decision, or recommendation about the item, except to refer it to a subsequent meeting for further discussion.

LGOIMA, s 46A(7A).

9.14 Public excluded business on the agenda/Ngā take o te rārangi take kāore e whārikihia ki te marea

Items that are likely to be discussed under public-excluded must be indicated on each agenda, including the general subject of the item. The chief executive, however, may exclude public access to any reports, or parts of reports, which are reasonably expected to be discussed with the public excluded.

LGOIMA, s 46A(9).

9.15 Qualified privilege relating to agenda and minutes/Te maru whāiti e pā ana ki te rārangi take me ngā meneti

Where any meeting is open to the public and a member of the public is supplied with a copy of the agenda, or the minutes of that meeting, the publication of any defamatory matter included in the agenda or in the minutes is privileged. This does not apply if the publication is proved to have been made with ill will, or improper advantage has been taken of the publication.

LGOIMA, s 52.

Meeting Procedures/Ngā Tikanga Hui/

10. Opening and closing/Te whakatuwhera me te whakakapi

Local authorities, local boards and community boards may, at the start of a meeting, choose to recognise the civic importance of the occasion through some form of reflection. This could be an expression of community values, a reminder of the contribution of members who have gone before or a formal welcome, such as a mihi whakatau.

Options for opening a meeting could include a karakia timitanga, mihi whakatau, or powhiri as well as a karakia whakamutunga to close a meeting where appropriate.

11. Quorum/Kōrama

11.1 Council meetings/Ngā hui Kaunihera

The quorum for a meeting of the council is:

- (a) Half of the members physically present, where the number of members (including vacancies) is even; and
- (b) A majority of the members physically present, where the number of members (including vacancies) is odd.

LGA 2002, sch 7, cl 23(3)(a).

11.2 Committees and subcommittee meetings/Ngā hui komiti me te komiti āpiti

A council sets the quorum for its committees and subcommittees, either by resolution or by stating the quorum in the terms of reference. Committees may set the quorums for their subcommittees by resolution, provided that it is not less than two members. (See also 7.4).

In the case of subcommittees, the quorum will be two members unless otherwise stated. In the case of committees at least one member of the quorum must be a member of the council, or if established by a local board or community board, the relevant board.

LGA 2002, sch 7, cl 23(3)(b).

11.3 Joint Committees/Ngā komiti hono

The quorum at a meeting of a joint committee must be consistent with Standing Order 11.1. Local authorities participating in the joint committee may decide, by agreement, whether or not the quorum includes one or more members appointed by each local authority or any party.

LGA 2002, sch 7, cl 30A(6)(c).

11.4 Requirement for a quorum/Te herenga mō te kōrama

A meeting is constituted where a quorum of members is present, whether or not they are all voting or entitled to vote. In order to conduct any business at a meeting, a quorum of members must be present for the whole time that the business is being considered.

LGA 2002, sch 7, cl 23(1) & (2).

11.5 Meeting lapses where no quorum/Ka tārewa te hui mēnā karekau he kōrama

A meeting must lapse, and the chairperson vacate the chair, if a quorum is not present within 30 minutes of the advertised start of the meeting. Where members are known to be travelling to the meeting, but are delayed due to extraordinary circumstance, the chairperson has discretion to wait for a longer period.

No business may be conducted while waiting for the quorum to be reached. Minutes will record when a meeting lapses due to a lack of a quorum, along with the names of the members who attended.

Should a quorum be lost, the meeting will lapse if the quorum is not present within 15 minutes.

11.6 Business from lapsed meetings/Ngā take mai i ngā hui tārewa

Where meetings lapse the remaining business will be adjourned and be placed at the beginning of the agenda of the next ordinary meeting, unless the chairperson sets an earlier meeting, and this is notified by the chief executive.

12. Public access and recording/Te urunga a te marea me te hopunga

12.1 Meetings open to the public/E tuwhera ana ngā hui ki te marea

Except as otherwise provided by Part 7 of LGOIMA, every meeting of the local authority, its committees, subcommittees, local boards and community boards, must be open to the public.

LGOIMA, s 47 & 49(a).

12.2 Grounds for removing the public/Ngā take e panaia ai te marea

The chairperson may require any member of the public to be removed from the meeting if they believe that person's behaviour is likely to prejudice the orderly conduct of the meeting.

LGOIMA, s 50(1).

12.3 Local authority may record meetings/Ka āhei te mana ā-rohe ki te hopu i ngā hui

Meeting venues should contain clear signage indicating and informing members, officers and the public that proceedings may be recorded by the local authority and may be subject to direction by the chairperson.

12.4 Public may record meetings/Ka āhei te marea ki te hopu i ngā hui

Members of the public may make electronic or digital recordings of meetings which are open to the public. Any recording of meetings should be notified to the chairperson at the commencement of the meeting to ensure that the recording does not distract the meeting from fulfilling its business.

Where circumstances require, the chairperson may direct the recording to stop for a period of time.

13. Attendance/Te taenga

13.1 Members right to attend meetings/Te mōtika a ngā mema ki te tae ki ngā hui

A member of a local authority, or of a committee of a local authority, has, unless lawfully excluded, the right to attend any meeting of the local authority or committee.

LGA 2002, sch 7, cl 19(2).

If a member of the local authority is not an appointed member of the meeting which they are attending, they may not vote on any matter at that meeting. However, they may, with the leave of the chair, take part in the meeting's discussions.

A member attending a meeting of which they are not an appointed member is not a member of the public for the purpose of s48 of LGOIMA. Consequently, if the meeting resolves to exclude the public then any members of the local authority who are present may remain, unless they are lawfully excluded.

Please note: this section does not confer any rights to non-elected members appointed to committees of a local authority.

13.2 Attendance when a committee is performing judicial or quasi-judicial functions/Te tae ki ngā hui ina whakahaere whakawā te komiti

When a committee is performing judicial or quasi-judicial functions, members of the local authority who are not members of that committee are not entitled to take part in the proceedings.

13.3 Leave of absence/Te tuku tamōtanga

A council may grant a member leave of absence following an application from that member. The council may delegate the power to grant a leave of absence to the Mayor in order to protect a members' privacy and the Council may approve an application from the Mayor. The Mayor will advise all members of the council whenever a member has been granted leave of absence under delegated authority. Meeting minutes will record that a member has leave of absence as an apology for that meeting.

13.4 Apologies/Ngā whakapāh

A member who does not have leave of absence may tender an apology should they be absent from all or part of a meeting. The Mayor (or acting chair) must invite apologies at the beginning of each meeting, including apologies for lateness and early departure. The meeting may accept or decline any apologies. Members may be recorded as absent on council business where their absence is a result of a commitment made on behalf of the council.

For clarification, the acceptance of a member's apology constitutes a grant of 'leave of absence' for that meeting.

13.5 Recording apologies/Te hopu whakapāha

The minutes will record any apologies tendered before or during the meeting, including whether they were accepted or declined and the time of arrival and departure of all members.

13.6 Absent without leave/Te tamōtanga kāore i whakaaetia

Where a member is absent from four consecutive meetings of the council, local board or community board without leave of absence or an apology being accepted (not including extraordinary or emergency meetings) then the office held by the member will become vacant. A vacancy created in this way is treated as an extraordinary vacancy.

LGA 2002, sch 7, cl 5(d).

13.7 Right to attend by audio or audiovisual link/Te mōtika kia tae atu mā te hononga ā-oro, ataata-rongo rānei

Provided the conditions in Standing Orders 13.11 and 13.12 are met, members of the local authority and its committees (and members of the public for the purpose of a deputation approved by the chairperson), have the right to attend meetings by means of an electronic link, unless they have been lawfully excluded.

13.8 Member's status: quorum/Te tūnga a te mema: kōrama

Members who attend meetings by electronic link will not be counted as present for the purposes of a quorum.

LGA 2002, sch 7, cl 25A(4).

13.9 Member's status: voting/Te tūnga a te mema: te pōti

Where a meeting has a quorum, determined by the number physically present, the members attending by electronic link can vote on any matters raised at the meeting.

13.10 Chairperson's duties/Ngā mahi a te ūpoko

Where the technology is available and a member is attending a meeting by audio or audiovisual link, the chairperson must ensure that:

- (a) The technology for the link is available and of suitable quality; and
- (b) Procedures for using the technology in the meeting will ensure that:
 - i. Everyone participating in the meeting can hear each other;
 - ii. The member's attendance by audio or audio-visual link does not reduce their accountability or accessibility of that person in relation to the meeting;
 - iii. The requirements of Part 7 of LGOIMA are met; and
 - iv. The requirements in these Standing Orders are met.

LGA 2002, sch 7, cl 25A(3).

If the chairperson is attending by audio, or audio-visual link, then chairing duties will be undertaken by the deputy chair, or a member who is physically present.

13.11 Conditions for attending by audio or audiovisual link/Ngā tikanga mō te taenga mā te hononga ā-oro, ataata-rongo rānei

Noting Standing Order 13.7, the chairperson may give approval for a member to attend meetings by electronic link, either generally or for a specific meeting. Examples of situations where approval can be given include:

- (a) Where the member is at a place that makes their physical presence at the meeting impracticable or impossible;

- (b) Where a member is unwell; and
- (c) Where a member is unable to attend due to an emergency.

13.12 Te tono kia tae mā te hononga ā-oro, ataata-rongo rānei/Request to attend by audio or audiovisual link

Where possible, a member will give the chairperson and the chief executive at least 2 working days' notice when they want to attend a meeting by audio or audiovisual link. Should, due to illness or emergency, this is not possible the member may give less notice.

Where such a request is made and the technology is available, the chief executive must take reasonable steps to enable the member to attend by audio or audiovisual link. However, the council has no obligation to make the technology for an audio or audio-visual link available.

If the member's request cannot be accommodated, or there is a technological issue with the link, this will not invalidate any acts or proceedings of the local authority or its committees.

13.13 Chairperson may terminate link/Ka āhei te ūpoko ki te whakakore i te hononga

The chairperson may direct that an electronic link should be terminated where:

- (a) Use of the link is increasing, or may unreasonably increase, the length of the meeting;
- (b) The behaviour of the members using the link warrants termination, including the style, degree and extent of interaction between members;
- (c) It is distracting to the members who are physically present at the meeting;
- (d) The quality of the link is no longer suitable;
- (e) Information classified as confidential may be compromised (see also SO 13.16).

13.14 Giving or showing a document/Te tuku, te whakaatu rānei i tētahi tuhinga

A person attending a meeting by audio or audio visual link may give or show a document by:

- (f) Transmitting it electronically;
- (g) Using the audio visual link; or
- (h) Any other manner that the chairperson thinks fit.

LGA 2002, sch 7, cl 25(A)(6).

13.15 Link failure/Ina mūhore te hononga

Where an audio or audiovisual link fails, or there are other technological issues that prevent a member who is attending by link from participating in a meeting, that member must be deemed to be no longer attending the meeting.

13.16 Confidentiality/Te matatapu

A member who is attending a meeting by audio or audio-visual link must ensure that the meeting's proceedings remain confidential during any time that the public is excluded. At such a time, the chairperson may require the member to confirm that no unauthorised people are able to view or hear the proceedings. If the chairperson is not satisfied by the explanation, they may terminate the link.

14. Chairperson's role in meetings/Te mahi a te ūpoko i roto i ngā hui

14.1 Council meetings/Ngā hui kaunihera

The Mayor must preside at meetings of the council unless they vacate the chair for a part or all of a meeting. If the Mayor is absent from a meeting or vacates the chair, the deputy Mayor must act as chairperson. If the deputy Mayor is also absent the local authority members who are present must elect a member to be the chairperson at that meeting. This person may exercise the meeting responsibilities, duties, and powers of the Mayor for that meeting.

LGA 2002, sch 7, cl 26(1), (5) & (6).

14.2 Other meetings/Ētahi atu hui

In the case of committees, subcommittees and subordinate decision-making bodies, the appointed chairperson must preside at each meeting unless they vacate the chair for all or part of a meeting. If the chairperson is absent from a meeting or vacates the chair, the deputy chairperson (if any) will act as chairperson. If the deputy chairperson is also absent, or has not been appointed, the committee members who are present must elect a member to act as chairperson. This person may exercise the meeting responsibilities, duties and powers of the chairperson.

LGA 2002, sch 7, cl 26(2), (5) & (6).

14.3 Addressing the chairperson/Me pēhea te whakaingoa i te ūpoko

Members will address the Chairperson in a manner that the Chairperson has determined.

14.4 Chairperson's rulings/Ngā whakataunga a te ūpoko

The chairperson will decide all procedural questions, including points of order, where insufficient provision is made by these Standing Orders (except in cases where appoint of order questions the chairperson's ruling). Any refusal to obey a Chairperson's ruling or direction constitutes contempt (see SO 20.5).

14.5 Chairperson standing/Ina tū te ūpoko

Whenever the chairperson stands during a debate members are required to sit down (if required to stand to address the meeting) and be silent so that they can hear the chairperson without interruption.

14.6 Member's right to speak/Te mōtika a te mema ki te korero

Members are entitled to speak in accordance with these Standing Orders. Members should address the chairperson when speaking. They may not leave their place while speaking unless they have the leave of the chairperson.

14.7 Chairperson may prioritise speakers/Ka āhei te ūpoko ki te whakaraupapa i ngā kaikōrero

When two or more members want to speak the chairperson will name the member who may speak first. Other members who wish to speak have precedence where they intend to:

- (a) Raise a point of order, including a request to obtain a time extension for the previous speaker; and/or
- (b) Move a motion to terminate or adjourn the debate; and/or
- (c) Make a point of explanation; and/or
- (d) Request the chair to permit the member a special request.

15. Public Forums/Ngā Matapakinga a te Marea

Public forums are a defined period of time, usually at the start of an ordinary meeting, which, at the discretion of a meeting, is put aside for the purpose of public input. Public forums are designed to enable members of the public to bring matters of their choice, not necessarily on the meeting's agenda, to the attention of the local authority.

In the case of a committee, subcommittee, local or community board, any issue, idea, or matter raised in a public forum, must fall within the terms of reference of that body.

15.1 Time limits/Ngā tepenga wā

A period of up to 30 minutes, or such longer time as the meeting may determine, will be available for the public forum at each scheduled local authority meeting. Requests must be made to the chief executive (or their delegate) at least one clear day before the meeting; however this requirement may be waived by the chairperson. Requests should also outline the matters that will be addressed by the speaker(s).

Speakers can speak for up to 5 minutes. Where the number of speakers presenting in the public forum exceeds 6 in total, the chairperson has discretion to restrict the speaking time permitted for all presenters.

15.2 Restrictions/Ngā Herenga

The chairperson has the discretion to decline to hear a speaker or to terminate a presentation at any time where:

- A speaker is repeating views presented by an earlier speaker at the same public forum;
- The speaker is criticising elected members and/or staff;
- The speaker is being repetitious, disrespectful or offensive;
- The speaker has previously spoken on the same issue;
- The matter is subject to legal proceedings; and
- The matter is subject to a hearing, including the hearing of submissions where the local authority or committee sits in a quasi-judicial capacity.

15.3 Questions at public forums/Ngā pātai i ngā matapakinga a te marea

At the conclusion of the presentation, with the permission of the chairperson, elected members may ask questions of speakers. Questions are to be confined to obtaining information or clarification on matters raised by a speaker.

15.4 No resolutions/Kāore he tatūnga

Following the public forum, no debate or decisions will be made at the meeting on issues raised during the forum unless related to items already on the agenda. (See the LGNZ Guide to Standing Orders for suggestions of good practice in dealing with issues raised during a forum).

16. Deputations/Ngā Teputeihana

The purpose of a deputation is to enable a person, group, or organisation to make a presentation to a meeting on a matter or matters covered by that meeting's terms of reference. Deputations should be approved by the chairperson, or an official with delegated authority, two working days before the meeting; however, this requirement may be waived by the chairperson. Deputations may be heard at the commencement of the meeting or at the time that the relevant agenda item is being considered.

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16.1 Time limits/Ngā tepenga wā

Speakers can speak for up to 5 minutes, or longer at the discretion of the chairperson. No more than two speakers can speak on behalf of an organisation's deputation.

16.2 Restrictions/Ngā Herenga

The chairperson has the discretion to decline to hear or terminate a deputation at any time where:

- A speaker is repeating views presented by an earlier speaker at the meeting;
- The speaker is criticising elected members and/or staff;

- The speaker is being repetitious, disrespectful or offensive;
- The speaker has previously spoken on the same issue;
- The matter is subject to legal proceedings; and
- The matter is subject to a hearing, including the hearing of submissions where the local authority or committee sits in a quasi-judicial capacity.

16.3 Questions of a deputation/Te pātai i ngā teputeihana

At the conclusion of the deputation members may, with the permission of the chairperson, ask questions of any speakers. Questions are to be confined to obtaining information or clarification on matters raised by the deputation.

16.4 Resolutions/Ngā tatūnga

Any debate on a matter raised in a deputation must occur at the time at which the matter is scheduled to be discussed on the meeting agenda and once a motion has been moved and seconded.

17. Petitions/Ngā Petihana

17.1 Form of petitions/Te āhua o ngā petihana

Petitions may be presented to the local authority or any of its committees, local boards or community boards, as long as the subject matter falls within the terms of reference of the intended meeting.

Petitions must contain at least 20 signatures and consist of fewer than 150 words (not including signatories). They must be received by the chief executive at least two working days before the meeting at which they will be presented, however, this requirement may be waived by the chairperson.

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Petitions must not be disrespectful, use offensive language or include malicious, inaccurate, or misleading statements (see Standing Order 20.9 on qualified privilege). They may be written in English or te reo Māori. Petitioners planning to present their petition in te reo or sign language should advise the chief executive in time to allow translation services to be arranged.

17.2 Petition presented by petitioner/Te petihana ka whakatakotohia e te kaipetihana

A petitioner who presents a petition to the local authority or any of its committees and subcommittees, local boards or community boards, may speak for 5 minutes (excluding questions) about the petition, unless the meeting resolves otherwise. The chairperson must terminate the presentation of the petition if he or she believes the petitioner is being disrespectful, offensive or making malicious statements.

Where a petition is presented as part of a deputation or public forum the speaking time limits relating to deputations or public forums shall apply. The petition must be received by the chief executive at least 5 working days before the date of the meeting concerned.

17.3 Petition presented by member/Te petihana ka whakatakotohia e tētahi mema

Members may present petitions on behalf of petitioners. In doing so, members must confine themselves to presenting:

- (a) The petition;
- (b) The petitioners' statement; and
- (c) The number of signatures.

18. Exclusion of public/Te aukati i te marea

18.1 Motions and resolutions to exclude the public/Ngā mōtini me ngā tatūnga ki te aukati i te marea

Members of a meeting may resolve to exclude the public from a meeting. The grounds for exclusion are those specified in s 48 of LGOIMA (see Appendix 1).

Every motion to exclude the public must be put while the meeting is open to the public, and copies of the motion must be available to any member of the public who is present. If the motion is passed the resolution to exclude the public must be in the form set out in schedule 2A of LGOIMA (see Appendix 2). The resolution must state:

- (a) The general subject of each matter to be excluded;
- (b) The reason for passing the resolution in relation to that matter; and
- (c) The grounds on which the resolution is based.

The resolution will form part of the meeting's minutes.

LGOIMA, s 48.

18.2 Specified people may remain/Ka āhei ngā tāngata ka tohua ki te noho mai

Where a meeting resolves to exclude the public, the resolution may provide for specified persons to remain if, in the opinion of the meeting, they will assist the meeting to achieve its purpose. Any such resolution must state, in relation to the matter to be discussed, how the knowledge held by the specified people is relevant and be of assistance.

No such resolution is needed for people who are entitled to be at the meeting, such as relevant staff and officials contracted to the council for advice on the matter under consideration.

LGOIMA, s 48(6).

18.3 Public excluded items/Ngā take e aukatihia ana ki te marea

The chief executive must place in the public-excluded section of the agenda any items that he or she reasonably expects the meeting to consider with the public excluded. The public excluded section of the agenda must indicate the subject matter of the item and the reason the public are excluded.

LGOIMA, s 46A(8).

18.4 Non-disclosure of information/Te kore e whāki i ngā mōhiohio

No member or officer may disclose to any person, other than another member, officer or person authorised by the chief executive, any information that has been, or will be, presented to any meeting from which the public is excluded, or proposed to be excluded.

This restriction does not apply where a meeting has resolved to make the information publicly available or where the chief executive has advised, in writing, that one or both of the following apply:

- (a) There are no grounds under LGOIMA for withholding the information; and
- (b) The information is no longer confidential.

18.5 Release of information from public excluded session/Te tuku i ngā mōhiohio nō te nohoanga aukati ki te marea

A local authority may provide for the release to the public of information which has been considered during the public excluded part of a meeting.

Each public excluded meeting must consider and agree by resolution, what, if any, information will be released to the public. In addition, the chief executive may release information which has been considered at a meeting from which the public has been excluded where it is determined the grounds to withhold the information no longer exist.

19. Voting/Te pōti

19.1 Decisions by majority vote/Mā te nuinga e whakatau

Unless otherwise provided for in the LGA 2002, other legislation, or Standing Orders, the acts of, and questions before, a local authority (including a local or community board) must be decided at a meeting through a vote exercised by the majority of the members that are present and voting.

LGA 2002, sch 7, cl 24(1).

19.2 Open voting/Te pōti tuwhera

An act or question coming before the local authority must be done or decided by open voting.

LGA 2002, sch 7, cl 24(3).

19.3 Chairperson has a casting vote/Kei te ūpoko te pōti whakatau

[The Chairperson does not have a casting vote except where the Law requires it e.g. statutory plans.](#)

19.4 Method of voting/Te tikanga pōti

The method of voting must be as follows:

- (a) The chairperson in putting the motion must call for an expression of opinion on the voices or take a show of hands, the result of either of which, as announced by the chairperson, must be conclusive unless such announcement is questioned immediately by any member, in which event the chairperson will call a division;

Deleted: The Mayor, Chairperson, or any other person presiding at a meeting, has a deliberative vote and, in the case of an equality of votes, has a casting vote. ¶
LGA 2002, sch 7, cl 24(2).¶

- (b) The chairperson or any member may call for a division instead of or after voting on the voices and/or taking a show of hands; and
- (c) Where a suitable electronic voting system is available that system may be used instead of a show of hands, vote by voices, or division, and the result publicly displayed and notified to the chairperson who must declare the result.

19.5 Calling for a division/Te tono i te wehenga

When a division is called, the chief executive must record the names of the members voting for and against the motion, and abstentions, and provide the names to the chairperson to declare the result. The result of the division must be entered into the minutes and include members' names and the way in which they voted.

The Chairperson may call a second division where there is confusion or error in the original division.

19.6 Recording of votes/Te tono kia tuhi i ngā pōti

The minutes must record the members' vote or abstention. Recording any other matters, such as a members' reason for their vote or abstention, is not permitted.

19.7 Members may abstain

19.8 Members may abstain/Ka āhei ngā mema ki te noho puku

Any member may abstain from voting.

20. Conduct/Ngā whanonga

20.1 Calling to order/Te tono kia tau ngā mema

When the chairperson calls members to order they must be seated and stop speaking. If the members fail to do so, the chairperson may direct that they should immediately leave the meeting for a specified time.

20.2 Behaviour consistent with Code of Conduct/Ngā whanonga e hāngai ana ki te Tikanga Whakahaere

At a meeting no member may act inconsistently with their Code of Conduct, or speak or act in a manner which is disrespectful of other members, staff or the public.

20.3 Retractions and apologies/Te tango kōrero me te whakapāha

In the event of a member, or speaker, who has been disrespectful of another member or contravened the council's Code of Conduct, the chairperson may call upon that member, or speaker, to withdraw the offending comments, and may require them to apologise. If the member refuses to

do so the chairperson may direct that they should leave the meeting immediately for a specified time and/or make a complaint under the Code of Conduct.

20.4 Disorderly conduct/Ngā whanonga kino

Where the conduct of a member is disorderly or is creating a disturbance the chairperson may require that member to leave the meeting immediately for a specified time.

If the disorder continues the chairperson may adjourn the meeting for a specified time. At the end of this time the meeting must resume and decide, without debate, whether the meeting should proceed or be adjourned.

The chairperson may also adjourn the meeting if other people cause disorder or in the event of an emergency.

20.5 Contempt/Te whakahāwea

Where a member is subject to repeated cautions by the chairperson for disorderly conduct the meeting may, should it so decide, resolve that the member is in contempt. Any such resolution must be recorded in the meeting's minutes.

A member who has been found to be in contempt and continues to be cautioned by the Chairperson for disorderly conduct, may be subject to Standing Order 20.6.

20.6 Removal from meeting/Te pana i te tangata i te hui

A member of the police or authorised security personnel may, at the chairperson's request, remove or exclude a member from a meeting.

This Standing Order will apply where the chairperson has ruled that the member should leave the meeting and the member has refused or failed to do so; or has left the meeting and attempted to re-enter it without the chairperson's permission.

20.7 Financial conflicts of interests/Ngā take taharua ahumoni

Every member present at a meeting must declare any direct or indirect financial interest that they hold in any matter being discussed at the meeting, other than an interest that they hold in common with the public.

No member may vote on, or take part in, a discussion about any matter in which they have a direct or indirect financial interest unless an exception set out in s 6 LAMIA applies to them, or the Auditor-General has granted them an exemption or declaration under s 6.

Members with a financial interest should physically withdraw themselves from the table unless the meeting is in public excluded in which case, they should leave the room.

Neither the chairperson, nor the meeting, may rule on whether a member has a financial interest in the matter being discussed. The minutes must record any declarations of financial interests and the member's abstention from any discussion and voting on the matter.

LAMIA, ss 6 & 7.

20.8 Non-financial conflicts of interests/Ngā take taharua ahumoni-kore

Non-financial interests involve questions about whether the judgement of a member of a local authority (or local or community board) could be affected by a separate interest, or duty, which that member may have in relation to a particular matter. If a member considers that they have a non-financial conflict of interest in a matter they must not take part in the discussions about that matter, or any subsequent vote.

The member must leave the table when the matter is considered but does not need to leave the room. The minutes must record the declaration and member's subsequent abstention from discussion and voting.

Neither the chairperson, nor the meeting, may rule on whether a member has a non-financial interest in the matter being discussed.

20.9 Qualified privilege for meeting proceedings/Te maru whāiti mō ngā whakaritenga hui

Any oral statement made at any meeting of the local authority in accordance with the rules adopted by the local authority for guiding its proceedings is privileged, unless the statement is proved to have been made with ill will or took improper advantage of the occasion of publication.

LGOIMA, s 53.

20.10 Qualified privilege additional to any other provisions/He āpitihanga te maru whāiti ki ētahi atu whakaritenga

The privilege referred to above is in addition to any other privilege, whether absolute or qualified, that applies as a result of any other enactment or rule of law applying to any meeting of the local authority.

LGOIMA, s 53.

20.11 Electronic devices at meetings/Ngā pūrere hiko i ngā hui

Electronic devices and phones can only be used to advance the business of a meeting. Personal use may only occur at the discretion of the chair. A chairperson may require that an electronic device is switched off if:

- I. its use is likely to distract a meeting from achieving its business, or,
- II. a member is found to be receiving information or advice from sources not present at the meeting that may affect the integrity of the proceedings.

21. General rules of debate/Ngā tikanga whānui mō te tautohetohe

21.1 Chairperson may exercise discretion/Kei te ūpoko te tikanga

The application of any procedural matters in this section of the Standing Orders, such as the number of times a member may speak or when a chair can accept a procedural motion to close or adjourn a debate, is subject to the discretion of the chairperson.

21.2 Time limits on speakers/Te tepenga wā mā ngā kaikōrero

The following time limits apply to members speaking at meetings:

- (a) Movers of motions when speaking to the motion – not more than 5 minutes;
- (b) Movers of motions when exercising their right of reply – not more than 5 minutes; and
- (c) Other members – not more than 5 minutes.

Time limits can be extended if a motion to that effect is moved, seconded and supported by a majority of members present.

21.3 Questions to staff/Ngā pātai ki ngā kaimahi

During a debate members can ask staff questions about the matters being discussed. Questions must be asked through the chairperson, and how the question is to be dealt with is at the chairperson's discretion.

21.4 Questions of clarification/Ngā pātai whakamārama

At any point in a debate a member may ask the chairperson for clarification about the nature and content of the motion which is the subject of the debate and/or the particular stage the debate has reached.

21.5 Members may speak only once/Kotahi noa iho te wā e āhei ai te mema ki te korero

A member, depending on the choice of options for speaking and moving set out in SO 22.2 -22.4, may not speak more than once to a motion at a meeting of the council, except with permission of the chairperson. Members can speak more than once to a motion at a committee or subcommittee meeting with the chairperson's permission.

21.6 Limits on number of speakers/Ngā tepenga mō te maha o ngā kaikōrero

If three speakers have spoken consecutively in support of, or in opposition to, a motion, the Chairperson may call for a speaker to the contrary. If there is no speaker to the contrary, the Chairperson must put the motion after the mover's right of reply.

Members speaking must, if requested by the chairperson, announce whether they are speaking in support of, or opposition to, a motion.

21.7 Secunder may reserve speech/Ka āhei te kaitautoko ki te whakatārewa i tana korero

A member may second a motion or amendment without speaking to it, reserving the right to speak until later in the debate.

21.8 Speaking only to relevant matters/Me hāngai ngā kōrero ki ngā take whai panga

Members may only speak to;

- I. any matter before the meeting
- II. a motion or amendment which they propose, and
- III. to raise a point of order arising out of debate,

Members must confine their remarks strictly to the motion or amendment they are speaking to. The chairperson's rulings on any matters arising under this Standing Order are final and not open to challenge.

21.9 Restating motions/Te whakahua anō i te mōtini

At any time during a debate a member may ask, for their information, that the chairperson restate a motion and any amendments; but not in a manner that interrupts a speaker.

21.10 Criticism of resolutions/Te whakahē i ngā tatūnga

A member speaking in a debate may not unduly criticise the validity of any resolution, except by a notice of motion to amend or revoke the resolution.

21.11 Objecting to words/Te whakahē kupu

When a member objects to any words used by another member in a speech and wants the minutes to record their objection, they must object at the time when the words are used and before any other member has spoken. The chairperson must order the minutes to record the objection.

Note: This provision does not preclude a member from making a complaint at any time during, or after, a meeting about the use of inappropriate or offensive language.

21.12 Right of reply/Te mōtika ki te whakautu

The mover of an original motion has a right of reply. A mover of an amendment to the original motion does not. In their reply, the mover must confine themselves to answering previous speakers and not introduce any new matters.

A mover's right of reply can only be used once. It can be exercised either at the end of the debate on the original, substantive or substituted motion or at the end of the debate on a proposed amendment.

The original mover may speak once to the principal motion and once to each amendment without losing that right of reply. If a closure motion is carried, the mover of the motion may use their right of reply before the motion or amendment is put to the vote. The mover of the original motion may choose to indicate that they wish to reserve their right or reply until the closure motion.

21.13 No other member may speak/E kore e āhei tētahi atu mema ki te korero

In exercising a right of reply, no other member may speak:

- I. After the mover has started their reply;
- II. After the mover has indicated that they want to forego this right; and
- III. Where the mover has spoken to an amendment to the original motion and the chairperson has indicated that he or she intends to put the motion.

21.14 Adjournment motions/Ngā mōtini hei hiki i te hui

The carrying of any motion to adjourn a meeting must supersede other business still remaining to be disposed of. Any such business must be considered at the next meeting. Business referred to, or referred back to, a specified committee or local or community board, is to be considered at the next ordinary meeting of that committee or board, unless otherwise specified.

21.15 Chairperson's acceptance of closure motions/Te whakaae a te ūpoko ki ngā mōtini whakakapi

The Chairperson may only accept a closure motion where there have been at least two speakers for and two speakers against the motion that is proposed to be closed, or the chairperson considers it reasonable to do so.

However, the chairperson must put a closure motion if there are no further speakers in the debate. When the meeting is debating an amendment, the closure motion relates to the amendment. If a closure motion is carried, the mover of the motion under debate has the right of reply after which the chairperson puts the motion or amendment to the vote.

22. General procedures for speaking and moving motions/Ngā tikanga whānui mō te kōrero me te mōtini

22.1 Options for speaking and moving/Ngā kōwhiringa mō te kōrero me te mōtini

This subsection provides three options for speaking and moving motions and amendments at a meeting of a local authority, its committees and subcommittees, and any local or community boards.

Option **C** applies unless, on the recommendation of the chairperson at the beginning of a meeting, the meeting resolves [*by simple majority*] to adopt either of the other two options for the meeting generally, or for any specified items on the agenda.

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22.2 Option A/Kōwhiringa A

- The mover and seconder of a motion cannot move or second an amendment. (This does not apply when the mover or seconder of a motion to adopt a report of a committee wants to amend an item in the report. In this case the original mover or seconder may also propose or second the suggested amendment).
- Only members who have not spoken to the original, or substituted, motion may move or second an amendment to it.
- The mover or seconder of an amendment, whether it is carried (in which case it becomes the substantive motion) or lost, cannot move or second a subsequent amendment.
- Members can speak to any amendment and, provided they have not spoken to the motion or moved or seconded an amendment, they can move or second further amendments.
- The meeting, by agreement of the majority of members present, may amend a motion with the agreement of the mover and seconder.

22.3 Option B/Kōwhiringa B

- The mover and seconder of a motion cannot move or second an amendment. (This does not apply when the mover or seconder of a motion to adopt a report of a committee wants to amend an item in the report. In this case the original mover or seconder may also propose or second the suggested amendment).
- Any members, regardless of whether they have spoken to the original or substituted motion, may move or second an amendment to it.
- The mover or seconder of an amendment that is carried can move or second a subsequent amendment. A mover or seconder of an amendment which is lost cannot move or second a subsequent amendment.
- Members can speak to any amendment.
- The meeting by agreement of the majority of members present may amend a motion with the agreement of the mover and seconder.

22.4 Option C/Kōwhiringa C

- The mover and seconder of a motion can move or second an amendment.
- Any members, regardless of whether they have spoken to the original or substituted motion, may move or second an amendment to it.
- The mover or seconder of an amendment whether it is carried or lost can move or second further amendments.
- Members can speak to any amendment.
- The meeting by agreement of the majority of members present may amend a motion with the agreement of the mover and seconder.

23. Motions and amendments/Ngā mōtini me ngā whakahoutanga

23.1 Proposing and seconding motions/Te whakatakoto me te tautoko mōtini

All motions, and amendments moved during a debate, must be seconded (including notices of motion). The chairperson may then state the motion and propose it for discussion. A motion should be moved and seconded before debate but after questions.

Amendments and motions that are not seconded are not valid and should not be entered in the minutes.

Note: Members who move or second a motion are not required to be present for the entirety of the debate.

23.2 Motions in writing/Te tuhi i ngā mōtini

The chairperson may require movers of motions and amendments to provide them in writing, signed by the mover.

23.3 Motions expressed in parts/Ngā mōtini i whakawehea

The chairperson, or any member, can require a motion that has been expressed in parts to be decided part by part.

23.4 Substituted motion/Te whakakapi mōtini

Where a motion is subject to an amendment the meeting may substitute the motion with the amendment, provided the mover and seconder of the original motion agree to its withdrawal. All members may speak to the substituted motion.

23.5 Amendments to be relevant and not direct negatives/Me hāngai ngā whakahoutanga me kau e whakahē i te mōtini

Every proposed amendment must be relevant to the motion under discussion. Proposed amendments cannot be similar to an amendment that has already been lost. An amendment cannot be a direct negative to the motion or the amended motion. Reasons for not accepting an amendment can include:

- a) Not directly relevant
- b) In conflict with a carried amendment
- c) Similar to a lost amendment
- d) Would negate a committee decision if made under delegated authority
- e) In conflict with a motion referred to the governing body by that meeting
- f) Direct negative.

Please note that amendments that are significantly different must comply with the decision-making provisions of Part 6 of the LGA 2002.

23.6 Foreshadowed amendments/Ngā whakahoutanga kua kōerotia kētia

The meeting must dispose of an existing amendment before a new amendment can be moved. However, members may foreshadow to the chairperson that they intend to move further amendments as well as the nature of the content of those amendments.

23.7 Carried amendments/Ngā whakahoutanga i whakaaetia

Where an amendment is carried, the meeting will resume the debate on the original motion as amended. This will now be referred to as the substantive motion. Members who have not spoken to the original motion may, depending on the choice of options for speaking and moving set out in Standing Orders 22.2 – 22.4, speak to the substantive motion, and may move or second a further amendment to it.

23.8 Lost amendments/Ngā whakahoutanga i whakahēngia

Where an amendment is lost, the meeting will resume the debate on the original or substituted motion. Any member who has not spoken to that motion may, depending on the choice of options for speaking and moving set out in Standing Orders 22.2 – 22.4, speak to it, and may move or second a further amendment.

23.9 Where a motion is lost/Ina whakahēngia tētahi mōtini

In a situation where a substantive motion that recommends a course of action is lost a new motion, with the consent of the Chairperson, may be proposed to provide direction.

23.10 Withdrawal of motions and amendments/Te tango i ngā mōtini me ngā whakahoutanga

Once a motion or amendment has been seconded the mover cannot withdraw it without the agreement of the majority of the members who are present and voting.

The mover of an original motion, which has been subject to an amendment that has been moved and seconded, cannot withdraw the original motion until the amendment has either been lost or withdrawn by agreement, as above.

23.11 No speakers after reply or motion has been put/Kāore e āhei he kaikōrero i muri i te whakautu a te kaimōtini, i te tono rānei i te pōti

A member may not speak to any motion once:

- (a) The mover has started their right of reply in relation to the motion; and
- (b) The chair has started putting the motion.

24. Revocation or alteration of resolutions/Te whakakore, te whakahou rānei i ngā tatūnga

24.1 Member may move revocation of a decision/Ka āhei tētahi mema ki te mōtini ki te whakakore i tētahi whakataunga

A member may give the chief executive a notice of motion for the revocation or alteration of all or part of a previous resolution of the council, subordinate body, local or community board. The notice must set out:

- (a) The resolution or part of the resolution which the member proposes to revoke or alter;
- (b) The meeting date when the resolution was passed;
- (c) The motion, if any, which the member proposes to replace it with; and
- (d) Sufficient information to satisfy the decision-making provisions of sections 77-82 of Part 6, of the LGA 2002.

If the mover of the notice of motion is unable to provide this information, or the decision is likely to be deemed a significant decision, the notice of motion should provide that the proposal is referred to the chief executive for consideration and report.

24.2 Revocation must be made by the body responsible for the decision/Mā te rōpū nāna te whakatau e whakakore

If a resolution is made under delegated authority by a committee, subcommittee or subordinate decision-making body, or a local or community board, only that body may revoke or amend the resolution, assuming the resolution is legally made.

This provision does not prevent the body that made the delegation from removing or amending a delegation given to a subordinate body or local board or community board.

LGA 2002, sch 7, cl 30(6).

24.3 Requirement to give notice/Te herenga ki te tuku pānui

A member must give notice to the chief executive at least 5 working days before the meeting at which it is proposed to consider the motion. The notice is to be signed by not less than one third of the members of the local authority, including vacancies. Notice can be sent via email and include the scanned electronic signatures of members. If the notice of motion is lost, no similar notice of motion which is substantially the same in purpose and effect may be accepted within the next twelve months.

24.4 Restrictions on actions under the affected resolution/Ngā herenga mō ngā mahi i raro i te tatūnga whai pānga

Once a notice of motion to revoke or alter a previous resolution has been received no irreversible action may be taken under the resolution in question until the proposed notice of motion has been dealt with.

Exceptions apply where, in the opinion of the chairperson:

- (a) The practical effect of delaying actions under the resolution would be the same as if the resolution had been revoked;
- (b) By reason of repetitive notices, the effect of the notice is an attempt by a minority to frustrate the will of the local authority or the committee that made the previous resolution.

In either of these situations, action may be taken under the resolution as though no notice of motion had been given to the chief executive.

24.5 Revocation or alteration by resolution at same meeting/Te whakakore, te whakahou rānei mā te tatūnga i taua hui tonu

A meeting may revoke or alter a previous resolution made at the same meeting where, during the course of the meeting, it receives fresh facts or information concerning the resolution. In this situation 75 per cent of the members present and voting must agree to the revocation or alteration.

24.6 Revocation or alteration by recommendation in report/Te whakakore, te whakahou rānei mā te marohi ki rō Pūrongo

The local authority, on a recommendation in a report by the chairperson, chief executive, or any committee or subcommittee, local or community board, may revoke or alter all or part of a resolution passed by a previous meeting. The chief executive must give at least two clear working days' notice of any meeting that will consider a revocation or alteration recommendation.

LGA 2002, sch 7, cl 30(6).

25. Procedural motions/Ngā mōtini whakahaere

25.1 Procedural motions must be taken immediately/Me pōti ngā mōtini whakahaere i taua wā tonu

A procedural motion to close or adjourn a debate will take precedence over other business, except points of order and rights of reply. If the procedural motion is seconded the chairperson must put it to the vote immediately, without discussion or debate. A procedural motion to close or adjourn debate can be taken after two speakers have spoken for the motion and two against or, in the chairperson's opinion, it is reasonable to accept the closure motion.

25.2 Procedural motions to close or adjourn a debate/Ngā mōtini whakahaere ki te whakakapi, whakatārewa rānei i tētahi tautohetohe

Any member who has not spoken on the matter under debate may move any one of the following procedural motions to close or adjourn a debate:

- (a) That the meeting be adjourned to the next ordinary meeting (unless the member states an alternative time and place);
- (b) that the motion under debate should now be put (a closure motion);
- (c) That the item being discussed should be adjourned to a specified time and place and not be further discussed at the meeting;
- (d) That the item of business being discussed should lie on the table and not be further discussed at this meeting; (items lying on the table at the end of the triennium will be deemed to have expired); and
- (e) That the item being discussed should be referred (or referred back) to the relevant committee or local or community board.

A member seeking to move a procedural motion must not interrupt another member who is already speaking.

25.3 Voting on procedural motions/Te pōti mō ngā mōtini whakahaere

Procedural motions to close or adjourn a debate must be decided by a majority of all members who are present and voting. If the motion is lost no member may move a further procedural motion to close or adjourn the debate within the next 15 minutes.

25.4 Debate on adjourned items/Te tautohetohe i ngā take i whakatārewatia

When debate resumes on items of business that have been previously adjourned all members are entitled to speak on the items.

25.5 Remaining business at adjourned meetings/Ngā take e toe ana i ngā hui i whakatārewatia

Where a resolution is made to adjourn a meeting, the remaining business will be considered at the next meeting.

25.6 Business referred to the council, committee or local or community board/Ngā take e tukuna ana ki te kaunihera, komiti, poari hapori rānei

Where an item of business is referred (or referred back) to a committee or a local or community board, the committee or board will consider the item at its next meeting unless the meeting resolves otherwise.

25.7 Other types of procedural motions/Etahi atu momo mōtini whakahaere

The chairperson has discretion about whether to allow any other procedural motion that is not contained in these Standing Orders.

26. Points of order/Te tono ki te whakatika hapa

26.1 Members may raise points of order/Ka āhei ngā mema ki te tono ki te whakatika hapa

Any member may raise a point of order when they believe these Standing Orders have been breached. When a point of order is raised, the member who was previously speaking must stop speaking and sit down (if standing).

26.2 Subjects for points of order/Ngā kaupapa mō te whakatika hapa

A member who is raising a point of order must state precisely what its subject is. Points of order may be raised for the following subjects:

- (a) Disorder – to bring disorder to the attention of the chairperson;
- (b) Language – to highlight use of disrespectful, offensive or malicious language;
- (c) Irrelevance – to inform the chair that the topic being discussed is not the matter currently before the meeting;
- (d) Misrepresentation – to alert the chair of a misrepresentation in a statement made by a member, an officer or a council employee;
- (e) Breach of standing order – to highlight a possible breach of a standing order while also specifying which standing order is subject to the breach; and

- (f) Recording of words – to request that the minutes record any words that have been the subject of an objection.

26.3 Contradictions/Ngā whakahē

Expressing a difference of opinion or contradicting a statement by a previous speaker does not constitute a point of order.

26.4 Point of order during division/Te tono whakatika hapa i te wā o te wehenga

A member may not raise a point of order during a division, except with the permission of the chairperson.

26.5 Chairperson’s decision on points of order/Te whakatau a te ūpoko mō ngā tono whakatika hapa

The chairperson may decide a point of order immediately after it has been raised, or may choose to hear further argument about the point before deciding. The chairperson’s ruling on any point of order, and any explanation of that ruling, is not open to any discussion and is final.

Should a point of order concern the performance of the chair, then the chair will refer the point of order to the deputy chair or, if there is no deputy, another member to hear arguments and make a ruling.

27. Notices of motion/Te pānui i ngā mōtini

27.1 Notice of intended motion to be in writing/Me tuhi te pānui mō te mōtini e takune ana

Notice of intended motions must be in writing signed by the mover, stating the meeting at which it is proposed that the intended motion be considered, and must be delivered to the chief executive at least 5 clear working days before such meeting. [Notice of an intended motion can be sent via email and include the scanned electronic signature of the mover].

Once the motion is received the chief executive must give members notice in writing of the intended motion at least 2 clear working days' notice of the date of the meeting at which it will be considered.

27.2 Refusal of notice of motion/Te whakahē i te pānui mōtini

The chairperson may direct the chief executive to refuse to accept any notice of motion which:

- (a) Is disrespectful or which contains offensive language or statements made with malice; or
- (b) Is not related to the role or functions of the local authority or meeting concerned; or
- (c) Contains an ambiguity or a statement of fact or opinion which cannot properly form part of an effective resolution, and where the mover has declined to comply with such requirements as the chief executive officer may make; or
- (d) Is concerned with matters which are already the subject of reports or recommendations from a committee to the meeting concerned; or
- (e) Fails to include sufficient information as to satisfy the decision-making provisions of the LGA 2002, ss 77-82. If the mover of the notice of motion is unable to provide this information, or the decision is likely to be deemed a significant decision, the notice of motion should provide that the proposal is referred to the chief executive for consideration and report; or
- (f) Concerns a matter where decision-making authority has been delegated to a subordinate body or a local or community board.

Reasons for refusing a notice of motion should be provided to the mover. Where the refusal is due to (f) the notice of motion may be referred to the appropriate committee or board.

27.3 Mover of notice of motion/Te kaimōtini o te pānui mōtini

Notices of motion may not proceed in the absence of the mover unless moved by another member authorised to do so, in writing, by the mover.

27.4 Alteration of notice of motion/Te whakarerekē i te pānui mōtini

Only the mover, at the time the notice of motion is moved and with the agreement of a majority of those present at the meeting, may alter a proposed notice of motion. Once moved and seconded no amendments may be made to a notice of motion.

27.5 When notices of motion lapse/Ka tārewa te pānui mōtini

Notices of motion that are not moved when called for by the chairperson must lapse.

27.6 Referral of notices of motion/Te tuku i ngā pānui mōtini

Any notice of motion received that refers to a matter ordinarily dealt with by a committee of the local authority or a local or community board must be referred to that committee or board by the chief executive.

Where notices are referred the proposer of the intended motion, if not a member of that committee, must have the right to move that motion and have the right of reply, as if a committee member.

27.7 Repeat notices of motion/Ngā pānui mōtini tārua

When a motion has been considered and rejected by the local authority or a committee, no similar notice of motion may be accepted within the next 12 months, unless signed by not less than one third of all members, including vacancies.

Where a notice of motion has been adopted by the local authority no other notice of motion which, in the opinion of the chairperson has the same effect, may be put while the original motion stands.

28. Minutes/Ngā meneti

28.1 Minutes to be evidence of proceedings/Ka noho ngā meneti hei taunakitanga mō te hui

The local authority, its committees, subcommittees and any local and community boards must keep minutes of their proceedings. These minutes must be kept in hard or electronic copy, authorised by a chairperson's manual or electronic signature once confirmed by resolution at a subsequent meeting. Once authorised the minutes are the *prima facie* evidence of the proceedings they relate to.

