

I hereby give notice of the following Ordinary meeting:

Meeting:	Kaipara District Council
Date	Monday 14 August 2017
Time	09.00 am
Venue	Mangawhai Club, Molesworth Drive, Mangawhai

Open Agenda

Membership

Chair: Mayor Greg Gent

Members: Councillor Peter Wethey (Deputy Mayor)
Councillor Anna Curnow
Councillor Victoria Del la Varis-Woodcock
Councillor Julie Geange
Councillor Libby Jones
Councillor Karen Joyce-Paki
Councillor Jonathan Larsen
Councillor Andrew Wade

Seán Mahoney
Democratic Services Manager
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**Ordinary Meeting of Kaipara District Council, Monday 14 August 2017 in
Mangawhai****1 Opening****1.1 Karakia****1.2 Present****1.3 Apologies****1.4 Confirmation of Agenda**

The Committee to confirm the Agenda.

1.5 Conflict of Interest Declaration

Elected Members are reminded of the need to be vigilant to stand aside from decision-making when a conflict arises between their role as Mayor and Councillors and any private or other external interest they might have. It is also considered best practice for those members to the Executive Team attending the meeting to also signal any conflicts that they may have with an item before Council.

1.6 Resolution Register and Action Tracker

13/02/2017	6.2	Reserve status land exchange - Mangawhai Golf Course driving range and Greenview Heights section	20	Seeks the approval of the Minister of Conservation to the exchange the Greenview Heights section for a 1.84ha portion of Mangawhai Community Park; and	JB	in progress	
13/02/2017	6.2	Reserve status land exchange - Mangawhai Golf Course driving range and Greenview Heights section	21	Delegates to the Chief Executive responsibility for seeking the consent of the Minister of Conservation to the exchange.	JB		
04/04/2017	6.1	Baylys Beach Community Centre/Public Toilets Encumbrance	7	Recommends that the encumbrance registered on the title of 52 Seaview Road, Dargaville, permitting Council to develop public toilets, is removed; and	SH	In progress	Baylys Beach Community Centre Trust undertaking the registration
04/04/2017	6.1	Baylys Beach Community Centre/Public Toilets Encumbrance	8	That a budget of \$70,000 is provided in the draft Long Term Plan 2018/2028 for a Baylys Beach Public Toilet Boardwalk to ensure the toilets are usable by people with physical disabilities.	SH	Complete	Included in draft LTP
04/04/2017	6.2	Maungaturoto Residents Association Development Agreement and Draft Licence to Occupy to Build a Playground in	11	Approves the terms and conditions as outlined in the above mentioned report for a Development Agreement and Licence to Occupy with the Maungaturoto Residents Association in View Street, Maungaturoto (Lot 34 PT 33 35 36 DP 8374 BLK VIII WAIPU SD); and	SH	In progress	Development Agreement sent to Maungaturoto Residents Association
04/04/2017	6.2	Maungaturoto Residents Association Development Agreement and Draft Licence to Occupy to Build a Playground in View Street, Maungaturoto	12	Delegates the Kaipara District Council's Chief Executive to finalise and sign the Development Agreement and Licence to Occupy with the Maungaturoto Residents Association.	SH	In progress	Development Agreement sent to Maungaturoto Residents Association
04/04/2017	8.2	CON682 Road Maintenance: Awarding Separable Portion 4	26	Resolves to award Broadspectrum (NZ) Ltd Separable Portion 4 of Contract 682 (CON682) effective 01 July 2017 to 30 June 2018.	CM		
	8.3	Forestry – EOI Evaluation	32	Negotiates with the recommended bidder(s) in order to determine if an acceptable price for the purchase of the forests can be agreed; and	JB		
04/04/2017	8.3	Forestry – EOI Evaluation	33	Directs the Chief Executive to negotiate with the recommended bidder(s) for a conditional Sale and Purchase Agreement for the possible sale of Council's forests.	JB		
04/04/2017	8.3	Forestry – EOI Evaluation	34	Requests that the Chief Executive bring any finalised conditional Sale and Purchase Agreement back to Council for approval or report if an agreement with recommended bidders cannot be concluded.	JB		
08/05/2017	6.1	Annual Plan 2017/2018 – Consultation Document, reporting of feedback and recommended responses	11	Instructs the Chief Executive to respond to all those persons/organisations that provided feedback or where relevant address through a Council service request for operational resolution of the matter raised.	HC		
08/05/2017	8.2	Electoral System 2019	27	Issues a public notification before 19 September 2017 that informs the public of the right to demand a poll on changing the electoral system should they wish to.	SM		To be published in August
08/05/2017	8.4	Petition Response Comes Road	35	That the Chief Executive further reports back to Council on the current situation including the Seal Extension Policy, any engineering reports and recommendations.	CM	Complete	Report came to July Council

08/05/2017	8.5	Raupo Drainage District section of stopbank: Temporary prohibition of traffic	38	Prohibits the use of the section of road on the stopbank in the Raupo Drainage District from Floodgate 39 at the end of Westlake Road to Floodgate 47 at the end of Simpson Road encompassing Floodgate 45 at the end of Wilsons Landing in Ruawai, as shown on Attachment 1 of the above mentioned report, by all motor vehicles for the period no longer than Easter Weekend to Labour Weekend each year.	CM		
08/05/2017	8.6	Waste Management and Minimisation Plan 2017/2022 Draft for Public Consultation: Approval	41	Delegates to the Chief Executive to make minor amendments as discussed at the meeting; and	HvZ	Complete	
08/05/2017	8.6	Waste Management and Minimisation Plan 2017/2022 Draft for Public Consultation: Approval	42	Approves the draft Waste Management and Minimisation Plan 2017/2022 [April 2017] for Special Consultative Procedure, as prescribed by Section 44 of the Waste Minimisation Act 2008; and	HvZ	Complete	
08/05/2017	8.6	Waste Management and Minimisation Plan 2017/2022 Draft for Public Consultation: Approval	43	Appoints a Hearing Panel consisting of the following Councillors: Julie Geange, Anna Cumow and Victoria Del la Varis Woodcock.	HvZ	Complete	
08/05/2017	9.3	Dargaville Library : Library+ Concept – Assessment of Options	67	Accepts Council staff's recommended options, being the further investigation into three viable options.	VA	In Progress	
26/06/2017	7.2	Ruawai Stopbank Cycleway Memorandum of Understanding	17	Agrees in principle with the Memorandum of Understanding between Ruawai Promotions and Development Group Inc and Council to support this community led walking and cycling initiative, and delegates signing to the Chief Executive once the document has been converted to Council's Licence to Occupy Agreement format.	SH	In Progress	
26/06/2017	7.3	Northlink (Formerly Rodney North Harbour Health Trust) Assignment of Lease	20	Approves the assignment of the lease from The Rodney North Harbour Health Trust Incorporated (now Northlink) to Rodney Health Charitable Trust Incorporated; and	JB		
26/06/2017	7.3	Northlink (Formerly Rodney North Harbour Health Trust) Assignment of Lease	21	Delegates to the Chief Executive responsibility for execution of the Deed of Assignment on Council's behalf.	JB		
26/06/2017	7.6	Kauri Coast Community Pool – Licence to Occupy and maintenance grant	34	Agrees to develop Terms of Reference for a joint Council/Trust Kauri Coast Community Pool Management Committee to investigate reducing operating costs, reviewing fee structure, seeking external funding for programmes, improving the range of programmes, improving dedicated times for the elderly and promoting the pool to achieve increased attendance; and	SH	In Progress	
26/06/2017	7.6	Kauri Coast Community Pool – Licence to Occupy and maintenance grant	35	Delegates the Chief Executive to negotiate a Licence to Occupy with the Kauri Coast Community Pool Trust on the standard terms and conditions; and	SH	In Progress	
26/06/2017	7.6	Kauri Coast Community Pool – Licence to Occupy and maintenance grant	36	Increases the grant to the Kauri Coast Community Pool Trust by \$42,000 to cover renewals in the Annual Plan 2017/2018; and	SH	Complete	Funds available
26/06/2017	7.6	Kauri Coast Community Pool – Licence to Occupy and maintenance grant	37	Re-assesses its involvement in the Kauri Coast Community Pool after the 2017/2018 swimming season.	SH	In Progress	
26/06/2017	7.7	Draft Kai Iwi Lakes Bylaw follow up	41	Directs the Chief Executive to keep in contact with Northland Regional Council through their draft Kai Iwi Lakes Navigational Safety Bylaw 2017 process, so any emerging issues for the Kaipara District Council can be investigated through the General Bylaw review, or if needed, a Kai Iwi Lakes Bylaw covering land-based activities.	VA	In Progress	