LGA 2002, sch 7, cl 28.

28.2 Matters recorded in minutes/Ngā take ka tuhi ki ngā meneti

The chief executive must keep the minutes of meetings. The minutes must record:

- (a) The date, time and venue of the meeting;
- (b) The names of the members present;
- (c) The chairperson;
- (d) Any apologies or leaves of absences;
- (e) Member absent without apology or leave of absence;

- (f) Member absent on council business;
- (g) The arrival and departure times of members;
- (h) Any failure of a quorum;
- (i) A list of any external speakers and the topics they addressed;
- (j) A list of the items considered;
- (k) Items tabled at the meeting;
- (l) The resolutions and amendments related to those items including those that were lost, provided they had been moved and seconded in accordance with these Standing Orders;
- (m) The names of all movers, and seconders;
- (n) Any objections made to words used;
- (o) All divisions taken and, if taken, a record of each members' vote;
- (p) ~~All members' vote or abstention;~~
- (q) Any declarations of financial or non-financial conflicts of interest;
- (r) The contempt, censure and removal of any members;
- (s) Any resolutions to exclude members of the public;
- (t) The time at which the meeting concludes or adjourns; and
- (u) The names of people permitted to stay in public excluded.

Deleted: the names of any members requesting that their vote or abstention be recorded

Please Note: hearings under the RMA 1991, Dog Control Act 1996 and Sale and Supply of Alcohol Act 2012 may have special requirements for minute taking.

28.3 No discussion on minutes/Kāore e āhei te whakawhiti kōrero mō ngā meneti

The only topic that may be discussed at a subsequent meeting, with respect to the minutes, is their correctness.

28.4 Minutes of last meeting before election/Ngā meneti o te hui whakamutunga i mua i te pōtitanga

The chief executive and the relevant chairpersons must sign, or agree to have their digital signature inserted, the minutes of the last meeting of the local authority and any local and community boards before the next election of members.

29. Keeping a record/Te whakarite mauhanga

29.1 Maintaining accurate records/Te whakarite i ngā mauhanga tika

A local authority must create and maintain full and accurate records of its affairs, in accordance with normal, prudent business practice, including the records of any matter that is contracted out to an independent contractor.

All public records that are in its control must be maintained in an accessible form, so as to be able to be used for subsequent reference.

Public Records Act 2002, s 17.

29.2 Method for maintaining records/Te tikanga mō te tiaki i ngā mauhanga

Records of minutes may be kept in hard copy (Minute Books) and/or in electronic form. If minutes are stored electronically the repository in which they are kept must meet the following requirements:

- (a) The provision of a reliable means of assuring the integrity of the information is maintained; and
- (b) The information is readily accessible so as to be usable for subsequent reference.

Contract and Commercial Law Act 2017, s 229(1).

29.3 Inspection/Te tiroiro

Whether held in hard copy or in electronic form minutes must be available for inspection by the public.

LGOIMA, s 51.

29.4 Inspection of public excluded matters/Te tiroiro i ngā take aukati marea

The chief executive must consider any request for the minutes of a meeting, or part of a meeting, from which the public was excluded as if it is a request for official information in terms of the Local Government Official Information and Meetings Act 1987.

Referenced documents/Ngā tohutoro tuhinga

- Commissions of Inquiry Act 1908
- Crimes Act 1961
- Contract and Law Act 2017
- Financial Markets Conduct Act 2013
- Local Authorities (Members' Interests) Act 1968 (LAMIA)
- Local Electoral Act 2001 (LEA)
- Local Government Act 1974 and 2002 (LGA)
- Local Government Official Information and Meetings Act 1987 (LGOIMA)
- Marine Farming Act 1971
- Public Records Act 2005
- Resource Management Act 1991 (RMA)
- Sale and Supply of Alcohol Act 2012
- Secret Commissions Act 1910
- Securities Act 1978

Appendix 1: Grounds to exclude the public/Āpitianga 1: Ngā take e aukatihia ai te marea

A local authority may, by resolution, exclude the public from the whole or any part of the proceedings of any meeting only on one or more of the following grounds:

- A1** That good reason exists for excluding the public from the whole or any part of the proceedings of any meeting as the public disclosure of information would be likely:
- (a) To prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial; or
 - (b) To endanger the safety of any person.
- A2** That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to:
- (a) Protect the privacy of natural persons, including that of deceased natural persons; or
 - (b) Protect information where the making available of the information would:
 - i. Disclose a trade secret; or
 - ii. Be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.
 - (ba) In the case only of an application for a resource consent, or water conservation order, or a requirement for a designation or heritage order, under the Resource Management Act 1991, to avoid serious offence to tikanga Māori, or to avoid the disclosure of the location of waahi tapu; or
 - (c) Protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would:
 - i. Be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied; or
 - ii. Be likely otherwise to damage the public interest.
 - (d) Avoid prejudice to measures protecting the health or safety of members of the public; or
 - (e) Avoid prejudice to measures that prevent or mitigate material loss to members of the public; or
 - (f) Maintain the effective conduct of public affairs through the protection of such members, officers, employees, and persons from improper pressure or harassment; or
 - (g) Maintain legal professional privilege; or
 - (h) Enable any council holding the information to carry out, without prejudice or disadvantage, commercial activities; or
 - (i) Enable any council holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); or

- (j) Prevent the disclosure or use of official information for improper gain or improper advantage.

LGOIMA, s 7.

Under A2 (above) the public may be excluded unless, in the circumstances of a particular case, the exclusion of the public is outweighed by other considerations which render it desirable and in the public interest that the public not be excluded.

A3 That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information, the public disclosure of which would:

- (a) Be contrary to the provisions of a specified enactment; or
- (b) Constitute contempt of Court or of the House of Representatives.

A4 That the purpose of the whole or the relevant part of the proceedings of the meeting is to consider a recommendation made to that Council by an Ombudsman under section 30(1) or section 38(3) of this Act (in the case of a Council named or specified in Schedule 1 to this Act).

A5 That the exclusion of the public from the whole or the relevant part of the proceedings of the meeting is necessary to enable the Council to deliberate in private on its decision or recommendation in:

- (a) Any proceedings before a Council where:
 - i. A right of appeal lies to any Court or tribunal against the final decision of the Council in those proceedings;
 - ii. The Council is required, by any enactment, to make a recommendation in respect of the matter that is the subject of those proceedings; and
 - iii. Proceedings of a local authority exist in relation to any application or objection under the Marine Farming Act 1971.

LGOIMA, s 48.

Appendix 2: Sample resolution to exclude the public/Āpitihanga 2: He tauira mō te tatūnga ki te aukati i te marea/

In accordance with section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act (or sections 6, 7 or 9 of the Official Information Act 1982, as the case may be), it is **moved**:

1 that the public is excluded from:

- The whole of the proceedings of this meeting; *(deleted if not applicable)*
- The following parts of the proceedings of this meeting, namely; *(delete if not applicable)*

The general subject of the matters to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds for excluding the public, as specified by s 48(1) of the Local Government Official Information and Meetings Act 1987, are set out below:

Meeting Item No. and subject	Reason for excluding the public	Grounds for excluding the public
		To prevent the disclosure of information which would— <ol style="list-style-type: none"> be contrary to the provisions of a specified enactment; or constitute contempt of court or of the House of Representatives (s.48(1)(b)).
		To consider a recommendation made by an Ombudsman (s. 48(1)(c)).
		To deliberate on matters relating to proceedings where: <ol style="list-style-type: none"> a right of appeal lies to a court or tribunal against the final decision of the councils in those proceedings; or the council is required, by an enactment, to make a recommendation in respect of the matter that is the subject of those proceedings (s.48(1)(d)).
		To deliberate on proceedings in relation to an application or objection under the Marine Farming Act 1971 (s.48(1)(d)).

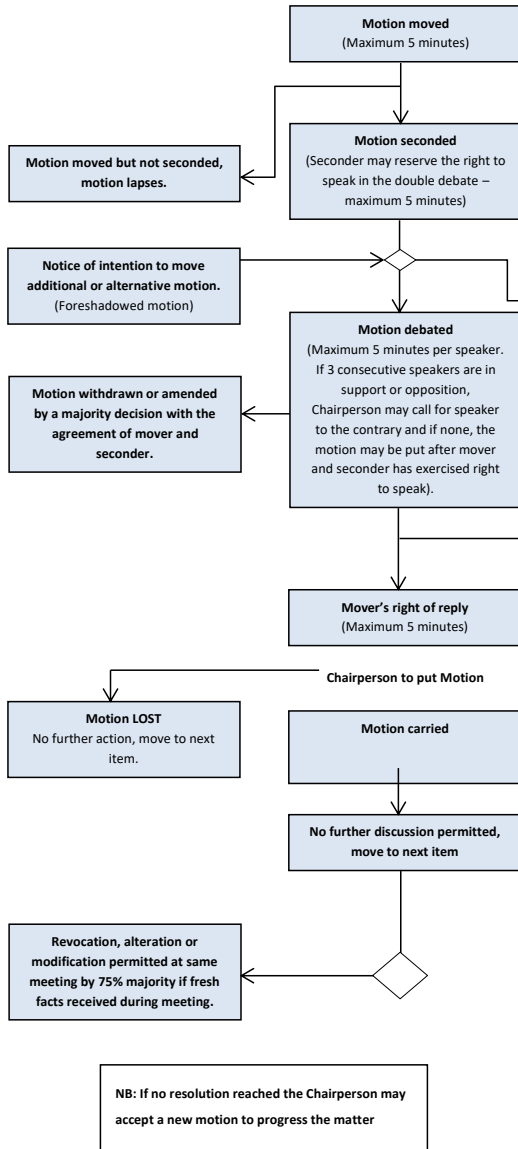
Meeting Item No. and subject	Reason for excluding the public	Grounds for excluding the public
		To carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) (s 7(2)(i)).
		To protect the privacy of natural persons, including that of deceased natural persons (s 7(2)(a)).
		To maintain legal professional privilege (s 7(2)(g)).
		To prevent the disclosure or use of official information for improper gain or advantage (s. 7(2)(j)).
		To protect information which if public would; <ul style="list-style-type: none"> i. disclose a trade secret; or ii. unreasonably prejudice the commercial position of the person who supplied or who is the subject of the information (s 7(2)(b)).
		To avoid serious offence to Tikanga Māori, or the disclosure of the location of waahi tapu in relation to an application under the RMA 1991 for; <ul style="list-style-type: none"> • a resource consent, or • a water conservation order, or • a requirement for a designation or • an heritage order, (s 7(2)(ba)).
		To protect information which is subject to an obligation of confidence where the making available of the information would be likely to: <ul style="list-style-type: none"> i. prejudice the supply of similar information, or information from the same source, where it is in the public interest that such information should continue to be supplied; or ii. would be likely otherwise to damage the public interest (s 7(2)(c)).
		To avoid prejudice to measures protecting the health or safety of members of the public (s 7(2)(d)).

Meeting Item No. and subject	Reason for excluding the public	Grounds for excluding the public
		To avoid prejudice to measures that prevent or mitigate material loss to members of the public (s 7(2)(e)).
		To maintain the effective conduct of public affairs by protecting members or employees of the Council in the course of their duty, from improper pressure or harassment (s 7(2)(f)(ii)).
		To enable the council to carry out, without prejudice or disadvantage, commercial activities (s 7(2)(h)).

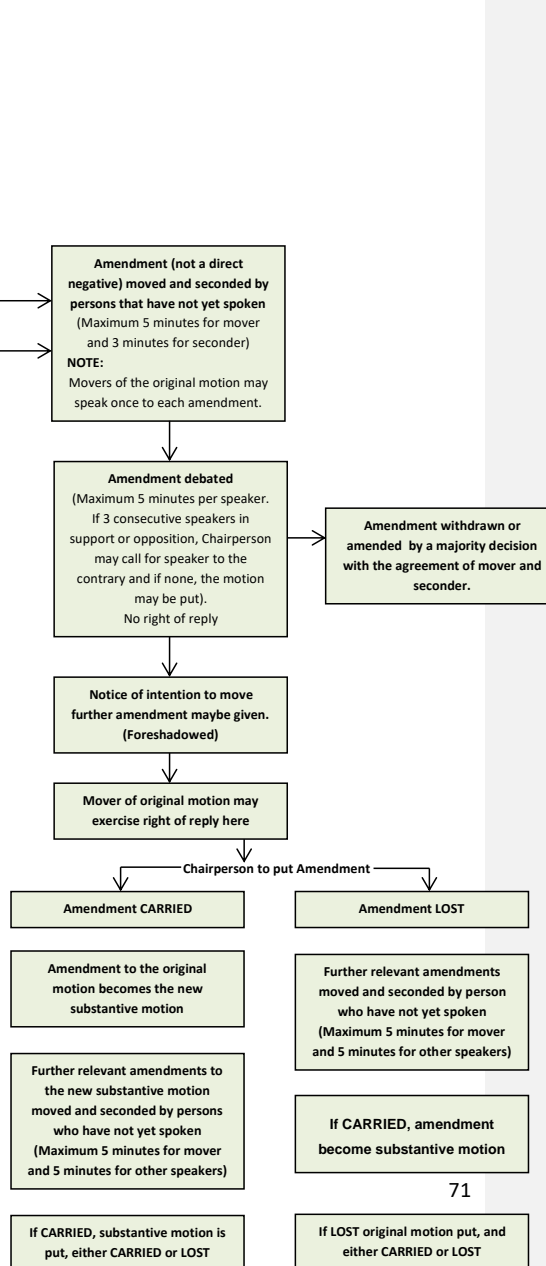
2. That *(name of person(s))* is permitted to remain at this meeting after the public has been excluded because of their knowledge of *(specify topic under discussion)*. This knowledge, which will be of assistance in relation to the matter to be discussed, is relevant to that matter because *(specify)*. *(Delete if inapplicable.)*

Appendix 3: Motions and amendments (Option A)/Āpitianga 3: Ngā mōtini me ngā whakahoutanga (Kōwhiringa A)

Motions without amendments

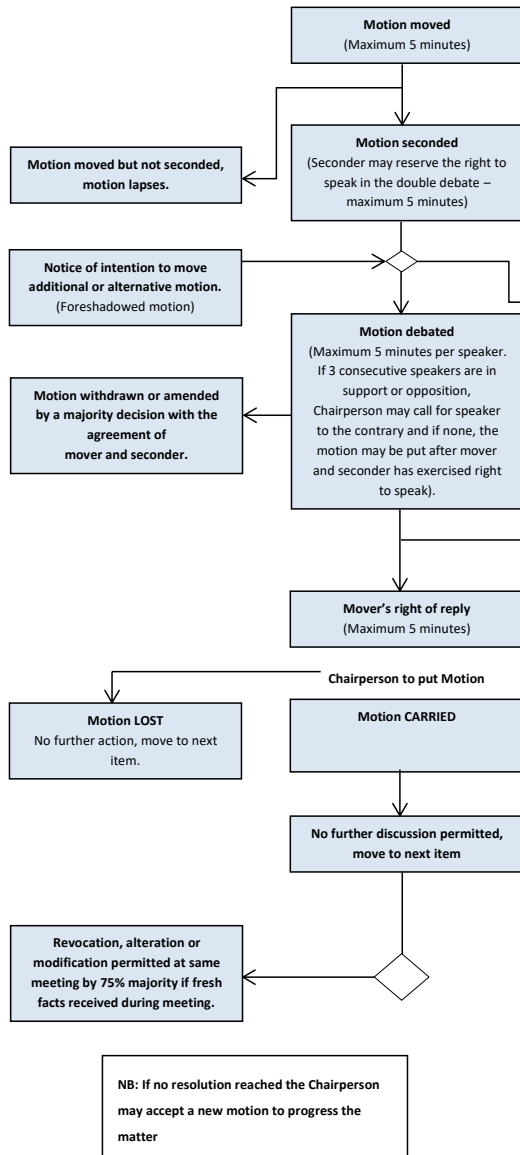


Motions with amendments

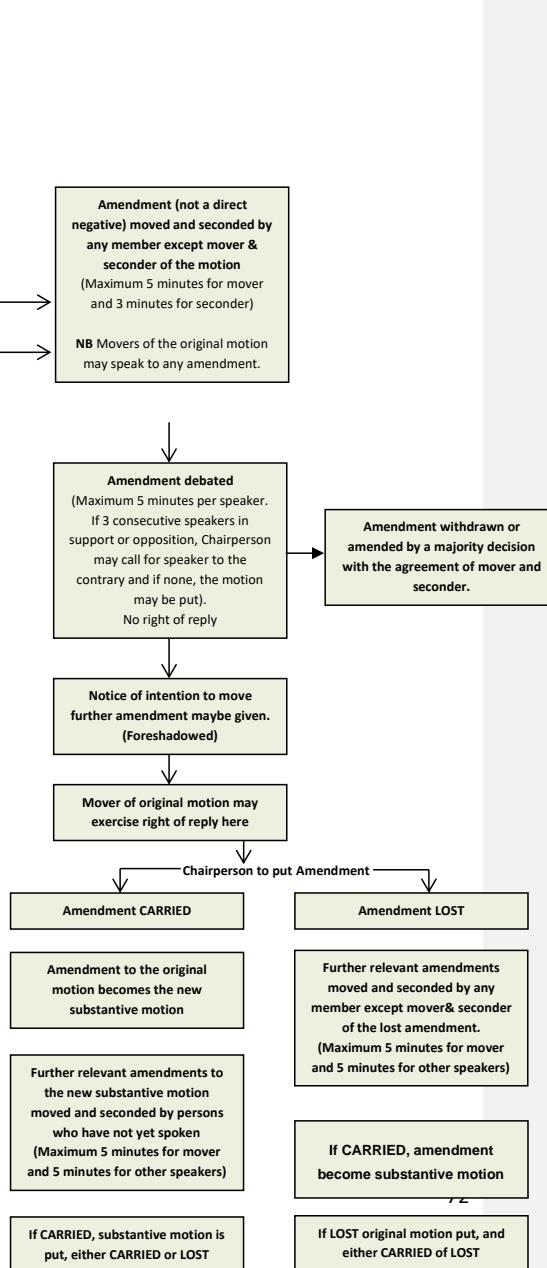


Appendix 4: Motions and amendments (Option B)/Āpitianga 4: Ngā mōtini me ngā whakahoutanga (Kōwhiringa B)

Motions without amendments

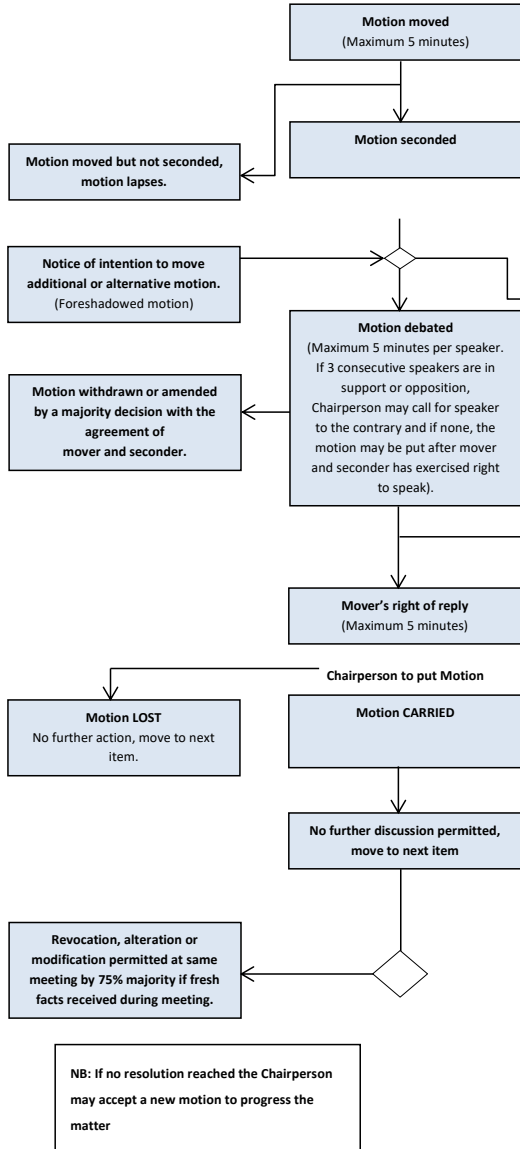


Motions with amendments

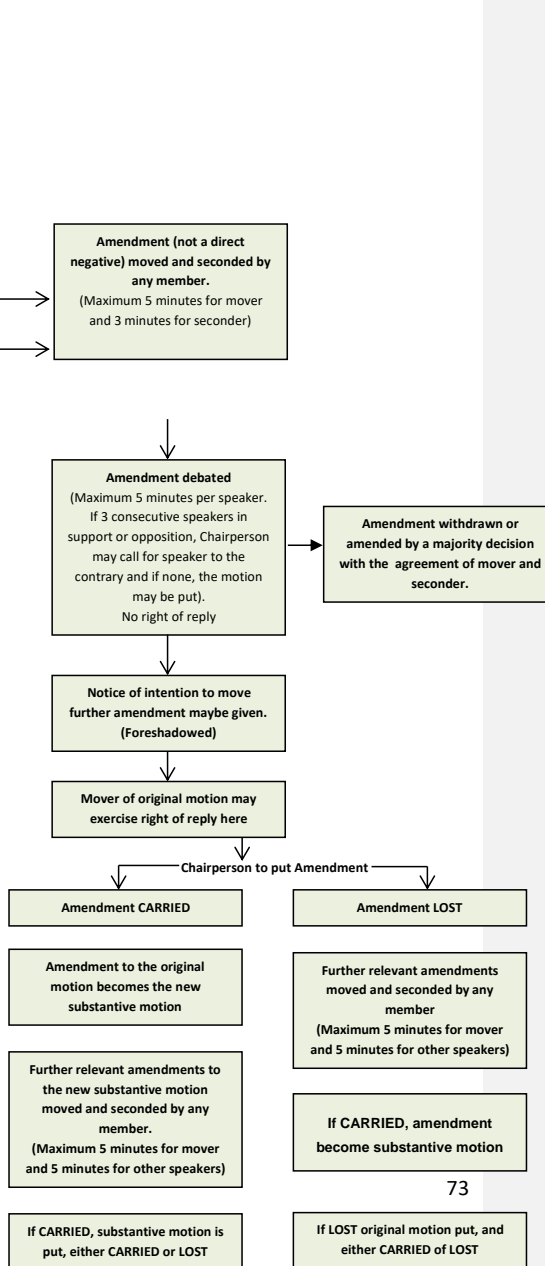


Appendix 5: Motions and amendments (Option C)/Āpitihanga 5: Ngā mōtini me ngā whakahoutanga (Kōwhiringa C)

Motions without amendments



Motions with amendments



Appendix 6: Table of procedural motions/Āpitihanga 6: Tūtohi mō ngā mōtini whakahaere

Motion	Has the Chair discretion to refuse this Motion?	Is seconder required?	Is discussion in order?	Are amendments in order?	Is mover of procedural motion entitled to reply?	Are previous participants in debate entitled to move this motion?	Can a speaker be interrupted by the mover of this motion?	If lost, can motion be moved after an interval?	Position if an amendment is already before the Chair	Position if a procedural motion is already before the Chair	Remarks
(a) "That the meeting be adjourned to the next ordinary meeting, or to a stated time and place"	No	Yes	No	As to time and date only	No	No	No	Yes – 15 minutes	If carried, debate on the original motion and amendment are adjourned	If carried, debate on the original motion and procedural motion are adjourned	On resumption of debate, the mover of the adjournment speaks first. Members who have spoken in the debate may not speak again
(b) "That the motion under debate be now put (closure motion)"	No	Yes	No	No	No	No	No	Yes – 15 Minutes	If carried, only the amendment is put	If carried, only the procedural motion is put	The mover of the motion under debate is entitled to exercise a right of reply before the motion or amendment under debate is put
(c) "That the item of business being discussed be adjourned to a stated time and place"	No	Yes	No	As to time and date only	No	No	NO	Yes – 15 minutes	If carried, debate on the original motion and amendment are adjourned	If carried, debate on the original motion and procedural motion are adjourned	

Motion	Has the Chair discretion to refuse this Motion?	Is seconder required?	Is discussion in order?	Are amendments in order?	Is mover of procedural motion entitled to reply?	Are previous participants in debate entitled to move this motion?	Can a speaker be interrupted by the mover of this motion?	If lost, can motion be moved after an interval?	Position if an amendment is already before the Chair	Position if a procedural motion is already before the Chair	Remarks
(d) "That the item of business being discussed does lie on the table and not be discussed at this meeting"	No	Yes	No	No	No	No	No	Yes – 15 minutes	If carried, the original motion and amendment are both laid on the table	Motion not in order	
(e) "That the item of business being discussed be referred (or referred back) to the local authority or to the relevant committee"	No	Yes	No	As to committee, time for reporting back etc only	No	No	No	Yes – 15 minutes	If carried, the original motion and all amendments are referred to the committee	If carried, the procedural motion is deemed disposed of	
(f) "Points of order"	No – but may rule against	No	Yes – at discretion of chairperson	No	No	Yes	Yes	No	Point of order takes precedence	Point of order takes precedence	See standing order 3.14

Appendix 7: Webcasting protocols/Āpitianga 7: Ngā tikanga mō te pāhotanga mataora

The provisions are intended as a good practice guide to local authorities that are webcasting meetings or planning to do so.

1. The default shot will be on the chairperson or a wide-angle shot of the meeting room.
2. Cameras will cover a member who is addressing the meeting. Cameras will also cover other key participants in a meeting, including staff when giving advice and members of the public when addressing the meeting during the public input time.
3. Generally, interjections from other members or the public are not covered. However, if the chairperson engages with the interjector, the interjector's reaction can be filmed.
4. PowerPoint presentations, recording of votes by division and other matters displayed by overhead projector may be shown.
5. Shots unrelated to the proceedings, or not in the public interest, are not permitted.
6. If there is general disorder or a disturbance from the public gallery, coverage will revert to the chairperson.
7. Appropriate signage will be displayed both in and outside the meeting room alerting people that the proceedings are being web cast.

Appendix 8: Powers of a Chairperson/Āpitiḡanga 8: Ngā Mana Whakahaere a te Ūpoko

This Appendix sets out the specific powers given to the chairperson contained in various parts of these Standing Orders.

Chairperson to decide all questions

The Chairperson is to decide all questions where these Standing Orders make no provision or insufficient provision. The chairperson's ruling is final and not open to debate.

Chairperson to decide points of order (SO. 26.5)

The chairperson is to decide any point of order and may do so immediately after it has been raised or may first hear further argument before deciding. The ruling of the chairperson upon any point of order is not open to any discussion and is final. No point of order may be raised during a division except by permission of the chairperson.

Items not on the agenda (SO.9.12)

Major items not on the agenda may be dealt with at that meeting if so resolved by the local authority and the chairperson explains at the meeting at a time when it is open to the public the reason why the item was not listed on the agenda and the reason why discussion of the item cannot be delayed until a subsequent meeting.

Minor matters not on the agenda relating to the general business of the local authority may be discussed if the chairperson explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at that meeting, but no resolution, decision or recommendation may be made in respect of that item except to refer it to a subsequent meeting.

Chairperson's report (SO.9.6)

The chairperson, by report, has the right to direct the attention of the local authority to any matter or subject within the role or function of the local authority.

Chairperson's recommendation (SO.9.5)

The chairperson of any meeting may include on the agenda for that meeting a chairperson's recommendation regarding any item brought before the meeting. The purpose of such a recommendation is to focus debate on a suggested motion.

Chairperson's voting (SO19.3)

The chairperson at any meeting has a deliberative vote and, in the case of equality of votes, has a casting vote where Standing Orders make such provision.

Motion in writing (SO.23.2)

The chairperson may require the mover of any motion or amendment to submit it in writing signed by the mover.

Motion in parts (SO.23.3)

The chairperson may require any motion expressed in parts to be decided part by part.

Notice of motion (SO.27.2)

The chairperson may direct the chief executive to refuse to accept any notice of motion which:

- (a) Is disrespectful or which contains offensive language or statements made with malice; or
- (b) Is not within the scope of the role or functions of the local authority; or
- (c) Contains an ambiguity or statement of fact or opinion which cannot properly form part of an effective resolution, and the mover has declined to comply with such requirements as the chief executive may have made; or
- (d) Is concerned with matters which are already the subject of reports or recommendations from a committee to the meeting concerned.

Reasons for refusing a notice of motion should be provided to the proposer.

Where a notice of motion has been considered and agreed by the local authority, no notice of any other motion which is, in the opinion of the chairperson, to the same effect may be put again whilst such original motion stands.

Action on previous resolutions (SO.

If, in the opinion of the chairperson the practical effect of a delay in taking action on a resolution which is subject to a notice of motion, would be equivalent to revocation of the resolution; or if repetitive notices of motion are considered by the chairperson to be an attempt by a minority to frustrate the will of the meeting, action may be taken as though no such notice of motion had been given.

Repeat notice of motion (SO.27.7)

If in the opinion of the chairperson, a notice of motion is substantially the same in purport and effect to any previous notice of motion which has been considered and rejected by the local authority, no such notice of motion may be accepted within six months of consideration of the first notice of motion unless signed by not less than one third of the members of the local authority, including vacancies.

Revocation or alteration of previous resolution

A chairperson may recommend in a report to the local authority the revocation or alteration of all or part of any resolution previously passed, and the local authority meeting may act on such a recommendation in accordance with the provisions in these Standing Orders.

Chairperson may call a meeting

The chairperson:

- (a) May call a meeting to dispose of the business to be transacted following the lapsing of a meeting due to failure of a quorum, if such business cannot be delayed until the next scheduled meeting; and
- (b) May requisition an extra meeting to be held at a specified time and place, in order to conduct specified business.

Irrelevant matter and needless repetition (SO.21.8)

The chairperson's ruling preventing members when speaking to any motion or amendment from introducing irrelevant matters or indulging in needless repetition is final and not open to challenge.

Taking down words (SO.21.11)

The chairperson may order words used and objected to by any member, to be recorded in the minutes, provided such objection is made at the time the words are used and not after any other members have spoken.

Explanations

The chairperson may permit members to make a personal explanation in addition to speaking to a motion, and members who have already spoken, to explain some material part of a previous speech in the same debate.

Chairperson rising (SO.14.5)

Whenever the chairperson rises during a debate any member then speaking or offering to speak is to be seated and members are to be silent so that the chairperson may be heard without interruption.

Members may leave places (SO.14.6)

The chairperson may permit members to leave their place while speaking.

Priority of speakers (SO.14.7)

The chairperson must determine the order in which members may speak when two or more members indicate their wish to speak.

Minutes (SO.28.1)

The chairperson is to sign the minutes and proceedings of every meeting once confirmed. The chairperson and chief executive are responsible for confirming the correctness of the minutes of the last meeting of a local authority prior to the next election of members.

Questions of speakers (SO.16.3)

The chairperson may permit members to ask questions of speakers under public forum or deputations/presentations by appointment, for the purpose of obtaining information or clarification on matters raised by the speaker.

Withdrawal of offensive or malicious expressions (SO.20.3)

The chairperson may call upon any member to withdraw any offensive or malicious expression and may require the member to apologise for the expression.

Any member who refuses to withdraw the expression or apologise, if required by the chairperson, can be directed to withdraw from the meeting for a time specified by the chairperson.

Chairperson's rulings (SO.14.4)

Any member who refuses to accept a ruling of the chairperson, may be required by the chairperson to withdraw from the meeting for a specified time.

Disorderly behaviour (SO.20.4)

The chairperson may:

- (a) Require any member or member of the public whose conduct is disorderly or who is creating a disturbance, to withdraw immediately from the meeting for a time specified by the chairperson.
- (b) Ask the meeting to hold in contempt, any member whose conduct is grossly disorderly and where the meeting resolves to find the member in contempt, that resolution must be recorded in the minutes.

Failure to leave meeting (SO.20.6)

If a member or member of the public who is required, in accordance with a chairperson's ruling, to leave the meeting, refuses or fails to do so, or having left the meeting, attempts to re-enter without the permission of the chairperson, any member of the police or officer or employee of the local authority may, at the chairperson's request, remove or exclude that person from the meeting.

Audio or audio visual attendance (SO.13.10)

Where the technology is available and a member is attending a meeting by audio or audio-visual link, the chairperson must ensure that:

- (a) The technology for the link is available and of suitable quality; and
- (b) Procedures for using the technology in the meeting will ensure that:
 - i. Everyone participating in the meeting can hear each other;
 - ii. The member's attendance by audio or audio-visual link does not reduce their accountability or accessibility in relation to the meeting;
 - iii. The requirements of Part 7 of LGOIMA are met; and
 - iv. The requirements in these Standing Orders are met.

If the chairperson is attending by audio or audio visual link then chairing duties will be undertaken by the deputy chair or a member who is physically present.

Appendix 9: Process for removing a chairperson or deputy Mayor from office/Āpitihianga 9: Te pūnaha mō te whakakore i te tūranga a te ūpoko, te Koromatua tuarua rānei

1. At a meeting that is in accordance with this clause, a territorial authority or regional council may remove its chairperson, deputy chairperson, or deputy Mayor from office.
2. If a chairperson, deputy chairperson, or deputy mayor is removed from office at that meeting, the territorial authority or regional council may elect a new chairperson, deputy chairperson, or deputy mayor at that meeting.
3. A meeting to remove a chairperson, deputy chairperson, or deputy Mayor may be called by:
 - (a) A resolution of the territorial authority or regional council; or
 - (b) A requisition in writing signed by the majority of the total membership of the territorial authority or regional council (excluding vacancies).
4. A resolution or requisition must:
 - (a) Specify the day, time, and place at which the meeting is to be held and the business to be considered at the meeting; and
 - (b) Indicate whether or not, if the chairperson, deputy chairperson, or deputy Mayor is removed from office, a new chairperson, deputy chairperson, or deputy Mayor is to be elected at the meeting if a majority of the total membership of the territorial authority or regional council (excluding vacancies) so resolves.
5. A resolution may not be made and a requisition may not be delivered less than 21 days before the day specified in the resolution or requisition for the meeting.
6. The chief executive must give each member notice in writing of the day, time, place, and business of any meeting called under this clause not less than 14 days before the day specified in the resolution or requisition for the meeting.
7. A resolution removing a chairperson, deputy chairperson, or deputy Mayor carries if a majority of the total membership of the territorial authority or regional council (excluding vacancies) votes in favour of the resolution.

LGA 2002, sch 7, cl 18.

Appendix 10: Sample order of business/Āpitihanga 10: He taurira mō te whakaraupapatanga o ngā take

Open section

- (a) Apologies
- (b) Declarations of interest
- (c) Confirmation of minutes
- (d) Leave of absence
- (e) Acknowledgements and tributes
- (f) Petitions
- (g) Public input
- (h) Local and/or community board input
- (i) Extraordinary business
- (j) Notices of motion
- (k) Reports of committees
- (l) Reports of local and/or community boards
- (m) Reports of the chief executive and staff
- (n) Mayor, deputy Mayor and elected members' reports (information)

Public excluded section

- (o) Reports of committees
- (p) Reports of the chief executive and staff
- (q) Mayor, deputy Mayor and elected members' reports (information)

Appendix 11: Process for raising matters for a decision/Āpitiḡanga 11: Te pūnaha mō te whakatakoto take hei whakatau

Matters requiring a decision at a meeting, may be placed on the meeting’s agenda by a:

- Report of the chief executive;
- Report of the chairperson;
- Report of a committee;
- Report of a community or local board; or
- Notice of motion from a member.

Where a matter is urgent and has not been placed on an agenda, it may be brought before a meeting as extraordinary business by a:

- Report of the chief executive; or
- Report of the chairperson.

Although out of time for a notice of motion, a member may bring an urgent matter to the attention of the meeting through the chairperson.

Report to:	Council	File
Date:	29 March 2023	
Subject:	Adoption of the Annual Report for the year ended 30 June 2022	
Prepared by:	S Poulsen - Finance Manager	
Input sought from:	C Kaa - Management Accountant	
Authorised by:	W Doughty - Chief Executive	

1. PURPOSE

The Annual Report for the financial year ended 30 June 2022 (“the Report”) is to be adopted in accordance with section 98(3) of the Local Government Act 2002 (“the Act”).

Attachments:

- i. Annual Report for the financial year ended 30 June 2022

2. RECOMMENDATION

THAT the Council:

- a) Receives this report
- b) Adopts the Annual Report for the financial year ended 30 June 2022

3. SUMMARY

Audit delays

The Local Government Act 2002 normally requires that the Council adopts its Annual Report by 31 October each year. For the third year, due to the impact of COVID-19, the statutory deadline has been extended to 31 December.

Audit New Zealand, the Council’s auditor for the Report, advised Council staff late in 2022 that further delays were unavoidable as they dealt with the ongoing challenges posed by Covid-related disruptions to their teams. The Auditor-General released a public statement that some audits will need to be completed after the extended statutory timeframe, and this included extensions for entities registered with the Charities Commission such as the Kaikōura Enhancement Trust.

The audit of our Report commenced on the 11th of January 2023 – already after the statutory deadline had passed. KDC staff understands there are many other local authorities with substantial delays to get their audit underway, some of which have only recently commenced.

The audit incorporated the internal systems audit at the same time. The audit was completed, and the audit opinion made available, enabling the Council to adopt the Report at this meeting of 29 March 2023, eleven weeks later.

Once the audit commenced, this year KDC should take some responsibility for slow progress on the audit, as there were significant delays caused by our asset valuations, which required several iterations before they passed both independent peer review and KDC approval.

The knock-on effect of the delays due to our asset valuations were then exacerbated by missing our slot in terms of Audit NZ’s resource planning for auditors to be available to complete KDC’s audit, noting that we still would never have met the statutory deadline because the audit didn’t commence until January.

At the time of preparing this report, the audit of the Kaikōura Enhancement Trust is still ongoing, but the Charities Commission have approved an extension to 30 June 2023.

Qualified opinion

Once again Audit New Zealand have issued a qualified opinion on the Annual Report. There are two matters resulting in the qualified opinion.

1. As has been ongoing for several years, the audit found that the Council has not complied with the requirements of the Act as it pertains to service performance reporting. Several measures – such as the time taken to attend a service call out, and the time taken to resolve a call out – had not been adequately recorded in sufficient detail to assess timeframes (for example).

These matters are proving to be systemic between both Innovative Waste Kaikōura Ltd and KDC, and extremely difficult to rectify, and so – disappointingly – we expect another qualified Annual Report for the financial year to 30 June 2023.

2. A qualification remains over the 2021 (previous year) value of assets. For the 2021 year, KDC staff had conducted a fair value assessment of asset values between valuation years, which indicated that the value of assets was likely to have materially changed due to high increases in costs, and that an early revaluation would be necessary to obtain reliable asset values for the Annual Report.

KDC staff advised Audit NZ prior to Christmas 2021 that we would not be undertaking early revaluations on any asset classes due to the high financial cost of such an exercise and given that it still would not clear the qualified opinion, due to the issues with measuring service performance benchmarks.

A valuation of roading, three-waters, land, buildings, forestry and investment properties was undertaken for the financial year to 30 June 2022, and Audit NZ has not issued a qualified opinion over these values.

In addition to the above qualifications, the Annual Report notes the failure to meet the extended statutory deadline to adopt the Annual Report by 31 December 2022. Again, we reiterate that the audit commenced after the statutory deadline had already passed.

The audit was conducted entirely remotely, with the audit team interacting with KDC staff using an online portal, which acted as a repository for exchange of workpapers and documents, and to answer queries. This is the second year the portal has been used for the audit.

Generally, this worked well as it enabled members of both Audit NZ and the KDC teams to see at a glance what had been provided and what was outstanding. This year, we saw improvement in efficiencies, as the audit team and KDC staff both used the portal more consistently, with queries and responses included within the portal rather than emailing back and forth outside the portal.

Explanation of the audit opinion

A modified (or qualified) audit opinion means that the auditor has concluded that there is a matter of non-compliance with legislation, or with accounting standards, that needs to be brought to the reader's attention. In general terms, it means the audit has found that the Annual Report gives a fair representation of the Council's financial position, operations and cash flows, **except for** the matters identified surrounding the performance measures and the prior year asset values.

The audit found that, of 87 performance measures, 12 had incomplete records, and 11 were not available (these 11 largely relate to the mandatory response time frames for three waters). The 12

incomplete measures include reporting of zero complaints (for example zero complaints received about the environment effects of the landfill), where the audit concluded that there was not sufficient evidence to support that there were zero complaints received. We await advice from Audit NZ as to what evidence would be sufficient to prove zero complaints received, so we can at least clear this particular matter for the next Annual Report.

4. SUMMARY OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

Statement of Comprehensive Revenue & Expense

The Council's financial operating result for the year ended 30 June 2022 was a small deficit of \$227k, against a budgeted surplus for the same period of \$1.74 million.

Revenue was \$16.1 million, less than the budgeted \$16.9 million. While the result is relatively close to budget, there were significant ups and downs within Council's activities. Additional revenue included ongoing funding for the Mayors Taskforce for jobs, and three-waters stimulus package to improve water and wastewater treatment systems.

That additional revenue was offset by subsidies forecast but not received for the Waiiau-Toa / Clarence River bridge, with all progress on the bridge stalled while the Council has tried to work through concerns raised with the Runanga.

Also, the Kaikōura Marine Development project had optimistically forecast both the Wakatu Quay project and the South Bay feasibility study to be well-advanced by June 2022 and for \$2.1 million in grant revenue from the Provincial Growth Fund (PGF) to have already been received. We received \$1.07 million. The feasibility study was completed but the Wakatu Quay project had found an interested co-investor who has since withdrawn.

Operating expenditure of \$16.4 million is \$1.2 million more than budget; with \$692k of this variance attributable to depreciation being higher than budget due to the change in values of assets.

Other areas where expenditure exceeded budget were:

- Losses in the value of forestry assets and the value of the Esplanade offices now demolished
- Extra roading maintenance work in preparation for reseals (e.g., drainage repairs and minor works)
- Use of external resources to fill staff vacancies, especially in building and regulatory activities
- Grants paid out due to extra funds received (e.g., Mayor's Taskforce for Jobs grants paid to Te Ha)

Statement of Financial Position

The effect of the roading and three-waters valuation is significant on the Council's financial position, with assets increasing by over 35% by revaluation movements alone.

Statement of Cash Flows

Cash decreased over the year by \$2.6 million, to a balance of \$2.8 million on 30 June 2022. Grants received in the 2021 year have progressively been spent.

5. FINANCIAL IMPLICATIONS AND RISKS

The financial implications of adopting the Report are relatively minor; although there are risks to Council if it does not adopt the Report.

Community Implications

The Annual Report is a key accountability document to the community. It enables the reader to compare the actual activities and the actual performance of the local authority in the 2021/2022 year with the intended activities and the intended level of performance as set out in respect of that year in the Long-Term Plan and Annual Plan.

Financial Risks

The Annual Report is also an accountability document to Council's funders, including lenders (the banks and/or the Local Government Funding Agency), the Crown, the NZ Transport Agency, and potential future funders who require an audited annual report to accompany grant applications.

6. RELEVANT LEGISLATION

Policy

This matter is not a matter of significance in terms of the Council's Significance and Engagement Policy.

Legislation

Local Government Act (2002), sections 98 and 99

These sections of the Act require the Council to prepare and adopt an Annual Report, specify the information that must be contained in the Report, set the statutory deadline for the report to be adopted, require a summary of the Annual Report to be prepared and audited, and require that the Annual Report contain the Auditor-General's report (the audit opinion).

7. COMMUNITY OUTCOMES SUPPORTED

The work is in support of all community outcomes.



Community

We communicate, engage and inform our community



Future

We work with our community and our partners to create a better place for future generations

8. SIGNIFICANCE OF DECISION:

This decision is not considered significant in terms of Council's Significance and Engagement Policy.

Delegations

Under the Local Government Act 2002, only the Council is delegated to adopt the Annual Report.

9. COMMUNITY VIEWS

No community views have been sought.

Kaikōura District Council

Annual Report

For the year ended 30 June 2022

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General Information



Kaikōura: a great place to live

The Kaikōura district spans from the Haumuri Bluffs in the south to North of the Kēkerengū valley in the north, covering 2,048 square kilometres of diverse landscape. The inland boundary of our district is the Inland Kaikōura Range, climbing 2,885 metres and snow covered for much of the year.

Historically the district has thrived in the fishing, farming and dairy industries. More recently Kaikōura has positioned itself as a world-class tourism destination, attracting one million visitors each year. We enjoy award-winning eateries and locally made products, as well as internationally renowned whale watching, swimming with dolphins and seals, surfing, golf and much more.

Our spectacular coastline provides excellent fishing, sporting, and recreation. The Kaikōura Canyon, at around 1,300 metres deep, provides the natural habitat for southern right and sperm whales, orca, and dusky dolphin, and is also host to over 200 species of marine life.

The township is situated on a peninsula protruding from this rugged coastline. Mori legend tells that it was from this peninsula that Maui braced his foot to fish up the North Island from the ocean. Kaikōura has a rich history with strong connections to Māori and European culture, and there is evidence of Māori settlement in the area up to 1,000 years ago. The area was first named by explorer Tama ki Te Rangī, who found the area abundant with crayfish. He named the area “Te Ahi Kaikōura a Tama ki Te Rangī” – the fire that cooked the meal of crayfish for Tama ki Te Rangī. This was shortened to Kaikōura, kai meaning food and koura meaning crayfish.

Our District*	
Population (Census 2018)	3,912
Rateable properties	3,018
Total rating units (includes non-rateable properties)	3,278
Total capital value of district	\$2,348,327,150
Total land value of district	\$1,399,777,750

*On 30 June 2021

Our Council~	
Represented by	1 Mayor & 7 elected representatives
Total equity	\$285,808,706
Total assets	\$296,508,763
Number of staff	32.0 FTE
Utilities & services	1 Landfill 7 Public water supplies 1 Sewerage system

~on 30 June 2022

2021/2022 Highlights, challenges, and achievements

Improving our infrastructure and facilities

- Government funding for three-waters upgrades of \$1.88 million over the last two years has enabled the Council to upgrade our water supplies to improve our compliance with NZ Drinking Water Standards. Improvements include amalgamating the Suburban water scheme with the Kaikōura Urban supply, splitting the Clarence village scheme from the East Coast rural scheme, and treatment upgrades for all eight Council-owned water supplies. These upgrades have lifted the permanent boil-water notices that were in place for Suburban, Kincaid, Fernleigh and the Clarence Village.
- The Kaikōura Marine Development Project team have been working through commercial arrangements with our funding partner, Cooper Developments Ltd, for the new development at Wakatu Quay. Prominent architectural firm Warren & Mahoney have designed a set of buildings which collectively provide social, cultural, hospitality and commercial operator spaces. The business case for South Bay Marina is also underway.
- The proposed new Link Pathway, a \$1.9 million project funded by MBIE's Tourism Infrastructure Fund (TIF), has progressed through the consent stage and archaeological reports are being prepared.
- The new swimming pool, owned and operated by the Kaikōura Community Charitable Trust, opened on the 14th of November 2021, with funding support from the Council of \$1 million, a further \$1 million from NZ Lotteries, and an enormous fundraising effort from the Kaikōura community.
- The Scout Hall has been strengthened and substantially refurbished, bringing the building up to modern standards. Community fundraising will now be required to upgrade the kitchen and toilet facilities.
- The Council has delivered on its promise to start addressing the backlog of road refurbishment that was identified in our Long-Term Plan 2021-2031 and spent an extra \$1.5 million on roads in 2021/2022.

Becoming more financially sustainable, efficient, and effective

- We have implemented our new Records Management System, Laserfiche, and are transferring our electronic documents into the new system as well as scanning paper records including property files.
- We have also implemented our new Asset Management System, Adapt, which has enabled our three-waters contractors to log information while out on the field – and therefore we can now measure our response times as required for service performance reporting.
- The review of the Kaikōura District Plan is underway, with the Natural Hazards chapter almost completed in June 2022.
- We have been working on a funding application to the Infrastructure Acceleration Fund (the IAF) to support over 400 potential new homes to be built, including housing for the elderly and those on low incomes. The project will extend Green Lane to Ocean Ridge, with adjacent cycleway, plus a new footpath connecting Ludstone Road to schools and the town centre, to enable a new residential development at the former NCTIR village site and expansion of Ocean Ridge. The IAF announced our funding application is successful in July 2022, pledging \$7.8 million to the Council to start work on the project in the 2022/2023 year.

COVID-19 & other global impacts

- Since the pandemic began in March 2020, community and customer services staff have been helping our community with grocery deliveries, pharmacy prescription pickups, and supporting Kaikōura Health with communications, vaccination days, and with planning for managing COVID-19 in the community.
- The Mayors Taskforce for Jobs received a further \$500k after the resounding success of its first year, which saw over 60 people take up new employment opportunities including apprenticeships. In 2022 another 50 people were supported into employment, and we are waiting to hear if funding will be confirmed for 2022/2023.
- Global supply chain problems, construction delays due to alert level restrictions, loss of available workforce, and the ever-increasing cost of materials has continued to bite in 2021/2022. The Council is fortunate that most of its construction projects are either substantially completed, or externally funded, which has largely protected our budgets from the worst of the impacts. The price of oil products (which includes bitumen for roads) has had a relatively minor impact on the projects completed during the year.

Enhancing our community's perception of the Council and our services

- The annual resident satisfaction survey results are in and show strong increases in satisfaction over the last three years. Satisfaction with the Mayor, Councillors and staff was 71% in 2022, up from 62% in 2021 and well above the New Zealand benchmark of 39%.

Three-waters reform

- The government's three-waters reform agenda is gaining momentum, with confirmation that there will be four publicly owned water entities and a new water regulator, Taumata Arowai has been established. This is a significant reform for local authorities and will have ongoing impact on our communities. During the 2021/2022 year the Council has continued to provide extensive information about our three-waters assets and other financial information to the Department of Internal Affairs as required by the government.

Local govt reform and RMA reform

- Alongside the three-waters reform, the government is also pushing ahead to abandon the Resource Management Act, replacing it with three new pieces of legislation. While the three-waters reform has been at the forefront of public opinion, the reform of the Resource Management Act is slipping through the legislative process comparatively quietly – and yet arguably this reform will have just as significant an impact on communities due its direct effect on place-shaping, including where and how people can build and neighbourhoods can develop.
- A further Review into the Future for Local Government aims to reshape the system of local government to one that is “fit for purpose and has the flexibility and incentives to adapt to the future needs of local communities”. Draft reports have been presented, which include recommendations for the Council term to be four years (instead of three), for more Māori representation at the Council table (by appointment rather than being voted in), and lowering the voting age to 16.
- These reviews will continue to evolve over the next two-to-three years.

From the Chief Executive

The 2021-2022 financial year was another incredibly busy year. It is great to see the list of highlights and achievements from the year despite the ongoing challenges of Covid-19 on the organisation, our community and the country. It is in times like a global pandemic or natural disaster that the importance of localism and local democracy comes to the front. As a Council, we have been able to provide support to Kaikōura Health and our community in the welfare space. The benefits of pulling together as a community in times of adversity are invaluable.

The number of larger projects starting up, either being led by Council or by external parties, is really exciting for the District and fit within our overall goal of Moving Kaikōura Forward. Having secured the funding, our challenge in the current climate will be keeping the momentum going to ensure we end up with fantastic outcomes for each of them. We are also starting to deliver on our commitments made in the LTP, especially with regard to footpaths and roading which we have consistently heard from the community needs to be a council focus for funding. It is fantastic to see our overall residents satisfaction increasing year on year over the last three years. Satisfaction with the Mayor, Councillors and staff was 71% in 2022, up from 62% in 2021 and well above the New Zealand benchmark of 39%. This again speaks to the importance of having local representation that focus on local issues.

The Central Government reform agenda is gaining momentum which will influence multiple aspects of local government. In the short term this is a distraction in terms of needing to respond to multiple requests for information and submit on various policy and legislation drafts. There is potential that this amount of reform all at one go will result in less than optimal outcomes for our community. We have heard a strong voice from our community against aspects of the proposed three waters reform so far and so will continue to promote and advocate our the views of our community as the agenda unfolds and the various implications of the reforms become clearer.

The net deficit for the year was \$227k compared to a budget surplus of \$1.739 million. Debt remained lower than predicted levels at \$5.3 million, which was once again predominantly the result of significant unforeseen grants paid to Council. The Council continues to remain well within our self-imposed debt limit and within our ability to service debt. Total revenue for the year was \$16.1 million including total grants received of \$4.5 million. Our current financial position remains very strong.

My thanks once again to both the Council team and elected members for all their hard work through the year. It has been a challenging, but very rewarding one. Thanks must also go to all of the community groups, volunteers and our partner organisations who year on year tirelessly contribute to making Kaikōura a very special place.



Will Doughty
Chief Executive Officer

Independent Auditor's Report

**To the readers of Kaikōura District Council and Group's annual report
for the year ended 30 June 2022**

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Statement of Compliance

The Council and management of Kaikōura District Council confirm that all the statutory requirements in relation to the Annual Report, as outlined in the Local Government Act 2002, have been complied with, except for the adoption date of the Annual Report.

The Council and management of Kaikōura District Council accept responsibility for the preparation of the annual financial statements and service performance reports, and the judgements used in them.

The Council and management of Kaikōura District Council accept responsibility for establishing and maintaining a system of internal control designed to provide assurance as to the integrity and reliability of financial reporting.

The annual report was adopted on 29 March 2023.

Will Doughty
Chief Executive

Craig Mackle
Mayor

Council Activities

What we do: Our groups of activities

The Council delivers a range of services on behalf of the community. This section reports on those services, what we planned to do, what we did and our key projects.

The Council delivers core services as required by the Local Government Act 2002. It also delivers ‘public good’ services undertaken with the support of residents and ratepayers. Our services are classified into 10 groups of activities. Last year there were 12 activities, however with the development of the Long-Term Plan 2021-2031, Commercial Activities have been combined with Community Facilities and renamed “Facilities”, and any remaining activity relating to the earthquake rebuild has been absorbed into business-as-usual (whether Rooding, Water Supplies or Wastewater).

Many performance measures were introduced for the first time in the Long-Term Plan 2021-2031. This 2021/2022 year is the first year these measures were recorded, therefore several measures report “New measure” in the 2020/2021 comparative year.

Across these groups this year, the Council achieved 60 out of 87 performance measures (overall achievement 69%), up from 55% last year.

Our annual Resident Satisfaction Survey showed that 74% of community members were satisfied with Council facilities, and 62% were satisfied with services provided by the Council. Satisfaction with Council performance has improved over time, and in 2021/2022 the overall result of 68% satisfied was above the New Zealand benchmarking survey results of 44%.

Overall, community members expressed mixed feelings about current life in the Kaikōura District: under half believing that quality of life is improving (45%) or that their own quality of life has improved (48%) - with declines since 2020/21. However, most (69%) believed their community is resilient and safe, and the majority (78%) were confident their business or workplace will remain open over the next year.

Performance achievement

Year	Number of measures		
	2019/2020	2020/2021	2021/2022
Actual performance measure reported	61	63	62
Incomplete performance measure reported	23	23	12
Result not available	29	27	11
Not applicable	1	1	2
Total performance measures	114	114	87
Performance measures accurately reported on	36%	55%	71%

In the table of performance indicators above, estimated, incomplete, not available, and not applicable are defined as follows:

Incomplete – Customer service request (CSR) results reported are based on data derived from the service request system. However not all service requests were recorded in the system for the financial year, and therefore the results are incomplete.

Not available (Only on CSR measures) – Call out response times have not been recorded or not accurately captured in the service request system for the financial year, and therefore results are not available.

Not applicable – where a performance measure is taken from a survey or some other source that is only supplied once every year or so, then the performance measure is not applicable in the intervening years.

Roading

Our Goal: to provide a transport network for the safe and reliable movement of people and goods throughout the district, connecting communities and accessing property.

What we do

The Roothing group of activities includes;

- Roads & bridges
- Footpaths & cycleways
- Streetlights

The Council maintains 208km of local roads and 40 bridges in our district. Approximately half of our roads are sealed. Of the bridges, 32 are single lane and 6 apply weight restrictions. Waka Kotahi (NZTA) owns and maintains State Highway One, which includes Churchill Street and Beach Road (within the township). The Council also maintains approximately 36km of footpaths and over 400 streetlights.

Key issues in 2021/2022

The Long-Term Plan 2021-2031 (the LTP) identified a significant backlog of road rehabilitation and reseal work, and made the commitment to address the backlog over the ten years of the LTP. This 2021/2022 year is the first year of the LTP, and over \$1.96 million has been spent in road renewals and improvements for the year – more than double the usual spend in the years before the earthquake.

The renewal work included completing the last of the \$2.27 million in North Canterbury Transport Infrastructure Recovery (NCTIR) funded projects, with \$800k spent this year remediating the haul routes that were damaged by heavy vehicles during the rebuild of the state highway and rail networks.

What we did

Substantial reseals and road rehabilitation was completed on Hawthorne, Red Swamp, Mill, Mt Fyffe, Postmans and Schoolhouse Roads, resulting in 20% of the sealed road network being resurfaced this year.

The new LED streetlights all performing well, no audit was done but CSR system records that any light found not working was repaired in a timely manner.

What we planned to do but didn't

The planned safety improvements along State Highway 1 (Beach Rd) were put on hold by Waka Kotahi in 2021 pending a further safety review. Work had been planned to provide a shared pathway for pedestrians and cyclists along Beach Rd, from West End to Hawthorne Rd. The Council will engage further with Waka Kotahi to find a solution which improves the safety of cyclists along this dangerous section of state highway.

Work towards the restoration of access to the upper Waiau-Toa/Clarence Valley following the loss of the Glen Alton bridge has continued following delays to the project caused by the opposition of Te Rūnanga o Kaikōura to the form of the proposed solution. Work undertaken during the year has included technical investigations to refine the design to construct the new bridge 500 metres downstream of the former bridge, applying for the necessary resource consents and development of a procurement strategy. Waka Kotahi continued to indicate a willingness to fund 95% of the project cost up to a maximum of \$12 million.

Community outcomes supported



Development

We promote and support the development of our economy



Future

We work with our community and our partners to create a better place for future generations



Services

Our services and infrastructure are cost effective, efficient, and fit for purpose



Environment

We value and protect our environment

Effects on community wellbeing

	Positive effects	Negative effects
Social	Significant renewal of the NCTIR haul roads improved vehicle travel and safety. New footpaths also improve pedestrian connectivity and safety.	Disruption of vehicle movements while roadworks are in place, nuisance of noise, and dust on unsealed roads
Cultural	No effects have been identified	No effects have been identified
Economic	Better condition of roads enables the efficient delivery/dispatch of goods.	No effects have been identified
Environmental	Repairs to the NCTIR haul road decreases wear and tear on vehicles and improves freight connections. The conversion of streetlights to LED has reduced light pollution and helped mitigate fallout of the Hutton's Shearwater.	Roads, bridges, kerbs, and channels disrupt natural drainage patterns

Major projects

Project	Planned \$000	Spent \$000	Comment
Upgrades to meet additional demand:			
Seal extensions	30	33	Wai Kaukau Road to the Aquatic Centre
Minor improvements	-	28	New streetlights and other improvements
	30	61	
Upgrades to improve level of service:			
Safety improvements	287	77	Scarborough St walkway
Streetlight conversion to LED	-	3	Shield covers
	287	80	
Renewal/replacement of existing assets			
Waiiau-Toa/Clarence River Bridge	1,400	298	Project delayed pending Runanga concerns
NCTIR haul roads renewal	1,337	799	100% funded by NCTIR
Sealed surface renewals	552	542	Work completed as planned
Sublayer rehabilitation	330	259	Work completed as planned
Unsealed surface renewals	180	68	
Drainage kerb & channel	65	27	Included culvert replacement
Traffic services	60	19	
Inland Road route 70 renewals	-	108	Earthquake repairs, 100% subsidised
Earthquake-related bridge renewals	-	6	Structural assessments on completion
	3,924	2,126	
Total capital projects	4,241	2,267	

Performance indicators

	2020/2021 Actual	2021/2022 Target	2021/2022 Actual	Achieved?
Roads & Bridges:				
The change from the previous year in the number of fatalities and serious injury crashes on the local road network expressed as a number ¹	0	0	0	Yes
The average quality of ride on the sealed local road network, measured by smooth travel exposure ²	95%	Not applicable	92%	N/A
The average quality of ride on the sealed road network measured by NAASRA roughness ²	93	Not applicable	Not available	Not available
The percentage of customer service requests relating to roading, footpath and associated faults responded to within timeframes: Urgent – 1 day Other – 1 week	63%	> 90%	Not available	Not available
The percentage of the sealed network that is resurfaced per annum	6.9%	> 7%	20%	Yes
The percentage of regulatory road signs incorrect or missing during an audit of the road network (whether a full or partial audit is completed)	0.17%	< 0.5%	13.3%	No
Footpaths:				
The percentage of footpaths that are poor condition (grade 4 or 5)	4.9%	< 10%	4.9%	Yes
Resident satisfaction with footpaths	New measure (baseline 40%)	Increasing by 3% per year	44%	Yes
Streetlights				
The percentage of streetlights not functioning during an audit of any part of the network ³	0%	< 1%	0%	Yes

In the above tables of performance indicators, not applicable is defined as follows:

Not applicable – the NAASRA roughness survey is done every three years. It was not done in 2022 (see footnote).

Not available – response times have not been recorded or not accurately captured in the service request system for the financial year, and therefore results are not available.

¹ There were no fatalities or serious injury crashes on local roads for the year (and there were none in the previous year). We consider the target to be achieved, as once there are zero serious injury crashes it is not possible to reduce this by any number.

² Smooth travel exposure means a measure of the percentage of vehicle kilometres travelled on roads that occurs above the targeted conditions for those roads. The Council sets its targeted conditions based on NAASRA counts. The rougher the road, the higher the NAASRA counts per km. A NAASRA count of greater than 150 typically indicates a road that is becoming a concern in terms of its roughness. Note the NAASRA roughness survey is done every three years. The 2021 results were based on the survey results measured in May 2021 and calculated using the traffic count completed in 2019. No survey was done in 2022.

³ KDC has such a small streetlight network we don't have a formal audit process with our MainPower contractor, and any outages are reported to MainPower within a day and resolved within a week, therefore 0%.

Funding Impact Statement: Roading

For the year ended 30 June 2022

	2020/2021 Three-Year Plan \$000	2021/2022 Long-Term Plan \$000	2021/2022 Actual \$000
Sources of operating funding			
General rates, UAGCs, rates penalties	-	-	-
Targeted rates	1,041	1,104	1,093
Subsidies & grants for operating purposes	529	508	541
Fees and charges	-	-	13
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	37	38	45
Total operating funding (A)	1,607	1,650	1,693
Applications of operating funding			
Payments to staff and suppliers	1,010	1,152	1,283
Finance costs	31	32	29
Internal charges and overheads applied	121	129	312
Other operating funding applications	-	-	-
Total applications of operating funding (B)	1,162	1,312	1,625
Surplus/(deficit) of operating funding (A-B)	445	338	68
Sources of capital funding			
Subsidies & grants for capital expenditure	339	1,752	844
Development and financial contributions	15	19	19
Increase/(decrease) in debt	(73)	658	275
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	281	2,429	1,139
Application of capital funding			
Capital expenditure			
- To meet additional demand	53	30	61
- To improve the level of service	29	287	80
- To replace existing assets	644	3,924	2,398
Increase/(decrease) in reserves	-	(1,473)	(1,332)
Increase/(decrease) in investments	-	-	-
Total applications of capital funding (D)	726	2,767	1,207
Surplus/(deficit) of capital funding (C-D)	(445)	(338)	(68)
Funding balance ((A-B) + (C-D))	-	-	-
Reconciliation			
Total application of operating funding (B)			1,625
Plus depreciation			1,794
Expenditure as per Note 1			3,419

Water supplies

Our Goal: to provide clean, potable water for our communities in the district.

What we do

There owns and manages seven water supplies in Kaikōura:

- Kaikōura Urban
- Ocean Ridge
- East Coast
- Kincaid
- Fernleigh
- Oaro
- Peketa

Note the Suburban water supply is now fully amalgamated with the Kaikōura Urban supply.

The Council has a responsibility to ensure that water supplied to consumers is safe to drink. It is also our role to ensure a continuous supply of water, with minimal interruptions, prompt response to service requests, and good consumer satisfaction with water pressure, taste, odour, and clarity of drinking water.

Key issues in 2021/2022

The three waters reform has continued to be one of the key issues that the Council has been working through. The proposed reforms will change the way that water services are delivered in the future.

A new water services regulatory agency, Taumata Arowai, took over from Crown Public Health on 1 March 2021. Council supplies now must comply with Taumata Arowai rules and standards.

Council was granted \$1.88 million dollars for three waters improvements in 2020. This was part of a post-COVID nation-wide economic stimulus package. Much of the grant was used to bring Council-managed drinking water supplies up to the required standards. The focus has been on completing the pre-approved water improvement works.

Community outcomes supported



Development

We promote and support the development of our economy



Future

We work with our community and our partners to create a better place for future generations



Services

Our services and infrastructure are cost effective, efficient, and fit for purpose



Environment

We value and protect our environment

What we did

East Coast water treatment commenced mid-June 2022. This includes filtration, ultraviolet light disinfection to kill protozoa and bacteria, and electronic monitoring. Chlorination was also commissioned. This provides residual disinfection against possible contamination entering the supply network. The long-standing boil water notice will be lifted as soon as sampling and lab testing confirm that this is appropriate.

Kincaid water was compliant with Drinking Water Standards except for protozoal compliance. This was due to an outage of UV disinfection in March. A boil water notice was in place for two weeks.

The Kaikōura urban water supply is sourced from very high-quality groundwater. Filtration is not required. Ultraviolet light disinfection and monitoring were added in May 2022. Network chlorination has been in place for several years. Treatment is now fully compliant.

Fernleigh filtration and ultraviolet light disinfection commenced at the end of June. Network chlorination was already in place. The boil water notice will be lifted once sampling and monitoring confirm this is appropriate.

Ocean Ridge, Peketa and Oaro are compliant with both microbiological and protozoal requirements under NZ Drinking Water Standards.

What we planned to do but didn't

The replacement of a watermain on Beach Road was deferred to enable Council to get landowners' permission related to archaeological authority for on-property work in this culturally sensitive area.

Effects on community wellbeing

	Positive effects	Negative effects
Social	Clean, potable water is fundamental to the health of all residents and visitors	Chlorination, required to meet drinking water standards, can effect water taste and smell
Cultural	No specific effects have been identified	No effects have been identified
Economic	Clean water on demand is essential for many businesses to function (including visitor accommodation, commercial activities, and primary industries)	Low pressure, pipe breaks and other faults can disrupt economic activity.
Environmental	Water is used for irrigation, replenishing the land and flora.	Over-use can create water shortages and require water restrictions

Major projects

Project	Planned \$000	Spent \$000	Comment
Upgrades to improve level of service:			
Kaikōura Urban facilities upgrade	-	42	Mackles bore upgrade & new facilities at airport
Kaikōura Urban treatment upgrade	312	77	UV systems, standby generator, and controls
Suburban treatment & SCADA upgrade	14	-	Suburban is now part of Urban supply
East Coast treatment upgrade	250	373	New treatment shed, equipment, telemetry, and pipework to supply the Clarence village
Kincaid flow improvement	78	11	Pipe replaced with larger diameter
Kincaid treatment upgrade	59	6	Improved raw water control
Fernleigh treatment & flow upgrade	120	248	New treatment shed, equipment, telemetry and pipework
Peketa treatment upgrade	7	-	
Oaro upgrade	-	-	
Total improvements	840	757	
Renewal/replacement of existing assets:			
Kaikōura Urban pipe renewals	89	205	Wakatu Quay and Churchill Street
Kaikōura Urban facilities renewals	299	262	Earthquake-related repair to Peninsula reservoir
East Coast renewals	15	-	
Kincaid renewals	16	-	
Fernleigh renewals	20	-	
Peketa renewals	28	-	
Oaro renewals	36	-	
Total renewals	503	467	
Total major projects	1,343	1,224	

Performance indicators

Water Scheme	Compliance with NZ Drinking Water Standards					
	Microbiological Compliant			Protozoal Compliant		
	2020	2021	2022	2020	2021	2022
Fernleigh Rural	No	Yes	Yes	No	No	No
Kaikōura Urban	Yes	Yes	Yes	No	No	No
East Coast Rural	No	No	No	No	No	No
Kincaid	No	Yes	Yes	No	No	No
Oaro	Yes	Yes	Yes	No	No	Yes
Ocean Ridge	Yes	Yes	Yes	No	No	Yes

The Peketa supply is not part of the annual survey due to the very low population connected to the supply.

	2020/2021 Actual	2021/2022 Target	2021/2022 Actual	Achieved?
The extent to which the water supply complies with part 4 of the NZ Drinking Water Standards (bacteria compliance criteria)	67%	100%	100%	Yes
The extent to which the water supply complies with part 5 of the NZ Drinking Water Standards (protozoal compliance criteria)	0%	100%	0%	No
The percentage of real water loss from networked reticulation systems ⁴	32%	< 45%	27%	Yes
The average consumption of drinking water per day per resident	435 litres	< 400 litres	429	No

Fault response times:

Where a local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured:

Attendance for urgent ⁵ callouts, from the time that the local authority receives notification to the time that service personnel reach the site		< 2 hours	Not available ⁶	Not available
Resolution of urgent callouts, from the time the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption	Not available	< 12 hours		
Attendance for non-urgent callouts, from the time we received notification to the time that service personnel reach the site		< 48 hours		

⁴ The Kaikōura Urban system must be continuously pumped, so the water loss calculation is based on minimum night flow when reservoirs are full, less allowance for night use at 4l/person/4 hours and 3000 people = 1 l/s

⁵ For the purposes of the above performance indicators, urgent callouts include major pipe bursts, and non-urgent callouts include minor leaks and equipment maintenance.

⁶ The Council's customer service request system is used to generate work requests to the contractor (IWK). Calls are also received directly by the contractor (IWK). The Council's asset management system (Adapt) is then used by both the Council and IWK to report response times. The Adapt system was not fully functional during the year. Corrections are underway.

Resolution of non-urgent callouts, from the time the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption	< 7 days	
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	2020/2021 Actual	2021/2022 Target	2021/2022 Actual	Achieved?
Complaints and requests for service⁷:				
The number of complaints received about drinking water clarity , per year per 1,000 connections	0 incomplete		0.45 incomplete	
The number of complaints received about drinking water taste , per year per 1,000 connections	0 incomplete		0.45 incomplete	
The number of complaints received about drinking water odour per year per 1,000 connections	0.46 incomplete	No more than 18 complaints about these issues in total (per 1,000 connections)	0 incomplete	Yes
The number of complaints received about drinking water pressure or flow , per year per 1,000 connections	0.46 incomplete		0.90 incomplete	The total is 6.75 (per 1,000 connections)
The number of complaints received about drinking water continuity of supply , per year per 1,000 connections	1.38 incomplete		4.95 incomplete	
The number of complaints received per year about the Council's response to any of these issues, per 1,000 connections	6.88 incomplete		0 incomplete	

In the above tables of performance indicators, incomplete and not available are defined as follows:

Incomplete – Customer service requests and complaints results reported are based on data derived from the service request system. However not all service requests were recorded in the system for the financial year, and therefore the results are incomplete. We have shown the number of complaints based on those that have been recorded in our systems.

Not available – Call out response times have not been recorded or not accurately captured in the service request system for the financial year, and there is currently no method for measuring water loss from the system or actual water consumed, and therefore results are not available.

⁷ There are 2,222 properties connected to Council-owned and operated water supplies in the district, and there were 168 complaints/requests for service received about water supplies during the financial year (2021: 91). The majority of these complaints were about water leaks, which are not reported in the above table (which is limited to complaints about clarity, taste, odour, pressure or continuity).

Funding Impact Statement: Water supplies

For the year ended 30 June 2022

	2020/2021 Three-Year Plan \$000	2021/2022 Long-Term Plan \$000	2021/2022 Actual \$000
Sources of operating funding			
General rates, UAGCs, rates penalties	-	-	-
Targeted rates	1,600	1,522	1,522
Subsidies & grants for operating purposes	-	233	-
Fees and charges	3	7	62
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	-	-	-
Total operating funding (A)	1,603	1,763	1,584
Applications of operating funding			
Payments to staff and suppliers	751	1,027	672
Finance costs	65	-	-
Internal charges and overheads applied	271	408	410
Other operating funding applications	-	-	-
Total applications of operating funding (B)	1,087	1,435	1,082
Surplus/(deficit) of operating funding (A-B)	516	328	502
Sources of capital funding			
Subsidies & grants for capital expenditure	-	820	564
Development and financial contributions	24	30	30
Increase/(decrease) in debt	1	(2)	(17)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	25	848	577
Application of capital funding			
Capital expenditure			
- To meet additional demand	-	-	-
- To improve the level of service	157	840	750
- To replace existing assets	434	503	211
Increase/(decrease) in reserves	(50)	(167)	119
Increase/(decrease) in investments	-	-	-
Total applications of capital funding (D)	541	1,176	1,082
Surplus/(deficit) of capital funding (C-D)	(516)	(328)	(503)
Funding balance ((A-B) + (C-D))	-	-	-
Reconciliation			
Total application of operating funding (B)			1,082
Plus depreciation			524
Expenditure as per Note 1			1,606

Wastewater

Our Goal: to provide a reticulated sewerage network and treatment facilities which meet environmental standards.

What we do

There is one reticulated network and one wastewater treatment facility in Kaikōura which provide wastewater services for:

- Kaikōura Urban
- Ocean Ridge
- South Bay

The wastewater (sewer) network comprises of 63km of reticulation and 10 major pump stations. The system can cope with a peak demand of 10,000 people, so has ample capacity to serve our community for the foreseeable future.

Key issues in 2021/2022

The three waters reform continues to be a key issue that the Council has been working through over the last year. The proposed reform will change the way that three waters services are delivered in the future.

As part of the three waters reforms, the Council was allocated \$1.88 million dollars for three waters improvements. For wastewater, this enabled the de-sludging of the oxidation ponds at the wastewater treatment plant, and other treatment improvements.

What we did

Wastewater pond desludging was completed. Sewer odour mitigation work was completed for all known points of concern.

Several other smaller projects were undertaken which utilised the money received as part of the three water reforms.

What we planned to do but didn't

We had planned to complete \$150k worth of renewal work, however due to the need to utilise the governments COVID-19 three-waters stimulus funding, work was prioritised to complete upgrades and improvements per the funding agreement.

Community outcomes supported



Development

We promote and support the development of our economy



Environment

We value and protect our environment



Services

Our services and infrastructure are cost effective, efficient, and fit for purpose

Effects on community wellbeing

	Positive effects	Negative effects
Social	Safe and sanitary treatment and disposal of effluent is essential for the health and safety of the whole community	Odour continues to be an issue in some areas
Cultural	These systems ensure that offensive matter is treated and disposed of	No identified effects
Economic	Sanitary effluent disposal is essential for the commercial sector to function	No identified effects
Environmental	An efficient treatment and disposal system ensures that what is returned to the environment is not harmful	Sewer overflows damage the environment, and must be attended to urgently

Major projects

Project	Planned \$000	Spent \$000	Comment
Upgrades to improve level of service:			
Treatment pond desludging	239	280	These upgrades were funded by the Government's stimulus package, to improve the treatment of sewage.
Mobile generators	40	44	
Screen replacement	12	10	
Infiltration control	-	87	
Odour control	11	3	
	302	424	
Renewal/replacement of existing assets:			
Structure renewals	20	1	These are earthquake-related renewals to replace damaged assets.
Pipe network renewals	-	13	
	20	14	
Total capital projects	322	438	

Performance indicators

	2020/2021 Actual	2021/2022 Target	2021/2022 Actual	Achieved?
The number of dry weather sewage overflows, expressed per 1,000 sewer connections	0	0	0.0008	Yes
Resource consents compliance (discharge from the sewerage system, measured by the number of actions taken against the Council in relation to those consents)				
- The number of abatement notices	0	0	1 ⁸	No
- The number of infringement notices	0	0	0	Yes
- The number of enforcement orders	0	0	0	Yes
- The number of convictions	0	0	0	Yes

⁸ The Council received an abatement notice from Environment Canterbury on 5 April 2022 for unconsented discharges at the Kaikōura wastewater treatment plant. The main action to address the abatement notice was the desludging of the oxidation pond, which was already under way when the notice was issued. Other actions included landfill leachate flow metering and checking calibration of the oxidation pond outlet flow meter.

Fault response times				
Where the local authority attends to sewerage overflows resulting from a blockage or other fault in the sewerage system, the following median response times measured:				
Attendance time: from the time the local authority receives notification to the time that service personnel reach the site	No Overflows	< 1 hour	Not available	Not available
Resolution time: from the time the local authority receives notification to the time that service personnel confirm resolution of the blockage or other fault	No Overflows	< 24 hours	Not available	Not available
The percentage of urgent callouts, being service failure, supply fault or overflow, responded to within one hour from the time of notification to the time that service personnel depart to the site.	Not available	90%	Not available	Not available
The percentage of non-urgent callouts, being minor breaks and equipment maintenance, responded to within 48 hours from the time of notification to the time that service personnel attend site	Not available	80%	Not available	Not available
Complaints and requests for service				
The number of complaints received about sewage odour , expressed per 1,000 connections ⁹	5.33 Incomplete	Less than 21 complaints about these issues in total (per 1,000 connections)	0.63 Incomplete	Yes The total is 16.42 (per 1,000 connections)
The number of complaints received about sewage system faults , expressed per 1,000 connections	4.52 Incomplete		11.67 Incomplete	
The number of complaints received about sewage system blockages , per 1,000 connections	0.65 Incomplete		4.42 Incomplete	
The number of complaints received about the Councils (or the Councils service providers) response to the above issues , per 1,000 connections	0 Incomplete		0 Incomplete	

In the above tables of performance indicators, incomplete and not available are defined as follows:

Incomplete – Customer service request results reported are based on data derived from the service request system. However not all service requests were recorded in the system for the financial year, and therefore the results are incomplete. We have shown the number of complaints based on those that have been recorded in our systems.

Not available (Only on CSR measures) – Call out response times have not been recorded or not accurately captured in the service request system for the financial year, and therefore results are not available. For the number of sewer overflows, there were no sewer overflows during the year so there were no records available to evidence any response times.

⁹ There are 1,583 connections to the Kaikoura sewerage system, and 26 complaints/requests for service were received during the 2022 financial year (2021: 18).

Funding Impact Statement: Wastewater

For the year ended 30 June 2022

	2020/2021 Three-Year Plan \$000	2021/2022 Long-Term Plan \$000	2021/2022 Actual \$000
Sources of operating funding			
General rates, UAGCs, rates penalties	-	8	8
Targeted rates	703	592	569
Subsidies & grants for operating purposes	13	51	9
Fees and charges	17	20	26
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	-	-	-
Total operating funding (A)	733	671	612
Applications of operating funding			
Payments to staff and suppliers	440	445	430
Finance costs	52	-	-
Internal charges and overheads applied	137	252	246
Other operating funding applications	-	-	-
Total applications of operating funding (B)	629	697	676
Surplus/(deficit) of operating funding (A-B)	104	(26)	(64)
Sources of capital funding			
Subsidies & grants for capital expenditure	-	-	-
Development and financial contributions	26	46	46
Increase/(decrease) in debt	(84)	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(58)	46	46
Application of capital funding			
Capital expenditure			
- To meet additional demand	-	-	-
- To improve the level of service	-	302	133
- To replace existing assets	20	20	295
Increase/(decrease) in reserves	26	(302)	(446)
Increase/(decrease) in investments	-	-	-
Total applications of capital funding (D)	46	20	(18)
Surplus/(deficit) of capital funding (C-D)	(104)	26	64
Funding balance ((A-B) + (C-D))	-	-	-
Reconciliation			
Total application of operating funding (B)			676
Plus depreciation			462
Less Impairment			-
Expenditure as per Note 1			1,138

Stormwater

Our Goal: to provide a reticulated urban stormwater network to prevent surface flooding causing harm to residents and their property.

What we do

The stormwater system predominantly protects the Kaikōura Township, including South Bay and Ocean Ridge, and comprises of approximately 17km of reticulation system that discharges to land, sea, and other water courses.

The system comprises several small piped and open drain networks most of which discharge to sea or to Lyell Creek. The system includes that provided by kerb and channel on the roads, swales such as those found in the Seaview and Ocean Ridge subdivisions, and large drains such as Phairs Drain and Sullivans Gully.

Key issues in 2021/2022

Preparation for the three waters reform continues to be a key issue that Council has been working through over the last year. The stormwater network bore little earthquake damage and continues to function well.

What we did

There were no specific capital upgrade projects planned and no urgent work undertaken to the stormwater network.

What we planned to do but didn't

The purchase and installation of debris nets at stormwater outfalls was carried over into the 2021/22 financial year.

Community outcomes supported



Development

We promote and support the development of our economy



Environment

We value and protect our environment



Services

Our services and infrastructure are cost effective, efficient, and fit for purpose

Effects on community wellbeing

	Positive effects	Negative effects
Social	Protection from flooding also protects property and people	No identified effects
Cultural	No identified effects	No identified effects
Economic	Protection from flooding ensures that economic activity such as delivery of goods and services is unaffected by weather events	No identified effects
Environmental	Stormwater protects individual property as well as harbour, waterways, and the surrounding environment	No identified effects

Major projects

Project	Planned \$000	Spent \$	Comment
Upgrades to improve level of service:			
Stormwater upgrades	-	-	
Renewal/replacement of existing assets:			
Pipe & network renewals	9	-	
	9	-	

Performance indicators

	2020/2021 Actual	2021/2022 Target	2021/2022 Actual	Achieved?
The number of flooding events, where water enters habitable properties	0	0	0	Yes
For each flooding event, the number of habitable floors affected, expressed per 1,000 properties connected to the stormwater system	0	< 3	0	Yes
The percentage of major flood protection and control work that is maintained, repaired, and renewed to the key standards defined in the Council's relevant planning documents	Not applicable – see the definition of major flood protection below ¹⁰			
	2020/2021 Actual	2021/2022 Target	2021/2022 Actual	Achieved?
Compliance with the Council's resource consents for discharge from the stormwater system, measured by the number of actions taken against the Council in relation to those consents, namely,				
- The number of abatement notices	0	0	0	Yes
- The number of infringement notices	0	0	0	Yes
- The number of enforcement orders	0	0	0	Yes
- The number of convictions	0	0	0	Yes

¹⁰ **Major flood protection and control works**, for the purposes of the performance measure mandated by the Non-Financial Performance Measures Rules (2013), means works that meet two or more of the following criteria:

- (a) Operating expenditure of more than \$250,000 in any one year
- (b) Capital expenditure of more than \$1 million in any one year
- (c) Scheme and asset replacement value of more than \$10 million, or
- (d) Directly benefitting a population of at least 5,000 people

The Council's budgets, asset values, and population are such that we are highly unlikely to ever meet the threshold for major flood protection and control works to be reported against.

	2020/2021 Actual	2021/2022 Target	2021/2022 Actual	Achieved?
Fault response times				
The median response time to attend a flooding event, from the time of notification to the time that service personnel reach the site	No flooding events	< 1 hour	No flooding events	Not applicable
Complaints and requests for service				
The number of complaints received about the performance of the stormwater system, expressed per 1,000 connections ¹¹	0.54 Incomplete	< 3	4.91 Incomplete	No

In the above tables of performance indicators, not applicable is defined as follows:

Incomplete – Customer service request results reported are based on data derived from the service request system. However not all service requests were recorded in the system for the financial year, and therefore the results are incomplete. We have shown the number of complaints based on those that have been recorded in our systems.

Not applicable – There were no flooding events or urgent callouts from which to measure response times.

¹¹ There are 1,833 properties connected to the Kaikoura stormwater system, and there were 9 complaints received about the performance of the stormwater system (2021: 1).

Funding Impact Statement: Stormwater

For the year ended 30 June 2022

	2020/2021 Three-Year Plan \$000	2021/2022 Long-Term Plan \$000	2021/2022 Actual \$000
Sources of operating funding			
General rates, UAGCs, rates penalties	-	-	-
Targeted rates	117	115	115
Subsidies & grants for operating purposes	-	-	-
Fees and charges	3	1	2
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	-	-	-
Total operating funding (A)	120	116	117
Applications of operating funding			
Payments to staff and suppliers	59	34	47
Finance costs	6	-	-
Internal charges and overheads applied	42	82	82
Other operating funding applications	-	-	-
Total applications of operating funding (B)	107	116	129
Surplus/(deficit) of operating funding (A-B)	13	-	(12)
Sources of capital funding			
Subsidies & grants for capital expenditure	-	-	-
Development and financial contributions	10	-	-
Increase/(decrease) in debt	(2)	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	8	-	-
Application of capital funding			
Capital expenditure			
- To meet additional demand	-	-	-
- To improve the level of service	-	-	-
- To replace existing assets	11	9	-
Increase/(decrease) in reserves	10	(9)	(12)
Increase/(decrease) in investments	-	-	-
Total applications of capital funding (D)	21	-	(12)
Surplus/(deficit) of capital funding (C-D)	(13)	-	12
Funding balance ((A-B) + (C-D))	-	-	-
Reconciliation			
Total application of operating funding (B)			129
Plus depreciation			83
Expenditure as per Note 1			213

Refuse & Recycling

Our Goal: our community has effective, efficient, and affordable means of managing solid waste.

What we do

The Council provides essential services to ensure that residents and ratepayers have means to dispose of waste materials in a way that is not harmful to health and wellbeing. These services include operation of a landfill, composting and re-use facilities in Kaikōura, provision of recycling services in the Kaikōura urban area and at some rural centres, and provision of public rubbish bins for street litter.

Key issues in 2021/2022

The key issues for the year were a need to progress towards the closure of the Kaikōura landfill and implementation of a revised package of solid waste services under a new contract with Innovative Waste Kaikōura (IWK).

This package of services has included alternating bi-weekly kerbside collections of refuse and recycling in the Kaikōura Urban area, reflecting a previously expressed desire of residents for such a kerbside refuse service.

It has however been somewhat disappointing that the new user-pays kerbside refuse service has not been well utilised, and the level of use of the kerbside food waste collection is also very low.

Challenges also exist in respect of recycling, with viable markets not consistently available for recycled paper and several types of plastic.

Solid waste services were also subject to a range of increased financial pressures during the year, associated with both a general inflationary environment and a very pronounced increase in the price of carbon credits, which need to be purchased and then surrendered under the Emissions Trading Scheme, based on the volume by weight of material sent to landfill.

Whilst most of these increased costs have not immediately impacted on users of the services, it is inevitable that these impacts will eventually be felt.

What we did

In addition to the implementation of the new package of solid waste services, work was undertaken to identify the best alternative means of refuse disposal

to employ following the ending of refuse disposal at the Kaikōura landfill, which was targeted for the end of June 2022.

Options for out-of-district refuse disposal were investigated through engagement with operators of nearby landfills and an open tender process for the transport of refuse to those landfills, with the option being selected that offered lowest overall refuse disposal and transport costs.

The selected option (haulage by container to the Kate Valley landfill at Waipara) offered by far the lowest overall long-term cost but required the construction of a transfer station incorporating a hydraulic compacter unit.

Design and construction of the reconfigured facility commenced during the year but has not been completed – see below.

An interim arrangement has however been put in place for refuse to be transported to the Kate Valley landfill in open trucks until the transfer station and compactor are fully operational.

What we planned to do but didn't

It was intended that the resource recovery centre would be fully reconfigured, incorporating the transfer station, by the end of the 2021/22 year, but the design of new facility proved to be very challenging because of the physical characteristics of the site and this target was not achieved, with the end of the 2022 calendar year now appearing a more realistic date for completion of the transfer station.

Effects on community wellbeing

	Positive effects	Negative effects
Social	Provision of readily accessible refuse and recycling services reduces potential for private accumulations of refuse that may create health, vermin, or other nuisance issues.	Provision of readily available refuse disposal services may reduce incentives to minimise waste generation.
Cultural	Services and facilities are available which provide for the disposal of offensive matter.	Landfills generate odours and can be visually unappealing.
Economic	Provision of cost-effective waste disposal services contributes to community economic wellbeing	Reducing the cost (or subsidy) of residual waste disposal services may not discourage waste generation.
Environmental	Providing community waste disposal services reduces potential for environmentally harmful activities such as littering, fly tipping or other inappropriate disposal practices.	As it approaches full capacity the Kaikōura landfill has had an increasingly negative visual impact on nearby properties.

Major projects

Project	Planned \$000	Spent \$000	Comment
Upgrade to meet growth demands			
Improvements	-	-	
Upgrade to improve level of service:			
Transfer station site reconfiguration	800	198	This project has carried over to the 2022/2023 year due to issues with land stabilisation at the site. The overall budget is not expected to be impacted by this, as significant savings have been made by doing the design work inhouse.
	800	198	

Community outcomes supported

**Community**

We communicate, engage with, and inform our community

**Environment**

We value and protect our environment

**Services**

Our services and infrastructure are cost effective, efficient, and fit for purpose

Performance indicators

	2020/2021 Actual	2021/2022 Target	2021/2022 Actual	Achieved?
Community behaviours				
The number of incidents per year of street litter bins being used for grossly inappropriate purposes such as deposit of household refuse	New measure	< 75	52	Yes
The percentage of materials by weight deposited to recycling, recovery or re-use services that are contaminated to the extent that they must be treated as refuse.	New measure	No more than 5%	6%	No
The total quantity of waste disposed of to landfill from Kaikōura on a district per capita basis	471 kg	No more than 380kg	327kg	Yes
Compliance with the Council's resource consents for discharge from the sewerage system				
The level of compliance achieved for the resource consent conditions set by Environment Canterbury for the operation of the Kaikōura landfill	New measure	Compliant ¹²	Compliant	Yes
The number of complaints received regarding environmental effects associated with the landfill and resource recovery centre.	New measure	No more than 5	0 Incomplete	Incomplete
Cost effectiveness				
The percentage of total Council costs for refuse collection and disposal activities (excluding street litter bins and clean-up of illegal dumping) that is recovered on a user pays basis.	New measure	80%	> 100%	Yes
The estimated annualised average net cost per tonne of all materials delivered to beneficial markets through recycling or resource recovery services, less the current per tonne charge for disposal of general refuse inclusive of landfill levy and carbon credit charges.	New measure	< \$100	\$25.96	Yes

Incomplete – Customer service request results reported are based on data derived from the service request system. However not all service requests were recorded in the system for the financial year, and therefore the results are incomplete. We have shown the number of complaints based on those that have been recorded in our systems.

¹² The target is for the Council's consents to be assessed as "compliant" using Environment Canterbury's consent grading scale. "Compliant" is the highest grade in that scale.

Funding Impact Statement: Refuse & Recycling

For the year ended 30 June 2022

	2020/2021 Three-Year Plan \$000	2021/2022 Long-Term Plan \$000	2021/2022 Actual \$000
Sources of operating funding			
General rates, UAGCs, rates penalties	362	326	306
Targeted rates	251	248	237
Subsidies & grants for operating purposes	-	-	-
Fees and charges	-	80	28
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	14	20	22
Total operating funding (A)	628	674	593
Applications of operating funding			
Payments to staff and suppliers	390	422	381
Finance costs	24	6	4
Internal charges and overheads applied	189	187	197
Other operating funding applications	-	-	-
Total applications of operating funding (B)	603	615	582
Surplus/(deficit) of operating funding (A-B)	24	59	11
Sources of capital funding			
Subsidies & grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	242	719	284
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	242	719	284
Application of capital funding			
Capital expenditure			
- To meet additional demand	-	-	-
- To improve the level of service	-	800	-
- To replace existing assets	266	-	198
Increase/(decrease) in reserves	-	(22)	97
Increase/(decrease) in investments	-	-	-
Total applications of capital funding (D)	266	778	295
Surplus/(deficit) of capital funding (C-D)	(24)	(59)	(11)
Funding balance ((A-B) + (C-D))	-	-	-
Reconciliation			
Total application of operating funding (B)			582
Plus depreciation			117
Expenditure as per Note 1			699

Facilities

Our Goal: to provide fit for purpose facilities which meet a broad range of community social and recreational needs, and which are not provided by central government and cannot be readily provided by the private sector.

What we do

This group of activities includes:

- Parks & reserves
- Property
- Harbour
- Airport

We aim to provide facilities that are safe, welcoming, and attractive, accessible, culturally appropriate, and affordable on an ongoing basis.

Key issues in 2021/2022

- Several projects have been completed including the Scout Hall and demolition of the old Council Building on the Esplanade
- The Council received funding to develop and build a Link Pathway from the Town Centre to Point Keen (Seal Colony).
- The Council remains in negotiations with the key harbour operators over the facilities at South Bay.

- Wakatu Quay development is continuing with discussions taking place with anchor tenants.

What we did

Renovation and strengthening work at the Scout Hall, which commenced in 2020/2021 with funding from the DIA’s earthquake recovery fund and the PGF, was completed early in the 2021/2022. The Hall is already being used by community groups for fun events, such as the ice-skating tour in August 2021.

The Link Pathway planning and design phases are underway with site preparation work expected to start over the summer of 2022/2023.

We continue to refurbish housing for the elderly, and have installed double-glazed windows in two of the older units this year.

The COVID-19 pandemic continues to impact visitor numbers and therefore the operators, at the airport and harbour.

Effects on community wellbeing

	Positive effects	Negative effects
Social	Our public halls, sports fields, parks, and reserves create provide social hubs for people to congregate	No identified effects
Cultural	Wherever possible, cultural aspects are incorporated into how our facilities are designed, maintained, and enjoyed.	No identified effects
Economic	Commercial users rely heavily on the harbour and airport facilities. The Wakatu Quay precinct will also provide new facilities from which commercial businesses could operate.	Public facilities can be costly to operate and require ratepayer funding.
Environmental	Parks and open spaces make our district even more attractive, and public toilets protect areas from human waste	No identified effects

Community outcomes supported



Development

We promote and support the development of our economy



Future

We work with our community and our partners to create a better place for future generations



Services

Our services and infrastructure are cost effective, efficient, and fit for purpose

Parks & reserves

What we do

The Council owns and maintains many community spaces throughout the district, such as:

- Cemetery
- Churchill Park
- Memorial Gardens
- Playgrounds
- Public toilets
- South Bay Racecourse
- South Bay Domain
- Takahanga Domain
- Walking tracks and numerous recreational and other reserves.

Key issues in 2021/2022

New funding for a Link Pathway has focussed the team on obtaining consents and preparing designs for this exciting project. The project has, however, been delayed pending feedback from the Rūnanga and in obtaining archaeological assessments over areas that may have contained cultural artefacts. The areas have been found to be clear of any such items.

What we did

New rubbish and recycling stations have been installed, funded from the Tourism Infrastructure Fund (TIF), and trees have been removed from Tom's Track.

Major projects

Project	Planned \$000	Spent \$000	Comment
Upgrade to meet increased demand:			
Link Pathway	1,000	16	Archaeological assessments for consents
Cemetery expansion	-	4	New octagonal sites
	1,000	20	
Upgrade to improve level of service:			
Town centre amphitheatre	50	-	
Rubbish & recycling stations	-	35	Externally funded from TIF for responsible camping
	50	35	
Renewal/replacement of existing assets:			
Playground renewals	5	-	
Walkways & cycle trails	10	16	Tree removal on Tom's Track and track renewal
	15	16	
Total capital projects	1,065	71	

Performance indicators

	2020/2021 Actual	2021/2022 Target	2021/2022 Actual	Achieved?
Resident satisfaction with the cemetery, public toilets, and playgrounds (combined)	New measure	75%	82%	Yes

Property

What we do

Properties include the Memorial Hall and Scout Hall, the OpShop, housing for the elderly on Torquay St, the Civic Centre, and the soon-to-be-developed Wakatu Quay precinct.