26/06/2017	7.8	Kauri Coast Recreational Society Inc. (Sportsville project) funding support	44	Instructs the Chief Executive to include \$70,000 as a grant to fund the project in the consultation document and source documents for the Long Term Plan 2018-2028.	SM	Complete	Included in planning documents
PUBLIC EXCLUDED:							
26/06/2017	8.2	Contract 844 Maungaturoto Wastewater Treatment Plant Oxidation Pond Desludge: Budget Increase and Contract Award	48	Approves the budget increase for the Maungaturoto Wastewater Treatment Plant Oxidation Pond Desludge project from \$225,000 to \$300,000; and	CM		
26/06/2017	8.2	Contract 844 Maungaturoto Wastewater Treatment Plant Oxidation Pond Desludge: Budget Increase and Contract Award	49	Approves the award of Contract 844, Maungaturoto Wastewater Treatment Plant Oxidation Pond Desludge to Rob Burrell Earthmoving Ltd for the total contract price of \$294,796.02 plus GST.	CM		
26/06/2017	8.3	CON725 P17 Reseals 2013/18: Awarding Separable Portion 4	52	Resolves to award Fulton Hogan Ltd Separable Portion 4 of Contract 725 (CON725) through to 31 March 2018.	HvZ		
26/06/2017	8.4	CON727 Road Marking 2013/18: Awarding Separable Portion 4	55	Resolves to award Downer NZ Ltd Separable Portion 4 of Contract 727 (CON727) through to 31 March 2018.	HvZ		
Meeting Date	Item Number	Item Name	Resolution Number	Details	Assigned	Status	Comments
11/07/2017	1.7.1	Notice of Motion 1	1,2 & 3	a) That Council approve all appointments to current and future plan hearing panels (including variations and changes); and b) That any current delegations be amended to reflect this approval requirement; and c) That these changes take effect immediately.		In Progress	
11/07/2017	1.7.2	Notice of Motion 2	4 & 5	1) That the Chief Executive develop a policy for the appointment of independent commissioners; and 2) That the policy include: a) the process for Council appointment to, and removal from the list of commissioners; and b) standardising of commissioner remuneration; and c) the requirement for Council approval of appointments of commissioners for resource consent hearings, and a procedure for appointment including: i) an alphabetical acceptance and refusal process to remove bias; and ii) a public register recording the process followed in point a); and iii) a process allowing applicants to refer disputes over appointments decisions to Council for resolution; and iv) mechanisms to allow qualified elected members to sit on hearing panels if Council decides to do so.	HA	In Progress	
			6	3) That the Chief Executive work with a committee to be recommended by the Mayor in developing the policy and procedure; and	HA	In Progress	
			7	4) That any related current delegations be amended to reflect policy; and	HA	In Progress	
			8	5) That the policy be presented to Council for approval at 09 October 2017 meeting.	HA	In Progress	
11/07/2017	1.7.4	Notice of Motion 4	10	1) That Council make its workshops open to the public (except as required under LGIOMA 1987); and	SM	Complete	
11/07/2017	1.7.5	Notice of Motion 5	12	1) That the Mangawhai Endowment Lands Account (MELA) committee carries out a full review of the MELA policy; and	VA		