Key issues in 2021/2022

A project team and governance arrangements are in place for Wakatu Quay, and a potential co-investor, Coopers Ltd, have been working with the KMDP team to determine the ownership and cost versus risk structures going forward.

These negotiations are key to the project and so the time spent getting this right is essential. It has, however, taken longer than originally forecast and the construction itself will likely continue into 2024.

What we did

The Scout Hall refurbishment was completed, thanks to funding from DIA Lotteries and the PGF. The MBIE temporary housing units behind Beach Rd have been vested in Council ownership and are being used to alleviate the housing shortage.

Wakatu Quay concept designs have been developed and the consent application is now underway.

Major projects

Project	Planned \$000	Spent \$000	Comment
Upgrade to meet increased demand:			
Wakatu Quay PGF project	2,864	518	Delays seeking expressions of interest and working through due diligence with potential co-investor.
Vested asset: MBIE housing units	-	490	
	2,864	1,008	
Upgrade to improve level of service:			
Scout Hall refurbishment	344	359	Externally funded
Dog Pound improvements	15	-	Carried over to 2022/2023
	359	359	
Renewal/replacement of existing assets:			
Housing for the elderly	32	19	New windows and flooring for two units
	32	19	
Total capital projects	3,255	1,386	

Performance indicators

	2020/2021 Actual	2021/2022 Target	2021/2022 Actual	Achieved?
The percentage of public buildings with a current Building Warrant of Fitness (BWOFF)	New measure	100%	100%	Yes
The number of Memorial Hall bookings (excluding Council use) per annum	New measure	40	67	Yes

Airport

What we do

The Council owns the Kaikōura Airport situated 8km south of the township, at Peketa. The facilities include a modern terminal building, two hangars (one owned by the Kaikōura Aero Club), refuelling facilities and helipad. The sealed runway is 700 metres long and therefore only suitable for aircraft such as Cessna Caravans or similar. The grassed runway is 615 metres long and is used mainly by student pilots for training.

Key issues in 2021/2022

COVID-19 travel restrictions and lack of international visitors continued to affect the operators and in turn the Council's revenue from landing fees. We developed an Aerodrome Operations Manual to cover standard operations and expectations for all users.

What we did

Six monthly users group meetings continue with the Operations Manual signed off by the user group and the Civil Aviation Authority (CAA).

Major projects

Project	Planned \$000	Spent \$000	Comment
Upgrade to improve level of service:			
Airport water supply	-	3	New pump shed
	-	3	
Renewal/replacement of existing assets			
Airport terminal	4	9	Roof cladding replaced
Airport safety work	10	-	Achieved through maintenance and minor items
	14	9	
Total capital projects	14	12	

Performance indicators

	2020/2021 Actual	2021/2022 Target	2021/2022 Actual	Achieved?
The number of Civil Aviation Authority Surveillance Findings ¹³	New measure	0	0	Yes

¹³ A *Surveillance Finding* is a formal identification and documentation by the Civil Aviation Authority of a material aviation risk that has not been properly managed.

Harbour

What we do

We manage and maintain the public slipway and jetty at South Bay, as well as the areas used by commercial operators (fishers and tourism operators) such as the boat park. We also manage and maintain the North Wharf at Wakatu Quay, and the Old Wharf located by Fyffe House.

Key issues in 2021/2022

There have been issues with the launching ramp being very slippery at low tide.

What we did

The slipway at South Bay was ground out to give better grip and is currently being water blasted each month in order to help alleviate issues with algae making the surface very slippery. The pay & display machine was refurbished as it kept malfunctioning.

Major projects

Project	Planned \$000	Spent \$000	Comment
Renewal/replacement of existing assets			
Renewal work	64	15	Sealing the slipway and major repair of pay & display machine.
	-	-	
	64	15	

Performance indicators

	2020/2021 Actual	2021/2022 Target	2021/2022 Actual	Achieved?
The number of complaints received about the condition of harbour facilities (slipway, wharves, washdown areas, etc)	New measure	3 or less	4 ¹⁴	No

Forestry

What we do

We own 11.5% of the Marlborough Regional Forestry joint venture (MRF), and we also own a small plantation at South Bay opposite Ocean Ridge.

What we did

MRF has entered a six-year phase of no logging due to there being no forests at maturity.

Key issues in 2021/2022

Neither the MRF nor the South Bay Forest were actively logging during the financial year.

¹⁴ Four complaints were received about the condition of the slipway at South Bay (2021: 1), and two complaints were received about the pay and display machine not working for people parking their vehicles and boat trailers at the car park (2021: Nil).

Funding Impact Statement: Facilities

For the year ended 30 June 2022

	2020/2021 Three-Year Plan \$000	2021/2022 Long-Term Plan \$000	2021/2022 Actual \$000
Sources of operating funding			
General rates, UAGCs, rates penalties	490	684	642
Targeted rates	421	661	649
Subsidies & grants for operating purposes	-	787	1,164
Fees and charges	1,286	607	591
Internal charges and overheads recovered	-	127	-
Fuel tax, fines, infringement fees & other	122	-	259
Total operating funding (A)	2,319	2,864	3,306
Applications of operating funding			
Payments to staff and suppliers	1,153	2,853	2,408
Finance costs	282	67	50
Internal charges and overheads applied	662	626	493
Other operating funding applications	-	-	-
Total applications of operating funding (B)	2,097	3,547	2,951
Surplus/(deficit) of operating funding (A-B)	222	(683)	355
Sources of capital funding			
Subsidies & grants for capital expenditure	-	2,404	686
Development and financial contributions	8	29	58
Increase/(decrease) in debt	380	(142)	(395)
Gross proceeds from sale of assets	-	250	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	388	2,541	349
Application of capital funding			
Capital expenditure			
- To meet additional demand	421	3,864	538
- To improve the level of service	-	394	48
- To replace existing assets	581	140	836
Increase/(decrease) in reserves	(392)	(2,540)	(718)
Increase/(decrease) in investments	-	-	-
Total applications of capital funding (D)	610	1,858	704
Surplus/(deficit) of capital funding (C-D)	(222)	683	(355)
Funding balance ((A-B) + (C-D))	-	-	-
Reconciliation			
Total application of operating funding (B)			2,951
Plus depreciation			763
Less Impairment/Asset Disposal			299
Expenditure as per Note 1			4,013

Leadership & governance

Our Goal: we provide leadership to the community and have in place a system of representation which is open and transparent. We engage with, and inform our community, and give opportunities for participation in the democratic process and decision making. We provide accountable stewardship of the Council’s assets and resources.

What we do

This group of activities includes the Mayor and Councillors, the Chief Executive, support services such as asset management, finance and IT, and communications.

The Kaikōura District is governed by the Council consisting of one Mayor and seven councillors, each elected at large (there are no wards with separate representation). The Council aims to provide an effective and fit for purpose system of governance and democratic local decision making that facilitates the involvement of the community, residents and ratepayers and mana whenua.

Within this activity is the Chief Executive, whose role as the employer is to provide a workplace that meets health and safety obligations, legal responsibilities, and manages risk.

The activities of Finance, Information Technology, GIS/Mapping, Works & Services, Human Resources and Vehicles are included here. Each are core centralised functions that touch every activity of Council.

Communications are a vital activity to enable our residents to be informed, to be heard, and to be involved in decision making.

The Council aims to have effective and fit for purpose services, processes and systems that prioritise affordability and sustainability.

Key issues in 2021/2022

The resident satisfaction survey once again showed considerable improvements in satisfaction with the Council and our services.

The Council has faced another challenging year, with a bow-wave of government reforms looming and staff having to respond to huge volumes of requests for information from the government as they progress their reform agenda – particularly in relation to the three-waters.

COVID-19 affected our staff with higher-than-normal sick leave taken during the year, impacting on our ability to seamlessly deliver services.

The Council is also experiencing staff shortages and difficulties recruiting new staff, a problem that is widely acknowledged across New Zealand.

What we did

We have focussed on delivering on the LTP projects and priorities, and on getting the job done in these challenging times.

We have also engaged with key stakeholders to apply for external funding to support the community’s needs, and as a result have secured over \$11.4 million worth of urban growth development funds to extend Ludstone Road through Green Lane and enable new residential sections, including housing for retirees and affordable homes.

Community outcomes



Community

We communicate, engage with, and inform our community



Services

Our services and infrastructure are cost effective, efficient, and fit for purpose

Effects on community wellbeing

	Positive effects	Negative effects
Social	Every decision the Council makes influences the economic, environmental, social, and cultural wellbeing of our community. It is the Council's responsibility to ensure that this effect is a positive one.	No identified effects
Economic		No identified effects
Environmental		No identified effects
Cultural		No identified effects

Major projects

Project	Planned \$000	Spent \$000	Comment
Renewal/replacement of existing assets:			
Office furniture and equipment	15	1	Video conferencing equipment
Computers & IT equipment	46	31	Replacement server and laptops
Vehicles and plant	28	23	Purchased a Used flat-deck tipper
Total renewals/replacements	89	55	
Total major projects	89	55	

Performance indicators

	2020/2021 Actual	2021/2022 Target	2021/2022 Actual	Achieved?
The percentage of survey respondents who are satisfied with the Mayor, Councillors, and staff	62%	60%	71%	Yes
The percentage of survey respondents who are satisfied that the Council consults with residents on important issues	49%	50%	49%	No
Total Council operating budgets for payments to staff and suppliers are not exceeded (these payments exclude loan interest and depreciation)	New measure	100%	101.6%	Yes
The percentage (by cost) of the annual capital work programme that is delivered in the planned timeframe	New measure	Not less than 75%	50.9%	No
The number of Council Facebook followers	New measure	5,420	5,640	Yes
The number of emailed newsletters that are opened (aiming for at least 45% of the number of newsletters sent) ¹⁵	New measure	45%	47.8%	Yes
The percentage of survey respondents who are satisfied with the Council's communications	New measure	70%	81%	Yes

¹⁵ The target 1,080 emailed newsletters that are opened is a monthly amount rather than for the full year, so the actual has been calculated by taking the total annual number of e-newsletters opened and converting it to an average monthly amount.

Funding Impact Statement: Leadership & governance

For the year ended 30 June 2022

	2020/2021 Three-Year Plan \$000	2021/2022 Long-Term Plan \$000	2021/2022 Actual \$000
Sources of operating funding			
General rates, UAGCs, rates penalties	1,065	1,266	1,189
Targeted rates	-	-	-
Subsidies & grants for operating purposes	-	-	-
Fees and charges	35	36	48
Internal charges and overheads recovered	2,199	2,287	2,449
Fuel tax, fines, infringement fees & other	-	-	2
Total operating funding (A)	3,299	3,590	3,688
Applications of operating funding			
Payments to staff and suppliers	2,515	3,199	3,131
Finance costs	50	-	-
Internal charges and overheads applied	327	362	363
Other operating funding applications	-	-	-
Total applications of operating funding (B)	2,892	3,561	3,494
Surplus/(deficit) of operating funding (A-B)	407	29	194
Sources of capital funding			
Subsidies & grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	(306)	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(306)	-	-
Application of capital funding			
Capital expenditure			
- To meet additional demand	-	-	-
- To improve the level of service	42	-	31
- To replace existing assets	58	89	24
Increase/(decrease) in reserves	-	(60)	139
Increase/(decrease) in investments	-	-	-
Total applications of capital funding (D)	101	29	194
Surplus/(deficit) of capital funding (C-D)	(407)	(29)	(194)
Funding balance ((A-B) + (C-D))	-	-	-
Reconciliation			
Total application of operating funding (B)			3,494
Plus depreciation			100
Less Overhead recoveries			(2,449)
Expenditure as per Note 1			1,145

Building & regulatory

Our Goal: to protect public health and safety by ensuring compliance with legislation and local bylaws. We deliver assurance by ensuring the decisions made are fair, sound, and protect the Council and ratepayers.

What we do

This group of activities consists of:

- Building control
- Statutory planning
- Traffic & parking control
- Dog & stock control
- Food premises, liquor licensing & environmental health
- Other TA regulatory functions

Key issues in 2021/2022

Staffing shortages have heavily impacted our building, planning and regulatory teams, and these shortages are ongoing into 2022/2023. Despite these challenges, the Council team have again achieved accreditation as a Building Control Authority and have processed over 90% of building consents within statutory timeframes.

Regulatory Officers have been working hard with dog owners to ensure all dogs in the district are registered

and dog complaints are responded to promptly. Their roles include parking control, noise and litter control, and building warrant of fitness inspections.

Responsible (freedom) camping has not been a major issue over the 2021/2022 summer mainly due to COVID restrictions on visitor numbers.

Our food and liquor-licensing premises registrations and monitoring is undertaken by an independent contractor.

Community outcomes supported



Development

We promote and support the development of our economy



Services

Our services and infrastructure are cost effective, efficient, and fit for purpose

Effects on community wellbeing

	Positive effects	Negative effects
Social	Regulations exist to protect the health and safety of the whole community by ensuring compliance with legislation and that required standards are met	No identified effects
Economic	Efficient building consent processes enable development to proceed	Regulation can result in compliance costs and delays
Environmental	Enforcement of the Responsible Camping Bylaw helps to prevent bad behaviours	No identified effects

Building control

What we do

All new buildings within the district must comply with the Building Act 2004 and building codes and regulations, to provide the assurance that our homes and businesses are structurally sound, accessible, and weatherproof. The Building Consent Authority goes through a two-yearly accreditation process with MBIE and IANZ.

The accreditation audit was completed last year, with the final report confirming our accreditation received in 2022. Work to ensure compliance with our Kaikōura District Council Building Consent Authority Manual is an ongoing process to ensure that we can show what we are doing is in accordance with our manual.

Key issues in 2021/2022

The two Building Control Cadets that were employed in recent years and upskilled to provide building consent processing and inspection services both left during the year. Vacancies continue to be advertised for Building Control Officers; however these positions are being advertised widely across the whole of NZ with every local authority suffering shortages of skilled staff in this area.

Despite staffing shortages, the Building Control team were able to deliver their core functions, with the Building Control Manager rolling up his sleeves and completing inspections himself as well as engaging contractors in support, to ensure building inspections continued as seamlessly as possible.

What we did

We successfully achieved accreditation as a Building Control Authority (BCA).

We approved 166 building consent applications and issued 148 code compliance certificates which had a combined value of \$25.88 million. Alongside various new garages, sheds, fitouts and house extensions, 38 new houses were built, 36 fireplaces installed, 12 homes had earthquake damage remediated, and 5 commercial buildings were constructed and/or refurbished.

Performance indicators

	2020/2021 Actual	2021/2022 Target	2021/2022 Actual	Achieved?
The percentage of building consents processed within statutory timeframes	New measure	97%	93.2%	No
Accreditation status is confirmed in 2022 and every second year thereafter	N/A	Accreditation confirmed	Accreditation confirmed	Yes

Statutory Planning

What we do

The Council provides support to our community to implement policy direction. We process resource consents for subdivision and land use. The consent process aims to ensure that the developments are sustainable and effects on the environment are avoided, remedied, or mitigated.

We also give advice to potential investors in Kaikōura by way of pre-application meeting and through the provision of Land Information Memoranda.

Key issues in 2021/2022

The key issue was a lack of planning staff. Locally, the economy performed very well with considerable development pressure despite COVID-19. Late in the 2020/2021 financial year Council had a planner move to another Council which placed pressure on our small planning team. Nationally the Randerson report on New Directions for Resource Management in New Zealand, was released and Resource Management Act reforms began. The review of the resource management system has resulted in a national shortage of planners. To attempt to meet statutory timeframes several planning consultants were used to process resource consents. Fortunately for our District a suitable planner was employed after a 12-month gap without this position filled.

What we did

We processed resource consents, project information memorandums, land information memorandums and provided information on the district plan. We kept Te Rūnanga O Kaikōura informed of the resource consent applications we have received.

We received and processed several notified resource consents some of which required hearings. These included subdivisions for small allotments within the rural zone, applications for increased residential density in both the residential and business zones, consent for a café, bar and accommodation in South Bay and a proposal for a 18m light house proposed for visitor accommodation in Wakatu Quay. We received no objections or appeals in relation to any of the resource consents issued.

We also worked with Environment Canterbury to appoint a shared resource to assist with resource management complaints and monitoring of resource consents.

LIM applications were significantly up on previous years, indicating a buoyant real estate market.

What we planned to do but didn't

We aimed to process all resource consents within statutory timeframes. Resource consents can be complex as the decision made will impact on individual's property rights and the environment. Although we intended to process all consents within statutory timeframes, and used external consultants to assist, of the 51 consents processed, 14 did not meet these timeframes.

Performance indicators

	2020/2021 Actual	2021/2022 Target	2021/2022 Actual	Achieved?
The percentage of resource consents processed within statutory timeframes	New measure	97%	79%	No

Traffic & parking control

What we do

Our Regulatory Enforcement Officers conduct various regulatory roles, with traffic warden duties as part of their role, to minimise irresponsible parking practices, particularly in the West End. Their duties help to ensure people are parking with consideration for others, and enforce the use of parking on disabled spaces, time-limited parking areas, loading zones, etc.

Key issues in 2021/2022

The pay and display machine in the West End carpark malfunctioned several times, and so has been reconditioned. In acknowledgement of the impacts of COVID on businesses in the West End, the parking warden has taken a lighter approach to the car park time limits.

What we did

We issued 14 parking infringements, 2 for parking in excess of a time limit, 4 for failing to pay for parking, and 8 for parking on a footpath.

Performance indicators

	2020/2021 Actual	2021/2022 Target	2021/2022 Actual	Achieved?
The number of infringements issued for inappropriate or illegal parking.	New measure	< 140	14	Yes

Dog & stock control

What we do

There are currently 1,180 known dogs in the district. As per previous years our Regulatory Enforcement Officers are on call 24 hours a day, 7 days a week, also educating dog owners and following up unregistered dogs.

Key issues in 2021/2022

The concrete pad was laid for the new dog pound, with the construction of the dog motels completed around the end of August 2022.

What we did

There were 69 complaints about dogs, including 13 for barking, 23 for dogs wandering, and 6 for dog attacks on people plus a further 6 dog attacks on animals.

We responded to 6 callouts about stock wandering and 1 of a dog worrying stock. We also received 5 calls raising concerns about animal welfare, two of which were referred to MPI and one to the police.

Several dog owners registered their dogs after the statutory due date despite our reminders, and have incurred late payment penalties per the Dog Control Act as a result.

Performance indicators

	2020/2021 Actual	2021/2022 Target	2021/2022 Actual	Achieved?
The percentage of dog or stock complaints that are responded to within timeframe: Urgent ¹⁶ – 1 hour Serious nuisance – 6 hours General nuisance – 1 day All other issues – 5 days	New measure	80%	100%	Yes
The percentage of dogs known to be living in the district that are registered	New measure	97%	99.4%	Yes

¹⁶ Urgent = dog attacks, Serious nuisance = dog rushing, dog worrying stock, dog or stock roaming, General nuisance = dog barking or animal welfare issues.

Food premises, liquor licensing & environmental health

What we do

The Council has a responsibility to administer and undertake its registration, verification, and enforcement functions pursuant to the Food Act 2014, Food Regulations 2015, and the respective Food Notices (Guidelines) issued by the Ministry for Primary Industries (MPI). The Council will continue to carry out its functions as a co-regulator with MPI. We will work closely with the food industry, as businesses change their way of operating post COVID-19 and to ensure that they are all registered and verified in accordance with the Act. This will be a positive and encouraging approach with a focus on compliance and ensuring that all foods sold are safe and suitable.

The Council ensures that the sale and supply of alcohol is managed responsibly with the purpose of minimising alcohol-related harm, and that licensed premises are top quality hosts. The Council recognises the requirements of the Sale and Supply of Alcohol Act 2012 to establish and maintain arrangements between the Licensing Inspector, Police and Medical Officer of Health to ensure the ongoing monitoring of licences and the enforcement of the Act, together

with the need to develop and implement strategies to reduce alcohol-related harm. The Council's Licensing Inspectors maintain advocacy in a tri-agency approach to ensure that the alcohol industry performs to the requirements of the Act.

Key issues in 2021/2022

All food premises and premises with a liquor license were inspected within their statutory timeframes, and most Kaikōura premise owners have a high standard of compliance with the Food Act 2014. The Council's contractor has been working with one food premise which has been refusing to comply with food safety requirements, and with one licensed premise in regard to their legal obligations surrounding the responsible sale of liquor.

What we did

Food verifications have been undertaken as per requirement of the Food Act, and general registered premises such as hairdressers and camping grounds continue to be registered and inspected.

Performance indicators

	2020/2021 Actual	2021/2022 Target	2021/2022 Actual	Achieved?
The percentage of food premises inspected within statutory timeframes	New measure	100%	100%	Yes
The percentage of licensed liquor premises that are inspected.	New measure	100%	100%	Yes

Other TA regulatory functions

What we do

Other TA functions includes noise control, litter, and illegal dumping control, responsible (freedom) camping, issuing building warrant of fitness to commercial premises, and monitoring of swimming pools.

Key issues in 2021/2022

We entered into a shared resource agreement with Environment Canterbury, to secure a compliance monitoring officer, which collectively with ECan has meant a fulltime role is based in the district to monitor consent compliance for both authorities.

We integrated the GoGet system (which enables all building consents to be applied for over the internet), with our Ozone system (which is our main enterprise management software).

What we did

No infringements were issued during the year.

Responsible Camping Ambassadors

While we had to surrender an unspent portion of the TIF funding for responsible camping, as the season was shorter than expected due to COVID restrictions, TIF have since confirmed further funding for the next financial year.

Building Warrant of Fitness (BWoF)

Our Regulatory Enforcement Officer processed 70 BWoF inspections. A Building Warrant of Fitness is a certificate that confirms the systems specified in the building’s compliance schedule (such as fire sprinklers, emergency lighting, elevators, etc), have been maintained and checked for the previous 12 months. These BWoFs are essential to ensure safety systems are in place for anyone using the premises.

Performance indicators

	2020/2021 Actual	2021/2022 Target	2021/2022 Actual	Achieved?
The percentage of commercial premises that have been inspected and/or audited for their BWoF as required	New measure	97%	100%	Yes
The number of complaints received about freedom campers behaving irresponsibly	New measure	< 50	10	Yes

Funding Impact Statement: Building & regulatory

For the year ended 30 June 2022

	2020/2021 Three-Year Plan \$000	2021/2022 Long-Term Plan \$000	2021/2022 Actual \$000
Sources of operating funding			
General rates, UAGCs, rates penalties	453	430	404
Targeted rates	106	67	66
Subsidies & grants for operating purposes	-	-	46
Fees and charges	400	749	764
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	37	20	3
Total operating funding (A)	995	1,267	1,284
Applications of operating funding			
Payments to staff and suppliers	724	1,063	1,059
Finance costs	-	-	-
Internal charges and overheads applied	271	311	319
Other operating funding applications	-	-	-
Total applications of operating funding (B)	995	1,374	1,378
Surplus/(deficit) of operating funding (A-B)	-	(107)	(94)
Sources of capital funding			
Subsidies & grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	-	-
Application of capital funding			
Capital expenditure			
- To meet additional demand	-	-	-
- To improve the level of service	-	-	-
- To replace existing assets	-	-	6
Increase/(decrease) in reserves	-	(107)	(100)
Increase/(decrease) in investments	-	-	-
Total applications of capital funding (D)	-	(107)	(94)
Surplus/(deficit) of capital funding (C-D)	-	107	94
Funding balance ((A-B) + (C-D))	-	-	-
Reconciliation			
Total application of operating funding (B)			1,378
Plus depreciation			-
Expenditure as per Note 1			1,378

Community services

Our Goal: we are committed to putting our community first and will consolidate processes where residents come together to take collective action generating solutions to common problems.

What we do

This group of activities consists of:

- Customer services
- Community development
- Civil defence emergency management
- Community grants, events & fundraising
- Youth development
- Kaikōura District Library

The community Services team planned to increase COVID-19 social recovery support within existing budgets, consolidating the process where the community comes together to take collective action and generates solutions to common problems. “This strengthens community resilience, safety and wellbeing, ensuring everyone in the community has their essential needs met and enhances quality of life for residents and visitors” (*Reimagine Kaikōura*).

Key issues in 2021/2022

COVID-19 continued to create significant disruptions to Youth Council, library, and front of house services.

Staff shortages across various areas further contributed to short-falls, and staff exhaustion continued to be a key issue in 2021/2022.

What we did

When the Council worked in teams at the beginning of 2022 to ensure service continuation, we combined front of house and library services and ran both services out of the library for six weeks. We utilised all existing staff in our team to continue Council services with one team working from home doing food deliveries (supporting Kaikōura Health) and the other team delivering Council services out of the library and answering council phones from home. This ensured both the Council and library stayed open the entire

time, when most other business in the district were closed, but it did take a toll and staff were exhausted.

The Community Services team moved seamlessly from welfare support during and after COVID-19 lockdown to business as usual, with robust systems in place to continue to support Kaikōura Health and the community.

The Emergency Management Officer provided comprehensive training to all staff and local first responders, including Kaikōura Health, which helped with collaboration during COVID-19.

We invested in a major technology upgrade in the District Library to enable more online services, including joining up to APNK (Aotearoa People’s Network Kaharoa – free internet services to communities) for the first time.

We continued the NZ Library Partnership Programme in collaboration with Te Hā o Mātauranga, delivering Whanau Education and Digital Inclusion outcomes, some based at the library and some at Te Hā. In addition, we employed a part-time Library assistant to help implement changes.

We delivered a successful Mayor’s Taskforce for Jobs employment and support programme in collaboration with Te Hā o Mātauranga.

We continued to deliver the Violence Free awareness raising contract supporting many projects in the community.

What we planned to do but didn’t

We planned to work in partnership with Te Rūnanga o Kaikōura on the Community Services Committee. COVID-19 continued to disrupt relationship building with many people and agencies who were at different stages of opening as we moved across Alert Levels.

Community outcomes supported



Community

We communicate, engage with, and inform our community



Future

We work with our community and our partners to create a better place for future generations

Effects on community wellbeing

	Positive effects	Negative effects
Social	Connecting social service providers during and post-COVID, supporting community events, delivering emergency management training, offering a friendly, professional customer service at reception and in the library, has promoted community wellbeing.	No identified effects
Economic	Community events in collaboration with the Kaikōura Health Wellbeing Coordinator and Mayor's Taskforce for Jobs Coordinator have supported local businesses by helping with employment and offering mental health support.	No identified effects
Environmental	Supporting Youth Council, we support the youth voice which endorses climate change initiatives, we supported the Dotterel Trust, and the Dark Sky initiative to work towards International Dark Sky accreditation.	No identified effects
Cultural	Community development has funded the Whānau Education Advocates through the New Zealand Library Partnership Programme. These advocates work closely with Māori whānau to protect and enhance cultural wellbeing and assist with whanau development.	No identified effects

Customer services

What we do

The Council's Front of House staff are the first point of contact for most people, either phoning the Council or coming to the office. The team also provide receipting and administrative support in photocopying, booking meeting venues, etc.

Key issues in 2021/2022

Like every organisation, we were faced with COVID-19 challenges, with illness, working in teams and exhaustion. The Council reception was closed for six weeks while we worked in teams and Council services were delivered from the library, which remained open the whole way through.

We continued to grapple with data migration issues with the implementation of our electronic data records management system Laserfiche.

Similar to last year, we lost a key staff member, with repercussions throughout the team workloads.

Performance indicators

	2020/2021 Actual	2020/2021 Target	2021/2022 Actual	Achieved?
The percentage of survey respondents who are satisfied, or very satisfied, with the Council's customer services team	67%	67%	82%	Yes

What we did

We focused on continuing to provide good customer service, especially during Alert Levels Red and Orange, even out of the library, managing community anxiety and high stress levels.

We supported the Building & Regulatory team to use our e-text capability to contact dog owners, and we managed much of the data migration within the team alongside business-as-usual tasks.

We recruited a new Customer Services and Events Officer (60% customer services, 20% community development and 20% community event responsibilities) at the end of the financial year.

What we planned to do but didn't

Staff turnover within our small team affected our progress on certain projects such as converting hard copy files to electronic. The work is underway, just not as far progressed as we hoped.

Community grants, events & fundraising

What we do

We administer local funds such as the Sport Rural Travel Fund, the George Low Trust, and the Creative Communities Scheme, we facilitate and support various community events, and we continually seek and apply for external funding to enable projects, both for the Council and for community groups.

Key issues in 2021/2022

COVID-19 put immense pressure on organisations needing grant funding to survive.

In addition, the lack of community capacity and COVID rules to run community events ensured many community events needed to be cancelled.

What we did

The Council was successful in securing \$7.8 million from the Infrastructure Acceleration Fund to support a collaboration between Kāinga Ora and a private investor to unlock new housing development including housing suitable for retirees and lower cost houses.

We administer the Sport Rural Travel Fund, the George Low Trust Fund, and the Creative Communities Scheme.

We paid out over \$1.4 million in grants to our community, including \$500k to Te Ha O Matauranga to provide the Mayors Taskforce for Jobs programme, over \$400k to the Kaikōura Community Pool Trust, and over \$112k allocated to various community groups through the Council's discretionary grants,

Sports rural travel, creative arts, Kaikōura Initiatives, and other funds.

Our Community Events Coordinator supported, promoted, and in some cases directly assisted or organised numerous community events such as:

- Matariki Event at Hapuku School
- Lego competition
- Winter Festival
 - Ice-skating at the Scout Hall,
 - Night at the Museum
 - Fyffe House by lamplight
 - Balls & Bingo
 - Willy Wonka Tea Party
- Crayfest
- Kaikōura Hop and its various events
- Community Markets
- Rūnanga open day for vaccinations
- Dark Sky week
- And more ...

She collaborates with Destination Kaikōura to offer local expertise and a community flavour to local events and provides support where possible.

The Community Services Manager coordinated the Council's applications to the Tourism Infrastructure Fund (TIF), and the Infrastructure Acceleration Fund (IAF), and supported community organisations in their applications for funding support, such as the funds now secured for a combined sports court for tennis and netball courts at Takahanga Domain.

Performance indicators

	2020/2021 Actual	2021/2022 Target	2021/2022 Actual	Achieved?
The number of individuals or organisations funded to offer an arts, sport, or other opportunities to the community	New measure	10	25 ¹⁷	Yes
The number of Council-supported events held	New measure	4	10 ¹⁸	Yes

¹⁷ There were 13 successful applicants funded through the Creative Communities Scheme, two through the George Low Bequest, two through Sport NZ Rural Travel, and eight funded through the Community Initiatives Fund.

¹⁸ More than 20 events were supported by Council staff, but ten were actively led or funded by the Council.

Emergency Management

What we do

Emergency Management (formerly referred to as Civil Defence) is all about promoting strong, resilient, and connected communities that can prepare, respond, and recover well from any emergency. Within the Council, we keep our Emergency Operations Centre (EOC) in a state of preparedness, and our staff ready to lead a coordinated emergency response. This includes building close relationships with the community and local partner agencies, so that together we can help ensure effective response and recovery.

Key issues in 2021/2022

We had to re-focus on staff training, liaison, and training with local first responders as COVID-19 delayed the plans from the previous year.

What we did

Increased EOC staff engagement with our electronic emergency management portal called D4H.

The delayed Fuel Plan was implemented, and we have a relationship with BP in case of emergencies.

Tsunami signs were erected throughout coastal areas particularly in the Kaikōura township.

What we planned to do but didn't

COVID-19 alert level lockdowns again affected our ability to hold training exercises, with first responders' meetings cancelled and due to workloads post-lockdown, our plan for an all-agency exercise was shrunk to a mini exercise. Our emergency management officer is now planning a scaled-down exercise in the latter months of 2022.

Performance indicators

	2020/2021 Actual	2021/2022 Target	2021/2022 Actual	Achieved?
The number of scenario's held with cross-agency attendance	New measure	2	4	Yes

What we do

The Kaikōura District Library, located on the middle floor in the Civic Centre at 96 West End, is a busy space that is increasingly being used for small events, learning opportunities, book readings, children's programmes, computer literacy training and more.

Key issues in 2021/2022

It was a challenge to keep the library open during COVID-19, with illness and working one team on and one team off on a weekly rotation for 6 weeks. Community events in the library were cancelled due to COVID-19 restrictions.

With these challenges, it was difficult to deliver and sustain authentic digital literacy programmes to Kaikōura learners and job seekers across all age groups with our new high-speed internet (APNK).

We implemented many changes to our online products, and the way we catalogue and process books.

What we did

To support the wellbeing of our community after the COVID-19 lockdowns of 2021/2022, we substantially increased the number and variety of community events in the library. These included daily after school activity programmes, weekly embroidery, Toddler Time, Yoga, and Sit and Be Fit classes, and daily Te Kura sessions. In addition, we rented the Matariki room to agencies and organisations that bring in more local support.

We signed up to Aotearoa People's Network Kaharoa (APNK), which offers computer hardware and high-speed internet for New Zealand public libraries so that all New Zealanders can be connected online. This was a blessing, as we were the only organisation in Kaikōura that issued COVID passes, and would not have been possible without the high speed internet.

Kaikōura District Library stayed open all year and has become a crucial contributor to community well-being through its specific and locally tailored library operations.

We continued to partner with Te Hā o Mātauranga to deliver the outcomes from the New Zealand Library Partnership Programme (NZLPP). The Whānau Education Advocates worked with our local whānau to make sure our activities were relevant and connected and supported them to build literacy. They also supported education and promoted resilience through enabling access to information.

We installed a door counter, are using our library database more effectively, and implemented our monthly Dashboard reporting to Council with much more in depth statistical coverage.

Below were some achievements during the year – especially great considering lockdowns, split working weeks, limits on event and class sizes, and the general exhaustion everyone is feeling during the pandemic!

Social Media Interactions: **35,895**
Events/ Classes/ Groups held: **431**
Event/ Classes/ Groups attendees: **1,377**

Project	Planned \$000	Spent \$000	Comment
Replacement of existing assets:			
Library books & resources	32	43	External funding from the NZLPP enabled substantial investment in new books and resources.

Performance indicators

	2020/2021 Actual	2021/2022 Target	2021/2022 Actual	Achieved?
The number of lending items per capita	10	7.7	5.5 ¹⁹	No

¹⁹ The number of lending items per capita did not meet target, however the number of lending items per library member was 11.15

Community Development

What we do

With the four well-beings of economic, environmental, cultural, and social well-being returning to the Local Government Act 2002, the role of community development has been reinvigorated as a central purpose of councils.

The Council's Community Development activity forms the hub of various community services and includes social recovery (both from the earthquake and COVID-19), family violence coordination, outreach support, rebuild navigation and supporting or facilitating local non-government organisations.

Key issues in 2021/2022

Our challenges were similar to the previous year, as COVID-19 continued to restrict and reduce much activity:

- Reduced business and employment support
- Youth well-being continuing to be negatively impacted by COVID.
- Very little event funding with an expectation that Council delivers event support for community well-being.
- Reduced social service provider collaboration even on the Community Services Committee due to lockdowns and alert level challenges.
- Very little Rūnanga and Māori engagement on committees and community groups.

What we did

This year, we continued to collaborate with Te Hā o Mātauranga to deliver employment coordination across the district through the Mayor's Taskforce for Jobs funding, placing more than 60 people into full-time work.

Performance indicators

	2020/2021 Actual	2021/2022 Target	2021/2022 Actual	Achieved?
Bi-monthly reports on achievements and how we are working collaboratively with our treaty partner and NGO's, including how we are building resilience of whanau and communities	New measure	6 reports	10 reports	Yes

We continued to support Youth Council coordination through Te Hā o Mātauranga with monthly Youth Council updates to the Council.

The Community Development Officers continued to work with individuals and community groups around funding, housing support, events, and advocacy, increasing community support across the board.

We continued to encourage all organisations to attend the Community Services Committee meetings by trialling different times.

Te Whare Putea was supported to continue to manage the 7 MBIE housing units.

Advocacy for the pensioners in the Council Pensioner Cottages was increased.

What we planned to do but didn't

Even with a consolidated effort to include more organisations on the Community Services Committee, uptake was low. Those that did attend, however, contributed well.

We planned to increase Rūnanga engagement but were only marginally successful.

We started collaborating with Te Whare Putea to deliver the newcomer's support, but because of COVID and bad health, this was put on hold.

We planned to wind up the Violence Free Network at the end of 2022, but the funding was unexpectedly rolled over for a further two years to deliver advocacy.

Youth Development

What we do

The Council supports the Kaikōura Youth Council and Te Hā o Mātauranga to deliver youth-focussed initiatives, training, and personal development.

Key issues in 2021/2022

This year Youth Council provided opportunities for connection and fun, as a way of increasing wellbeing, in the face of the ongoing effects of COVID-19.

What we did – this is the same as last year?

Youth Council received funding from Lottery Community which enabled them to provide wellbeing events for different age groups. These included a movie afternoon, trips to Hanmer Springs and to Mt Lyford Ski field.

The big event over the year was the Kaikōura Youth Awards, celebrating the awesome contributions that youth make to our community. A quiz night for youth

week, and in school activities for Te Wiki o te Reo Māori were also held.

Youth Council surveyed the High School students a couple of times, once to gain feedback for their Submission to the MPI consultation on national recycling standards, and once to gain feedback on preferred wellbeing activities and feedback on school operations.

What we planned to do but didn't

Youth Council opportunities for presenting to Council were limited by COVID mandates. The Youth Council also had difficulty scheduling events due to COVID restrictions, resulting in the majority of their mahi for the year taking place in a short space of time rather than spreading out across the year.

Performance indicators

	2020/2021 Actual	2021/2022 Target	2021/2022 Actual	Achieved?
Number of Youth Council presentations to Council meetings	New measure	6	3	No
Number of Youth Council activities/events	6	10	12	Yes
Number of youth training opportunities	New measure	4	4	Yes

COVID-19 restrictions on group gatherings meant that Youth Council could not attend the usual presentations to the Kaikōura District Council meeting, and so only three meetings were able to be attended during the year.

Funding Impact Statement: Community services

For the year ended 30 June 2022

	2020/2021 Three-Year Plan \$000	2021/2022 Long-Term Plan \$000	2021/2022 Actual \$000
Sources of operating funding			
General rates, UAGCs, rates penalties	655	869	816
Targeted rates	10	10	10
Subsidies & grants for operating purposes	8	59	667
Fees and charges	49	28	25
Internal charges and overheads recovered	221	247	278
Fuel tax, fines, infringement fees & other	3	-	-
Total operating funding (A)	946	1,213	1,796
Applications of operating funding			
Payments to staff and suppliers	771	968	2,162
Finance costs	-	12	9
Internal charges and overheads applied	148	183	183
Other operating funding applications	-	-	-
Total applications of operating funding (B)	919	1,163	2,354
Surplus/(deficit) of operating funding (A-B)	27	50	(558)
Sources of capital funding			
Subsidies & grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	-	(18)	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	(18)	-
Application of capital funding			
Capital expenditure			
- To meet additional demand	-	-	-
- To improve the level of service	-	-	-
- To replace existing assets	-	32	43
Increase/(decrease) in reserves	-	-	(601)
Increase/(decrease) in investments	-	-	-
Total applications of capital funding (D)	-	32	(558)
Surplus/(deficit) of capital funding (C-D)	-	(50)	558
Funding balance ((A-B) + (C-D))	-	-	-
Reconciliation			
Total application of operating funding (B)			2,354
Plus depreciation			53
Less Overhead recoveries			(278)
Expenditure as per Note 1			2,129

District development

Our Goal: to enable the district to progress, while ensuring that the natural and physical environment is sustainably managed. This includes attracting investment, enhancing economic diversification, creating awareness of natural hazards, and providing for sustainable tourism opportunities.

What we do

This group of activities includes:

- Strategy & policy
- District Planning
- Economic development
- Tourism & marketing

These activities are grouped together because they collectively shape and influence how the district develops. The Kaikōura District Plan sets strategic direction for how and where development should occur, it provides standards for development, identifies the circumstances under which resource consents are required, and seeks to mitigate environmental effects.

The Council also plays a key role in supporting and promoting economic development and, through its funding contributions to Destination Kaikōura, also plays a key role in supporting tourism marketing and promotion of the district.

What we did

The geotechnical research on natural hazards in our district has been substantially completed. Additional work has been undertaken by GNS Science to ensure we have a better understanding of hazards in area where development is most likely to occur. The natural hazard work has taken into account the effect climate change and allows our community to make informed decisions. This work has been used to support the natural hazard review of the District Plan.

Key issues in 2021/2022

The Responsible Camping Bylaw ambassadors were able to enforce inappropriate camping and littering when problems arose.

COVID-19 has had an unrelenting impact on many businesses in the district, particularly our tourism operators, retail, and hospitality businesses.

Community outcomes supported



Development

We promote and support the development of our economy



Future

We work with our community and our partners to create a better place for future generations



Environment

We value and protect our environment

Effects on community wellbeing

	Positive effects	Negative effects
Economic	This activity plans for growth and provides frameworks to enable economic benefits to flourish	The Resource Management Act and national/regional policy statements can result in compliance costs and delays
Environmental	Planning frameworks protect against the impact of growth on the environment	No identified effects
Cultural	Ongoing engagement with Te Rūnanga o Kaikōura ensures cultural matters are considered in planning and development decisions	No identified effects

District Planning

What we do

The Kaikōura District Plan is a document which has been created under the Resource Management Act 1991 to achieve the purposes of the Act. The Plan is the used to manage development and provide for protection of natural and physical resources within the Kaikōura District.

District Plans are required to be reviewed every 10 years to keep up to date with community views and legislation. Our Plan was made operative in June 2008 and has since had two plan changes which became operative in March 2011.

The Council is progressing the rolling review of the District Plan. A road map for the District Plan has been developed which outlines how the District Plan will be reviewed over the next 10 Years.

Key issues in 2021/2022

The push for Resource Management Act reform by major political parties has created uncertainty on the future of the planning framework within NZ. Central Government has announced that the Resource Management Act will be replaced by three new Acts; the Natural and Built Environments Act (NBA), the Strategic Planning Act (SPA) and the Climate Adaptation Act (CAA). The intention is to consolidate more than 100 resource management act policy statements and regional district plans into about 14, simplifying national planning documents. The Council will continue to push on with the District Plan review to enable our community the ability to set our own direction while we are able to.

In addition to the RMA reform several key documents were released by Government, these include the

Performance indicators

	2020/2021 Actual	2021/2022 Target	2021/2022 Actual	Achieved?
Progress on the review of the District Plan, in line with the priorities and timelines set out in the final District Plan roadmap	New measure	Residential and Commercial Zone chapters completed by June 2024	Council has positioned itself well for the June 2024 target. A spatial plan process is starting which will feed into the June 2024 review	Yes (on track)

National Policy Statement Urban Development (NPS-UD). Although the NPS-UD does not apply to Kaikoura given our population it will influence decisions for processing resource consents.

What we did

External consultants were used to rehouse the District Plan (excluding Plan Change 3) in accordance with the National Planning Standards. Council staff have worked to rehouse the Natural Hazards Chapter. In preparation with for review of the landscape chapter in partnership with Environment Canterbury a draft landscape assessment of the district has been undertaken. More work is still required before landscape assessments can be finalised.

We undertook prehearing meetings with submitters on the natural hazards plan change and completed a public hearing. We made a submission on national planning documents including the NPS-IB, we began to rehouse the District Plan in accordance with national planning standards, and we kept Council informed of changes proposed to New Zealand's resource management systems.

What we planned to do but didn't

Hearings for Plan Change 3, Natural Hazards, were delayed due to COVID-19 held on 9th November 2022. We intended to have the decision on the natural hazards plan change released before the end of the financial year, however this was and not released until 16th August 2022.

Environmental Planning

What we do

Environmental planning supports and assists landowners and the community with environmental projects. This includes funding support for landowners to set aside significant natural areas and protect these areas from future uses.

The Council also established a grant for environmental projects, the amount of which may vary from year to year. In the 2022 financial year \$20,000 has been made available.

Key issues in 2021/2022

The government has introduced an exposure draft of a National Policy Statement Indigenous Biodiversity (NPS-IB) in 2021. An outcome of the NPS-IB is that more stringent timeframes will be in place to identify and protect high value ecological areas.

The exposure draft of the NPS-IB is very complex. The Council estimates that the exposure draft would result in costs to our ratepayers of up to approximately \$3 million and so has made submissions which highlight this financial impact to the Ministry for the Environment.

The Council has not budgeted for the additional costs to implement the requirements of the NPS-IB in the Long-Term Plan.

What we did

The Council supported several community projects:

- Flyers promoting cat owners keep their cats indoors at night to protect birdlife,
- Flyers for the Rūnanga pest and predator trapping and control programmes,
- Posters and signage highlighting Banded Dotterel nesting areas,
- Supported a visit from the Young Ocean Explorers,
- Sponsored an environmental award for the Kaikōura High School,
- Paid a grant of \$10,000 to Te Korowai O Marokura to support their work on protecting the marine and coastline environments and fishery resources.

What we planned to do but didn't

The Council has over \$20k available to support landowners to set aside significant natural areas on their property. There were no applicants for financial support in the 2022 financial year.

Performance indicators

	2020/2021 Actual	2021/2022 Target	2021/2022 Actual	Achieved?
The number of external environmental projects that are supported by the Council	New measure	Not less than 3	6	Yes

Economic Development

What we do

The Council plays a role in supporting and promoting economic development for the district. Our most significant contributions to economic development are through provision of infrastructure and services to the district and its planning activities, including the District Plan.

In addition, the Council directly supports projects and activities outside of the Council's core business through the Council's own economic development and tourism activities. The scale of the support and assistance from the Council is relative to the funding available for this activity.

Key issues in 2021/2022

Ongoing COVID-19 lockdowns and border restrictions continued to hit retail, hospitality, and tourism-based businesses. The district does, however, seem poised for the borders to reopen and for visitors – domestic and international – to return.

The Sudima Hotel proved its commitment to building the new 4.5-star hotel on Kaikōura's Esplanade, with construction well underway at the end of the 2022 financial year (opening in October 2022).

Like many areas in New Zealand, Kaikōura suffers from a shortage of hospitality staff, and vacancies are advertised on almost every café and shop window.

This issue may be compounded by a lack of rental accommodation available for anyone wishing to relocate to the district. The Council is working with the owner/developer of Ocean Ridge and has successfully applied for funding of \$7.8 million to develop infrastructure which will enable more residential sections to be created within the Ludstone Road (Vicarage Views) and Ocean Ridge areas.

What we did

We continue to support the Kaikōura International Dark Skies Trust to apply for international dark sky accreditation (IDA). Becoming a recognised Dark Sky district will bring economic benefits through more visitors. 85% of Kaikōura streetlights have been adapted to meet IDA criteria to date.

The \$7.8 million grant through the Infrastructure Acceleration Fund (the IAF) will boost the economy through the creation of a new road extension from Ludstone Road and Green Lane to Ocean Ridge, including a rail crossing, shared path and cycleway. Also included in the project is additional capacity for water and sewer infrastructure to cater for new residential sections.

Grants of \$15k each were paid out to the Kaikōura Cycle Club and the Mayfair Theatre, both of which are seen to contribute to the local economy by attracting visitors to their facilities and events.

We are supporting funding applications by various groups for projects such as the new combined courts (tennis and netball) proposed for the former tennis court site on Takahanga Domain, amongst many others.

The Council also funded the Rebel Business School to run a programme for start-up entrepreneurs and held various events for the community.

What we planned to do but didn't

COVID-19 has caused several delays especially around planned events, whether initiated by Council or by other organisations seeking to bring events to the district.

Performance indicators

	2020/2021 Actual	2021/2022 Target	2021/2022 Actual	Achieved?
The number of projects or events undertaken during the year that benefit the local economy	New measure	5	7 +	Yes

What we do

Tourism is the dominant contributor to the economy of Kaikōura. Its benefits flow through the economy across the district, including through direct and indirect income to businesses, employment, and resulting in expenditure on goods and services.

Kaikōura is a world-renowned tourist destination, initially focussed on whale watching, but now with a range of visitor activities to match the stunning scenery and the near unique proximity of the mountains and the Hikurangi trench.