			13	2) That the amended policy be brought to the Council at 14 November 2017 meeting for adoption.			
11/07/2017	1.7.6	Notice of Motion 6	14	1) That Council reviews its Reserves Contributions Fund Policy; and	HA	In Progress	
			15	2) That the Chief Executive work with Councillor Larsen (Chair), Wade and Del la Valls Woodcock on reviewing the policy; and	HA	In Progress	
			16	3) That the amended policy be presented to the 26 September 2017 Council meeting for approval.	HA	In Progress	
11/07/2017	6.2	Policy Register Review Programme	36	2 that the Mayor reviews and provides feedback for a further report to Council; and	DM	Complete	
11/07/2017	7.3	Private Seal Extension Policy Options	48	3 Provides feedback and confirms its preferred option for private seal extensions to allow staff to formulate a policy for Council's consideration.	CM		
11/07/2017	9.1	Crown Support	58	3 Delegates to the Chief Executive to consult with and receive direction from the Crown Manager, subject to prior discussion with the Mayor and Deputy Mayor and communication to the full Council.	SM	Complete	
11/07/2017	8.3	Mangawhai Holiday Park Wastewater Connection Agreement	52	3 Resolves in principle to enter into a Development Agreement with the Mangawhai Holiday Park Ltd related to the connection of the Mangawhai Holiday Park Ltd to the Mangawhai Community Wastewater Scheme (MCWWS) subject to the following terms and conditions: a) The Mangawhai Holiday Park Ltd shall pay a wastewater capital	CM		
11/07/2017	8.4	Kaipara District Council Water Supply Risks	54	2 That communications to affected parties are approved by Mayor and Deputy Mayor; and	CM	Complete	
			55	3 That an appropriate letter be sent to the relevant minister outlining the problems with the current law.	CM		

2 Deputations, Presentations and Petitions

Mr Blundell – Cames Road

Love Kaipara – Petition

File number: 1203.01

Approved for agenda ☒
Report to: Council

Meeting date: 14 August 2017

Subject: Petition to Ban Single Use Plastic Bags.

Date of report: 01 August 2017

From: Sean Mahoney, Democratic Services Manager

Report purpose ☒ **Decision** ☐ **Information**
Assessment of significance ☐ **Significant** ☒ **Non-significant**

Summary

Council has received a petition to ban single use plastic bags in the Kaipara District. A review of Councils legislative options and of other Councils reviews in the past confirms that the power to initiate a ban in single use plastic bags does not exist.

Recommendation

That the Kaipara District Council:

- 1 *Receives the Democratic Services Manager's report 'Petition to Ban Single Use Plastic Bags' dated 01 August 2017; and*
- 2 *Believes it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with the provision of s79 of the Act determines that it does not require further information prior to making a decision on this matter; and*
- 3 *Notes the content of the petition to ban single use plastic bags; and*
- 4 *Writes to the Minister for the Environment to show the support of Kaipara residents for legislative action.*

Reason for the recommendation

Council does not have the legal tools to initiate a bylaw banning single use plastic bags. The relevant legislator would be Central Government.

Reason for the report

On 25 July Kaipara District Council received a petition from Margaret Baker, requesting that "As part of a Northland wide ban on single-use plastic bags, we the undersigned citizens of the Kaipara District request that the council introduces a bylaw banning single-use plastic bags in the Kaipara District". On the same day and electronic signature from change.org was also received with the heading "Ban Single-use Plastic Bags in Kaipara". The two petitions are being considered as one. Margaret Baker will also present the petition in line with section 16.2 of Councils Standing Orders.

Background

The petition focuses on a ban on single use plastic bags as it is claimed in the petition that

“Over 40,000 plastic check-out bags are dumped in landfills every hour in New Zealand

Plastic Bags pollute New Zealand streams, rivers and oceans and their ecosystems

Plastic bags take 500 years to break down in landfills

Plastic shopping bags are not FREE...they are a cost to retailers, to our environment and to us.”

The paper based petitions appear to have been collected in the early part of the year and the online petition has been collected during July 2017.

Issues

The petitions as presented meet Councils criteria. The petition does contain residents who do not reside in the Kaipara District, whilst this is not a disqualification it does contradict the stated preamble to the petition (Kaipara Citizens).

The main issue for Council is whether they can enact a bylaw as requested.

Section 155 of the Local Government Act 2002 requires bylaws to be used only when they are the most appropriate way of addressing a perceived problem. When Local Government New Zealand (LGNZ) considered this issue in 2015 it found that all Councils which had looked at the issue to date had agreed that the negative environmental consequences of plastic bags applied to the country as a whole rather than a particular region or authority. In short it is a national problem best suited with a central government solution. The Minister for the Environment has the power to ban single use plastic bags from sale or from disposal to landfill; or to name them as a priority product for product stewardship. This would enable regulatory interventions, such as a bylaw banning plastic bags. Enacting a bylaw without this intervention would likely prove unenforceable or be subject to legal challenge.

The current legal framework does not provide a provision to allow for such a ban in either the Local Government Act 2002, Waste Minimisation Act 2008 or Litter Act 1979. Section 145 of the Local Government Act 2002 addresses general bylaw making powers. It dictates that a territorial authority may make bylaws for its district for one or more of the following purposes

- Protecting the public from nuisance
- Protecting, promoting, and maintaining public health and safety
- Minimising the potential for offensive behaviour in public places.

Section 146 addresses specific bylaw making power, with the purpose of regulating 1 or more of the following

- On-site wastewater disposal systems
- Waste management
- Trade wastes
- Solid wastes
- Keeping of animals, bees, and poultry

- Trading in public places.

Section 145 and 146 cannot cover the scope of retailers giving out plastic bags. The act in itself does not create waste until the recipient chooses to dispose of them, in whatever manner they choose.

Thus, while Kaipara District Council does not have a mandate to reduce the use of plastics in society in an effort to protect the environment, it does have a role in providing waste management services, including addressing littering. Since plastic bags only account for 0.2% of waste entering New Zealand's landfills and just 1.5% of litter items (according to nationwide litter surveys), they are not a major waste management issue. If anything they support waste management as they are often reused as bin liners and rubbish bags at picnics, in the car or at barbeques. In this way their regular provision encourages tidy behaviour. However among those who do litter, plastic bags once in the environment are easily blown by the wind, can easily find their way into the ocean and are very slow to break down. Council could therefore consider this issue as part of a wider campaign to stop people littering. If plastic bags were seen as a major litter issue, Council could justify working with suppliers of plastic bags in a non-regulatory setting to minimise supply. However the issue appears to be with the improper use of plastic bags (littering) rather than the provisions of the bags in general.

Council could use the petition to lobby central government through a letter from the Mayor. It should be noted that the Ministry for the Environment have not supported a ban on single-use plastic bags so far.

The Ministry for the Environment considers that a ban or blanket charge on single-use plastic bags would be impractical in New Zealand and has stressed that some businesses use these bags to comply with food safety regulations.

The Ministry argued that single-use plastic bags are often used more than once. An Australian study found that approximately 60% of bags are reused for waste disposal purposes, as lunch bags or carry bags, among other things. The study concluded that the economic and environmental costs of banning or discouraging single-use plastic bags outweigh the benefits. The Ministry stressed that intervention measures such as levies should be applied only if there is evidence to suggest there will be a positive net benefit.

Factors to consider

Community views

The community have expressed support for this initiative through the signing of the petition.

Policy implications

Initiating a bylaw would require consultation at the appropriate stages.

Financial implications

Nil

Legal/delegation implications

Council does not have the legal tools to enforce such a ban.

Options

Option A: Note the petition and take no further action

Option B: Note the petition and send a summary of it to the Minister for the Environment.

Assessment of options

Option B would allow the community to see an action from raising the petition and put pressure on the relevant agency. Option A would address Councils own remit but may be seen as negative feedback to the petitioners.

Assessment of significance

This does not trigger Councils significance thresholds.

Recommended option

The recommended option is **Option B**

Next step

Write to the Minister for the Environment

Attachments

- Petitions received

3 Confirmation of Minutes

3.1 Council Minutes 11 July 2017

Democratic Services Manager 1601.22

Recommended

That the unconfirmed Minutes of the meeting of Kaipara District Council held 11 July 2017, be confirmed as a true and correct record.