The Council provides substantial funding to support Destination Kaikōura (DK), the local regional tourism organisation (in a similar manner to most territorial authorities across New Zealand) and the Kaikōura I-Site. This enables DK to market Kaikōura as a world-class visitor destination to both international and domestic visitors. Council Community Events also coordinates visitors through a range of smaller events and information and assistance.

Key issues in 2021/2022

The COVID-19 pandemic continued to have an unprecedented impact on visitor numbers.

International visitor numbers fell to almost zero from March 2020. As the lockdown levels reduced, domestic travellers showed their support by visiting Kaikōura in late 2020. The visitor loss for attractions that target international markets was immediate, with a ripple effect through the rest of the district. Early hopes of trans-Tasman borders reopening did not occur.

What we did

The Council continued to support new ventures such as the Sudima Hotel, PGF applications, and community funding even through COVID alert level restrictions. The Events team developed a Staycation video encouraging domestic tourism, and supported a wide range of activities.

DK also received additional Government funding; however, this was targeted to certain activities only. The Council funding support proved vital for DK's continued activities (retargeted to the domestic market) and the I-Site's operation. Councils staff work closely with DK through this period to assist operators and DK expanded its activities to be Kaikōura wide regardless of membership.

Performance indicators

	2020/2021 Actual	2021/2022 Target	2021/2022 Actual	Achieved?
Domestic and international spend indicators show annual increases, as measured through MarketView electronic card transaction spend data.	New measure	Spend indicators show increases post-COVID-19 relative to other comparable RTO regions	Not applicable (borders still restricted due COVID-19)	N/A
Six-monthly reports from Destination Kaikōura setting out activities undertaken, including against agreed key performance indicators for that period.	New measure	Reports are received demonstrating activities and achievements, in December and June each year	Reports have been received quarterly with high levels of activities and achievements	Yes

Funding Impact Statement: District development

For the year ended 30 June 2022

	2020/2021 Three-Year Plan \$000	2021/2022 Three-Year Plan \$000	2021/2022 Actual \$000
Sources of operating funding			
General rates, UAGCs, rates penalties	431	161	151
Targeted rates	595	490	487
Subsidies & grants for operating purposes	-	-	-
Fees and charges	113	-	-
Internal charges and overheads recovered	-	-	-
Fuel tax, fines, infringement fees & other	-	-	-
Total operating funding (A)	1,139	651	638
Applications of operating funding			
Payments to staff and suppliers	912	680	559
Finance costs	-	-	-
Internal charges and overheads applied	227	121	122
Other operating funding applications	-	-	-
Total applications of operating funding (B)	1,139	802	681
Surplus/(deficit) of operating funding (A-B)	-	(151)	(43)
Sources of capital funding			
Subsidies & grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	-	-
Application of capital funding			
Capital expenditure			
- To meet additional demand	-	-	-
- To improve the level of service	-	-	-
- To replace existing assets	-	-	-
Increase/(decrease) in reserves	-	(151)	(43)
Increase/(decrease) in investments	-	-	-
Total applications of capital funding (D)	-	(151)	(43)
Surplus/(deficit) of capital funding (C-D)	-	151	43
Funding balance ((A-B) + (C-D))	-	-	-
Reconciliation			
Total application of operating funding (B)			681
Plus depreciation			-
Expenditure as per Note 1			681

Financial Information

Financial overview

The year to 30 June 2022 produced a small deficit of \$227k, with turnover of \$16.1 million. Once again grants and subsidies have boosted revenue, with the Council receiving government grants, including \$564k to improve three-waters treatment and telemetry systems, over \$1.07 million for the Wakatu Quay development, \$686k to refurbish the Scout Hall and provide tourism-related facilities, and a further \$500k for the Mayoral Taskforce for jobs. Waka Kotahi (NZTA) subsidies are a major source of funding for our roading upgrades, renewals, and maintenance, with over \$1.2 million received this financial year.

Fair value gains include an increase in the value of investment property, plus the vesting of the MBIE temporary housing units into Council ownership.

Staff vacancies meant personnel costs were less than forecast, but resulted in some cases (particularly for building and regulatory activities) in the use of external resources to maintain levels of service.

Valuations of roading and three-waters assets

Last year (2021), the Council's inhouse engineers and earthquake rebuild team completed an extensive asset data collection and validation process, including a revaluation of its roading, and three-waters assets dated 1 July 2020. The independent peer review (performed by WSP) assigned a confidence rating of "B" (Reliable) to the data on which the valuation was based. In the 12 months since the valuation dated 1 July 2020, global inflationary pressure suggested that the fair value of these assets could be understated and that a further valuation is required on 30 June 2021 (two years earlier than normally required). The Council did not prepare an early revaluation due to time and resource constraints, and the enormous financial cost to undertake this exercise.

It is for this reason that the Auditors Report contains a statement regarding the valuation of these assets for the 2021 comparative year.

For this 2022 financial year, the Council is committed to attain a clear audit opinion over the value of its roading and three-waters assets, and so completed another asset valuation this time dated 30 June 2022 (the balance date of this report) and relied more heavily upon external consultants (rather than inhouse engineers) to provide unit rates. WSP has assigned a confidence rating of "A" (Highly reliable) over the accuracy of asset information, and a confidence rating of "B" (Reliable) over the unit costs and remaining useful lives of assets.

The 2022 valuation has resulted in significant increases in carrying values of roading and three-waters assets, with roading increasing by over \$35M, and three-waters by over \$22.7M. Combined with valuation increases for land and buildings, the Council's property, plant and equipment increased by more than 35% purely by revaluation increases.

COVID-19 impact on financial statements

The impact of COVID-19 continues to affect the district. The lack of visitors is impacting the Council's revenues as well, and although there were no expenses incurred directly relating to COVID-19 in the 2020/2021 or 2021/2022 financial year, there were tangible impacts on visitor-related revenue such as West End car parking fees, parking infringements and airport landing fees. A small number of lessees of Council property were granted short-term lease concessions in recognition of the impact of COVID-19 on their business.

Overall, the impact of COVID-19 on the Council's financial performance has been evaluated per the table below.

	2019/2020	2020/2021	2021/2022
COVID-19 Impact on Revenue			
Lease & rent revenue	18,638	14,733	20,000
Pay & display parking fees	5,000*	17,000*	27,000*
Airport landing fees	2,500*	36,000*	24,000*
Other (hall hire cancellations, etc)	394	15,000*	-
Loss of revenue	26,532	82,733*	71,000*
COVID-19 Impact on Expenditure			
Direct welfare costs	29,533		
Less NEMA subsidy and recoveries	(10,425)		
Net COVID-19 response costs	19,108		
Savings in public toilet cleaning	(9,336)		
Kerbside rubbish collection	39,442		
Capital project stand-down costs	210,000		
Additional costs	278,322		
Total financial impact of COVID-19	251,790	82,733	71,000*

* estimated

Statement of Comprehensive Revenue & Expense

For the year ended 30 June 2022

	NOTE	COUNCIL			GROUP	
		2022 BUDGET \$000	2022 ACTUAL \$000	2021 ACTUAL \$000	2022 ACTUAL \$000	2021 ACTUAL \$000
Revenue						
Rates	2	8,553	8,266	8,189	8,266	8,189
Fees & charges	3	1,528	1,558	2,520	2,441	3,627
Development contributions		125	153	18	153	18
Grants & subsidies	4	6,614	4,523	11,792	4,523	11,845
Interest revenue	5	7	10	6	10	6
Other revenue	6	78	329	761	361	764
Gains	7 / 12	-	1,263	4,179	1,263	4,179
Total revenue		16,905	16,102	27,465	17,017	28,628
Expenses						
Personnel costs	8	3,393	3,231	3,353	4,436	4,687
Depreciation & amortisation	9	3,206	3,898	3,587	4,046	3,752
Finance costs	5	118	93	69	95	70
Other expenses	10	8,454	8,589	11,834	8,235	11,279
Losses	7	-	559	1,681	562	1,681
Total expenses		15,166	16,369	20,524	17,374	21,469
Operating surplus/(deficit)		1,739	(267)	6,941	(357)	7,159
Environment Canterbury share of Marlborough Regional Forestry (Surplus)/Deficit	11	-	40	43	40	43
Surplus/(Deficit) before tax	1	1,739	(227)	6,984	(317)	7,202
Income tax expense	30	-	-	-	28	(66)
Net Surplus/(Deficit) after tax		1,739	(227)	6,984	(288)	7,136
Other comprehensive revenue & expense						
Gains/(losses) on asset revaluation	7 / 12	-	74,203	6,491	68,511	6,491
Impairment reversal/(impairment charge)	7	-	-	-	-	-
Total other comprehensive revenue & expense		1,739	74,203	6,491	68,511	6,491
Total comprehensive revenue & expense		1,739	73,976	13,475	68,222	13,627

The accompanying notes form part of, and are to be read in conjunction with, these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2022

	COUNCIL			GROUP	
	2022 BUDGET \$000	2022 ACTUAL \$000	2021 ACTUAL \$000	2022 ACTUAL \$000	2021 ACTUAL \$000
Equity at start of year	209,084	211,265	197,790	212,363	198,736
Comprehensive revenue & expense					
Net surplus/(deficit) After Tax	1,739	(227)	6,984	(288)	7,136
Gains/(losses) on asset revaluation	-	74,203	6,491	68,511	6,491
Total comprehensive revenue & expense	1,739	73,976	13,475	68,222	13,627
Transfer (to)/from revaluation reserve on disposal		261		261	
Equity at end of year	210,823	285,503	211,265	280,847	212,363

The accompanying notes form part of, and are to be read in conjunction with, these financial statements.

Statement of Financial Position

On 30 June 2022

	NOTE	COUNCIL			GROUP	
		2022 BUDGET \$000	2022 ACTUAL \$000	2021 ACTUAL \$000	2022 ACTUAL \$000	2021 ACTUAL \$000
Assets						
Current assets						
Cash and cash equivalents	13	742	2,790	5,436	3,066	5,777
Receivables from non-exchange transactions	14	1,157	488	766	488	766
Receivables from exchange transactions	14	-	530	724	595	752
Prepayments	15	185	257	209	257	224
Other financial assets	16	-	20	20	-	-
Non-Current Assets Held for Sale	17	-	330	-	330	-
Income Tax	30	-	-	-	26	-
Total current assets		2,085	4,415	7,154	4,762	7,519
Non-current assets						
Other financial assets	16	207	197	182	141	107
Forestry assets	18	2,956	2,155	2,410	2,155	2,410
Investment property	19	4,329	3,130	2,365	3,130	2,365
Property, plant & equipment	20	211,052	286,209	210,662	281,450	211,661
Intangible assets	21	-	98	143	98	143
Total non-current assets		218,544	291,788	215,762	286,981	216,686
Total assets		<u>220,629</u>	<u>296,203</u>	<u>222,916</u>	<u>291,743</u>	<u>224,205</u>
Liabilities						
Current liabilities						
Payables and deferred revenue under exchange transactions	22	1,460	1,671	2,017	1,657	1,953
Payables and deferred revenue under non-exchange transactions	22	-	1,564	2,381	1,564	2,382
Employee entitlements	23	263	304	296	460	487
Borrowings	24	-	-	3,000	-	3,000
Current tax liability	30	-	-	-	38	43
Total current liabilities		1,723	3,539	7,695	3,719	7,865
Non-current liabilities						
Borrowings	24	6,000	5,300	2,000	5,300	2,000
Deferred tax liability	29	-	-	-	17	21
Provisions	25	1,616	1,445	1,548	1,445	1,548
Other term liabilities	26	468	416	408	416	408
Total non-current liabilities		8,084	7,161	3,956	7,178	3,977
Equity	27	210,823	285,503	211,265	280,847	212,363
Total equity		210,823	285,503	211,265	280,847	212,363
Total liabilities & equity		<u>220,629</u>	<u>296,203</u>	<u>222,916</u>	<u>291,773</u>	<u>224,205</u>

The accompanying notes form part of, and are to be read in conjunction with, these financial statements.

Statement of Cash Flows

For the year ended 30 June 2022

	COUNCIL			GROUP	
	2022 BUDGET \$000	2022 ACTUAL \$000	2021 ACTUAL \$000	2022 ACTUAL \$000	2021 ACTUAL \$000
<u>Operating Activities</u>					
Receipts from rates (excl. water meter charges)	8,414	8,446	8,146	8,446	8,146
Interest received	7	10	6	10	6
Receipts from other revenue	8,884	4,730	8,569	5,728	9,556
Payments to supplier and employees	(11,903)	(13,303)	(14,864)	(14,172)	(15,530)
Interest paid	(118)	(93)	(69)	(95)	(69)
GST (net) and company tax	-	(49)	102	(137)	44
Net cash from operating activities	5,283	(260)	1,890	(220)	2,153
<u>Investing Activities</u>					
Grants received for purchase of assets	-	2,095	7,360	2,095	7,360
Purchase of property, plant & equipment	(8,369)	(4,824)	(6,408)	(4,919)	(6,717)
Sale of property, plant & equipment	250	392	289	401	289
Purchase of forestry assets	-	(57)	(1)	(57)	(1)
Sale of forestry assets	-	53	276	53	276
Purchase of investment properties	(2,864)	-	-	-	-
Purchase of intangible assets	-	-	(156)	-	(156)
Purchase of other financial assets	-	(15)	(145)	(15)	(50)
Transfer PPE to current asset	-	(330)	-	(330)	-
Net cash from investing activities	(10,983)	(2,687)	1,215	(2,772)	1,001
<u>Financing Activities</u>					
Proceeds from borrowings	4,000	3,300	-	3,300	-
Repayment of borrowings	(3,000)	(3,000)	(2,000)	(3,020)	(2,010)
Net cash from financing activities	1,000	300	(2,000)	280	(2,010)
Net increase/(decrease) in cash & cash equivalents	(4,700)	(2,647)	1,105	(2,712)	1,144
Cash & cash equivalents at the beginning of the year	5,442	5,436	4,331	5,777	4,633
Cash & cash equivalents at the end of the year (note 13)	742	2,790	5,436	3,065	5,777

The accompanying notes form part of, and are to be read in conjunction with, these financial statements.

Statement of Accounting Policies

Basis of Preparation

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

Statement of Compliance

The financial statements of the Council and group 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 (NZ GAAP).

These financial statements have been prepared in accordance with Tier 2 PBE accounting reduced disclosure regime, as appropriate for public benefit entities that have expenses of less than \$30 million and do not issue debt or equity securities or hold funds in a fiduciary capacity as part of our primary business. These statements comply with PBE reduced disclosure regime.

Measurement Base

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, infrastructure assets, investment property, forestry assets and financial instruments.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and values are rounded to the nearest thousand dollars (\$000).

Reporting Entity

The Kaikōura District Council group consists of the ultimate parent, Kaikōura District Council, and its subsidiary, the Kaikōura Enhancement Trust, a charitable trust owned by the Council. That trust in turn owns 100% of Innovative Waste Kaikōura Ltd. The Council has an 11.5% interest in the Marlborough Regional Forestry joint operation.

The Council has designated itself and the group as public benefit entities (PBEs) for financial reporting purposes.

The financial statements of the Council are for the year ended 30 June 2022. The financial statements were authorised for issue by the Council on 29 March 2023.

Changes in accounting policies

There have been no changes in accounting policies.

Standards issued and not yet effective, and not early adopted

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to the Council and group are:

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2021. The Council has not yet determined how application of PBE FRS 48 will affect its statement of service performance.

Amendment to PBE IPSAS 2 Statement of Cash Flows

An amendment to PBE IPSAS 2 Statement of Cash Flows requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This amendment is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The Council does not intend to early adopt the amendment.

Financial instruments

In January 2017, the XRB issued PBE IPSAS 41 Financial Instruments. PBE IPSAS 41 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IPSAS 41 is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The main changes under PBE IPSAS 41 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.

- Revised hedge accounting requirements to better reflect the management of risks.

The Council plans to apply this standard in preparing its 30 June 2022 financial statements. The Council and group have not yet assessed the effects of the new standard.

Basis of consolidation

The purchase method is used to prepare the consolidated financial statements, which involves adding together like items of assets, liabilities, equity, revenue, and expenses on a line-by-line basis. All significant intragroup balances, transactions, revenue, and expenses are eliminated on consolidation.

Subsidiaries

The Council consolidates as subsidiaries in the group financial statements, all entities where the Council has the capacity to control their financing and operating policies to obtain benefits from the activities of the subsidiary. This power exists where the Council controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by the Council or where the determination of such policies is unable to materially impact the level of potential ownership benefits that arise from the activities of the subsidiary.

The Council measures the cost of a business combination as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, in exchange for control of the subsidiary plus any costs directly attributable to the business combination.

The Council's investments in its subsidiaries are carried at cost in the parent entity financial statements.

Joint operations

For joint operations, the Council and group recognises its direct right to the assets, liabilities, revenues and expense of joint operations and its share of any jointly held or incurred assets, liabilities, revenue, and expenses. Assets, liabilities, revenues, and expenses relating to Council's interest in a joint operation are accounted for in line with Council's accounting policies and included in the relevant line items of the Council and group financial statements.

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle.

Gains or losses arising on initial recognition of forestry assets at fair value less costs to sell and from a change in fair value less costs to sell are recognised in the surplus or deficit.

Forestry maintenance costs are recognised in the surplus or deficit when incurred.

Of the Council's interest in the Marlborough Regional Forestry joint operation, 13.37% is held in trust on behalf of Environment Canterbury. This is recognised as a non-current liability in the financial statements.

Revenue

Revenue is measured at the fair value of consideration received. The specific accounting policies for significant revenue items are explained below:

Rates revenue

Rates are set annually by a resolution from the Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable. Rates collected on behalf of Environment Canterbury are not recognised in the financial statements as the Council is acting as agent for Environment Canterbury.

Water billing revenue

Water billing revenue is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

Waka Kotahi (NZTA) roading subsidies

The Council receives funding assistance from Waka Kotahi, the NZ Transport Agency (NZTA) which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled. The Council has not recognised the expenditure incurred by Waka Kotahi in the operation of the Inland Road – Route 70 since November 2016 earthquake as Waka Kotahi had total control over the Inland Road. Had Waka Kotahi not had control over the Inland Road, the Council would have recognised the amount incurred as subsidy income and expenditure, either as

operational or capital expenditure. The Council has taken control over the road from Waka Kotahi in February 2021, once the road had been remediated to an appropriate standard following the earthquake damage.

Other grants and subsidies received

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Donations and bequests

Donated and bequeathed financial assets are recognised as revenue unless there are substantive use or return conditions. A liability is recorded if there are substantive use or return conditions and the liability is released to revenue as the conditions are met (for example, as the funds are spent for the nominated purpose).

Provision of services

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

Sale of goods

Sales of goods are recognised when a product is sold to the customer. The recorded revenue is the gross amount of the sale (excluding GST).

Vested assets

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested in the Council are recognised as revenue when control over the asset is obtained.

Agency arrangements

Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on the transaction.

Interest and dividends

Interest revenue is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established. Dividends are recorded net of imputation credits.

Development contributions

The revenue recognition point for development and financial contributions is at the later of the point when the Council is ready to provide the service for which the contribution was levied, or the event that will give rise to a requirement for a development or financial contribution under the legislation.

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Grant expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Council's decision.

Foreign currency transactions

Foreign currency transactions (including those for which foreign exchange contracts are held) are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

Income tax

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 profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantially enacted by 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 financial statements and the corresponding tax bases used in the computation of taxable profit.

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 profits 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 and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint venture or joint operations, except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantially enacted by balance date.

Current tax and deferred tax are charged or credited to the surplus or deficit, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether title is eventually transferred.

At the commencement of the lease term, the Council recognises finance leases 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 lease payments.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

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.

Cash and cash equivalents

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

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

Debtors and other receivables

Short-term debtors and other receivables are recorded at their face value, less any provision for impairment.

Impairment of a receivable is established when there is objective evidence that the Council will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, receivership or liquidation, and default in payments are considered indicators that the debt is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. The carrying amount of the asset is reduced using an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written off against the allowance account for receivables. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

Derivative financial instruments and hedge accounting

The Council does not engage in the use of derivative financial instruments and hedging activities.

Other financial assets

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Purchases and sales of financial assets are recognised on trade-date, the date on which the Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

Financial assets are classified into the following categories for the purpose of measurement:

- Fair value through surplus or deficit
- Loans and receivables
- Held to maturity investments
- Fair value through other comprehensive revenue and expense

The classification of a financial asset depends on the purpose for which the instrument was acquired.

Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities and there is the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses are recognised in the surplus or deficit when the asset is impaired or derecognised.

The Council's investments in this category include bank term deposits.

Fair value through other comprehensive revenue and expense

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the share investment within 12 months of balance date or if the debt instrument is not expected to be realised within 12 months of balance date.

The Council includes in this category:

- Investments that it intends to hold long-term, but which may be realised before maturity
- Shareholdings that it holds for strategic purposes

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit.

On de-recognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Impairment of financial assets

Financial assets are assessed for objective evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

Inventory

Inventory held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at the lower of cost, adjusted when applicable, for any loss of service potential. Where inventory is acquired at no cost or for nominal consideration, the cost is the current replacement cost at the date of acquisition. Inventories held for use in the production of goods and services on a commercial basis are valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the first-in first-out (FIFO) method.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down.

When land held for development and future resale is transferred from investment property/property, plant and equipment to inventory, the fair value of the land at the date of the transfer is its deemed cost.

Costs directly attributable to the developed land are capitalised to inventory, except for infrastructural asset costs which are capitalised to property, plant, and equipment.

Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised in the surplus or deficit up to the level of any impairment losses that have previously been recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Property, plant, and equipment

Property, plant, and equipment consists of:

- Operational assets
These include land, buildings, harbour assets, library books, plant and equipment, and motor vehicles.
- Restricted assets
Restricted assets are parks and reserves owned by the Council which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.
- Infrastructure assets
Infrastructure assets are the fixed utility systems owned by the Council. Each asset class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations.

Property, plant, and equipment is shown at cost or valuation, less accumulated depreciation, and impairment losses. The asset classes recorded at cost are office equipment, vehicles and plant, park furniture and other assets, library books, artwork, and harbour assets.

Revaluation

Those asset classes that are revalued are valued on a three yearly cycle on the basis described below. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value.

- Operational land and buildings
As key properties, the Civic Centre, the former office building, and the memorial hall were valued to component level by Cameron Ferguson, (Registered Valuer, B. Com, VPM) of Quotable Value NZ on 30 June 2022. The balance of land and buildings were valued effective on 30 June 2022 by Cameron Ferguson, (B. Com, VPM) of Quotable Value NZ, at fair value as determined from market-based evidence. Carrying values for those specific assets are shown less accumulated depreciation and plus any subsequent additions at cost.
- Restricted land and buildings
The most recent valuation was performed by Cameron Ferguson, (Registered Valuer, B. Com, VPM) of Quotable Value NZ, and the valuation is effective on 30 June 2022 at fair value as determined from market-based evidence.
- Infrastructure
This includes roads, bridges & footpaths, water systems, sewerage systems and stormwater systems, stated at fair value determined on a depreciated replacement cost basis. The most recent valuation of these assets has been performed by the Council's inhouse engineers on 30 June 2022, and peer reviewed by WSP Ltd.

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 Council and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is recognised at cost. Where an asset is acquired at no cost, or for nominal cost, it is recognised at fair value at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant, and equipment other than land, at rates which will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The estimated useful economic lives of major classes of assets have been estimated as follows:

Infrastructural assets	Years	Rate (rounded)
<i>Roading</i>		
Land and road formation		Not depreciated
Base course		4.11%
Bridges	50 – 100	2.02%
Sealed top layer	7	20.15%
Kerb and channels	37	2.25%
Drainage	57	2.42%
Traffic facilities	4	16.38%
Seawalls	50	3.62%
Footpath structure		Not depreciated
Footpath surface	25	5.54%
Street lighting	17	5.37%
<i>Sewerage/wastewater</i>		
Equipment and oxidation ponds	50	From 2% to 6%
Pump stations	17 - 100	From 2% to 7%
Rising mains & gravity reticulation	25 – 77	From 1% to 4%
<i>Water</i>		
Pump stations	12 – 25	From 4% to 8%
Pipes & reticulation	7 – 99	From 1% to 14%
<i>Stormwater</i>		
Catchment mains & reticulation	70 – 99	From 1% to 2%
Structures	19 – 75	From 1% to 6%
Operational assets		
Buildings – structure	50	2%
Buildings – services	15 – 33	From 3% to 7%
Buildings – internal fit out	4 – 33	From 6% to 25%
Harbour seawall & wharf	30 – 50	From 2% to 4%
Computer equipment	5	20%
Plant, vehicles, and machinery	5 - 50	From 2% to 20%
Land		Not depreciated
Library books	12	8%
Library non-books	5	20%
Restricted assets		
Parks & reserves buildings	50	2%
Parks & reserves land		Not depreciated
Parks furniture & other assets	8 – 50	From 2% to 12%
Artwork		Not depreciated

In relation to infrastructural assets, depreciation has been calculated at a component level based on the estimated remaining useful lives as assessed by the Council's engineers and independent registered valuers. The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

Subsequent costs

Costs incurred after initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

Deemed cost

Land under roads, was valued based on fair value of adjacent land determined by Connell Wagner Ltd effective 30 June 2001. On transition to NZ equivalents to IFRS on 1 July 2006, the Council elected to use the fair value of land under roads on 30 June 2001 as deemed cost. Land under roads is no longer revalued.

Library collections

Library Books were valued at 30 June 2007 using actual cost per book, by the Kaikōura District Librarian, and this value has been deemed cost at that date. Library collections are no longer revalued.

Accounting for revaluations

The Council accounts for revaluations of property, plant, and equipment on a class of asset basis.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the surplus or deficit. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then credited to the other comprehensive revenue and expense and revaluation reserve for that class of asset.

Forestry assets

Forestry assets owned via the Marlborough Regional Forestry joint operation, and the Council's own forestry assets, are independently revalued annually at fair value less estimated point of sale costs. These valuations are performed by Forme Consulting Group for the joint operation (2021: by Forme Consulting Group), and by Merrill & Ring Ltd for the South Bay plantation. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate.

Gains or losses arising on initial recognition of forestry assets at fair value less estimated point of sale costs and from a change in fair value less estimated point of sale costs are recognised in the surplus or deficit.

The costs to maintain the forestry assets are included in the surplus or deficit.

Investment property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at cost, including transaction costs. After initial recognition, the Council measures all investment property at fair value as determined annually by an independent valuer.

Gains and losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

Intangible assets

- Carbon credits
Purchased carbon credits are recognised at cost on acquisition. They are not amortised but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.
- Software acquisition
Acquired computer software licences are capitalised on the basis of costs to acquire and bring to use the specific software. Costs associated with maintaining computer software, staff training on software use, and website development and maintenance, are recognised as an expense when incurred. Computer software has a 5-year useful life, and a 20% straight line amortisation rate.

Impairment of property, plant and equipment and intangible assets

Non-financial assets that have an indefinite useful life, are not yet available for use and are not subject to amortisation are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events and changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

- Value in use for non-cash-generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash-generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

- Value in use for cash-generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash flows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

The value in use for cash-generating assets is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

Creditors and other payables

Short-term creditors and other payables are recorded at their face value.

Borrowings

Borrowings are initially recognised at their fair value net of transactions costs incurred. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance date or if the borrowings are expected to be settled within 12 months of balance date.

Employee entitlements

- Short-term benefits

Employee benefits that the Council expects to be settled within twelve months of balance date are measured at nominal values 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 compensated 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 that the Council anticipates it will be used by staff to cover those future absences.

A liability and an expense are recognised for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

- Long-term benefits

- Superannuation schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

The Council belongs to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the board of trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme, the extent to which the surplus/(deficit) will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

The Actuary to the Scheme recommended previously that the employer contributions were suspended with effect from 1 April 2011. In the latest report, the Actuary recommended employer contributions change from zero to 1 times (100%) of the employee's contribution from 1 April 2019.

Provisions

A provision for future expenditure of uncertain amount or timing is recognised when there is a present obligation (either legal or constructive) because of a past event, it is probable that expenditure will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

Equity

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into several reserves.

The components of equity are:

- Public equity – accumulated funds
- Special reserves
- Special funds
- Asset revaluation reserves
- Fair value through other comprehensive revenue and expense reserves

Special and Council-created reserves

Special reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Council.

Restricted reserves are those subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Council-created reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the courts. Transfers to and from these reserves are at the discretion of the Council.

Asset revaluation reserves

This reserve relates to the revaluation of property, plant, and equipment to fair value.

Fair value through other comprehensive revenue and expense reserves

This reserve comprises the cumulative net change in the fair value of fair value through other comprehensive revenue and expense instruments.

Goods and services tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated 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 Inland Revenue Department (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 an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by the Council in its 2021/2022 Long Term Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council for the preparation of the financial statements.

Cost allocation

The cost of service for each significant activity of the Council has been derived using the cost allocation system outlined below:

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a significant activity.

Direct costs are charged directly to significant activities. Indirect costs are allocated to Council activities on a percentage of use basis.

Statement of cash flows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments, with original maturities of three months or less, in which the Council invests as part of its day-to-day cash management.

Operating activities include cash received from all income sources and cash payments made for the supply of goods and services. Agency transactions (the collection of Regional Council rates) are recognised as receipts and payments in the statement of cash flows because they flow through the Council's main bank account.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise the change in equity and debt structure of the Council.

Critical accounting estimates and assumptions

In preparing these financial statements, the Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- COVID-19 impact on value of assets
The Council has performed a fair value assessment of asset values between valuation years, for all its asset types. The assessment shows that COVID-19 is unlikely to have had a material impact on the value of Council-owned assets (roads, three water infrastructure, land, and buildings), and that a valuation outside the normal three-yearly cycle is not required.
- Landfill aftercare provision
Note 25 discloses an analysis of the exposure of the Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision.
- Infrastructural assets
There are several assumptions and estimates used when performing optimised DRC valuations over infrastructural assets.

These include:

- The physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by the Council performing a combination of physical inspections and condition modelling assessments of underground assets.
- Estimating any obsolescence or surplus capacity of an asset.
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over or under-estimating the annual depreciation charge recognised as an expense in the surplus or deficit. To minimise this risk, the Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group and have been adjusted for local conditions based on experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives further assurance over useful life estimates.

Experienced independent valuers perform the Council's infrastructural asset revaluations.

- Impairment

The Council has not yet completed detailed assessments of its community facilities and some harbour assets. This meant that, in the absence of detailed damage information, the determination of the impairment of these assets required the Council to broadly estimate the proportion of the assets that are damaged. This uncertainty required it to exercise judgement making an estimate of the damage and the impairment determination

- Earthquake related asset expenditure

Management is required to exercise judgement when determining whether earthquake related expenditure to assets is repairs and maintenance, which should be expensed in the current year, or capital expenditure. In performing this assessment, management makes judgements about the expected length of service potential of the asset, including the likelihood of it becoming obsolete because of other more permanent repairs.

Critical judgements in applying the Council's accounting policies

Management has exercised the following critical judgements in applying accounting policies for the year ended 30 June 2022:

- Classification of property

The Council owns several properties, which are maintained primarily to provide housing to pensioners or other service delivery objectives. The receipt of rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives which includes the Council's social housing policy. These properties are accounted for as property, plant, and equipment.

Notes to the Financial Statements

1 Summary revenue and expense for groups of activities

	COUNCIL		
	2022 REVENUE \$000	2022 EXPENSE \$000	2022 NET RESULT \$000
Activity revenue & expense			
Roading	2,556	3,419	(863)
Water supplies	2,179	1,606	573
Wastewater	651	1,139	(488)
Stormwater	116	213	(97)
Refuse & recycling	286	699	(412)
Community Facilities	3,906	4,013	(107)
Leadership & governance	49	1,145	(1,095)
Building & regulatory	879	1,378	(499)
Community services	702	2,129	(1,427)
District development	487	681	(194)
Total activity revenue & expense	11,812	16,421	(4,609)
Non-activity revenue & expense			
Plus general rates, uniform annual general charges, and penalties (less remissions)			3,517
Plus interest and dividends received			8
Plus net gain/(losses) on forestry assets			(260)
Plus/(less) gains on investment properties			765
Plus/(less) gains/(losses) on sale or disposal of assets			-
Plus/(less) Environment Canterbury share of MRF surplus/deficit			40
Plus/(less) bad debt movement in provision			314
Plus/(less) Revaluation in excess			-
Less bad debt expenses (net of bad debts recovered)			(2)
Less IRD Penalties			-
Total non-activity revenue & expense			4,382
Net surplus/(deficit) per Statement of Comprehensive Revenue & Expense			(227)

2 Rates

	COUNCIL & GROUP		
	2022 BUDGET \$000	2022 ACTUAL \$000	2021 ACTUAL \$000
General rate	2,066	2,081	1,887
Uniform annual general charge	1,678	1,682	1,519
Earthquake rate	-		18
Earthquake levy	106	107	106
Roading rate	769	774	767
District planning rate	218	220	222
Kaikoura water annual charge	990	997	915
Kaikoura water loan charge	-	-	55
Suburban water unit charge	26	25	17
Ocean Ridge water charge	53	55	41
East Coast water unit charge	86	86	86
Kincaid water unit charge	91	91	97
Fernleigh water unit charge	90	90	27
Oaro water unit charge	36	36	33
Peketa water charge	10	10	9
Stormwater rate	115	116	106
Sewerage loan rate	-	-	121
Sewerage charges	592	598	729
Commercial rate	383	383	380
Accommodation sector charge	72	70	72
Registered premises charge	33	32	37
Stock control rate	-	-	11
Footpath & streetlight rate	229	231	160
Harbour rate	94	95	86
Town centre rate	83	84	78
Kerbside recycling charge	216	214	174
Rural recycling charge	-	-	45
Public rubbish bin charge	32	32	32
Civic centre rate	344	344	235
Rate penalties	-	158	56

Continued ...

	COUNCIL & GROUP		
	2022 BUDGET \$000	2022 ACTUAL \$000	2021 ACTUAL \$000
Rates (continued) ...			
Rates remissions, rebates & write offs	-	(516)	(70)
Water meter charges	140	168	138
Total revenue from rates	8,553	8,266	8,189

The Local Government (Rating of Whenua Māori) Amendment Act of 2021, which amended the Local Government Rating Act (2002), has had a significant impact on rates revenue for the 2022 financial year. The new amendment requires that all rates on unused Māori Freehold land be written off and the land be classified as non-rateable effective from 1 July 2021. For most Māori Freehold land rates now written off, the Council had not budgeted to ever receive payment from the owners, and so has not had the burden of a funding shortfall. The impact on the Council's disclosed revenue from rates is, however, significantly less than budget.

3 Fees and charges

	COUNCIL			GROUP	
	2022 BUDGET \$000	2022 ACTUAL \$000	2021 ACTUAL \$000	2022 ACTUAL \$000	2021 ACTUAL \$000
Building & resource consent fees	559	503	709	503	709
Lease & rental revenue	348	364	347	364	347
License fees	194	192	201	192	201
Parking and slipway fees	139	115	126	115	126
Other fees and charges	289	384	1,136	1,267	2,244
Total fees and charges	1,528	1,558	2,520	2,441	3,627

Building & resource consent revenue remained strong throughout the 2022 financial year, although showed a decrease from 2021 as the peak of earthquake rebuilds appears to be over.

4 Grants & subsidies

The Council has been the recipient of significant funding from external agencies since the earthquake and now with the government economic support packages such as the Provincial Growth Fund and other stimulus funding. Despite receiving over \$5.5 million in external funding support in 2022, this is \$1.1 million less than expected. The main reason for this is the delays in the Waiau-toa Clarence River bridge construction (delayed due to concerns raised by Iwi), which has meant the subsidies from Waka Kotahi are almost \$1.3 million less than expected in the 2022.

	COUNCIL			GROUP	
	2022 BUDGET \$000	2022 ACTUAL \$000	2021 ACTUAL \$000	2022 ACTUAL \$000	2021 ACTUAL \$000
Waka Kotahi (NZTA)	2,361	1,316	5,225	1,316	5,225
NZ Crown (Department of Prime Minister & Cabinet, Ministry of Civil Defence & Emergency Management)	1,089	733	2,884	733	2,937
Ministry of Business, Innovation & Employment (MBIE, PGF & TIF)	3,104	1,806	2,514	1,806	2,514
Ministry of Social Development (MSD)	-	518	585	518	585
Department of Internal Affairs (DIA)	-	85	254	85	254

North Canterbury Transport Infrastructure Recovery (NCTIR)	-	-	46	-	46
NZ Lottery grants	-	-	204	-	204
Other grants, subsidies & donations	60	64	80	64	83
Total grants & subsidies	6,614	4,523	11,792	4,523	11,848

5 Interest revenue & finance costs

	COUNCIL			GROUP	
	2022 BUDGET \$000	2022 ACTUAL \$000	2021 ACTUAL \$000	2022 ACTUAL \$000	2021 ACTUAL \$000
Interest revenue					
Interest on term deposits	7	10	6	10	6
Total financing revenue	7	10	6	10	6
Financing expense					
Interest on borrowings	118	93	69	95	70
Penalties Paid	-	-	-	-	-
Unwinding of landfill provision	-	-	-	-	-
Total financing expense	118	93	69	95	70
Net finance cost	(111)	(83)	(63)	(85)	(64)

By prudently reducing our reliance on borrowing during the year, and through the very low interest costs available through the Local Government Funding Agency, the Council has once again minimised its financing cost.

6 Other revenue

	COUNCIL			GROUP	
	2022 BUDGET \$000	2022 ACTUAL \$000	2021 ACTUAL \$000	2022 ACTUAL \$000	2021 ACTUAL \$000
Share of Marlborough Regional Forestry joint operation other revenue	-	116	651	116	651
Wage subsidy	-	-	-	32	-
Petrol tax	38	45	44	45	44
Waste minimisation levies	20	22	4	22	4
Sale of land	-	143	3	143	3
Infringement fees & other revenue	20	3	60	3	60
Total other revenue	78	329	761	361	761

The Council accounts for its 11.5% share of the Marlborough Regional Forestry joint operation revenue. The Council sold two parcels of land in 2022, one being the former oxidation pond on Rorrison's Road and the other a land-locked piece of land adjacent to a new subdivision on the peninsula. Both properties were not being used.

7 Fair value gains and losses

	COUNCIL & GROUP		
	2022 BUDGET \$000	2022 ACTUAL \$000	2021 ACTUAL \$000
Gains			
Forestry asset revaluation gains	-	-	-
Investment property revaluation gains	-	765	915
Gain on sale/disposal of asset	-	72	4
Gain from vested asset	-	426	3,260
Total Gains	-	1,263	4,179
Losses			
Loss on sale/disposal of asset	-	(299)	(248)
Forestry asset revaluation losses	-	(260)	(271)
Investment property revaluation losses	-	-	(15)
Losses in excess of revaluation reserves	-	-	(1,147)
Total Losses	-	(559)	(1,681)
Gains/(Losses) through other comprehensive income expense			
Gain/(Losses) on asset revaluations – Refer Note 12	-	74,203	6,491
Total (Gains)/Losses through other comprehensive expense	-	74,203	6,491
Net Gains/(Losses)	-	74,907	8,989

In 2021, the decrepit buildings at Wakatu Quay had been demolished, and the site completely cleared (including the removal of several layers of concrete contaminated with asbestos). The site has been valued accordingly, resulting in a large gain on fair value in 2022.

In addition, in 2022 the housing units provided by MBIE for temporary accommodation for landowners of damaged homes were vested into Council ownership to continue to use to meet a shortfall in housing demand.

8 Personnel expense

	COUNCIL			GROUP	
	2022 BUDGET \$000	2022 ACTUAL \$000	2021 ACTUAL \$000	2022 ACTUAL \$000	2021 ACTUAL \$000
Salaries, wages, and honorarium	3,310	3,153	3,338	4,358	4,672
Employer contributions to defined contribution plans	83	80	86	80	86
Increase/(decrease) in employee entitlements	-	(2)	(71)	(2)	(71)
Total personnel expense	3,393	3,231	3,353	4,436	4,687

Employer contributions to defined contribution plans include contributions to Kiwisaver and Super Trust of NZ. Salaries, wages, and honorarium include remuneration expenses relating to the Chief Executive, elected members, and Council employees. See note 28 for further disclosure on these expenses. The increase/decrease in employee entitlements refers to changes in annual leave, sick leave, and long service leave balances.

9 Depreciation & amortisation by group of activity²⁰

	COUNCIL			GROUP	
	2022 BUDGET \$000	2022 ACTUAL \$000	2021 ACTUAL \$000	2022 ACTUAL \$000	2021 ACTUAL \$000
Roading	1,270	1,794	1,417	1,794	1,417
Water supplies	474	524	441	524	441
Wastewater	422	462	432	462	432
Stormwater	77	83	82	83	82
Refuse & recycling	178	117	284	265	449
Facilities	684	763	739	764	739
Leadership & governance	93	100	142	100	142
Building & regulatory	-	-	-	-	-
Community services	8	53	50	53	50
District development	-	-	-	-	-
Total depreciation & amortisation	3,206	3,898	3,587	4,046	3,752

10 Other expenses

	COUNCIL			GROUP	
	2022 BUDGET \$000	2022 ACTUAL \$000	2021 ACTUAL \$000	2022 ACTUAL \$000	2021 ACTUAL \$000
Audit fees to principal auditor:					
- Audit for the Council	93	133	147	159	173
- Audit for other Council- Controlled Entity	3	3	6	3	6
Contractors	2,608	2,861	2,646	2,861	2,646
Demolition expenses	100	33	1,066	33	1,066
Donations and grants paid out	452	1,465	1,962	1,465	1,962
Insurance premiums	466	441	433	482	470
Legal fees	179	74	35	74	35
Receivables written off	-	2	-	2	2
Movement in provision for impairment of receivables	-	(314)	774	(314)	774
Operating lease expense	20	20	20	32	20
Share of MRF joint operation expenses	131	189	694	189	694
Personnel related expenses	317	194	270	194	270
Other operating expense	4,078	3,447	2,992	3,013	2,372
Freedom (responsible) camping	-	-	23	-	23

²⁰ For comparison to the published 2021 Annual Report, the groups of activities have changed, in that Commercial Activities are now combined with Community Facilities (and renamed Facilities), and the depreciation disclosed under Earthquake Event in 2021 related to roading infrastructure and so has been added to Roothing for 2022.

	Financial information				
Earthquake – response & recovery	-	-	5	-	5
Earthquake – external resources and damage assessments	8	2	127	2	127
Earthquake – natural hazards	-	-	480	-	480
Earthquake – emergency repairs	-	40	154	40	154
Total other expenses	8,455	8,589	11,834	8,235	11,279

Of the above expense categories, contractors include the extensive services the Council provides using external providers, many of whom are local contractors, such as for roading & drainage maintenance, public toilet cleaning, landfill and recycling services, food premises and liquor licensing regulation.

Other operating expense captures everything else not already categorised, from accreditation expenses to youth projects, and everything in between such as electricity, IT services, photocopying and printing, software licences, telecommunications, valuation services and much more.

11 Environment Canterbury's share of the Marlborough Regional Forestry joint operation surplus/(deficit)

The Council holds an 11.5% share in the Marlborough Regional Forestry (MRF) joint operation (see note 30). Of that share, the Council holds 13.37% share on behalf of Environment Canterbury, and their share of any surplus or deficit. Any gains or losses on asset revaluation (note 13), are shown in the statement of comprehensive revenue and expense, and the total share is disclosed as a non-current liability (note 26).

	COUNCIL & GROUP	
	2022 \$000	2021 \$000
Marlborough Regional Forestry joint operation surplus/(deficit)	(297)	(320)
Environment Canterbury share @ 13.37%	40	43

12 Gains/(losses) on asset revaluation

The 2021 financial statements included the revaluation of roading and three water assets on 1 July 2020, mainly to support the process of implementing a new asset management system and the development of a new Infrastructure Strategy. In the 12 months since then, however, global inflationary pressure suggests that the fair value of these assets may already be understated and that a further valuation is required on 30 June 2021 (two years earlier than normally required). The Council has not prepared an early revaluation due to time and resource constraints, and the enormous financial cost to undertake this exercise.

It is for this reason that the Auditors Report contains a statement regarding the valuation of these assets.

	COUNCIL & GROUP	
	2022 \$000	2021 \$000
Land	4,894	-
Buildings	5,531	-
Roading	35,012	2,787
Stormwater	3,289	632
Water	11,886	2,993
Sewerage	13,286	-
Marlborough Regional Forestry joint operation revaluation	352	92

Environment Canterbury share of MRF revaluation (13.37%)	(47)	(12)
Total gains/(losses) on asset revaluation	74,203	6,491

13 Cash & cash equivalents

	COUNCIL		GROUP	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Cash at bank and in hand	2,790	3,419	3,066	3,760
Term deposits with a maturity of three months or less at acquisition	-	2,000	-	2,000
MRF bank accounts	-	17	-	17
Total cash & cash equivalents	2,790	5,436	3,066	5,777

Financial assets recognised in a non-exchange transaction that are subject to restrictions

The Council holds unspent funds, included in cash at bank and investments, of \$4,089,462 (2021: \$7,432,169), that are subject to restrictions. These unspent funds relate to grants received, targeted rates accumulating and/or loans drawn for special projects, and other funds where the spending of funds is separately monitored. These special funds and special reserves are detailed on pages 107-108.

14 Trade & other receivables

	COUNCIL		GROUP	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Rates receivables	393	796	393	796
Debtor receivables	1,504	1,275	1,568	1,304
Debtor accruals	103	714	103	714
Receivables prior to impairment	1,999	2,785	2,064	2,814
Less provision for impairment	(981)	(1,295)	(981)	(1,295)
Total trade & other receivables	1,018	1,490	1,083	1,518
Total receivables comprise:				
Receivables from non-exchange transactions – this includes rates, grants & subsidies, and development contributions	488	766	488	766
Receivables from exchange transactions – including fees and charges, lease revenue and consent fees	530	724	595	752
	1,018	1,490	1,083	1,518

Debtor receivables includes significant invoices for subsidies from the Crown and NZTA. Those invoices were paid after balance date.

Non-exchange transactions are primarily rates and other taxes, levies, grants, donations, infringements, and fines, where there has not been an exchange of goods, services, or use of assets of an equal value.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Movements in the provision for impairment of receivables are as follows:

	Financial information			
	COUNCIL		GROUP	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
On 1 July	1,295	521	1,295	521
<i>Additional provisions</i>				
Increase/(decrease) in provision	(314)	774	(314)	774
Receivables written off	-	-	-	-
Total provision	981	1,295	981	1,295

15 Prepayments

	COUNCIL		GROUP	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Prepayments	257	209	257	209
Total prepayments	257	209	257	209

16 Other financial assets

	COUNCIL		GROUP	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Current portion				
Loans to Subsidiaries	20	20	-	-
<i>Total current portion</i>	<i>20</i>	<i>20</i>	<i>-</i>	<i>-</i>
Non-current portion				
Unlisted shares in Civic Financial Services Ltd	9	9	9	9
Borrower Notes	132	98	132	98
Loans to Subsidiaries	55	75	-	-
<i>Total non-current portion</i>	<i>197</i>	<i>182</i>	<i>141</i>	<i>107</i>
Total other financial assets	217	202	141	107

The Council is a non-guaranteeing member of the Local Government Funding Agency Ltd (LGFA). During the year, the Council refinanced \$3,000,000 and raised a further \$300,000 in security stock, retained \$50,000 in borrower notes and purchased \$82,500 of new borrower notes. These borrower notes are repaid by LGFA when the loans mature.

Due to the immaterial size and nature of the Council's investment in Civic Financial Services Ltd, the Council has estimated the fair value of this investment based on Civics' net asset backing on 30 June. There were no impairment provisions for other financial assets. At balance date, none of these financial assets are either past due or impaired.

In 2021, the Council provided a loan to Innovative Waste Kaikōura Ltd (IWK) for a five-year term, to enable IWK to purchase a truck for the kerbside collection service. The loan is due to be fully repaid in 2026.