Kaipara District Council

Minutes

Meeting	Kaipara District Council
Date	Tuesday 11 July 2017
Time	Meeting commenced at 9.00 am Meeting concluded at 12.34 pm
Venue	Northern Wairoa War Memorial Hall, Hokianga Road, Dargaville
Status	Unconfirmed

Membership

Chair: Mayor Greg Gent

Members: Councillor Peter Wethey (Deputy Mayor)

Councillor Anna Curnow

Councillor Victoria Del la Varis-Woodcock

Councillor Julie Geange

Councillor Libby Jones

Councillor Karen Joyce-Paki

Councillor Jonathan Larsen

Councillor Andrew Wade

Seán Mahoney
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Unconfirmed

Ordinary Meeting of Kaipara District Council, Tuesday 11 July 2017 in Dargaville
1 Opening
1.1 Karakia

Councillor Del la Varis-Woodcock opened the meeting with a karakia.

1.2 Present

Mayor Greg Gent, Councillors Peter Wethey (Deputy Mayor), Anna Curnow, Victoria Del la Varis-Woodcock, Julie Geange, Libby Jones, Karen Joyce-Paki, Jonathan Larsen and Andrew Wade

In Attendance

Name	Designation	Item(s)
Glennis Christie	General Manager Finance	All
Curt Martin	General Manager Infrastructure	All
Duncan McAulay	General Manager Strategy and Performance	All
Venessa Anich	General Manager Community	All
Peter Marshall	General Manager Corporate Services	All
Dean Nuralli	Regulatory Manager	All
Jessica Hollis	Resource Consents Manager (Acting)	All
Heidi Clark	Communications Manager	All
Sue Hodge	Parks and Community Manager	All
Howard Alchin	Policy Manager	All
Sean Mahoney	Democratic Services Manager	All
Lisa Hong	Administration Assistant	All (Minute-taker)

1.3 Apologies

Nil.

1.4 Confirmation of Agenda

The Committee confirmed the Agenda.

1.5 Conflict of Interest Declaration

Nil.

1.6 Resolution Register and Action Tracker

The resolution register and action tracker was noted.

1.7 Notices of Motion

1.7.1 Notice of Motion 1

Councillor Jonathan Larsen

30 June 2017

- a) *That Council approve all appointments to current and future plan hearing panels (including variations and changes); and*
- b) *That any current delegations be amended to reflect this approval requirement; and*
- c) *That these changes take effect immediately.*

Carried

Councillor Curnow wishes to record her vote against the motion.

1.7.2 Notice of Motion 2

Councillor Jonathan Larsen

30 June 2017

Moved Larsen/Wethey

- 1) *That the Chief Executive develop a policy for the appointment of independent commissioners; and*
- 2) *That the policy include:*
 - a) *the process for Council appointment to, and removal from the list of commissioners; and*
 - b) *standardising of commissioner remuneration; and*
 - c) *the requirement for Council approval of appointments of commissioners for resource consent hearings, and a procedure for appointment including:*
 - i) *an alphabetical acceptance and refusal process to remove bias; and*
 - ii) *a public register recording the process followed in point a); and*
 - iii) *a process allowing applicants to refer disputes over appointments decisions to Council for resolution; and*
 - iv) *mechanisms to allow qualified elected members to sit on hearing panels if Council decides to do so.*
- 3) *That the Chief Executive work with a committee to be recommended by the Mayor in developing the policy and procedure; and*
- 4) *That any related current delegations be amended to reflect policy; and*
- 5) *That the policy be presented to Council for approval at 09 October 2017 meeting.*

Standing Order were suspended to allow an amendment to the motion.

Del la Varis-Woodcock/ Wethey

Standing Orders were returned.

Gent/Del la Varis-Woodcock

Carried

1.7.3 Notice of Motion 3

Councillor Jonathan Larsen

30 June 2017

1) *That the Chief Executive:*

a) *Investigate the possibility of:*

i) *Livestreaming of Council meetings (live video); and*

ii) *Uploading of video of Council meetings to the Council website for public viewing (on-demand video); and*

iii) *Reports the findings of the investigations and resultant recommendations back to Council at the 26 September 2017 meeting.*

Lost

1.7.4 Notice of Motion 4

Councillor Jonathan Larsen

30 June 2017

Moved Larsen/Geange

1) *That Council make its workshops open to the public (except as required under LGIOMA 1987); and*

2) *That Council uses its best endeavours to notify the details of workshops (date, time, location and subject) online and in local newspapers in conjunction with the details of Council meetings.*

Carried

1.7.4 Notice of Motion 5

Councillor Jonathan Larsen

30 June 2017

Moved Larsen/Geange

1) *That the Mangawhai Endowment Lands Account (MELA) committee carries out a full review of the MELA policy; and*

- 2) *That the amended policy be brought to the Council at 14 November 2017 meeting for adoption.*

Carried

1.7.5 Notice of Motion 6

Councillor Jonathan Larsen

30 June 2017

Moved Larsen/Gent

- 1) *That Council reviews its Reserves Contributions Fund Policy; and*
- 2) *That the Chief Executive work with Councillor Larsen (Chair), Wade and Del la Varis-Woodcock on reviewing the policy; and*
- 3) *That the amended policy be presented to the 26 September 2017 Council meeting for approval.*

Standing Orders were suspended to allow an amendment to the motion.

Gent/Geange

Standing Orders were returned.

Geange/Gent

Carried

2 Deputations and Presentations

Victoria Del la Varis-Woodcock spoke in the public forum to request support for a letter of support for a plastic bag free Dargaville.

Malcolm Halley, on behalf of Tikawhai Inc., spoke in the public forum regarding Mangawhai planning issues.

3 Confirmation of Minutes

3.1 Council Minutes 26 June 2017

Democratic Services Manager 1601.21

Moved Gent/Curnow

That the unconfirmed Minutes of the meeting of Kaipara District Council held 26 June 2017, be confirmed as a true and correct record.

Carried

3.2 Receiving of Confirmed Committee Minutes

Moved Gent/Curnow

That the confirmed minutes be received of the following meetings:

- Taharoa Domain Governance Committee 09 February 2017 and 04 April 2017;
- Pou Tu Te Rangi / Harding Park Joint Committee 16 March 2017;
- Audit, Risk and Finance Committee 09 March 2017; and
- Mangawhai Community Park Governance Committee 20 February 2017.

Carried

4 Performance Reporting

4.1 Chief Executive's Report June 2017

Chief Executive 2002.02.17/June

Moved Curnow/Wethey

That Kaipara District Council receives the Chief Executive's Report for June 2017.

Carried

5 Long Term Plan

5.1 Kaipara District Council Vision

General Manager Strategy and Performance 2302.22

Moved Larsen/Jones

That Kaipara District Council:

- 1 *Receives the General Manager Strategy and Performance's report 'Kaipara District Council Vision' dated 27 June 2017; and*
- 2 *Believes it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with the provision of s79 of the Act determines that it does not require further information prior to making a decision on this matter; and*
- 3 *Adopts the Vision, circulated with the above-mentioned report, for use in the Long Term Plan 2018.*

Carried

5.2 Draft Long Term Plan 2018/2028 Engagement Strategy Adoption

Communications Manager 2302.22

Moved Joyce-Paki/Jones

That Kaipara District Council:

- 1 *Receives the Communication Manager's report 'Draft Long Term Plan 2018/2028 Engagement Strategy Adoption' dated 30 June 2017; and*
- 2 *Believes it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with the provision of s79 of the Act determines that it does not require further information prior to making a decision on this matter; and*
- 3 *Adopts the Long Term Plan 2018/2028 Engagement Strategy.*

Carried

5.3 Papers that lay on the table May 2017

5.3.1 Long Term Plan 2018/2028 Financial parameter setting

General Manager Finance **2302.22.01**

Moved **Wethey/Curnow**

That Kaipara District Council:

- 1 *Receives the General Manager Finance/General Manager Strategy and Performance's report 'Long Term Plan 2018/2028 Financial parameter setting' dated 24 April 2017; and*
- 2 *Advises the Chief Executive of their initial view about appropriate levels for rates and debt to provide a reference point that will govern the production of the Long Term Plan 2018/2028 and supporting documents; and*
- 3 *Notes that changes to asset management plans, activity service levels and new initiatives may test the initial parameters and that the process is iterative in nature; and*
- 4 *Notes that any deviation from the initial parameters will require justification and subsequent Council approval.*

Carried

The meeting adjourned at 10.48 am.