17 Non-Current Assets Held for Sale

	COUNCIL		GROUP	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Non-Current Assets Held for Sale are:				
Land	330	-	330	-
Total Non-Current Assets Held for Sale	330	-	330	-

The Council-owned land on The Esplanade has been presented as held for sale following approval by the Council to sell the land to Te Runanga o Kaikoura on 23 February 2022. The council has approved the sale of the land, as it will provide no future use to the Council.

18 Forestry assets

The Council has an 11.50% interest in a joint venture operation agreement on the Marlborough Regional Forestry (MRF). Of the Council's share of MRF, 13.37% is held on behalf of Environment Canterbury. The forestry assets are at varying stages of maturity. The joint operation continued its normal logging activity during the year, the Council's share of the sales revenue after direct costs was a loss of \$296,986 (2021: loss of \$321,248). The joint operation has now completed all its available logging and is entering a phase of limited revenues, expected to last at least five years, until the next blocks reach suitable height for logging to recommence.

The Council owns a small eight-hectare pine forest at South Bay. The Council has not logged trees from South Bay for many years, and so net logging sales returned \$nil during the year (2021: \$nil).

	COUNCIL & GROUP	
	2022 \$000	2021 \$000
Opening balance 1 July	2,411	2,957
Increases due to purchases	57	1
Gains/(Losses) arising from changes in fair value attributable to physical changes	(150)	(39)
Gains/(Losses) arising from changes in fair value attributable to price changes	(110)	(232)
Decreases due to sales (harvest)	(53)	(276)
Closing balance 30 June	2,155	2,411

Valuation assumptions

Forme Consulting Group valued the Marlborough Regional Forestry assets on 30 June 2021 and 2022, using the estate based net present value method. Forestry estate land and improvements owned by Marlborough Regional Forestry were valued as of 30 June at fair value. The following significant valuation assumptions have been adopted in determining the fair value of forestry assets:

- A pre-tax discount rate of 6.5% (2021: 6.5%) has been used in discounting the present value of expected future cash flows,
- The forest has been valued on a going concern basis and includes only the value of the existing crops on a single rotation basis,
- The cash flows have been adjusted for inflation, and
- Costs are current average costs. No allowance has been made for cost improvements in future operations.

The South Bay Forest has minimal value in its standing trees, being used mainly as a recreation area. The Council has considering logging during 2022 financial year, however due to the obligation to surrender carbon credits, there is no financial benefit in doing so. Merrill & Ring Ltd valued the South Bay Forest on 30 June for the 2021 and 2022 years.

Sensitivity analysis

The sensitivity of crop value to discount rate is shown below:

	On 30 June 2022		
	6%	6.5% (as used)	7%
Discount rate:			
The Council's 11.5% share of MRF tree crop value (\$000's)	1,804	2,037	2,320

19 Investment property

The land at Wakatu Quay, formerly housing the Pacifica Fisheries buildings, is the only property the Council considers to be investment property, due to the expectation that the land will generate a net return.

	COUNCIL & GROUP	
	2022 \$000	2021 \$000
Opening balance 1 July	2,365	2,070
Additions from subsequent expenditure	-	-
Disposals	-	-
Reclassification as property, plant & equipment	-	(605)
Fair value gains/(losses) on valuation	765	900
Loss on impairment	-	-
Closing balance 30 June	3,130	2,365

The Council has not identified any investment properties that it intends to sell.

	COUNCIL & GROUP	
	2022 \$000	2021 \$000
Current portion		
Investment property held for sale	-	-
Non-current portion		
Investment property	3,130	2,365
	3,130	2,365

Investment properties are valued at fair market value by Andrew Parkyn (Registered Valuer, B. Com (VPM)) of Quotable Values Limited on 30 June 2021, and by Cameron Ferguson (Registered Valuer, B. Com (VPM)) of Quotable Values Limited on 30 June 2022. The valuer is experienced and competent in undertaking asset valuation work in accordance with valuation and accounting standards. The fair value of investment property was determined using the highest and best use method, which is defined as the most probable use of the asset that is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value.

20 Property, plant & equipment

Land and buildings were valued at fair value on 30 June 2022, by Cameron Ferguson of Quotable Values.

Roading, water supplies, sewerage and stormwater systems were valued at 30 June 2022 by inhouse engineers and peer reviewed by WSP Ltd. Library books were valued at 30 June 2007 by the District Librarian and this value has been deemed cost at that date; library books are not revalued. Marlborough Regional Forestry PPE is valued annually. The Council does not revalue office equipment, plant and machinery, artworks, or harbour assets.

Land values include restricted land, which are parks and reserves owned by the Council but cannot be disposed of due to legal or other restrictions. On 30 June 2022 this land has a carrying value of \$9,380,725 (2021: \$6,149,270). Building values include restricted buildings, playgrounds, and other structures, that on 30 June 2022 have a carrying value of \$2,728,600 (2021: \$2,490,030).

Land under roads of \$18,237,242 (2021: \$18,237,242) is included under Roding in the tables on the following pages. The Council has elected to use the fair value of land under roads on 30 June 2001 as deemed cost. Land under roads is no longer revalued.

2021	Cost/ revaluation 1 Jul 2020 \$000	Accumulated depreciation 1 Jul 2020 \$000	Carrying amount 1 Jul 2020 \$000	Current year additions \$000	Current Year disposals \$000	Current Year Transfers \$000	Current year depreciation \$000	Current year revaluations \$000	Cost/ revaluation 30 Jun 2021 \$000	Accumulated depreciation 30 Jun 2021 \$000	Carrying amount 30 Jun 2021 \$000
	Land	12,585	-	12,585	-	(248)	370	-	-	12,707	-
Buildings	15,372	(516)	14,856	58	-	262	(528)	-	15,692	(1,044)	14,648
Landfill Provision	1,068	(470)	598	(68)	-	-	(266)	-	1,000	(736)	264
Office equipment	450	(328)	122	43	-	-	(43)	-	493	(371)	122
Vehicles & plant	571	(408)	163	21	(41)	-	(19)	-	551	(427)	124
Park furniture & other	398	(121)	276	41	-	-	(20)	-	439	(141)	298
Library books	621	(563)	57	13	-	-	(50)	-	634	(613)	21
Artwork	89	-	89	-	-	-	-	-	89	-	89
Harbour	7,916	(754)	7,162	61	-	-	(166)	-	7,977	(920)	7,057
Roading	123,262	(1,229)	122,031	6,181	-	2,414	(1,413)	2,787	133,425	(1,423)	132,002
Stormwater	4,055	(53)	4,002	222	-	7	(81)	632	4,863	(81)	4,783
Water supplies	12,766	(455)	12,321	907	-	1,544	(441)	2,993	17,765	(441)	17,324
Sewerage	16,159	(212)	15,947	1,813	-	2,679	(432)	(1,147)	19,292	(432)	18,860
MRF PPE	1,816	(413)	1,403	-	(378)	-	(28)	525	1,962	(441)	1,521
Work in progress	7,276	-	7,276	387	-	(6,820)	-	-	843	-	843
Council total	204,404	(5,512)	198,890	9,679	(667)	456	(3,487)	5,790	217,733	(7,070)	210,662
Subsidiary buildings	432	(161)	272	-	-	-	(8)	-	432	(169)	263
Subsidiary plant & equip	1,450	(857)	592	303	(130)	-	(157)	-	1,623	(887)	736
Group total	206,286	(6,530)	199,754	9,982	(797)	456	(3,652)	5,790	219,788	(8,126)	211,661

2022	Cost/ revaluation 1 Jul 2021 \$000	Accumulated depreciation 1 Jul 2021 \$000	Carrying amount 1 Jul 2021 \$000	Current year additions \$000	Current year Disposals \$000	Current year transfers \$000	Current year depreciation \$000	Current year Revaluations \$000	Cost/ revaluation 30 Jun 2022 \$000	Accumulated depreciation 30 Jun 2022 \$000	Carrying amount 30 Jun 2022 \$000
Land	12,707	-	12,707	21	(29)	(330)	-	4,898	17,267	-	17,267
Buildings	15,692	(1,044)	14,648	814	(363)	252	(548)	5,531	20,655	-	20,655
Landfill Provision	1,000	(735)	265	(103)	-	-	(86)	-	897	(821)	76
Office equipment	493	(371)	122	32	-	-	(47)	-	519	(412)	107
Vehicles & plant	551	(427)	124	67	-	-	(38)	-	618	(465)	153
Park furniture & other	439	(141)	298	-	-	-	(25)	-	439	(166)	273
Library books	634	(613)	21	43	-	-	(51)	-	677	(664)	13
Artwork	89	-	89	-	-	-	-	-	89	-	89
Harbour	7,977	(920)	7,057	12	-	-	(167)	-	7,928	(1,026)	6,902
Roading	133,425	(1,425)	132,001	1,969	-	-	(1,794)	35,012	167,217	(30)	167,187
Stormwater	4,863	(81)	4,782	-	-	-	(84)	3,289	7,988	-	7,988
Water supplies	17,765	(441)	17,324	1,227	-	87	(524)	11,887	30,001	-	30,001
Sewerage	19,292	(432)	18,860	437	-	21	(462)	13,286	32,143	(1)	32,143
MRF PPE	1,962	(441)	1,521	-	-	-	(27)	349	2,312	(468)	1,844
Work in progress	843	-	843	1,029	-	(360)	-	-	1,512	-	1,512
Council total	217,732	(7,071)	210,662	5,548	(392)	(330)	(3,851)	74,252	290,261	(4,053)	286,209
Subsidiary buildings	432	(169)	263	-	-	-	(8)	-	432	(177)	255
Subsidiary plant & equip	1,623	(887)	736	94	(188)	-	(140)	-	1,530	(851)	679
Group total	219,788	(8,126)	211,661	5,642	(580)	(330)	(3,999)	68,560	286,575	(5,125)	281,450

Core infrastructure asset disclosures

The Local Government (Financial Reporting and Prudence) Regulations 2014 require separate disclosure for water supply, sewerage, stormwater drainage, flood protection and control work, and roads and footpaths. In addition, water and sewerage asset disclosures must be further split between treatment plants and facilities, and other assets. These are separately disclosed in the following table. The Council does not own any assets associated with flood protection and control works.

Included within the Council infrastructure assets above are the following core Council-owned assets:

	Closing book value on 30 June \$000	Additions constructed by the Council \$000	Additions transferred to the Council \$000	Replacement cost estimate for revalued assets \$000
2021				
Water supply:				
- treatment plants & facilities	2,728	185	-	5,537
- other assets	14,595	2,266	-	21,257
Sewerage:				
- treatment plants & facilities	9,464	3,843	-	11,556
- other assets	9,396	649	-	11,332
Stormwater drainage	4,782	229	-	6,474
Roads and footpaths	132,002	5,345	2,569	136,802
2022				
Water supply:				
- treatment plants and facilities	6,602	789	-	13,586
- other assets	24,715	525	-	41,433
Sewerage:				
- treatment plants and facilities	13,224	323	-	18,058
- other assets	11,908	136	-	28,635
Stormwater drainage	7,988	-	-	11,974
Roads and footpaths	167,187	1,969	-	196,137

Replacement cost differs to the closing book value (carrying amounts) because the closing book values are determined using depreciated replacement cost. Replacement costs were determined on 30 June 2022 for all disclosed categories.

21 Intangible assets

Computer software

Software includes the ERP software, Ozone, supplied by Datacom NZ Ltd. This whole-of-Council software solution provides financial, rates, customer service and regulatory modules. Software also includes library software, Liberty, which now provides an improved cataloguing system.

Last year (2021), the Council implemented a new asset management system, Adapt, which is now providing us with a platform to collect more asset information and to forecast renewal and maintenance expenditure.

	COUNCIL		GROUP	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
COMPUTER SOFTWARE				
Opening balance 1 July	143	77	143	77
Additions	-	156	-	156
Disposals	-	-	-	-
Amortisation	(45)	(90)	(45)	(90)
Closing balance 30 June	98	143	98	143

22 Payables and deferred revenue

	COUNCIL		GROUP	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Current portion				
Payables and deferred revenue under exchange transactions:				
Trade payables, deferred revenue, and accrued expenses	1,660	2,001	1,646	1,937
Marlborough Regional Forestry creditors	11	16	11	16
Salaries and wages	-	-	-	-
Total	1,671	2,017	1,657	1,953
Payables and deferred revenue under non-exchange transactions:				
Rates paid in advance	230	151	230	151
Goods & services tax	-	-	-	-
Deposits and bonds held	283	295	283	295
Environmental Canterbury liability	62	250	62	250
Grant liabilities	990	1,686	990	1,686
Total	1,564	2,381	1,564	2,382
Total current portion	3,235	4,399	3,221	4,335

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payables approximates their fair value.

23 Employee benefit liabilities

	COUNCIL		GROUP	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Accrued salaries & wages, PAYE and FBT	47	37	91	100
Annual leave	222	229	335	357
Sick leave	15	11	16	11
Long service leave	19	19	19	19
Total employee benefit liabilities	304	296	461	487

Key assumptions in measuring long service leave obligations

It is assumed that long service leave will be taken within twelve months. No discount rate has been applied, and leave obligations are stated at current rates of pay.

24 Borrowings

	COUNCIL		GROUP	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
<i>Current</i>				
Secured loans	-	3,000	-	3,000
Short term loan (cash advance)	-	-	-	-
Total current borrowings	-	3,000	-	3,000
<i>Non-current</i>				
Secured loans	5,300	2,000	5,300	2,000
Total non-current borrowings	5,300	2,000	5,300	2,000
Total borrowings	5,300	5,000	5,300	5,000

Security

The Council is a non-guaranteeing member of the Local Government Funding Agency (LGFA). The borrowings are secured against rates of the Council under a debenture trust deed. The Council manages its borrowings in accordance with its funding and financial policies, which includes a Liability Management Policy. These policies have been adopted as part of the Council's Long-Term Plan. The Council has also retained a committed cash advance facility with the Bank of New Zealand (BNZ), secured by negative pledge.

At balance date, \$5,300,000 in borrowings has been drawn with LGFA (2021: \$5,000,000). No loans are held with the BNZ (2021: Nil).

Maturity analysis and effective interest rates

The following is a maturity analysis of the Council's borrowings.

	COUNCIL		GROUP	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Less than one year	-	3,000	-	3,000
<i>Weighted average effective interest rate</i>	-	0.79%	-	0.79%
Later than one year but not more than five years	4,000	2,000	4,000	2,000
<i>Weighted average effective interest rate</i>	1.03%	0.52%	1.03%	0.52%
Later than five years	1,300	-	1,300	-
<i>Weighted average effective interest rate</i>	3.46%	-	3.46%	-

There is no significant difference in the carrying amount and the fair values of borrowings in each year. There are no internal borrowings.

25 Provisions

Provision for landfill aftercare costs

The Council has a resource consent to operate the landfill and has responsibility under the consent to provide ongoing maintenance and monitoring of the landfill after the site has closed, estimated closure is expected to be 2024. The cash outflows for landfill post-closure are expected to occur between 2024 and 2059. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and using a multi-factored discount rate ranging from 3.34% to 4.47% (2021: 0.38% to 4.30%), and a multi-factored inflation rate ranging from 1.76% to 3.87% (2021: 1.88% to 2.0%).

CURRENT VS. NON-CURRENT	COUNCIL & GROUP	
	2022 \$000	2021 \$000
<i>Current</i>		
Landfill aftercare costs	-	-
<i>Non-current</i>		
Landfill aftercare costs	1,445	1,548
Total provisions	1,445	1,548

MOVEMENTS IN PROVISIONS	COUNCIL & GROUP	
	2022 \$000	2021 \$000
Opening balance 1 July	1,548	1,616
Amount used	-	-
Unwinding of landfill provision	-	-
Additional provisions made	(103)	(68)
Closing balance 30 June	1,445	1,548

26 Other term liabilities

	COUNCIL & GROUP	
	2022 \$000	2021 \$000
<i>Current</i>		
Current portion of other term liabilities	-	-
<i>Non-current</i>		
Share of interest in MRF held on behalf of Environment Canterbury	416	408
Total other term liabilities	416	408

KDC has no non-current liabilities relating to MRF because its share in MRF is offset by KDC's claim from MRF for Marlborough District Council's 88.5% share on MRF loan from KDC.

				2022 \$000
Marlborough District Council loan	KDC share at 11.5%	5,897,987	11.5%	678,269
Kaikōura District Council loan	KDC's claim from MDC's share	766,405	88.5%	(678,269)
Total liability				-

27 Equity

	COUNCIL		GROUP	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Public equity	115,080	111,703	116,116	112,801
Special reserves & special funds	4,089	7,432	4,089	7,432
Asset revaluation reserves	166,333	92,130	160,641	92,130
Total equity	285,503	211,265	280,847	212,363

Public Equity

	COUNCIL		GROUP	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Opening balance 1 July	111,703	105,668	112,801	106,614
Net surplus/(deficit)	(227)	6,984	(289)	7,173
Change to opening balance of special funds and reserves		-		-
Transfers (to)/from special reserves	1,702	(2,600)	1,702	(2,600)
Transfers (to)/from special funds	1,641	1,651	1,641	1,651
Transfer (to)/from revaluation reserve on disposal	261	-	261	-
Closing balance 30 June	115,080	111,703	116,116	112,801

Special Reserves and Special Funds

Special reserves are balances set aside by legislation and are held for specific purposes which the Council has funded by way of targeted rates, such as water maintenance.

Special funds are also funds set aside by the Council for specific purposes, but which are generally funded by sources other than rates, e.g., grants and development contributions.

	Purpose	Opening balance \$,000s	Transfers in \$,000s	Transfers out \$,000s	Closing balance \$,000s
Special Reserves					
Kaikōura water	All costs for the Kaikōura, Ocean Ridge, Suburban, Oaro, and Peketa water supplies	199	1,341	(888)	652
East Coast water	Maintenance, administration, upgrading and loan costs	23	86	(83)	26
Kincaid water	Maintenance, administration, and upgrading costs	191	94	(79)	206
Ferneleigh water	Maintenance, administration, and upgrading costs	47	92	(101)	38
Roading	Maintenance and upgrading of local roads and bridges	1,768	1,874	(3,376)	266
Roading events	Responding to flooding and other events, and repairing damage to roads and bridges	185	33	(48)	170
Footpaths & streetlights	Maintenance, administration, upgrading and loan costs	18	265	(263)	20
Recycling	Recycling collection and sorting, and recycling stations	35	205	(185)	55
District Plan	All costs in relation to the District Plan	61	214	(280)	(5)
Stormwater	Maintenance, administration, upgrading and loan costs	191	116	(130)	177
Sewerage	Maintenance, administration, upgrading and loan costs	245	625	(647)	223
Tourism & Marketing	Support for the i-Site and Destination Kaikōura	(38)	224	(225)	(39)
Commercial Rate	A portion of the cost of providing traffic control, public toilets, public rubbish bins	-	120	(127)	(7)
Harbour	South Bay & North Wharf maintenance, administration, upgrading and loan costs	708	(270)	(298)	140
Registered Premises	The net cost of food and liquor premises inspection and certification	-	160	(160)	-
West End town centre	Car park, village green, public toilets and town centre maintenance, administration, upgrading and loan costs	-	117	(137)	(20)
Civic centre	Maintenance, administration, upgrading and loan costs	(409)	387	(351)	(373)
Stock control	All costs including enforcement and control	29	-	(8)	21
Earthquake – Roothing	Roothing rebuild associated with the November 2016 quake	-	220	(220)	-
		3,253	5,906	(7,608)	1,551

		Financial information			
	Purpose	Opening balance \$,000s	Transfers in \$,000s	Transfers out \$,000s	Closing balance \$,000s
Special funds					
Social services	Social projects & committee costs	6	-	(1)	5
Tourism strategy	Tourism strategy costs	35	-	-	35
Creative communities	Arts funding available by application	12	23	(28)	7
George Low bequest	Sports & recreation funding available by application	55	9	(4)	60
Economic development	Economic development projects	40	-	(30)	10
3W Stimulus Package	Improvements to drinking water supplies and wastewater treatment systems	457	564	(1,395)	(374)
Forestry	Net costs of forestry, and surpluses for strategic investment	1,087	11	(11)	1,087
Significant natural areas	Biodiversity projects	22	-	-	22
Parks & reserves	Upgrades and new parks/reserves assets	65	57	-	122
Pensioner flats	Maintenance, upgrades, administration, and loan costs	41	120	(136)	25
Community facilities	Maintenance, upgrades, administration, and loan costs	1,048	354	(377)	1,025
Waste minimisation levy	Waste minimisation project	56	22	-	78
Landfill development	New/upgrades to landfill	81	-	(81)	-
Landfill aftercare	Landfill closure expenses	146	8	-	154
Library grants	Library resources	4	-	(2)	2
Family violence	Service coordination	30	18	(18)	30
Mayoral fund	Discretionary funds	32	1	-	33
Airport	Debt Repayment and capital projects	98	99	(137)	60
Responsible Camping	Grant funding for bylaw & enforcement	116	46	(27)	135
Financial Sustainability	Financial & Corporate Sustainability (FCS) DIA funded review	161	-	(29)	132
Winter warmer project	Weather-proof and heating work for EQ damaged homes	31	-	(31)	-
Communication Assistant	Covid-19 communication assistance	-	13	(13)	-
Legal challenges	Court costs and legal advice	100	3	(3)	100
Three Waters EQ Fund	Water, sewer and stormwater rebuild	-	164	(164)	
Building accreditation	Building control authority accreditation	181	26	(40)	167
Wakatu Quay	PGF funded Wakatu Quay project	249	500	(1,108)	(359)
South Bay feasibility	PGF funded South Bay Project	-	573	(607)	(34)
Environmental planning fund	Environmental projects and grants	28	-	(10)	18
		4,179	2,613	(4,255)	2,538

	COUNCIL & GROUP	
	2022 \$000	2021 \$000
Opening balance 1 July	92,130	85,639
Revaluation gains/(losses)	74,250	6,504
Environment Canterbury's share of MRF Revaluation (gains)/losses	(47)	(12)
Closing balance 30 June	166,333	92,130

The Asset Revaluation Reserves consist of:

	COUNCIL & GROUP	
	2022 \$000	2021 \$000
Land	10,263	5,369
Buildings	9,182	3,651
MRF Land & Improvements	469	(18)
Library Books	65	65
Roading	108,133	73,121
Stormwater	5,372	2,083
Water Supply	19,456	7,569
Sewerage	13,286	-
Other Assets	107	289
	166,333	92,130

28 Remuneration

Chief Executive

The total remuneration (including any non-financial benefits) paid or payable for the year to the Chief Executive was \$238,963 (2021: \$220,703).

Elected Representatives

The Mayor and Councillors of the Kaikōura District Council received the following honorarium and attendance fees.

	COUNCIL	
	2022 \$000	2021 \$000
Mayor Craig Mackle	84	84
Deputy-Mayor Julie Howden	40	40
Councillor Vicki Gulleford	32	26
Councillor Lisa Bond	27	26
Councillor Tony Blunt	27	26
Councillor Neil Pablecheque	27	26
Councillor Robby Roche	27	26
Councillor Derrick Milton	27	26
Total elected representative remuneration	291	282

Key management personnel

Key management personnel include the Mayor, Councillors, Chief Executive, and Senior Managers.

	COUNCIL & GROUP	
	2022 \$000	2021 \$000
Total key management personnel remuneration	897	866
Total full-time equivalent key management personnel	11	11

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

Council employees

At balance date, the Council employed 23 full-time employees (2021: 26), with the balance of staff representing 9 full-time equivalent employees (2021: 7.5). A full-time employee is determined based on a 35-hour working week.

COUNCIL			
Total annual remuneration by band for employees on 30 June:			
	2022		2021
<\$60,000	15	< \$60,000	17
\$60,000 - \$79,999	8	\$60,000 - \$79,999	9
\$80,000 - \$139,999	9	\$80,000 - \$139,999	7
\$140,000 - \$239,999	3	\$140,000 - \$239,999	3
Total employees	35	Total employees	36

During the year, the Council made no severance payments to employees (2021: Nil).

29 Financial instrument categories

The accounting policies for financial instruments have been applied to the line items below:

	COUNCIL		GROUP	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Loans and receivables				
Cash & cash equivalents	2,790	5,436	3,066	5,777
Trade & other receivables	1,018	1,489	1,083	1,518
Other financial assets	217	202	142	107
	4,025	7,127	4,290	8,121
Financial liabilities at amortised costs				
Trade & other payables	3,235	4,399	3,221	4,335
Secured loans	5,300	5,000	5,300	5,000
MRF share held on behalf of Environment Canterbury	416	408	416	408
	8,951	9,807	8,937	9,743

30 Taxation

The Council's harbour activities attract taxation. A deferred tax asset has not been recognised in relation to unused tax losses of \$971,893 (2021: \$947,316), which are available to carry forward and offset against future taxable profits. The tax effect of the losses is \$272,130 (2021: \$265,248), based on a tax rate of 28%.

	COUNCIL		GROUP	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Components of tax expense recognised in statement of comprehensive revenue and expense:				
Current Taxation	-	-	-	68
Deferred Taxation	-	-	(28)	(2)
Income tax expense	-	-	(28)	66
Components of deferred tax recognised directly in equity:				
	-	-		-
Income tax expense	-	-	(28)	66
Relationship between tax expense and accounting profit				
Surplus/(deficit) before tax	(227)	6,984	(317)	7,202
Tax at 28%	-	1,955	(17)	2,016
<i>Add/(less) tax effect of:</i>				
(Non-taxable Income)	-	(1,955)	-	(1,961)
Non-deductible expenditure	-	-	-	-
Deferred Taxation	-	-	(11)	11
	-	-	(28)	66
Movement in tax (refund)/payable:				
Balance at start of year	-	-	43	35
Taxation (paid)/refunded	-	-	(69)	(60)
Provided for this year	-	-	-	68
Balance at the end of the year	-	-	(26)	43

Movement in temporary differences	2021 Group only			
	Balance 30/6/2020	Recognised in income	Recognised in equity	Balance 30/6/2021
Property, plant, and equipment	(54)	3	-	(50)
Employee benefits	30	(1)	-	29
Accrued expenses	-	-	-	-
Losses to carry forward	-	-	-	-
	(23)	2	-	(21)
	2022 Group only			
	Balance 30/6/2021	Recognised in income	Recognised in equity	Balance 30/6/2022
Property, plant, and equipment	(50)	12	-	(38)
Employee benefits	29	(4)	-	26
Accrued expenses	-	-	-	-
Losses to carry forward	-	19	-	19
	(21)	27	-	7

Innovative Waste Kaikōura Limited recognises its tax obligations.

31 Joint venture operation

Marlborough Regional Forestry

The Council has an 11.5% participating interest in the Marlborough Regional Forestry joint venture, with the Marlborough District Council holding 88.5%. Of the Council's share, 13.37% is held on behalf of Environment Canterbury. The Council's interest in the joint venture is accounted for as a jointly controlled operation, and are as follows:

	COUNCIL & GROUP	
	2022 \$000	2021 \$000
Current assets	7	25
Non-current assets	3,881	3,741
Total assets	3,888	3,766
Current liabilities	11	16
Non-current liabilities	766	695
Total liabilities	777	711
Share of net assets employed	3,111	3,055
Share of net surplus/(deficit)	(297)	(321)

The Council has no capital commitments, contingent liabilities, or contingent assets in relation to Marlborough Regional Forestry.

32 Related party transactions

Intergroup

Innovative Waste Kaikōura Ltd

During the year, through the ordinary course of business, the Council has paid \$1,680,530 (including GST) in fees and grants to Innovative Waste Kaikōura Ltd (2021: \$1,656,673 excluding GST) and received \$45,860 (including GST) from Innovative Waste Kaikōura Ltd (2021: \$4,950 excluding GST). The transactions include the day-to-day operations of the resource recovery centre and landfill, the kerbside recycling collection, normal maintenance, and operations of the three waters (water supplies, stormwater, and wastewater), public toilet cleaning, and emptying of public rubbish bins.

At year end there was \$159,692 (including GST) (2021: \$247,577) payable by the Council to Innovative Waste Kaikōura Ltd and \$17,078 (including GST) (2021: \$11,385) receivable by Council from Innovative Waste Kaikōura Ltd.

Kaikōura Enhancement Trust

The Enhancement Trust is 100% owned by the Council. The Council pays the annual audit fee for the Enhancement Trust, which in 2022 is \$3,297 (2021: \$3,204).

Key management personnel

Key management personnel include the Mayor, Councillors, Chief Executive, and Senior Managers.

During the year Councillors and key management, as part of a normal customer relationship, were involved in minor transactions with the Council (such as payment of rates, processing of consent applications, etc.). No provision has been required, nor any expense recognised for impairment of receivables for any receivables to related parties (2021: \$nil).

33 Commitments as lessee, and contingent liabilities

No restrictions are placed on the Council by the following leasing arrangements.

	COUNCIL		GROUP	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
<i>Non-cancellable operating leases as lessee</i>				
Not later than one year	24	23	24	23
Later than one year and not later than five years	25	48	25	48
Later than five years	-	-	-	-
	49	71	49	71

Capital commitments

CONTRACTS	COUNCIL & GROUP	
	2022 \$000	2021 \$000
Peninsula Reservoir	-	261
Minor structural repairs for 14 bridges	-	-
3 Waters reticulation earthquake repairs	-	-
	-	261

Housing NZ Corporation funding

Housing New Zealand Corporation has provided \$497,776 (2021: \$497,776) towards the construction of social housing. This advance would be payable if the Council were to withdraw its investment in that housing. The advance was stated as grant revenue in the 2009 financial year.

Superannuation schemes

The Council is a participating employer in the DBP Contributors Scheme (the Scheme), which is a multi-employer defined benefit scheme. If all the other participating employers cease to participate in the Scheme, the Council could be responsible for any deficit of the Scheme. Similarly, if only some employers cease to participate in the Scheme, the Council could be responsible for an increased share of any deficit.

On 31 March 2022, the scheme had a past service deficit of \$0.595 million excluding Employer Superannuation Contribution Tax (2021: \$1.262 million surplus). This deficit was calculated using a discount rate equal to the expected return on assets, but otherwise the assumptions and methodology were consistent with the requirements of PBE IPSAS 25.

Each year the Board's Actuary carries out a review of the scheme to determine as employer contribution rate sufficient to meet the accrued and future liabilities of the scheme. Based on the latest review, completed on 31 March 2021, the Actuary recommended an employer contribution rate of between two- and four-times contributors' contributions from 1 April 2022. If the Board remained with the investment strategy applicable on 31 March 2022, the Actuary recommended an employer contribution rate of two times contributor contributions and, if the Board move to a more conservative investment strategy, the Actuary recommended an employer contribution rate of four times contributor contributions. The Board resolved to move toward a more conservative strategy and therefore retain the employer contribution rate at four times contributor contributions, applicable from 1 April 2022.

34 Commitments as lessor, and contingent assets

The New Zealand Emissions Trading Scheme

The New Zealand Emissions Trading Scheme (ETS) became law on 28 September 2008 with the passing of the Climate Change Response (Emissions Trading) Amendment Act 2009 (the Act). The Act provides for carbon credits to be

allocated to owners of pre 1990 forest land pursuant to the New Zealand governments' Allocation Plan. Marlborough Regional Forestry is registered. Additionally, MRF has registered its post 1989 forestry which will entitle it to emission units as carbon is sequestered through forestry growth. The Council has no other post 1989 forestry that is eligible to enter in the Scheme.

Under the ETS, both the Council and MRF will have an obligation to account for any emission released as a consequence of deforestation of pre 1990 land by surrendering credits equal to the extent of that emission. The Council has no liability for deforestation on 30 June 2022, either on its own account or as a joint venture operation partner in MRF (2021: Nil).

Non-cancellable operating leases as lessor

The Council has a small number of leases as lessor, including sports fields, office spaces, campground land, and airport facilities. They are shown in the table below according to renewal date or final expiry date, whichever is the sooner.

	COUNCIL		GROUP	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Not later than one year	199	222	199	222
Later than one year, but not later than five years	446	516	446	516
Later than five years	498	573	498	573
	1,143	1,310	1,143	1,310

35 Insurance on assets

Buildings and building contents

The assets covered by the Council's material damage policy carry a total depreciated value on 30 June 2022 of \$46,769,748 (2021: \$36,454,131), and have a total sum insured of \$40,417,786 (2021: \$39,489,494). The insured value takes into account the cost to replace/rebuild the assets including demolition (if any). The carrying value of buildings has been revalued on 30 June 2022, including both community buildings and infrastructure buildings such as pump stations and reservoirs. The remainder of assets (e.g., contents such as furniture, artwork, and computer equipment) are stated at their last known market value less depreciation, and after impairment (if any). The Council has an excess of \$10,000 for any one claim.

Vehicles and plant

Vehicles and plant have a total asset value on 30 June 2022 of \$100,706 (2021: \$94,729), with insurance cover for replacement value of \$159,900 (2021: \$146,000). Insured cover includes windscreen replacement for all vehicles.

Water, sewerage, and stormwater assets

These activities have a total asset value for insurance purposes of \$56,031,687 (2021: \$67,377,585), with protection under the NZ Local Authority Protection Programme (LAPP) for up to three events, the highest being \$140 million (or 40% of the total loss – whichever is the least). The remaining 60% of a loss would be covered by central government. The Council's threshold to make a claim is \$150,000 and the deductible is \$60,000.

Structural above-ground assets such as water reservoirs and sewer pump stations are not covered by LAPP; they are included in the material damage policy for buildings and building contents (above). The LAPP policies provide cover for pipe networks and underground assets only. These assets have a total depreciated value on 30 June 2022 of \$26,939,809 (2021: \$26,776,103).

Roads, bridges, and footpaths

These assets have a total carrying value on 30 June 2022 of \$113,906,697 excluding land under roads (2021: \$115,124,995). For normal maintenance work, the Council receives 51% subsidy from the NZTA (2021: 52%). The subsidy for emergency repairs and reinstatement to repair the damage caused by the earthquake, is 95%. With a rebuild programme estimated at over \$25 million, this left the Council to find \$1.25 million, from reserves in the first instance and then from loans. On 30 June 2022, the Council has no cash in the roading special reserve, having spent all available funds on emergency roading repairs (2021: \$Nil).

There is \$4,018,694 of assets that the Council considers to be uninsured within this group of activities (2021: \$4,117,883). These include sea walls and footpaths.

36 Explanation of major variations against budget

The significant variances to budget are detailed below.

Statement of Comprehensive Revenue & Expense

The Council's financial operating result for the year ended 30 June 2022 was a small deficit of \$227k, against a budgeted surplus for the same period of \$1.74 million.

Revenue was \$16.1 million, less than the budgeted \$16.9 million. While the result is relatively close to budget, there were significant ups and downs within Council's activities. Additional revenue included ongoing funding for the Mayors Taskforce for jobs, and three-waters stimulus package to improve water and wastewater treatment systems.

That additional revenue was offset by subsidies forecast but not received for the Waiau-Toa/Clarence River bridge, with all progress on the bridge stalled while the Council has tried to work through concerns raised with the Runanga. The Kaikōura Marine Development project had optimistically forecast both the Wakatu Quay project and the South Bay feasibility study to be well-advanced by June 2022 and for \$2.1 million in grant revenue from the Provincial Growth Fund (PGF) to have already been received. We received \$1.07 million. The feasibility study was completed but the Wakatu Quay project had found an interested co-investor who has since withdrawn.

Operating expenditure of \$16.4 million is \$1.2 million more than budget; with \$692k of this variance attributable to depreciation being higher than budget due to the change in values of assets.

Other areas where expenditure exceeded budget were:

- Losses in the value of forestry assets and the value of the Esplanade offices now demolished
- Extra roading maintenance work in preparation for reseals (e.g. drainage repairs and minor works)
- Use of external resources to fill staff vacancies, especially in building and regulatory activities
- Grants paid out due to extra funds received (e.g. Mayors Taskforce for Jobs grants paid to Te Ha)

Statement of Financial Position

The effect of the roading and three-waters valuation is significant on the Council's financial position, with assets increasing by over 35% by revaluation movements alone.

Statement of Cash Flows

Cash decreased over the year by \$2.6 million, to a balance of \$2.8 million on 30 June 2022. Grants received in the 2021 year have progressively been spent.

37 Post balance date events

The Council assesses that COVID-19 has had, and will continue to have, minimal impact on its financial performance and position. The Council may, however, be required to provide additional support to the Kaikōura medical centre and to vulnerable people in the community, to minimise harm from the virus. Additionally, if Council staff were to become sick from COVID-19, it is likely that our ability to deliver our usual level of service will be affected.

Three-Waters Reform

In 2020, the Government announced it was commencing the three waters reform programme, with the aim of improving three waters services. In 2021, the Government outlined its proposal to reform the three waters service delivery by creating four statutory water services entities to be responsible for the service delivery and infrastructure from local authorities from 1 July 2024. In October 2021, the Local Government Minister announced that central government will proceed with the three waters service delivery reforms using a legislated "all in" approach.

The proposed reforms and announcements will mean Kaikōura District Council (the Council) is no longer responsible for the delivery and infrastructure of three water services from 1 July 2024, and this is likely to have an impact on the

Group's three waters contracts with the Council from that date, although the extent of that impact is uncertain (2021: the same disclosure applied).

38 Breach of statutory deadline

The Council was required under section 98(7)(a) of the Local Government Act 2002 to complete and adopt its audited financial statements and service performance information by 31 December 2021. This timeframe was not met because Audit New Zealand was unable to complete the audit within this timeframe due to an auditor shortage and the consequential effects of COVID-19, including lockdowns.

Annual Report Disclosure Statement

For the year ending 30 June 2022

What is the purpose of this statement?

The purpose of this statement is to disclose the Council’s financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The Council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014. Please refer to those regulations for more information, including definitions of some of the terms used in this statement.

Rates affordability benchmark

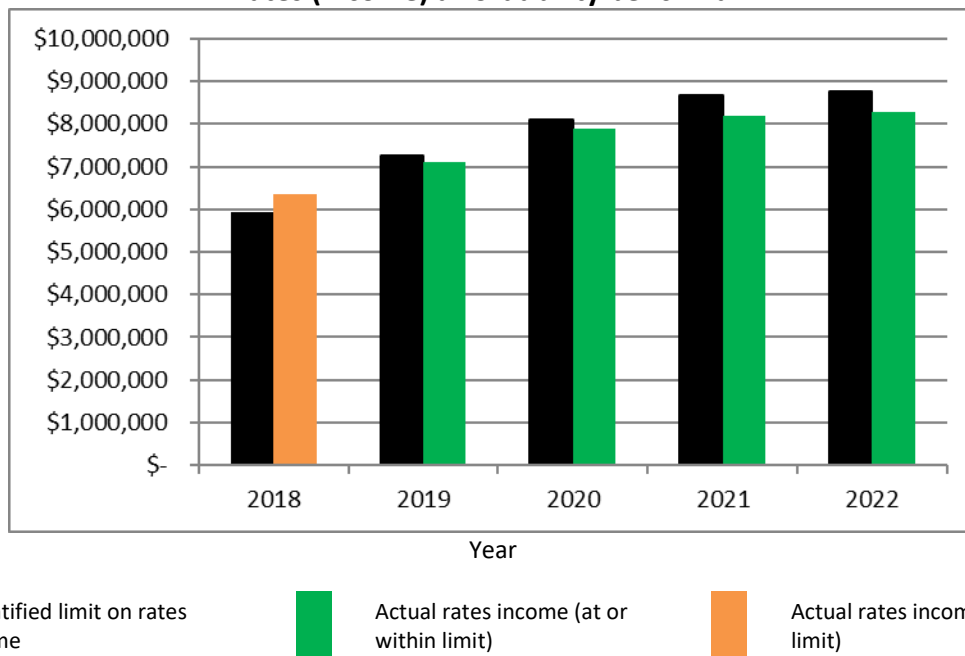
The Council meets the rates affordability benchmark if –

- actual rates income equals or is less than each quantified limit on rates; and
- actual rates increases equal or are less than each quantified limit on rates increases.

Rates (income) affordability

The following graph compares the Council’s actual rates income with the quantified limit on rates increases contained in the financial strategy included in the Council’s Three-Year Plan. After the 2016 earthquake, and to meet the costs of the earthquake rebuild, the Council set its limit on rates increases to 14% for the 2019 and 2020 financial years, and 10% for the 2021 year. In 2022, with the bulk of the rebuild work complete, the Council set the limit on rates increases to 7.0%. In dollar terms this set a cap for 2021 of \$8,761,879. The Council’s actual rates for the 2022 financial year were \$8,264,607, which is only a 0.93% increase on the previous year, and well within the cap.

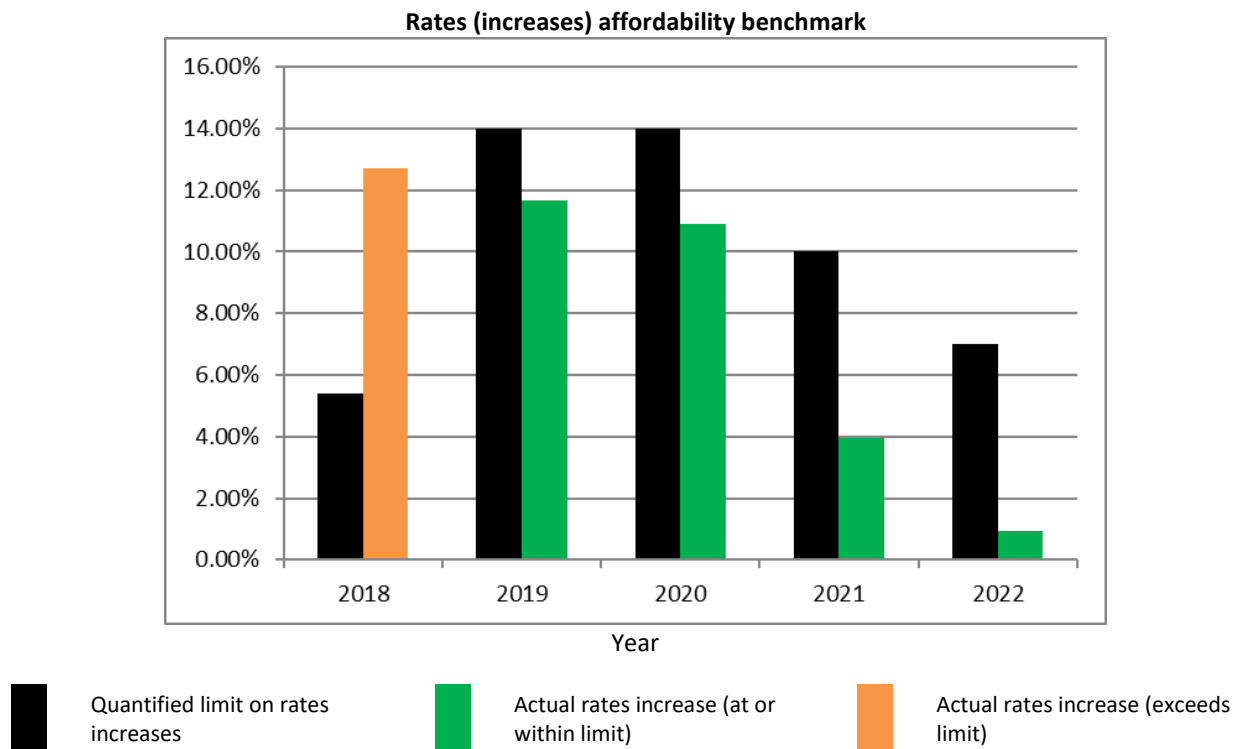
Rates (income) affordability benchmark



The rates increase for 2018 exceeded the rates limit set in the 2015-2018 Long Term Plan, because that Plan did not foresee the earthquake and its impact on the Council’s financial needs.

Rates (increases) affordability

The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the Council's financial strategy in each of the last five years. The quantified limit is 7% in 2022, and the actual increase was 0.93%.



Comment

In response to the 2016 Kaikōura earthquake, which occurred in the 2017 financial year, the Council needed to set rates much higher than predicted in the 2015-2025 Long-term Plan. The actual rates increase was almost 12% over that of 2017. The Council introduced two new rates – the earthquake rate based on capital value, and the earthquake levy which is a fixed dollar amount. Rates penalties applied to overdue rates were much higher than had been predicted, and rates remissions for earthquake damage were substantially less than had been forecast. These factors combined were the main contributors to the rates increase exceeding the rates limit for 2018.

For the 2019 and 2020 financial years, the Council set its limit on rates increases to 14% to meet the costs of our earthquake rebuild programme. The actual increases were within the cap at 11.69% and 10.91% respectively.

For the 2021 financial year, the Three-Year Plan 2018-2021 limited rates increased to 10%, having assumed that the rebuild would still be underway but nearing completion. When the COVID-19 pandemic hit New Zealand, the Council worked hard to reduce the rates increase to 4.0%, and the actual rates increase for the year (after remissions, etc), was 3.97%.

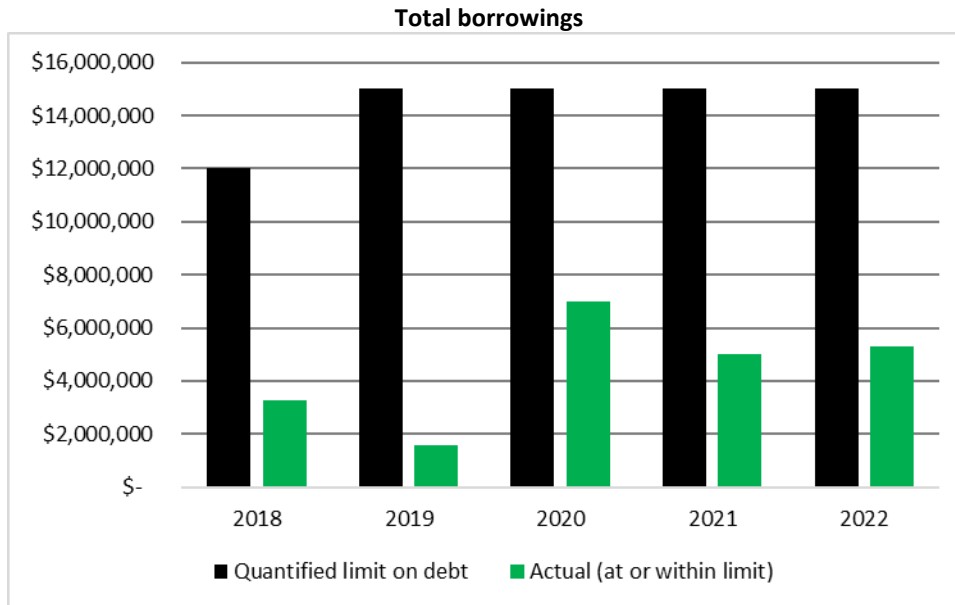
For this 2022 financial year, actual rates revenue was substantially reduced due to new legislation surrounding the rating of Māori Freehold Land (MFL), which required all rates on MFL that met certain criteria be written off and for the land to be non-rateable going forward. This resulted in over \$317k of rates revenue being written off.

Debt affordability benchmark

The Council meets the debt affordability benchmark if –

- total borrowings do not exceed \$15 million; and
- loan interest expense is less than 10% of total revenue.

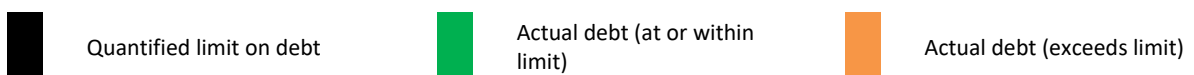
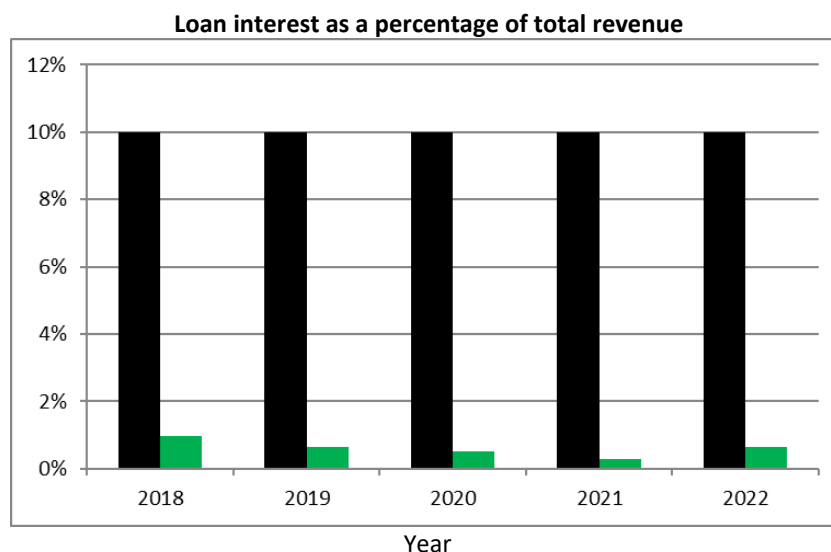
The following graph compares the Council’s actual borrowing with the quantified limit on borrowing stated in the financial strategy included in the Three-Year Plan. The quantified limit is \$15 million.



Comment

The Council increased its debt limit from \$12 million to \$15 million for the Three-Year Plan 2018-2021 in preparation for new borrowings to fund the earthquake rebuild. The Council has received external funding for the majority of the rebuild and has not needed to borrow to the extent forecast.

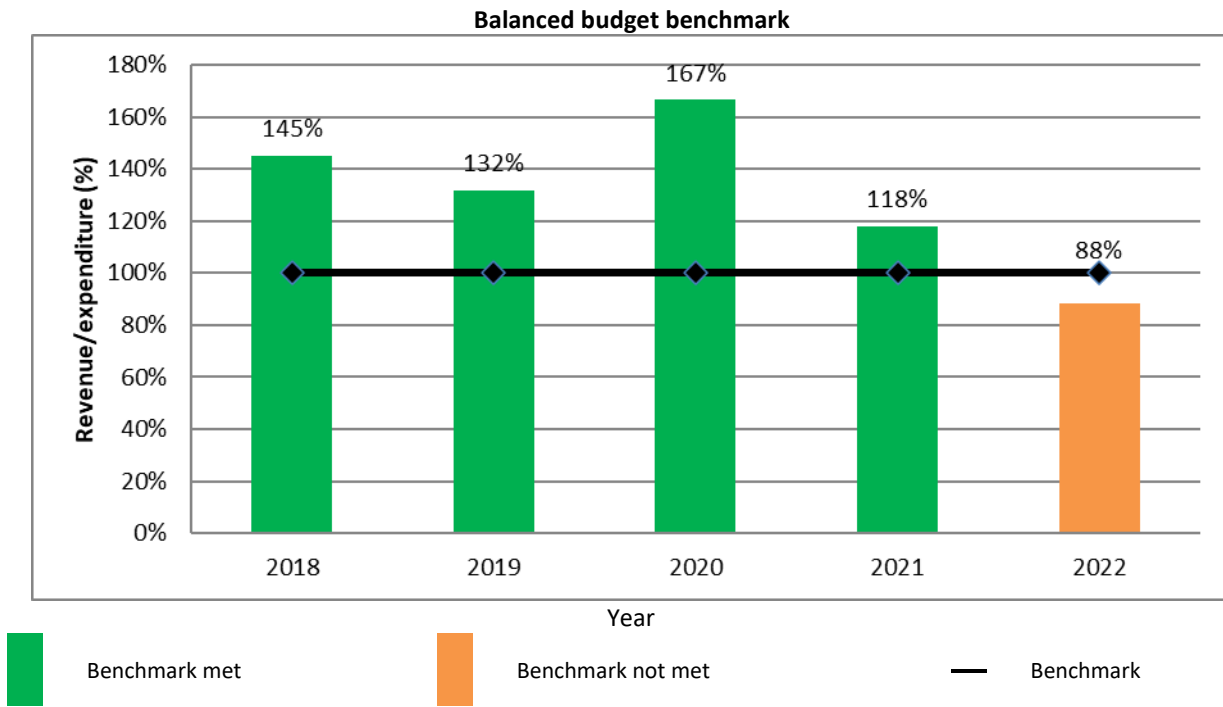
The following graph compares the Council’s actual borrowing with a quantified limit on loan interest as a percentage of total revenue. Loan interest expense is less than 1% due to savings by minimising debt.



Balanced budget benchmark

The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, and equipment).

The Council meets this benchmark if its revenue equals or is greater than its operating expenses.

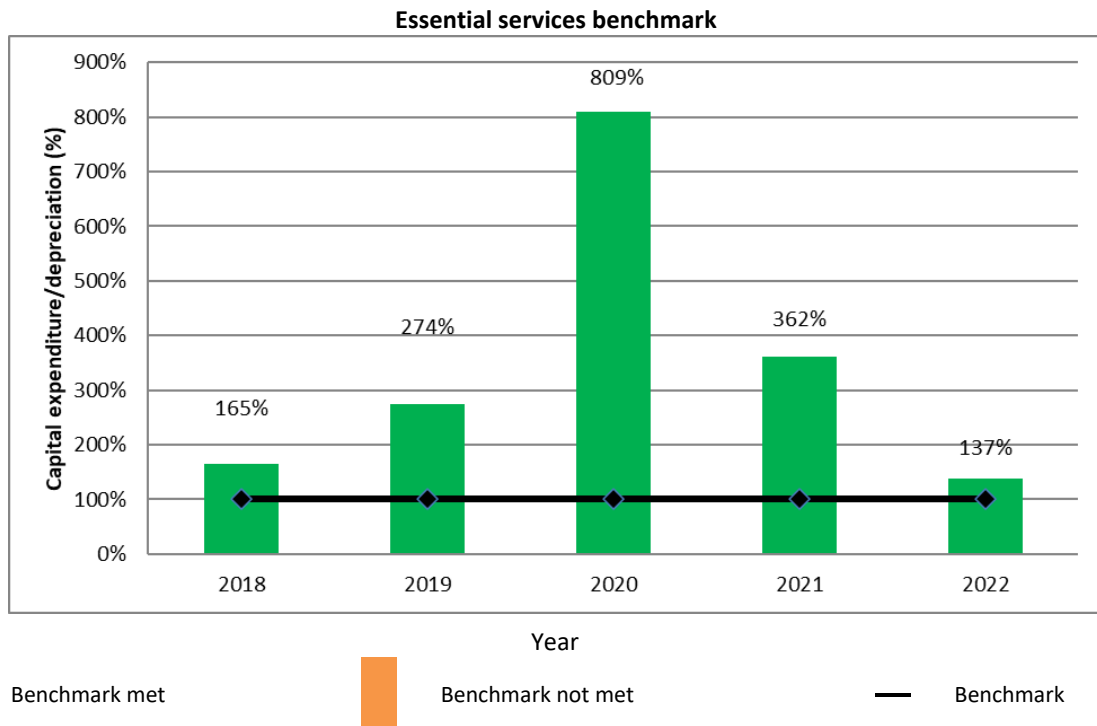


In the years of rebuild following the earthquake, the Council received substantial grants and subsidies to complete the earthquake rebuild projects. Those grants and subsidies are stated as operating revenue in the Council's financial statements, but the rebuild expenses are capital expenditure rather than operating expenses, and so are not included in the above equation.

In the 2022 financial year, operating expenses exceeded operating revenues for the first time since the earthquake. Operating expenses, however, include non-cash items such as depreciation and fair value losses in the carrying value of forestry and property. The Council does not fund depreciation (which in the 2022 financial year totalled \$3.9 million), and the fair value losses of \$302k were unbudgeted and therefore also not funded.

Essential services benchmark

The following graph displays the Council’s capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Comment

The above graph highlights the extent to which the earthquake rebuild projects have dominated the Council’s operating and capital spend.

As the earthquake rebuild projects commenced (during 2018 and 2019), significant amounts began to be spent on the capital renewal of damaged infrastructure. The 2020 financial year represented the peak of the rebuild spend, and dwarfs both annual depreciation and prior year capex.

For 2021, the last of the earthquake rebuild projects were completed (except for the Peninsula reservoir, which was delayed by the COVID-19 border closures) and the replacement of the Glen Alton Bridge over the Clarence River.

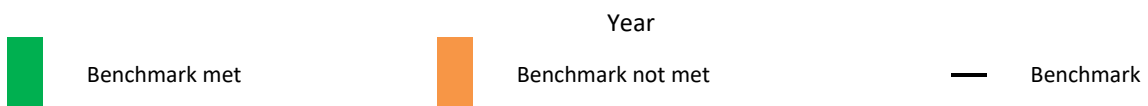
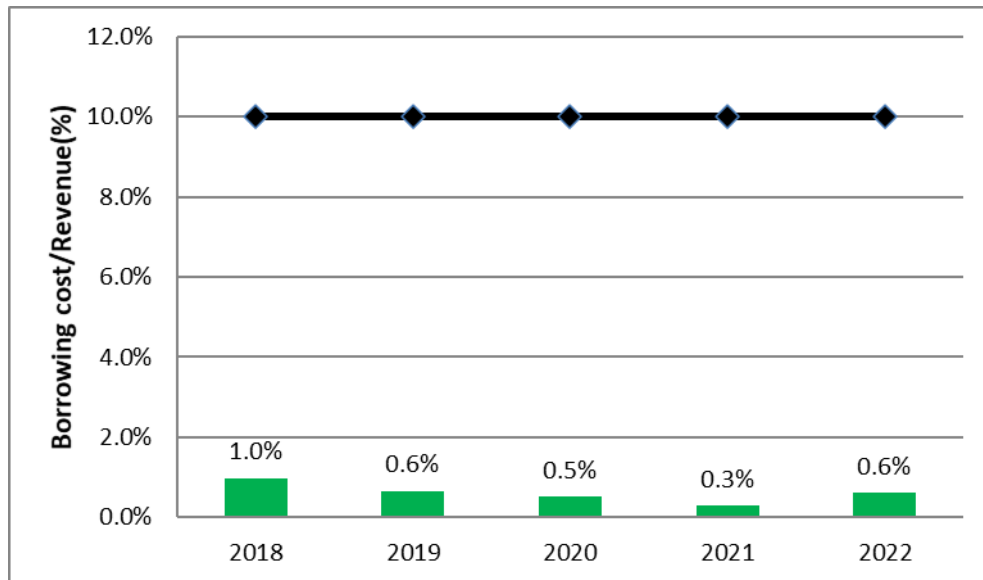
For 2022, the Council largely returned to business-as-usual renewal works.

Debt servicing benchmark

The following graph displays the Council’s borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

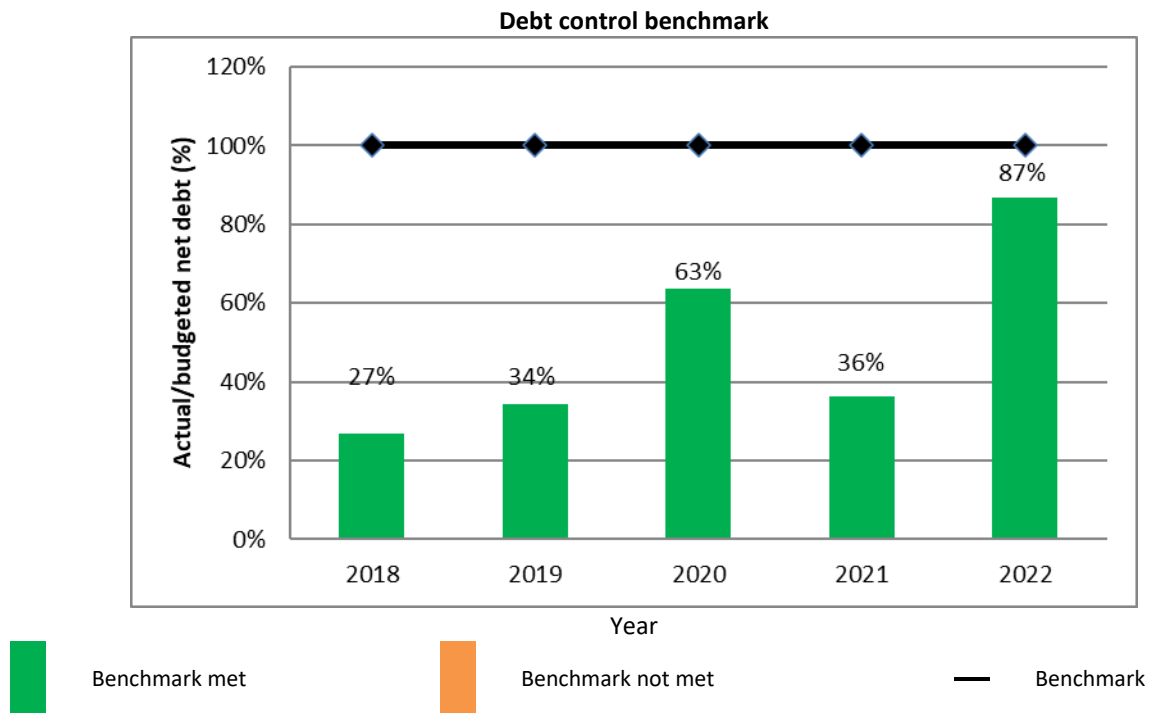
Because Statistics New Zealand projects the Council’s population will grow slower than the national population growth rate, it meets the debt servicing benchmark if its borrowings costs equal or are less than 10% of its revenue. For the 2022 financial year, the Council’s borrowing costs are 0.6% of revenue.

Debt servicing benchmark



Debt control benchmark

The following graph displays the Council’s actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities – which includes trade and other payables; less financial assets but excluding trade and other receivables. The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



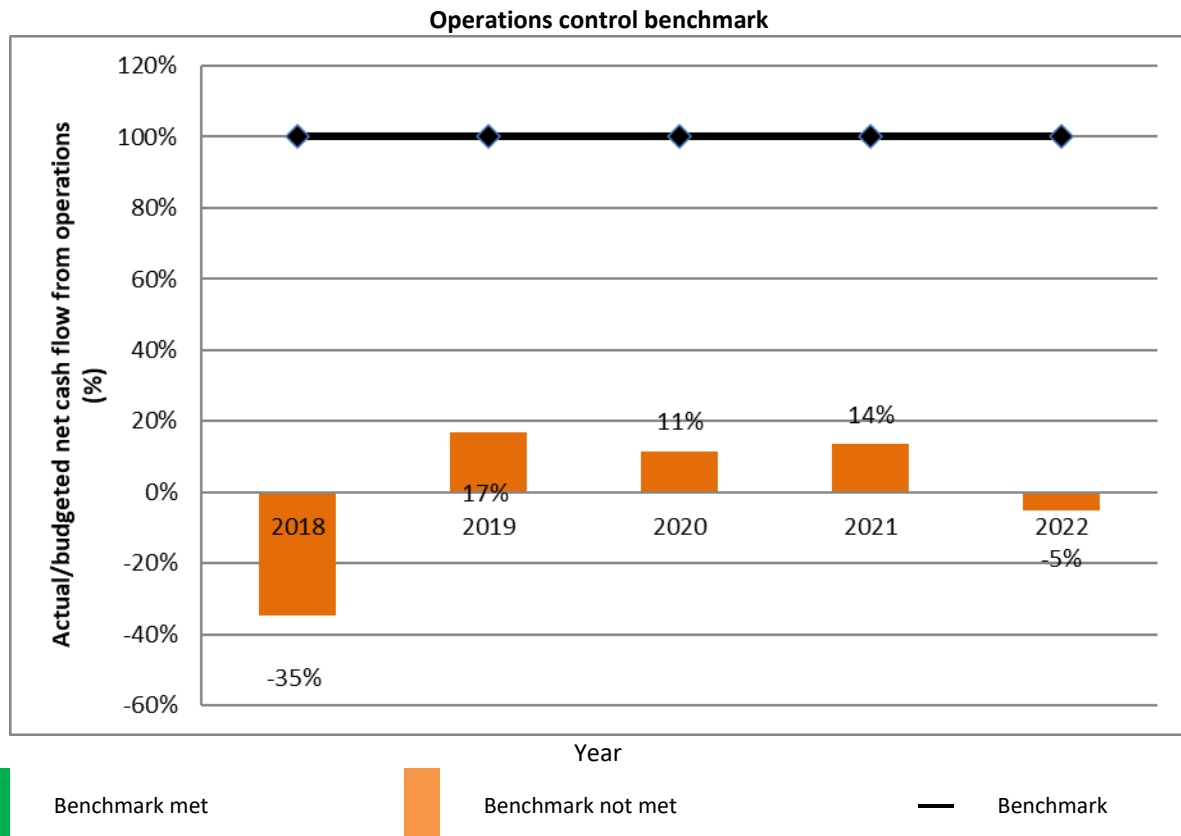
Comment

The loans that the Council forecast would be required did not eventuate. This is mainly because the Council has been the beneficiary of several unforeseen grant payments, such as \$940k in three-waters stimulus funding and ongoing 100% subsidy from Waka Kotahi (NZTA) to remediate the NCTIR haul routes, and others. Not only has this meant loans were not required, but it also boosted our cash balances. We anticipate, given the extent to which these projects are still underway, that our cash on hand will reduce as the projects progress.

Operations control benchmark

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



Comment

This benchmark is calculated by taking the actual cashflow from operations in this Annual Report and dividing it by the planned cashflow from operations in the Council's Annual Plans. It should be noted that, during the audit of Council's Annual Reports, the Council has been required to eliminate grants received for capital projects from its cashflow from operations. The planned (or known) grants received for capital projects are, however, still required to be part of the planned cashflow from operations, as this is how they were published in the Annual Plans. We will correct this issue by amending how we report our cashflows in the Annual Plan.

Notwithstanding this, if the figures were to include grants and subsidies for capital projects, the Council would not have met the benchmark in any of the financial years because the planned grants and subsidies were not received in the financial year they were planned to be received. Specific examples of this are the Waka Kotahi subsidies for the replacement of the Glen Alton bridge and Provincial Growth Fund grants for the Wakatu Quay development (both projects have been significantly delayed and so the funding has not been received).

Funding Impact Statement

For the years ended 30 June (whole of Council)

	2021 Annual Plan \$000	2021 Actual \$000	2022 Annual Plan \$000	2022 Actual \$000
Sources of operating funding				
General rates, UAGCs, rates penalties	3,385	3,422	3,744	3,517
Targeted rates (incl. water meter charges)	4,680	4,767	4,809	4,748
Subsidies & grants for operating purposes	2,985	4,431	1,638	2,429
Fees & charges	1,371	2,520	1,528	1,558
Interest & dividends from investments	14	6	7	10
Fuel tax, fines, infringement fees & other receipts	389	761	78	329
Total operating funding (A)	12,824	15,907	11,805	12,591
Applications of operating funding				
Payments to staff and suppliers	13,391	14,425	11,843	12,132
Finance costs	134	69	118	93
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	13,525	14,494	11,961	12,225
Surplus/(deficit) of operating funding (A-B)	(701)	1,413	(156)	366
Sources of capital funding				
Subsidies & grants for capital expenditure	14,191	7,360	4,976	2,095
Development and financial contributions	-	18	125	153
Increase/(decrease) in debt	3,772	(2,000)	1,214	300
Gross proceeds from sale of assets	143	-	250	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	18,106	5,379	6,565	2,548
Application of capital funding				
Capital expenditure				
- To meet additional demand	4,793	254	3,894	599
- To improve the level of service	1,307	1,223	2,623	1,042
- To replace existing assets	6,367	7,597	4,716	4,011
Increase/(decrease) in reserves	4,938	(2,281)	(4,824)	(2,738)
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding (D)	17,405	6,792	6,409	2,914
Surplus/(deficit) of capital funding (C-D)	701	(1,413)	156	(366)
Funding balance ((A-B) + (C-D))	-	-	-	-

Other Information

Kaikōura Enhancement Trust

Kaikōura Enhancement Trust is a charitable trust established in 2000, for the purposes of progressing environmental projects. It does not intend to generate a profit.

The trust, when established, was a Council Controlled Organisation (CCO) under the provisions of the Local Government Act 2002, because the Council appoints its trustees. The Council resolved to exempt the Kaikōura Enhancement Trust from being a CCO, however that exemption has now expired.

The trust's objectives are generally:

- The collection and disposal of waste in an ecologically sound manner including but not limited to management of refuse facilities and including sewerage treatment programmes.
- To protect, enhance and sustain the natural and physical resources of the Kaikōura District particularly through sustainable waste management practices and more widely to encourage development of similar practice in other areas.
- The establishment, improvement and promotion of recycling programmes and programmes generally to reduce waste.
- Raise public awareness of the effects of alternative waste disposal methods through education and generally to create public awareness of sustainable management of resources.
- To make grants or provide other assistance for the research, development, distribution, and implementation of alternative waste disposal methods, including waste reduction methods.
- To promote ecologically sound waste management processes and practices generally.
- To do all such things as may be necessary and consistent with creating a better living environment whilst sustaining the natural environment for future generations.

The most significant objectives of the trust are performed through its subsidiary, Innovative Waste Kaikōura Ltd, the company responsible for the day-to-day management of the district's landfill and recycling facility.

The trust will continue to be involved in environmental issues that meet the above objectives. It is the nature of the trust that these projects may be spontaneously approved during any given year, generally subject to sufficient funds being sourced or otherwise with the specific approval from the trustees.

The financial activity of the trust is included in the Council's group financial statements.

Innovative Waste Kaikōura Ltd

Innovative Waste (IWK) is owned by the Kaikōura Enhancement Trust and is responsible for the day-to-day objectives of that Trust. The financial activity of Innovative Waste is included in the Council's group financial statements. IWK is the Council's leading provider of waste management services, public toilet maintenance, recycling services, three-waters maintenance services.

Objectives

IWK's key objectives are:

- To implement safe working practices to maintain a safe working environment for staff, contractors, customers, and others and to recognise the Council's legal obligations under the Health and Safety at Work Act 2015.
- To maintain a strong market presence in the areas of waste minimisation, maintenance, and management of public utilities.
- To provide cost effective and efficient service delivery that meets the district and clients' expectations and maintains contract longevity.
- To provide advice and support to local businesses to divert waste from landfill.
- To operate in an environmentally friendly manner.
- To be recognised nationally as a leader in environmental sustainability
- To operate water supply and wastewater facilities in an environmentally sustainable manner.
- To ensure that the business operates in a way that generates appropriate financial returns and dividend streams for the shareholder. To implement sound strategic and financial planning to ensure the capacity is available to meet the three waters, waste, and recycling needs of the Kaikōura District in a commercially viable manner.
- To assist the Council in empowering, educating, and encouraging the community in recycling surplus resource and waste in the community.

Nature and Scope of Activities

IWK is in the business of minimising waste and maintaining and managing public infrastructure. The company's main service offerings currently are as follows:

- Waste minimisation and management through the provision of recycling services and landfill management
- Environmental rehabilitation preservation and development through the Trees for Travellers programme
- Maintaining water and wastewater infrastructure predominately for local authorities
- Maintaining public toilet facilities in Kaikōura.
- Parks and reserves.

IWK has determined several performance measures in its Statements of Intent, and actual performance is reported as follows.

Financial Performance Targets

	2020/2021 Actual	2021/2022 Target	2021/2022 Actual	Achieved
Revenue	\$2,765,450	\$2,308,499	\$2,293,079	No
Net Profit After Tax	\$236,160	\$170,175	(\$32,441)	No
Return on Equity	21%	10%	(3%)	No
Equity	\$1,110,861	\$1,021,296	\$972,486	No
Liquidity Ratio	3.01%	1.31%	2.24%	Yes
Wages as a % of revenue	48.23%	53.38%	52.54%	Yes
R&M as a % of revenue	1.54%	6.38%	1.96%	Yes

Operational Performance Targets

Target	Performance target to achieve the output	Achievements to 30 June 2021	Achievements to 30 June 2022
Client satisfaction	98% of all urgent or callouts, applicable to the contract are responded to within one hour or two hours respectively from the time of the notification to the time that service personnel depart to site.	Results not available All service requests are logged through KDCs Ozone programme and advised via phone and/or email to IWK. KDC have implemented an Asset Management system to capture all calls and send direct to IWK, where IWK can update all info required, however, the system is not yet fully operational. All 0800 calls are captured on job sheets (to be charged out). All Urgent requests are attended to immediately.	Results not available All service requests are logged through KDCs Ozone programme and advised via phone and/or email to IWK. KDC have implemented an Asset Management system to capture all calls and send direct to IWK, where IWK can update all info required, the system became operational in June 2022. All 0800 calls are captured on invoice spreadsheet sent to KDC. All Urgent requests are attended to immediately.
	98% of all non-urgent call outs, applicable to the contract are responded to within 48 hours from the time of notification to the time that service personnel attend site	Results not available All non-urgent call outs are responded to within 24 hours.	Results not available All non-urgent call outs are responded to within 24 hours.
	Service requests received about recycling are less than 20 per year.	Achieved Service Requests regarding recycling are rung through or entered through the Service Request portal on KDCs website for KDC to record in Ozone. 1 received	Achieved Service Requests regarding recycling are rung through or entered through the Service Request portal on KDCs website for KDC to record in Ozone. 1 received – Mill Road
Contractual or legal obligations	Compliance with and provision of all KPI information as per contracts.	Measure not relevant for 2021 New contract for 3 Waters started 1 July 2020 (3-year term) – no further KPIs than service response attached. New contract for Resource Recovery implemented 1 October 2021 (5-year term) and has KPIs attached	Measure not relevant for 2022 New contract for 3 Waters started 1 July 2020 (3-year term) – no further KPIs than service response attached. New contract for Resource Recovery implemented 1 October 2021 (5-year term) and has a quarterly review attached.
	Obtaining an unqualified audit opinion	Not achieved Not achieved due to SSP audit qualification	Not achieved Qualified Audit opinion received in 2021/22 – in relation to the Statement of Service Performance.

Service Performance	Zero abatement notices or infringements issued to KDC for non-compliance with resource consent conditions	Achieved No non-compliance notices or infringements issued to KDC	Achieved No non-compliance notices or infringements issued to KDC in relation to IWK's contracts or works.
	The number of complaints received per year being due to a service request not being actioned appropriately is less than 10.	Achieved 0 complaints in total	Achieved 3 complaints in total.
Health & Safety	5% reduction in TRIF (Total Recordable Incident Frequency) accident rates	Not achieved TRIFR rate for 2019/20 was 0.00 (0 TRI x 200,000/26,572 (hours worked)). TRIFR rate for 2020/21 was 7.37 (1 TRI x 200,000/27,116 (hours worked)).	Achieved TRIFR rate for 2021/22 was 131.48 (18 TRI x 200,000/27,116 (hours worked)). TRIFR rate for 2021/22 was 79.86 (12 TRI x 200,000/30,053 (hours worked)).
	LTIFR (LTI per 200,000 hours worked) <6	Not achieved LTIFR rate for 2020/21 was 7.37 (1 LTI x 200,000/27,116 (hours worked)). One injury to a staff member occurred (January 2021 – tweaked shoulder loading the baler, had the following day off work).	Achieved LTIFR rate for 2021/22 was 0.00 (0 LTI x 200,000/30,053 (hours worked)).
Staff Engagement	Staff Engagement score at 4.0 or better	Not achieved Average engagement score of 4.0	Not achieved Average engagement score of 3.9 – survey undertaken in August 2022 due to workloads of the research company used.
Diversion from Landfill	55% as per Ministry for the Environment methodology	Not achieved There was 53.28% total diversion of recyclable material from landfill in this financial year against last year's 48.01%. Of the 1846.06 tonnes landfilled (471.9kg per head of population (3912)), 772.15 tonnes were from commercial customers, with domestic being 1073.91 tonnes for the year.	Achieved 55.9%

Māori Participation in Decision Making

The Council is fortunate to have a positive relationship with Te Rūnanga o Kaikōura, and communication between both parties is open, frequent, and participative.

These committees are supported by Iwi representation.

- ***Kaikōura Water Zone Committee***
- ***Airport Committee (no representative appointed in the year to 30 June 2022)***



Report to:	Council	File: PC04
Date:	29 March 2023	
Subject:	Plan Change 4 – Decision on how to consider the Plan Change request received from Kaikōura Business Park 2021 Ltd	
Prepared by:	M Foote - Consultant Planner Resource Management Group Ltd	
Input sought from:	M Hoggard - Strategy, Policy and District Plan Manager B Apperley - 3 Waters Engineer.	
Authorised by:	W Doughty - Chief Executive Officer	

1. PURPOSE

This report assesses the Kaikōura Business Park 2021 Ltd ('the applicant') plan change request ('PC4') against the relevant Resource Management Act 1991 (RMA) provisions. This report has been provided to assist Council in making a decision on how to process the request. This is a mandatory decision that must occur within 30 working days of receiving the request and any subsequent additional information necessary to enable reasonable understanding of what is being proposed.

2. RECOMMENDATION

THAT in respect of PC4 to the Kaikōura District Plan lodged by Kaikōura Business Park Limited 2021 Ltd, Council resolves to:

- a) To accept the request for notification pursuant to Clause 25 (2)(b) of the RMA.

3. BACKGROUND

The plan change request from the applicant was lodged with Council on 5th December 2022. Several minor amendments have been made to the application following lodgement, in response to reviews of traffic and servicing planning matters. Officers' conclusions are that all the information necessary to understand the request has now been provided and that a decision can be made on how to process PC4.

The Council has been liaising with the developer for a number of years in relation to potential rezoning of the land. During this time the planning framework has changed, and Council is required to ensure that developments can be serviced prior to rezoning. It is noted that all engineering services appropriate to the scale of the development, such as potable water have not been confirmed at this point in time. The applicant's are aware that confirmation of services provision will be required before a decision is made on the plan change. If this remains unresolved prior to the close of the notification period then a Council submission will be made to highlight this to the hearing commissioner(s). It is noted that the intention of this report is not to resolve the details of the plan change as this will occur during the submission and hearing process, rather this report is to ensure Council can make a decision on accepting, rejecting or adopting the plan change application or requesting it be processed as a resource consent.

The Plan Change site is located approximately 4.2km southwest of the Kaikōura town centre and is presently zoned as Rural in the District Plan. It is presently used for rural purposes. The site has frontage to both State Highway 1 and the Kaikōura Inland Road.

The application site subject to the Plan Change is irregularly shaped and has an approximate area of 21.6ha. The site is made up of two allotments, details of each are as follows:

- The most eastern parcel is yet to be created and is yet to have a Record of Title released. It was recently created as part of a larger subdivision (referenced as SU-2021-1765-02 which Council staff have issued 224(c) approval for on 20 January 2023. This lot has an area of 10.53ha and will be amalgamated with Lot 2 DP 501321.
- The most western parcel is legally described as Lot 2 DP 501321 and has a total area of 11.0197ha. This site is bound by the Inland Kaikōura Road to the west and State Highway 1 to the south.



Figure One Application Site Plan: Source Plan Change Application

PC4 facilitates the rezoning of the site to a proposed new Light Industrial Zone. The proposed new zone will be incorporated into the Kaikōura District Plan (KDP) as a new chapter, and will include issues, objectives, policies, and methods including rules consequential changes to the definitions, subdivision sections and appendices of the KDP are proposed to support the introduction of the proposed new zone.

It is proposed to incorporate an Outline Development Plan which will include site specific features including road layout, landscaping and servicing.

4. PROPOSAL

4.1 Statutory Requirements

Any person may request a change to the District Plan, and Council must consider that request. Under Clause 25 of the First Schedule to the RMA, Council must either reject, accept, or adopt the request, or process it as a resource consent¹.

An assessment of each of these 'Options' is considered in the following section of this report.

Option 1 – Reject the request

Under Clause 25(4), the grounds for rejecting PC4 outright are summarised:

- (a) That the request is frivolous or vexatious
- (b) The substance of the request has been considered by the Council or the Environment Court in the last two years.
- (c) The request does not accord with sound resource management practice
- (d) The request would make the District Plan inconsistent with Part 5 of the RMA
- (e) The District Plan has been operative for less than two years

Is the request frivolous and or vexatious?

The content of the plan change is not considered to be frivolous or vexatious. The request would have to be serving no serious purpose or value to be rejected on these grounds, which is not the case given the comprehensive nature of the application.

Has the substance of the request been dealt with in the last two years?

The substance of the request, being the provision of a new Light Industrial zone has not been dealt with by Council in the last two years.

Does the request accord with 'sound resource management practice'?

The proposed plan change is providing an area within the District to provide for light industrial activities. PC4 seeks to meet the future demand for light industrial activities thus providing for employment and business opportunities. Currently the Kaikōura District Plan does not have any industrial zones and to undertake industrial activities in the rural zone either a restricted discretionary or discretionary activity consent is required.

Given future light industrial activities are reliant upon the resource consent process there is uncertainty around how successful any future application associated with light industrial activities on the site would be. Therefore, the proposed Plan Change would remove the need for an ad-hoc consenting process and associated uncertainty by providing a specific zone for the site. The plan change process would give certainty to both the Council and the community about the extent of future development on the site.

Given this it is considered that the proposed plan change accords with sound resource management practice.

Has the District Plan been operative for less than two years?

This matter for rejecting a private plan change request is not applicable as the District Plan became operative in July 2008, with the moratorium having lapsed some time ago.

¹ Pursuant to Clause 25 of the 1st Schedule - RMA

In conclusion, there are considered to be no sound reasons to reject the request under the current set of circumstances.

Option 2: Adopt the Plan Change Request

Adopting the request means that the Council effectively takes over the application so that it becomes a Council-initiated plan change rather than a private plan change application. Adopting the request would result in Council having to fund the remainder of the process, thereby relinquishing the ability to recover the costs from the applicant. This is more likely to be done where there is greater public interest or benefit in the plan change outcome, rather than a predominantly private interest as is the case here. It is not recommended that the Council adopt the request for the above reasons.

Option 3: Accept the Plan Change Request

Accepting PC4 will enable the application to be publicly notified and for the request to be subject to the participatory processes provided by the RMA. This in turn, will provide Council with a more informed understanding of the community's stance on this specific proposal. Council retains the right to lodge submissions or further submissions to ensure there is sufficient scope to support amendments that may address any concerns with the potential plan change. No direct costs will be incurred by the Council or rate payers in accepting the request, although the preparation and presentation of any Council submission could not be charged and Council would be responsible for meeting any legal costs in regard to that submission.

Accepting the Plan Change request is the recommended option under the current set of circumstances.

Option 4: Convert to a Resource Consent Application.

The final option is to convert the plan change into a resource consent application. The plan change was formerly lodged as a resource consent application however Council signalled it was best progressed through a plan change application, as the present rural zone objectives, policies and rules do not align well with the proposed industrial use and limited details were proposed about the future activities which would occur on the site. The application was subsequently withdrawn. Processing the request as a resource consent is not therefore considered appropriate.

5. RECOMMENDATION

The consideration of the request at this stage is limited to an initial assessment of the contents of the plan change to ensure that firstly, the content and implications of the proposal can be generally understood; and secondly that the request is not in direct conflict with other planning processes and statutory instruments. The Council is not required to determine the merits or otherwise of the proposal at this stage.

There are not considered to be relevant grounds to reject the plan change when assessed against the statutory powers available to Council under the RMA. The most appropriate course of action is to accept PC4 for notification².

The RMA affords the opportunity for the applicant to request changes to the District Plan and prescribes the timeframes that Council must adhere to in processing the request. The recommended option to accept PC4 for notification will enable the request to be publicly notified, submissions and further submissions received and for the substantive merits of the proposal to be considered at a public hearing.

² Pursuant to Clause 25 (2)(b) of the 1st Schedule of the RMA

Accepting the request for notification does not signal that Council necessarily supports the proposal. The opportunity remains for Council to recommend that the request be supported, amended or opposed at the subsequent hearing through a formal submission or further submission. The benefit in accepting the request is that public input can be received to inform the overall assessment of the merits of the proposal.

6. VIEWS OF THOSE AFFECTED/CONSULTATION

a) Views of those affected

The proposed plan change will be subject to the statutory consultative provisions of the RMA where opportunity for public involvement is mandatory.

The recommendation to accept the request for notification will require Council to publicly notify PC4 and serve notice on all directly affected parties and organisations, who then have the opportunity to participate in the ongoing process.

b) Consultation

The request identifies that the applicant has consulted with Kaikōura District Council, Waka Kotahi and Te Runanga o Kaikōura. As outlined above, the recommendation to accept PC4 will advance the request to the point where members of the public and interested parties can participate in the process through submissions, further submissions and the hearing.

c) Māori Implications

The applicant has consulted with Te Rūnanga o Kaikōura, and they have provided their written approval.

7. RELEVANT POLICY/PLANS

The extent to which the request is consistent with relevant policies, plans and strategies will form part of the substantive consideration of the proposal at a future hearing.

8. LEGAL IMPLICATIONS

The private plan change request process is set out in the RMA. Council's decision can be appealed to the Environment Court.

9. FUNDING IMPLICATIONS

The applicant is responsible for the costs associated with processing a private plan change request, with Council costs being fully recoverable. Council would be responsible for the cost of defending its decision should it be appealed to the Environment Court.

10. HAS THE INPUT/IMPACT FROM/ON OTHER DEPARTMENTS BEEN CONSIDERED?

The contents of the plan change request, and preferred option to accept the plan change request for processing, have been considered by the 3 waters engineer and their comments incorporated.



Melanie Foote
Consultant Planner

ENDORSED FOR AGENDA

A handwritten signature in blue ink, appearing to read 'M Hoggard', with a stylized flourish at the end.

Matthew Hoggard
Strategy, Policy and District Plan Manager

Report to:	Council
Date:	29 March 2023
Subject:	CEO Update Report
Prepared by:	W Doughty - Chief Executive Officer
Input sought from:	
Authorised by:	W Doughty - Chief Executive Officer

1. PURPOSE

To provide the Council with an update on major work streams and other activities.

2. RECOMMENDATION

THAT the Council receives this report for information.

3. COUNCIL ACTIVITY – KEY FOCUS AREAS

Overview

Another busy month on all fronts. Resourcing continues to be a challenge for the organisation, especially in the operations area although it is great to see that we have made a couple of key appointments this month who will starting in April and May. We are not alone in this issue, with many Council's experiencing similar movements of staff given the current market and opportunities.

In the operations space, we are delivering on our LTP commitments with the 10km of reseal work completed in February, and the remaining capital works on the sealed roads which was planned for this financial year being undertaken in April and May. The footpath working group has confirmed the prioritized footpath programme for the next two years and work is currently being tendered to ensure it can be undertaken before winter. Work is progressing on a number of the largescale projects in the capital programme including the Link pathway, Wakatu Quay, Waiau Toa and the Infrastructure Acceleration Fund although, as previously highlighted, the projects are behind programme for the year, but on budget. This is for a number of reasons, however, lack of internal resources has played a key part. It is great to see the seawall remediation work being completed for Wakatu Quay and some preliminary work being undertaken on the Link pathway including Dempsey's track. Planning for some of the Better Off Funding projects is well underway.

The finance team continues to have a number of large workstreams underway. It is pleasing to note that the audit of the Annual Report for 2021/22 financial year is finally completed and that the report is on the agenda for adoption. The delays have been due to resourcing issues with AuditNZ who did not start the audit process until after the statutory deadline had passed. AuditNZ have indicated that the statutory deadlines for adoption of the Annual Report for 2022/23 are returning to 31st October 2023. It is therefore likely the team will be starting a further audit in a few months. Work is progressing on the rating review and is still expected to be completed by the end of the calendar year 2023 to help inform the Long Term Plan (LTP) work for 1 July 2024. Work has commenced on a review of the budgets for the Annual Plan 2023-24. The scope of the work included in the Annual Plan is still not anticipated to change drastically from the proposed Year 3 of the LTP. The significant increase in inflation and cost escalation has meant the budgets for all activities has had to be reviewed. The proposed Annual Plan budgets will be worked through with Council starting in April in order to have the Annual Plan adopted by 30th June 2023. The community will have a chance to attend those workshops and will be kept informed as the plan develops.

A monthly financial summary is included in Appendix 1 as previously agreed for the interim months between the Finance Audit and Risk committee meetings.

The community services team have had another busy month. Notable highlights include the continued success of the MTFJ programme. However, funding is still to be confirmed by central government for the next year which is putting our resources at risk. Unfortunately, Sean Madden has confirmed that he is leaving the programme to take up another role. This is a significant loss as Sean's passion, enthusiasm and commitment has made the programme the success it has been to date. The Tuia programme has also commenced for the year with our new rangatahi, Tira Hawke. The first hui was held in Te Awamutu and was attended by Tira and Mayor Mackle.

In the strategy and planning space it is good to see that the spatial plan work will be starting in April. This is a vital part of our District Plan review work. A report is also included on the agenda to accept the private plan change for the Kaikōura business park so that it can be publicly notified. A hearing is scheduled for the Vicarage Views resource consent in late April following closing of submissions in early March. The Dark Skys Working Group is also progressing the private plan change for lighting and have met with council officers and presented to the Runanga. The group is scheduled to present at a Council workshop on May 17th.

Reforms update

A number of reform related submissions were made in February including on the three waters reform legislation, RMA reforms and Future for Local Government report. These are all available on our website. The Mayor and myself presented our submission on the three waters reform legislation to the Finance and Expenditure Select Committee. We restated that KDC is overall opposed to aspects of the reform and our recommendation that the three waters reform process should be delayed until after the general election given the uncertainties it is creating from not having cross party support at a national level. We also highlighted our specific concern that the draft legislation now makes provision for capture of Council Controlled Organisations (CCO's) within the new Water Entity.

At the time of writing we are awaiting the outcomes from the reset of the three waters reform from the Minister for Local Government. A meeting was held in Wellington with the Minister and various selectively invited Mayors on the 21st March. C4LD was represented at that meeting. The National Transition Unit (NTU) are pushing on with their work programme until told otherwise and this is requiring significant input from council officers. However, I have indicated to the NTU that, as a good employer, KDC is not prepared to engage around the People and Workforce workstream as there is too much uncertainty and ambiguity at this point. We will re-engage in that workstream when the NTU have some answers.

Residents Satisfaction Survey

The final residents' satisfaction survey report is now available and will be on our website from March 27th. A summary at a glance is included in Appendix 2. Satisfaction levels continue to be high across most areas with the 'Overall Satisfaction' increasing to 69% this year, despite a high bar being set last year with 68%. There are of course some areas identified for improvement (scores between 50-60%) – no surprises though as the same areas were highlighted in previous surveys (especially footpath and roading) and we have increased investment and put in place steps to begin improving them. We also need to take on board the need to improve our response to requests and complaints. Overall, we've seen improvements in satisfaction ratings in many areas compared to last year, so hopefully we are on the right track. A special mention for the Library team who achieved 95% satisfaction – fantastic results!!!

Harbour issues resolution

A further meeting has been held with Whale Watch to outline the next steps that Council will be taking to resolve historic issues, and a meeting is scheduled with Dolphin Encounter for the 29th March. We are in the process of getting a surveyor onboard to be able to determine the new high water mark and clarify areas on Common Marine and Coastal Area, Reserve land or otherwise plus to clearly define each of the areas. We are also seeking an updated valuation of all assets.

Other Items

We are anticipating that a draft decision for the hearing for the Donegal House Managers and On License renewal will be available by the end of March. The current Notice for Direction in terms of the Food Act remains in place until all the corrective actions have been appropriately addressed. The owner has made some steps towards addressing these. However, at the time of writing, further work is still required before the Notice of Direction can be lifted.

The discretionary grants application process is currently open and closes on the 31st March. Elected members will consider the applications at the April meeting.

Council Team

It is great news that we have Pete Kearney joining us as the Senior Manager Corporate Services from 1st May 2023. Pete and his family are moving from Wellington to relocate to Kaikōura providing he can secure a place at preschool for his two young children. We also have Jo York rejoining the team as our Regulatory Services Team leader. This role will bring together all of the regulatory functions that currently report to a number of different areas.

Unfortunately, Kerry Andrews and Lara Jacobs are moving on to other roles for personal reasons. Kerry has been a great asset to the planning team for the last three years and Lara has been with us since straight after the earthquake and was a big part of the recovery team. We wish them well in their next steps.

The current vacancies we are seeking to fill include the following:

- Building Control Manager
- Building Control Officer
- Customer Services officer (0.6FTE)
- Policy Planner

In February we implemented a flexible working policy that gives staff options around work location and work hours around some set parameters. The policy has been well received and appears to be working as intended to date.

Focus areas for the next three months

- Outstanding debtors and resolution of historic harbour issues.
- Programme delivery of key projects.
- Annual plan.

4. COMMUNITY OUTCOMES SUPPORTED



Community

We communicate, engage and inform our community



Environment

We value and protect our environment



Development

We promote and support the development of our economy



Services

Our services and infrastructure are cost effective, efficient and fit-for-purpose



Future

We work with our community and our partners to create a better place for future generations

Appendix 1: Summarised Finance Report for the period to 28 February 2022

In summary there are no concerns with the financial position as at 28 February 2023.

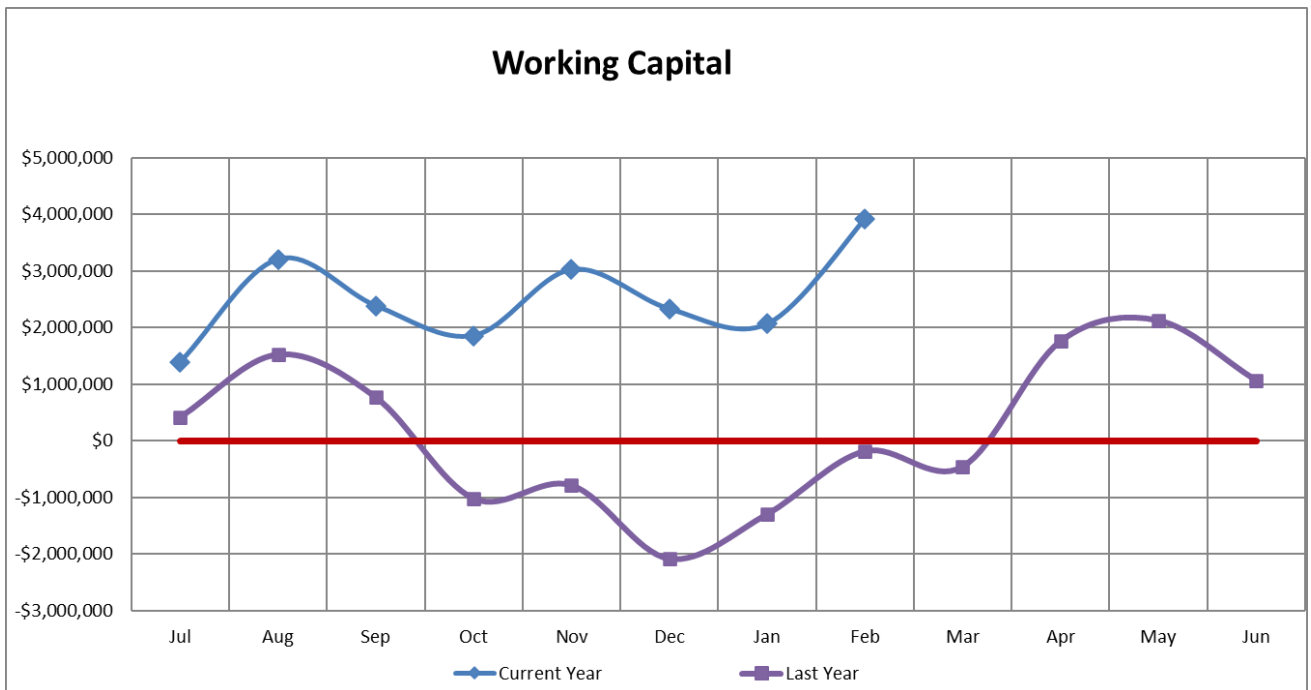
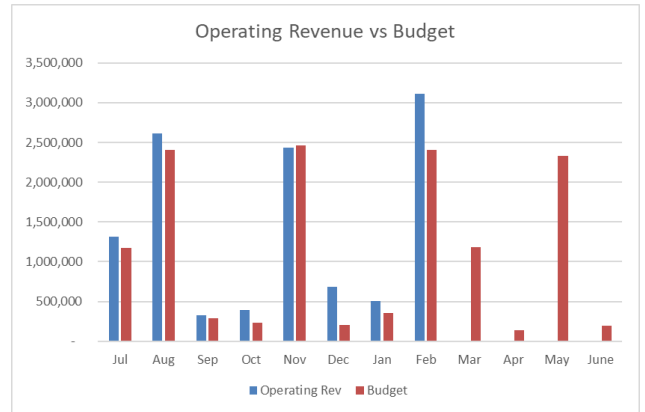
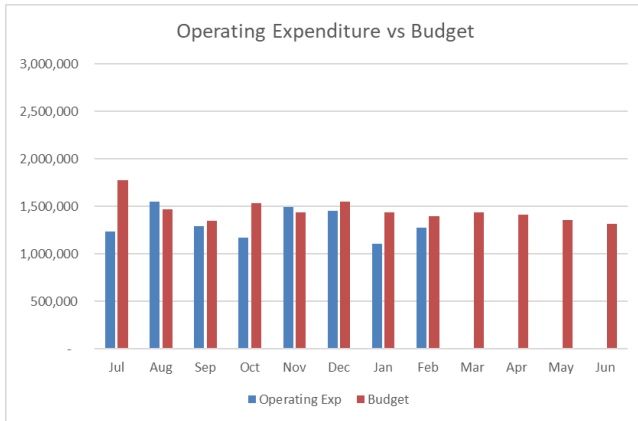
Summary Statement of Comprehensive Revenue & Expense			
	Budget YTD 28/02/23	Actual YTD 28/02/23	Variance 28/02/23
Grants & Subsidies	3,786,122	4,544,140	758,018
Rates Revenue	6,602,424	6,660,452	58,028
All other revenue	1,234,831	1,319,682	84,851
TOTAL REVENUE	11,623,377	12,524,274	900,897
Operating expenses – Other	6,424,087	6,300,693	225,157
Personnel	2,469,469	2,204,475	264,994
Grants Paid	404,384	586,040	(181,656)
Project Expenses	1,557,293	411,800	1,145,493
Professional Fees & Consultancy Fees	582,813	329,276	253,537
Repairs & Maintenance – Roading	503,064	727,953	(224,889)
TOTAL EXPENSES	11,941,110	10,560,237	1,380,873
Operating surplus/(deficit)	(317,733)	1,964,037	2,281,770

Total revenue is \$901K above budget, the large variance relates to unbudgeted grants and subsidies received from NZ Lottery for the Tennis/Netball Court upgrade, Mayors Taskforce for Jobs, Better Off Funding and 3W Stimulus Funding. Expenditure is under budget by \$1.38M largely relating to the underspend in Wakatu Quay (project expenses and consultancy fees). However, grants paid are above budget due to paying out the grant received for Mayors Taskforce to Te Ha.
































Summary Statement of Financial Position			
	Budget to Year End	Actual 28/02/23	Actual 28/02/22
Current assets	5,452,921	6,269,809	5,224,070
Non-current assets	228,378,345	285,015,555	216,601,426
Current liabilities	(1,850,810)	(2,350,518)	(5,406,358)
Non-current liabilities	(9,315,875)	(7,160,704)	(3,956,311)
TOTAL NET ASSETS	222,664,581	281,774,142	212,462,827
Public equity	117,714,129	115,933,569	113,182,253
Special funds & reserves	4,273,594	5,199,942	7,150,658
Asset revaluation reserve	100,676,858	160,640,631	92,129,916
TOTAL EQUITY	222,664,581	281,774,142	212,462,827

Cash is just over \$2M, borrowings are at \$5.3M with the total amount being non-current – The big changes are the property, plant and equipment increasing due to the revaluation of roading and three waters which is shown in the asset revaluation reserve within equity.

Financial Dashboard



Appendix 2: Residents Satisfaction Survey – At a glance.

 Public library (p.39)	 Public halls* (p.37)	 Civil defence (p.42)	 Customer services (p.32)	 Airport (p.36)	 Cycleways & walkways (p.21)
KDC 2023: 95%	KDC 2023: 93%	KDC 2023: 85%	KDC 2023: 79%	KDC 2023: 78%	KDC 2023: 76%
KDC 2022: 85%	KDC 2022: 88%	KDC 2022: 83%	KDC 2022: 82%	KDC 2022: 79%	KDC 2022: 76%
NZB 2022: 81%	NZB 2022: n/a	NZB 2022: 76%	NZB 2022: n/a	NZB 2022: n/a	NZB 2022: 66%
 Access to information (p.33)	 Marina & wharf (p.40)	 Streetlights (p.20)	 Other public places** (p.38)	 Communications (p.29)	 Food and alcohol regulation (p.28)
KDC 2023: 76%	KDC 2023: 75%	KDC 2023: 75%	KDC 2023: 75%	KDC 2023: 75%	KDC 2023: 73%
KDC 2022: 75%	KDC 2022: 85%	KDC 2022: 75%	KDC 2022: 82%	KDC 2022: 81%	KDC 2022: 72%
NZB 2022: n/a	NZB 2022: n/a	NZB 2022: 79%	NZB 2022: 76%	NZB 2022: 50%	NZB 2022: n/a
 Resource Recovery centre (p.23)	 Animal control (p.26)	 Pensioner flats (p.35)	 Meetings/committees (p.30)	 Environmental health (p.27)	 Recycling (p.24)
KDC 2023: 72%	KDC 2023: 69%	KDC 2023: 65%	KDC 2023: 61%	KDC 2023: 58%	KDC 2023: 57%
KDC 2022: 67%	KDC 2022: 64%	KDC 2022: 65%	KDC 2022: 53%	KDC 2022: 55%	KDC 2022: 50%
NZB 2022: 67%	NZB 2022: 64%	NZB 2022: n/a	NZB 2022: n/a	NZB 2022: n/a	NZB 2022: 68%
 Quality of life (p.12)	 Consultation (p.14)	 Rubbish collection (p.25)	 Roads (p.19)	 Response to requests (p.31)	 Footpaths (p.22)
KDC 2023: 54%	KDC 2023: 52%	KDC 2023: 50%	KDC 2023: 49%	KDC 2023: 49%	KDC 2023: 41%
KDC 2022: 48%	KDC 2022: 49%	KDC 2022: 44%	KDC 2022: 51%	KDC 2022: 50%	KDC 2022: 44%
NZB 2022: n/a	NZB 2022: 57%	NZB 2022: 68%	NZB 2022: 53%	NZB 2022: n/a	NZB 2022: 64%
 Overall satisfaction (p.17)	 Mayor, Councillors and staff (p.44)	 Being represented (p.44)	 - Great performance (>80%)  - Good performance (60-79%)  - Services for improvement (50-60%)  - Greatest improvement potential (<50%)		
KDC 2023: 69%	KDC 2023: 72%	KDC 2023: 73%	NZB 2022 = SIL NZ benchmark		
KDC 2022: 68%	KDC 2022: 71%	KDC 2022: 69%	* Memorial Hall, Scout Hall, Op Shop Building		
NZB 2022: 62%	NZB 2022: 53%	NZB 2022: n/a	** Cemetery, playgrounds and public toilets		

Report to:	Council	File #
Date:	29 March 2023	
Subject:	Community Services Team Update	
Prepared by:	S Haberstock – Community Services Manager	
Input sought from:	Community Services Team and partners	
Authorised by:	W Doughty – Chief Executive Officer	

1. SUMMARY

The purpose of this report is to keep the Mayor and Councillors informed of the activities delivered by the Community Services Team and collaborations with the Kaikōura community.

The report this month includes the following activity updates for February/March:

1. Community Development
 - a. Community Development and Community Groups
 - b. Events
 - c. Grants
 - d. Mayor’s Taskforce for Jobs
 - e. Multi-purpose Community Courts
2. Library Dashboard
3. Kaikōura Emergency Management

2. RECOMMENDATION

THAT the Council receives this report for information.

3. ACTIVITY UPDATES FOR AUGUST

3.1 Community Development

a. Community Development and Community Groups

Violence Free

The Violence Free Network continues to go from strength to strength with Sarah Wright taking over the coordination (no more than 5 hours per week as part of her Community Development role) and Amelia Hollman taking over as chair. We discussed the goals outlined in the Kaikōura Violence Free Strategy and Sarah will update this for our next meeting.

Pensioner Housing

Flat seven is completed and our new tenant moved in on Friday 10th March. He is very happy with the unit. There are small maintenance issues in some of the other units but nothing major and all are being dealt with. Tenants are looking forward to the sealing of the driveway/carpark area. Waiting list is sitting at nine applicants currently.

Cultural Aspirations

Waitangi 2023

Accountability report due 6 April 2023 for the funding received from Manatū Taonga (Ministry for Culture and Heritage). Discussions already happening for Waitangi 2024.

Kapa Haka

Te Whanau Whakaoranga recommenced 20 February 2023, 7pm – 8pm on Monday evenings in the Supper Room at the Memorial Hall.

Matariki 2023

Te Kura o Hapuku are the lead with this event. In the last 2 years we have created an event that was hosted at the kura and Mangamaunu Marae. This year they have reached out to Kaikōura District Council for assistance. With Matariki taking place from late May to early July (usually), the public holiday will be commemorated on 14 July this year. Discussing and planning for Matariki commemorations in Kaikōura on 21 July.

Te wiki o te reo Māori

An online hui was held on 15 March 2023 with Te Taura Whiri i te reo Māori (Māori Language Commission), KDC Community Development, KDC Events and Te Kura o Hapuku to discuss week-long possible tasks/events that include our community and Kaikōura schools for Te wiki o te reo Māori. Te Wiki o te reo Māori is 11-17 September 2023.

Housing Forum

A Housing Forum was held on 28 February 2023 with many different central government organisations who support social housing attending:

- Area Coordinator for Emergency Housing at the Ministry for Social Development
- The Regional Advisor for the Ministry for Social Development
- Ministry for Housing and Urban Development
- Kainga Ora
- Rata Foundation

A Brown attended an Affordable Rental Pathway (Round2) online hui on 2 March 2023 to help communities address the gap where home ownership isn't affordable, and people are unable to afford rental market rates.

Community Group Liaison

Te Whare Putea – Financial Capability

This service is very much in demand, working with ACC. Advocacy on behalf of people in our community is in high demand.

Census 2023

A Brown met with Area Community Engagement (Stats NZ) and Team Leader for Kaikōura and we confirmed community support sessions with the library providing space and venue.

Avodah

Discussed plans for the Vineyard Church property with regards to development for further housing for those participating in their programme with the possibility emergency housing situations. We further discussed and clarified how MHUD, MSD, Kainga Ora, Rata Foundation could play a role with the development of emergency housing.

Takahanga Marae

Liaising with marae management for a kaumatua group from Blenheim for a day trip to Kaikōura at the end of April 2023

b. Events

Memorial Hall

- The Memorial Hall was used for both a Marching Weekend and a Top of The South Line Dancing event. They have booked their competition here again for next year. Really enjoyed their weekend in Kaikōura.

- Belinda Rickerby and her elderly cooking group are really enjoying the weekly use of the Supper Room and kitchen and are very pleased to be sharing the space in the Plunket room to store all their kitchen equipment.

Citizenship Ceremony

Our first Citizenship Ceremony since before COVID was held on the 17th of February in the Totara Room.

Four new residents were granted NZ citizenship by Mayor Craig Mackle and gifted a small pounamu pendant, including our own Becky Makin. We received great feedback from attendees.



A & P Show

We organised a Council site at the Kaikōura A & P Show, promoting Civil Defence, Link Pathway display, Spatial Plan and Family History information. Seven staff were present throughout the day, speaking with locals and answering questions and queries they had – a really positive interaction.

Community Networkers

This month's the Kaikōura Community Networkers hui was held was held on 14 March. The below agencies and organisations were represented:

1. Clued up Kids - Blenheim
2. Kaikōura Suburban School Principal
3. Attendance Advisor for Kaikōura Schools
4. Te Kura o Hapuku
5. Mayor's Task Force for Jobs
6. Work and Income Case Manager
7. Connected – Employment Liaison for MSD
8. Dark Sky
9. Hutton's Shearwaters
10. Seaward Lions
11. Mayfair Art and Cultural Centre
12. Te Ha o Matauranga – Education Co-ordinator
13. Te Whare Putea Manager

14. CCS Disability Action Regional Manager
15. Te Ha o Matauranga – Youth Development and Te Kura Co-ordinator
16. Advocacy Services – Christchurch
17. Whanau Ora Navigator – Maata Waka
18. Inland Revenue – Community Compliance
19. Ministry of Justice – Kaiarahi Family Court Navigator

This hui is held every second Tuesday from 12-1pm at the Supper Room at the Memorial Hall and the next one is 11 April 2023 - Nau mai, haere mai to all.

The Agency List quarterly update was sent out to 107 members in March 2023. These members include community services, individuals, organisations both NGO and government, (both within Kaikōura and external) that provide support to our community.

c. Grants

Sports NZ Rural Travel Fund and George Low Fund

We have 3 active projects and the next funding round closes on the 11 April 2023

George Low Fund

We have 2 active projects and the next funding round closes on the 11 April 2023.

Creative Community Scheme

We have a total of 14 active community projects and the last funding round for 2022-2023 is closes on 19 May 2023.

Community Initiative Fund

We have 9 active projects with this fund and the final funding round for 2022-2023 closes on 10 March 2023.

Generosity NZ

3 referrals :

1. Winter Warmers
2. Community Education support for 0–5-year-olds
3. Cultural Wellbeing

d. Mayor's Taskforce for Jobs (MTFJ) - report for February 2023

The Employment Coordinator has supplied answers to the following questions:

- **How you have worked in partnership with MSD during the last month:** This month we continue to receive referrals from MSD. We followed up with a group of previous referrals and 6 people attended. Of these, one was placed into employment with a flexi-wage. Due to this success, we will run another one next month and plan to coordinate this with a business evening to present MSD & MTFJ products such as EMA. I have been discussing strategies to ensure good employers for our youth in our communities.
- **Programme developments, engagements and emerging opportunities:** This month has been far busier since school has returned and with several students not returning, we have been chasing them to see what their current pathways look like. We have been making planning pathways with several 15 years olds who have been out of school for some time with the support of the attendance officer.

The Pathway Navigator role has been slow gaining traction at the school with the school not fully onboard yet.

I have been chasing up employers who have been promising apprenticeships and need prompting to convert these opportunities into actual roles. This has been made harder with some confusing entry to training such as plumbing apprentices now having to go to Dunedin instead of Christchurch for block work. I can continue to work with apprentices and businesses who are needing help keeping up with their homework.

We have been supporting our hospitality sector by providing LCQ Training & Barista. Next month we have several first aid courses planned.

NMIT Horticulture - we have been able to secure a Level 2/3 Horticulture course here in Kaikōura to be held one day a week over the year and this will be free to attend.

Trades Academy - we currently have 15 students enrolled with 12 attending regularly, most being at risk at dropping out of school. This is keeping them in school longer until we can find opportunities for them in the community. We are hoping to have these students working on council projects soon to gain valuable experience before joining the workforce. This month we have met with several tradies and their apprentices and are looking at their experiences transitioning from school into the workforce and employers' expectations of their apprentices. We are weaving through the YEP programme.

We are looking at ways of providing localised content on the Careers Kiosk based at the library using cameras provided by Peter and getting High School students to interview local businesses.

I have plenty of contact with MSD referrals with most being disadvantaged in the workforce, but have had several wins with placements.

We have had initial conversations with Service IQT Tuakana–Teina Pilot Project for Māori Learners in coordination with Iwi.

I have been included in a conversation for Youth Mental Health Support for mild to moderate issues through the top of the south. Nationally, Te Whatu Ora identified a gap in Youth Mental Health for mild to moderate issues. They put out a Request for Proposal. In Te Taihū Nelson PHO and Health Action Trust were successful. This will be a programme co-designed with youth. The goal is to support 550 young people 12 - 24 a year. Three sites - Takakaha, Blenheim and Nelson – were identified with a focus on a package of care which could include talk therapy, employment support drivers' licence etc. They are looking to see first clients by end April 2023. Currently (Feb 23) advertising for young people to be involved with a one off hui to review design of delivery and/or be on a youth advisory group - a paid group of young people who meet once a month and help shape programme.

Te Tai O Marokura is running a Rangatahi Symposium in Kaikōura in April and we are looking at ways on how we can support.

- **Mayoral Comment:** I attended the Tuia programme in Te Awamutu with our new rangatahi, Tira Hawke. This was one of the most moving experiences I have had in a long time. I was touched by the kids who were very shy at the beginning, but by the end of the 3 days were chatting and asking me questions and asking for my opinion. But mostly, I am so proud of our lovely Tira, who stood up in front of this big group of relative strangers and sang the most moving waiata while

addressing me. I am still trying to work out what happened and why it was so special - maybe it was something like she is mentoring me, rather than the other way round! I am really looking forward to the next one to deepen those relationships further and this will be in Kaikōura.

I'm also keen to see some of our young people, particularly the Trades Academy, into some practical work experience. Some of the ideas floated for this include having them work on the new Link Pathway and being involved in some of the footpath upgrades around the district.

Other learning opportunities and youth support at Te Ha o Mātauranga:

- **Forklift Course:** On the 3rd of March, Te Hā o Mātauranga hosted a forklift course, which was delivered by Mainland Driving School from Christchurch. The course aimed to provide participants with the knowledge and skills needed to operate a forklift safely and effectively, covering a range of topics, including forklift operation, load handling, and workplace safety. The 6 participants who attended were provided with both theoretical and practical training, which helped them to develop a better understanding of the machinery and its operation. Overall, the participants were satisfied with the course and found it to be informative and engaging. They appreciated the hands-on training provided, which allowed them to put their learning into practice.
- **Driving:** Te Hā o Mātaranga has had a good start to 2023 supporting participants to pass their learner licences at the AA, and their restricted and full licenses in Blenheim. Our local driving instructor and mentor that visits from Blenheim have been running hour long sessions for the Kaikōura community. Driving sessions typically cover a range of topics, including basic driving techniques, traffic laws, road signs and signals, defensive driving, and emergency procedures. Driving sessions can be taken by individuals of all ages but are most taken by rangatahi who are preparing to obtain their driver's license. Adults who are learning to drive or who want to improve their driving skills may also take driving sessions.

Passed Learners	4
Passed Restricted	10
Passed Full	1
Mentoring Sessions	17
Driving Lessons	51

- **Upcoming Courses:** Te Hā o Mātauranga will be hosting multiple first aid courses at the end of March. ProMed will deliver an Outdoor First Aid course, CPR training, a Comprehensive First Aid course and a Refresher course for those who already hold a current qualification. The courses aim to provide participants with the necessary knowledge and skills needed to respond to emergency situations effectively.
- **Youth Development:** Lunchtimes at the High School- Elbie and Mark are going to the Kaikōura High school every Monday and Wednesday to run games and activities.
- **Lateral Youth:** this Friday night and the youth group is going well now. We are having around 25 youth weekly. We have so far been at the pool, had a bake-off, a console game night, a hangout night and played dodgeball. In the school holidays, we are going to be running a training course for our youth leaders.
- **Youth Council:** We have recently supported financially to Encounter’s initiative for Sea Week - Cookies and Clean. We are looking to do a sausage sizzle fundraiser for those who were affected

by the Hurricane and floods in the north Island (most likely to happen on the 27th of March) and we are also in the planning stage for Youth Week 2023.

- **Youth Services:** We currently have 8 Clients.
- **Alternative learning:** We have a core group of 7 young people coming daily to work through their schoolwork. We have 5 other young people who come less regularly. Some students are dual-enrolled, where we support them with some learning through Te Kura correspondence and they still attend some High School classes. Others are young adults (over 16) who are choosing to continue some education in order to gain NCEA. Healthy kai is a focus this term with the students making/cooking lunch 3 days per week. We have also had some success fishing with several sharks caught during our Fun Friday outings!



f. Community Courts update

J Diver, M Russell, S Wright, and S Haberstock met to discuss next steps for the Community Courts rebuild and how this would be managed. We will put forward a full report to Council for the April meeting with recommendations.

3.2 Library Dashboard

Please find February library statistics below:

KAIKOURA DISTRICT LIBRARY

Dashboard February 2023



COMPUTERS & USAGE

We had 125 people come in to use our public computers in February with 405 pages printed.



2,894 people visited the Library this month

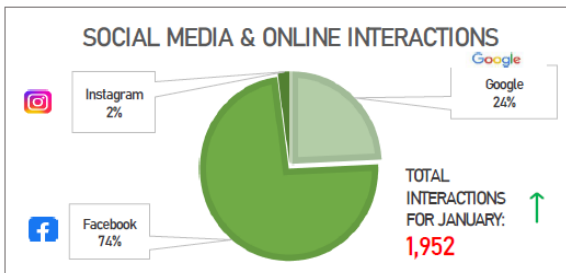
Book Stats February	20/21	21/22	22/23	
Issues	1,922	1,642	1,991	↑
Renewals	344	183	166	↓
Returns	1,990	1,451	1,866	↑
eBook Issues	13	11	130	↑

We have had **323** audio and eBook loans from BorrowBow in the last six months, compared to only **100** loans for the same time period the year before

That's an increase of **223%**

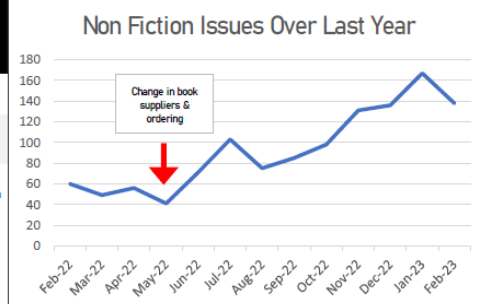
Feb/2023

AUDIO & EBOOK STATISTICS



BOOK SUPPLIERS

Due to the impacts of COVID-19 we have overhauled our book purchasing & processes. We now have predominantly local suppliers and as a result we have seen a consistent increase in issues and are defying national trends with an increase in non-fiction.



We are delighted to report this month that our audio book statistics are up 223% from this time last year. Our book statistics continue to increase, and we are pleased by the encouraging comments and positivity with our new books and services.

Taituarā has published an interesting article called Living Libraries, outlining the value of public libraries in Aotearoa:

"LIBRARIES ARE A STELLAR EXAMPLE OF HOW COUNCILS HAVE USED THEIR COLLABORATIVE POWER TO BUILD FOUNDATIONAL COMMUNITY RESOURCES. LIBRARIES HAVE BEEN LEADING THE WAY NOT ONLY IN COMMON BUSINESS SYSTEMS, BUT ALSO IN ENABLING ACCESS, INCLUSION, AND COMMUNITY CAPABILITY IN DIGITAL SYSTEMS – THEY ARE A KEY RESOURCE THAT LOCAL GOVERNMENT PROVIDES AND CAN LEVERAGE FOR WIDER IMPACT."

- The Future of Local Government - Draft Report October 2022

This article details how public libraries: deliver this collaborative power - they

- Are open to everyone.
- Support learning for life.
- Belong to everyone in the community.
- Champion the growth of a nation of readers by encouraging reading for pleasure and improving literacy.
- Support children and families, helping them to develop and thrive.
- Enhance community resilience in times of crisis by providing a trusted and safe place in the community.
- Enhance digital equity and inclusion by being trusted providers of information.
- Support and enhance community and economic development by providing access to job information and access to business support.

- Provide community hubs connecting people and services. Are trusted partners in the community – working with the community and other partners.

We believe our little rural library is a stellar example of all the above and we thank the community and councillors for your ongoing support.

3.3 Kaikōura Emergency Management

After returning from his deployment to Auckland, the EMO was redeployed to Napier City two weeks later, for two weeks (23rd Feb to 9th March), assisting and helping to manage their EOC’s response to Cyclone Gabrielle.

The main takeaway from both these events (Anniversary weekend storm event & Cyclone Gabrielle) was – waste - and the trouble these two councils had in moving it from house to kerb, kerb to truck, and truck to site. Both organisations tried to reinvent the wheel inside the EOC to deal with the problem and did not engage with the BAU part of an agency that does this normally on a day-to-day basis. Having strong connections with local contractors and having local people/groups/volunteers that can come together either during or relatively shortly after the event to assist is key. In Kaikōura, the centre of excellence (Dave, Bruce, Mike, and the newly arrived James) are the key proponents in this. The volunteers can be organised by various groups around the town and the Neighbourhood Supports GetsReady data base can identify where specific gear is in the community to assist.

It is vitally important to get these connections made and strengthen those relationships in the good times and not try to do this at zero dark hundred on the day – it is too late then.

We are still going ahead with the community meetings on the 4th of April (Inland Road), 11th April Goose Bay/Oaro (Goose Bay fire Shed), and 2nd May Kekerengu (at their community hall).

4. FINANCIAL IMPLICATIONS AND RISKS

None – expenditure remains within budgets.

5. COMMUNITY OUTCOMES SUPPORTED



Community

We communicate, engage and inform our community



Development

We promote and support the development of our economy



Services

Our services and infrastructure are cost effective, efficient and fit-for-purpose



Environment

We value and protect our environment



Future

We work with our community and our partners to create a better place for future generations

Report to:	Council	File #
Date:	29 March 2023	
Subject:	Kaikōura Youth Council	
Prepared by:	Kaikōura Youth Council and Staff	
Input sought from:	M Russell – Works Manager	
Authorised by:	W Doughty – Chief Executive Officer	

1. SUMMARY

We have hit the ground running this year, and want to share with you what we have accomplished since our last report and what plans we are currently working on! We would also like to discuss with you our thoughts on the Lyell Creek Bridge.

2. RECOMMENDATION

That the Council receives this report for information.

3. BACKGROUND

Kaikōura Youth Council (KYC) are a group of young people making a difference to the Kaikōura community. They have been active in Kaikōura since 1999 and meet regularly after school at Te Hā o Mātauranga – Learning in Kaikōura, to work on youth issues, organise events and bring Kaikōura’s youth together.

KYC aim to help Council engage with the youth of Kaikōura by facilitating a pathway of communication and representing youth in Council matters. All their work is to improve the ways of wellbeing (social, environmental, cultural and economic) for the youth of Kaikōura.

KYC’s vision statement is; Kaikōura youth are optimistic, confident and make valued contributions.

4. DISCUSSION

4.1 Fund Raising for North Island

We are hosting a BBQ fundraiser to support the north island in their Cyclone Gabriel recovery. This is to be held on Tuesday 29th March from 3.30pm at the Village Green.

4.2 Rangatahi Symposium

We have a small group of our members signed up to take part in the Rangatahi Symposium organised by Te Tai o Marokura and Te Runanga o Kaikōura in April. It is very exciting to have an awesome opportunity for youth development happening locally!

4.3 Seaweek

For Seaweek we approached Dolphin Encounter to support them in their initiative of supplying community members who cleaned up the beach with free cookies by paying half the cost of the cookies! Thankyou Dolphin Encounter for this awesome effort to help keep our beaches clean.

4.4 Youth Week

We have brainstormed up a big plan for Youth Week this year, with bits and pieces happening throughout the week at the Kaikōura High School, and finishing off with a bang on Pink Shirt Day (Friday 19th May).

4.5 Graffiti Paint Over

We are very keen to see the bridge that crosses the Lyell Creek from the Village Green painted with a mural.

One of our members noticed that there is a lot of offensive graffiti under and around the bridge by the village green which connects West End to the beach and passes over the Lyell Creek. This is a spot

where lots of young people like to hang out. Our members discussed that the train bridge in West End had a mural painted a while ago and it remains beautifully tag-free. We would like to see this spot beautified in the same way - to promote people to treat it with more care and respect - and to hide the graffiti that is currently there.

We are aware that there is funding from the 'Better Off Fund' for the West End Centre Upgrade.

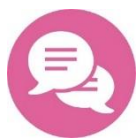
We are interested in involving community in this – it was suggested that maybe the mural could go up as part of the series of events happening during Matariki (in July).

Below is a photo that one of our members took of the graffiti on the bridge.



The Council Officer has reviewed this report and notes that this will be included as part of the repairs. The Council Officer will work with the Youth Council on their above suggestion.

5. COMMUNITY OUTCOMES SUPPORTED



Community

We communicate, engage and inform our community



Development

We promote and support the development of our economy



Services

Our services and infrastructure are cost effective, efficient and fit-for-purpose



Environment

We value and protect our environment



Future

We work with our community and our partners to create a better place for future generations

Report to:	Council	
Date:	29 March 2023	
Subject:	Planning Update	
Prepared by:	M Hoggard - Strategy Policy and District Plan Manager	
Input sought from:	P Egan - LIMs & Administration Officer	
Authorised by:	W Doughty – Chief Executive Officer	

1. SUMMARY

This report provides a general update of what is occurring in the Planning Department.

Key aspects to note are:

- LIMs numbers continue to be flat
- Some resource consents are still being processed by external consultants
- Natural Hazards – Appeal resolution progressing
- District Plan Review
 - Spatial Plan – Boffa Miskel to drive Spatial Plan
 - Report to Council for Kaikōura Business Park Limited
- National Policy Statement – Indigenous Biodiversity - Exposure Draft – No changes
- Notification closed for Vicarage Views

After almost three years of working for Kaikōura District Council Kerry Andrews has accepted a position working for the planning consultancy Planz in Christchurch. Kerry has been an asset with the projects she has been involved including bylaw reviews, rehousing of the district plan and plan changes. Kerry's last day at work for Kaikōura District Council will be 6th April 2023. It is noted that Kerry's departure has the potential to delay a number of strategic projects and options are currently being explored to keep moving key projects forward. Projects which may be delayed include the spatial plan, signs bylaw and private plan changes.

Attachments:

- i. Resource consents in progress

2. RECOMMENDATION

THAT the Council receives this report for information.

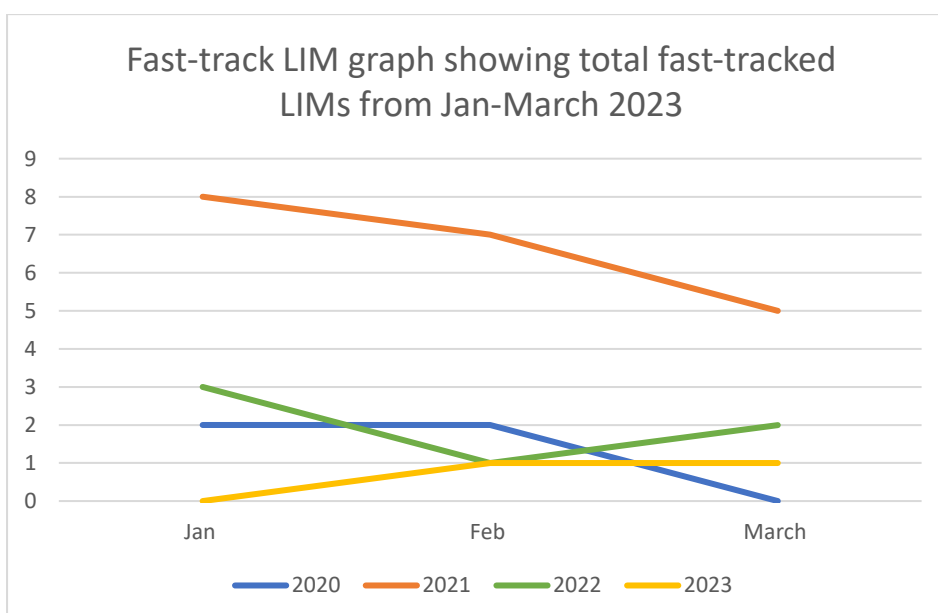
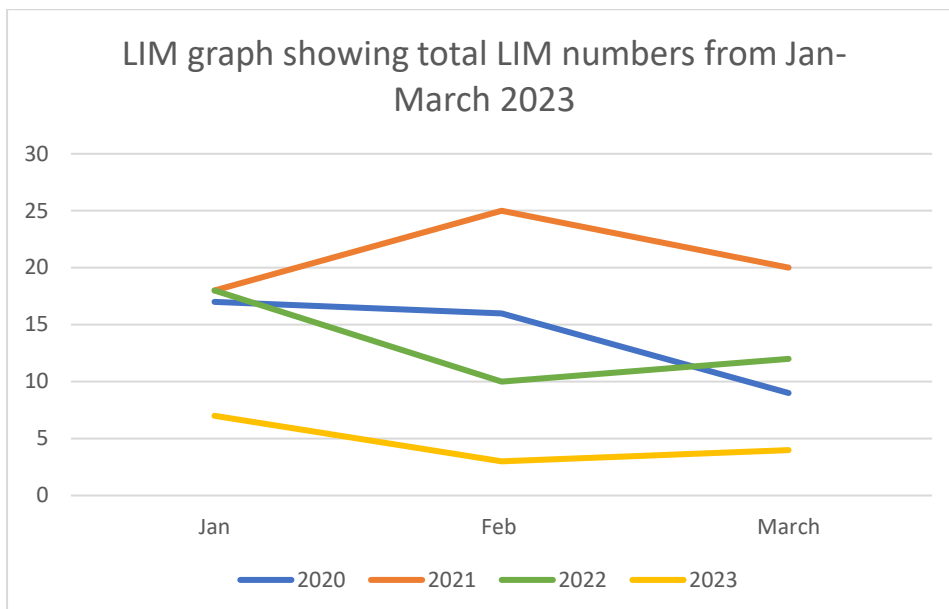
3. BACKGROUND

3.1 Resource Consents Status:

Attachment 1 includes a list of resource consents that are currently in progress, or which have been issued since the February 2023 Council report.

3.2 Land Information Memorandums (LIMs)

LIM numbers continue to be flat.



3.3 District Plan Review – Natural Hazards Chapter Update

Staff and Council’s solicitor are still working to resolve this.

3.4 District Plan Review

3.4.1 Spatial Plan

Discussion is occurring with Boffa as to timeframes, with Kerry leaving the planning team options are being considered on how best to keep this project moving forward.

3.4.2 Te Rūnanga o Kaikōura District Plan Involvement

Planning staff met with Te Rūnanga o Kaikōura staff on 23rd February. An update was provided on current resource consents, natural hazard appeal, private plan changes and the spatial plan process. The next meeting is scheduled for 23rd March 2023.

3.4.3 Plan Change 4 - Kaikōura Business Park Limited

A separate report is on the Council agenda seeking that the Council accept the plan change pursuant to clause 25 of the RMA.

3.5 Landscape Overlay Review

Following on from the workshop 23rd November 2022 additional work is still required in this area including the need for future discussion with Te Rūnanga o Kaikōura.

3.6 National Policy Statement – Indigenous Biodiversity - Exposure Draft

No changes have occurred since last Council Meeting (February 2023) the Ministry for Environment website is unchanged and states:

“The targeted consultation on the exposure draft closed on 21 July. Officials will now analyse submissions and feedback. Policy change recommendations will be provided to Minister Shaw for decisions before the final policy goes to Cabinet to consider for gazettal.”

The final content of the policy and its implications for Kaikōura is still unknown.

3.7 National direction for plantation and exotic carbon afforestation

Council staff are awaiting an update on the submission by the Canterbury Mayoral Forum which sought greater control over the exotic carbon forestry, and reinforced the right tree right location approach.

3.8 Resource Management Reform

As discussed in the February Council meeting a submission has been made, which is similar to the Canterbury Mayoral Forum submission. No new information has been received since this submission has been made.

3.9 Signs Bylaw

As Council is aware there is a need to review our Signs Bylaw, options are still being explored for this project.

3.10 The next three months

Planning is looking to progress the follow over the next three months:

District Plan:

1. Natural hazards plan change resolve the outstanding appeal.
2. Continued Review Resource Management Act reform documents
3. Set workshop dates for spatial plan
4. Ensure that district plan maps can be viewed in an interactive viewer, as opposed to pdf.
5. Move district wide landscape assessment forward

Policies and bylaws

6. Community engagement on options for signage. Resource identification for the project.

Staff

7. Find a replacement Policy Planner

Resource Consents

8. Further process mapping to improve current planning processes
9. Closing out resource consent which have been on hold for prolonged periods

4. FINANCIAL IMPLICATIONS AND RISKS

In addition to the risks expressed in the February Council meeting the loss of 25% of the current planning staff is a significant change for the department. Planning staff are difficult to find and delays in replacing staff will result in increased use of consultants which will have an impact on budgets.

5. RELEVANT LEGISLATION

Resource Management Act 1991

6. COMMUNITY OUTCOMES SUPPORTED



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ATTACHMENT 1

1. Active and deferred Resource Consent applications to 15th February 2023

“Deferred” applications are applications which have been placed on hold either on a request by the applicant or by Council requesting further information to better understand the effects of the proposed activity. Where applications are deferred the statutory processing clock (working days) is placed on hold.

No	RC ID	Applicant Name	RC Description	RC Location	Status / Notes
1	1632	D & R NZ Ltd	Land Use (Mixed use building development)	26-36 West End	No change from June 2021 Council meeting. Deferred (s 92). Waiting for further information Neighbour’s approval was requested in September 2019 further information was requested in October 2019. A reminder was sent to applicant on the 20/07/2020. A follow up email has been sent in July 2021. Interim invoice has been sent.
2	1660	Leanne Taylor	(Land Use) Visitor Accommodation	5 Kotuku Road	No change from June 2021 Council meeting. Deferred(s92). Further information (Neighbours approval) was requested on 8 th Sept 2020. Further communication has occurred on 2 nd October 2020. A follow up email has been sent in July 2021.
3	1675	Eysen Juan	Land Use Dwelling in Flood Zone	238C Mt Fyffe Rd	No change from June 2021 Council meeting. Deferred (s92) Further information) Further information was requested on the 15 th April 2020 seeking plans and elevations of what is proposed. Further communication occurred 15 th October. A follow up email has been sent in July 2022.
4	1777	John Drew	Relocation of building platform, boundary setbacks breached.	1481 D State Highway 1	The matter has been passed on to our enforcement team as no responses have been received from the September 2021 request for future information. The applicant has been given until the end of April to have technical reports submitted to KDC.
5	1797	Elisha Dunlea	Two lot subdivision	190 Mt Fyffe Road	Applicant had originally withdrawn application but have now asked to have the application put back on hold under s 92(1) as the consent was ready to be issued.

					Processed by RMG. Council staff need to speak with the applicants about this consent.
6	1843 & 1844	Kaikōura Trustee Company Ltd	Two allotment subdivision within rural zone and land use for dwelling within landscape area and on undersized allotment.	1516 SH1	On hold by the applicant – Public notification has occurred submissions closed on 16 th January 2023. Applicant has requested time to consider submission and determine how they intend to proceed. Being processed inhouse
7	1848	Kaikōura District Council	Wakatu Quay redevelopment, non-compliance with Noise and Parking	Wakatu Quay	On hold by the applicant – Additional information has been received and a review of the notification report is occurring based on the additional information. Being processed by RMG
8	1850	Estate of McIntyre	Rock protection structure at the rear of the property and on the adjacent Department of Conservation land	200 & 266 Torquay Street	Deferred – Confirmation of access for maintenance, DoC approval/concession for structure across DoC land. Being processed by RMG
9	1866	Jason Ruawai	Two lot rural subdivision below controlled allotment size	95 Green Lane	On hold by the applicant - Applicants currently working to resolve neighbours concerns Being proceed in house
10	1867	Blueview Custom New Homes	3 lot subdivision – significant change to previously approved 3 lot subdivision	74 Torquay Street	Granted Proceed in house
11	1870	Mark Baxter	Outdoor Dinning Area – Temporary Activity	21 West End	Active Limited notification has closed, a submission has been received from the neighbour. Processed in house
12	1874 & 1875	Vicarage Views Limited	Subdivision to create 67 vacant residential allotments and land use to increase density	Mt Fyffe Road	Active Notification period has closed, 75 submissions received, hearing date being set. Processed in house
13	1877	Liam Brown	Two lot subdivision Lot 1 – 1.61ha with existing dwelling	29 Skevingtons Road	Active Being processed in house

			Lot 2 – 1.7ha currently undeveloped		
14	1878	Fissenden and McKee	Two lot subdivision to replace a lapsed consent	37-39 West End	Active Being processed in house
15	1879	Ben Foster	Other - Flood Hazard Certificate	127 Mill Road	Active Being processed in house
16	1880	Min for Primary Industries	Use of residential shed for the storage of boat, vehicles and transport equipment	14 Moa Road	Active Being processed in house
17	1881	Dominic Hale	Other - Flood Hazard Certificate	310 Red Swamp Road	Granted Proceed in house
18	1882	Ryan Haigh	Other - Flood Hazard Certificate	269 School House Road	Granted Proceed in house
19	1883	Brian and Elizabeth Florance	Other - Flood Hazard Certificate	48 School House Road	Granted Proceed in house
20	1884	Ferniehurst Station	Land use – complete alterations to two existing winery buildings for residential use	140 State Highway 1	Active Being processed in house
21	1886	Robert Curle	Boundary Activity	67 Torquay	Granted Proceed in house
22	1887 & 1888	John Leeder	Subdivision and land use creation of 8 lots ranging in size from 418m ² to 1089m ² from 3 existing lots	154A to 162 Beach Road	Active Being processed in house

2. Notified consents

Currently four notified or limited notified consents are in progress:

- I. Kaikōura Trustee Company Ltd is proposing to undertake a two allotments subdivision within a significant landscape area the controlled allotment size is 40,000m² the proposed allotments are 1,947m² and 2440m². The applicant has required limited notification as they have been unable to obtain

neighbours approval. As the adjoining property is Māori Land it has not been possible to identify all property owners, this has been discussed with the applicants surveyors and full notification is considered to be the best method to progress the consent. Notification has resulted in submissions and the applicant has asked to place the application on hold while deciding what action should be undertaken.

- II. Jason Ruawai is planning to subdivide two create two allotments with a 1 ha average net lot size along Green Lane, limited notification has occurred and an affected party has offered conditional approval the application is being amended to reflect the conditional approval. This has been placed on hold by the applicant as they resolve the conditional approval. A hearing is not anticipated.
- III. Mark Baxter is proposed an Outdoor Dinning Area which will result in a gate being placed over an existing ROW, the Mr Baxter has been unable to obtain approval from the holder of the ROW and limited notification has occurred, a submission has been received from the neighbour.
- IV. Vicarage Views Limited – This subdivision seeks to create 67 vacant residential allotments and land use to increase density. Submissions have closed and a hearing date is being set. A total of 75 submissions have been received.

3. Plan Changes

Plan Change 4 has been submitted to Council a separate C25 report is on the Council agenda.

4. Monitoring

In addition to day to day complaints and quires council staff are developing a consent monitoring strategy.

5. Road Stopping

Active road stoppings:

Fookes – Hapuku Road –Surveyor has responded to Land Information New Zealand (LINZ) and the site has been repegged, application is currently with LINZ.

6. General

- Project Information memorandum processing is ongoing
- Land Information Memorandum processing is ongoing

Report to:	Council	File #
Date:	29 March 2023	
Subject:	Building and Regulatory Update	
Prepared by:	D Clibbery – Senior Manager Operations	
Input sought from:	R Harding – Senior Building Administration Officer F Buchanan – Regulatory Administration Officer	
Authorised by:	W Doughty – Chief Executive Officer	

1. SUMMARY

This is a routine report on recent activity in the BCA and regulatory areas of Council.

2. RECOMMENDATION

THAT the Council receives this report for information.

3. BUILDING CONTROL

The following apply for the period from 1 February to 7 March:

- Building Consent applications received 7
- Building Consents issued 10
- Code Compliance Certificate applications received 10
- Code Compliance Certificates granted 12
- Building Inspections conducted 84
- Inspection failed percentage 40%

Failed rate per inspector:

Brendan Rosetta - 66%

Clive Matthews - 57%

Phillip Bone – 45%

Sven Rigarlsford - 83%

Mark Milnes – 33%

Following two unsuccessful rounds of advertising for a Building Control Manager a decision was made in mid-February to appoint an acting Building Control Manager on a contracting basis from Solutions Ltd to ensure that our Building Control Authority (BCA) continues to operate in compliance with relevant regulations.

This, and the current extensive use of a contractor to undertake building consent inspections, has resulted in significantly increased operating costs, and consideration is currently being given to a significant increase in building consent fees to meet these costs.

Whilst it is expected that a slowing building sector will improve KDC's potential to employ Building Control Officers, this has not as yet been sufficient to overcome the general reluctance of staff to relocate to Kaikōura. We have recently had two expressions of interest in our roles from qualified and experienced BCOs but both wished to work remotely, which cannot meet our needs.

In light of our current resourcing challenges IANZ - which is engaged by MBIE to exercise oversight of Building Control Activities - has expressed concern regarding the ability of KDC's BCA to meet its statutory obligation, and intends to conduct a special assessment of our BCA in May for this reason.

The building control team of Hurunui District Council are continuing to provide much appreciated assistance in regard of both consent inspections and management advice.

Sale and Supply of Alcohol

For the months of November to January there were:

LICENSING INSPECTOR – Reports

- Managers- 5
- On Licence - 0
- Off Licence - 0
- Special Licences – 0
- Temp Authority – 0

ALCOHOL LICENSING ADMINISTRATION

New Managers applications received - 2

Renew Managers applications received – 3

Special Licence applications - 2

Premises Applications – 2

ALCOHOL LICENSING ADMINISTRATION – Licences Issued

Managers Certificates - 0

Special Licences – 1

Premises On/Off/Club – 0

Donegal House remains closed for business due to a Notice of Direction under the Food Act to seize food preparation and sales. Also, the alcohol licence operations remain closed as a result of both the Food Act action and Mr Boyd's inability to get licenced managers on board. Close liaison has been maintained with the police, who have provided support to the council regulators with going onsite at Donegal house and it has been greatly appreciated

Food Act 2014

Scheduled verifications were completed.

A warning letter has been given to a business that has been providing food without registration under the Food Act.

Water Safety

- Routine three-waters monitoring for compliance with DWQARs (Drinking Water Quality Assurances Rules).
- Routine drinking-water data oversight and laboratory correspondence.
- Commenced new monitoring programme to meet new DWQAR requirements.

Health Act 1956

Health Act Inspection due to start end of November 2023.

Regulatory Staffing

Jo York has been appointed to the new role of Team Leader – Regulatory Services and will start work on 11 April. 2 additional part time Parking and Freedom Camping Officers have been appointed using financial support from MBIE.

Areas of focus for this expanded regulatory team will include the forthcoming annual dog registration process and more effective enforcement of parking and freedom camping restrictions.

A more structured process is now being adopted in respect of implementing KDC's freedom camping bylaw that better addresses the challenges that are present.

A particularly unsatisfactory aspect of the recent rapid growth of the numbers of small camping vehicles that do not meet the definition of being 'self-contained' under KDC's bylaw is that on occasions no defined freedom camping sites are available in Kaikōura for compliant self-contained vehicles because so many sites are occupied by non-compliant vehicles. One complaint was received regarding this, but there could have been many more from those who were aware of the provisions of our bylaw.

Parking and Freedom Camping

Parking fees of \$5,132 were received. There appears to be a relatively high level of voluntary compliance by visitors but some greater enforcement may also be beneficial.

\$1,480 of infringements were received from freedom campers.

South Bay Boat Ramp

Ramp fees \$2,824.78

Dog Control and Animal Control

1,230 dogs were registered for the year 1 July 2022 – 17 March 2023, \$66,937 registration fees paid.

Two complaints relating to dogs were received, but there were no impoundments.

There was a persistent issue of wandering farm stock from an inadequately fenced property at Oaro.

Noise Complaints

One noise complaint was received during the month.

Illegal Building

One complaint was received.

Building Warrants of Fitness

5 BWoF renewals were processed

4. COMMUNITY OUTCOMES SUPPORTED

The work is in support of all/the following community outcomes.



Community

We communicate, engage and inform our community



Development

We promote and support the development of our economy



Services

Our services and infrastructure are cost effective, efficient and fit-for-purpose



Environment

We value and protect our environment



Future

We work with our community and our partners to create a better place for future generations