The meeting recommenced at 10.54 am.

5.3.2 Review of rating structure

Revenue Manager **2304.03/LTP 2018 2028**

Moved **Jones/Joyce-Paki**

That Kaipara District Council:

- 1 *Receives the Revenue Manager's report 'Review of rating structure' dated 26 April 2017; and*
- 2 *Believes it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with the provision of s79 of the Act determines that it does not require further information prior to making a decision on this matter; and*
- 3 *Confirms the appropriateness of the current rating structure and directs the Chief Executive to prepare the Long Term Plan material on this basis at this point; and*
- 4 *Notes that subsequent reviews of targeted rating of the Three Waters (water supply,*

stormwater and wastewater) and rating policies will be presented to Council and that consideration of the impact of the general revaluation will need to be complete before the rating structure can be finalised for the Revenue and Financing Policy and Funding Impact Statement - Rating Tools.

Carried

6 Information Papers

6.1 Resource Legislation Amendment Act 2017: Overview of main changes

Policy Manager 3825.0

Moved Geange/Del la Varis-Woodcock

That Kaipara District Council receives the Policy Manager's report 'Resource Legislation Amendment Act 2017: Overview of main changes' dated 29 June 2017, and Attachments 1-3, and the information contained therein.

Carried

6.2 Policy Register Review Programme

General Manager Strategy and Performance 2128.01

Moved Wethey/Curnow

That Kaipara District Council:

- 1 receives the General Manager Strategy and Performance's report 'Policy Register Review Cycle' dated 27 July 2017 and the information therein; and*
- 2 that the Mayor reviews and provides feedback for a further report to Council; and*
- 3 notes the amendments made to the review dates.*

Carried

6.3 Mangawhai Community Advisory Panel – Recommendations for the Mangawhai Community Plan

Policy Manager 3802.04/Advisory Panel

Moved Curnow/Wethey

That Kaipara District Council:

- 1 *Receives the Policy Manager's report 'Mangawhai Community Advisory Panel – Recommendations for the Mangawhai Community Plan' dated 13 June 2017; and*
- 2 *Believes it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with the provision of s79 of the Act determines that it does not require further information prior to making a decision on this matter; and*
- 3 *Receives the recommendations from the Community Advisory Panel on the Mangawhai Community Plan, as tabled at the Council meeting 11 July 2017; and*
- 4 *Formally acknowledges and thanks the Community Advisory Panel for their commitment and work on behalf of the community.*

Carried

7 Decision Papers

7.1 Local Government New Zealand Remits

LGNZ 2017 Annual General Meeting Remits

Moved Wade/Del La Varis-Woodcock

That the Kaipara District Council endorse the remits as advocated by Deputy Mayor Peter Wethey in the attached document.

Carried

7.2 Rates setting, assessment and invoicing process

General Manager Finance 2306.18

Moved Wade/Gent

Additional papers were tabled by the General Manager Finance (attached)

That Kaipara District Council:

- 1 *Receives the report from the General Manager Finance, 'Rates setting, assessment and invoicing process' dated 28 June 2017;*

- 2 *Believes it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with the provisions of s79 of the Act determines that it does not require further information, further assessment of options or further analysis of the costs and benefits of different options prior to making a decision on this matter; and*
- 3 Confirms that the Chief Executive has authority to implement the Council's decision on rate setting, including to take all necessary steps to assess and invoice the rates as set in accordance with the Local Government Act 2002 and the Local Government (Rating) Act 2002.

Carried

7.3 Private Seal Extension Policy Options

General Manager Infrastructure 4101.01

Moved Wethey/Wade

That Kaipara District Council:

- 1 *Receives the General Manager's report 'Private Seal Extension Policy Options' dated 28 June 2017; and*
- 2 *Believes it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with the provision of s79 of the Act determines that it does not require further information prior to making a decision on this matter; and*
- 3 *Provides feedback and confirms its preferred option for private seal extensions to allow staff to formulate a policy for Council's consideration.*

Carried

Moved Gent/Geange

That item 8.2 'Crown Support' be moved to Open Meeting. [NB: now item 9.1.]

Carried

8 Public Excluded Council Minute items: 11 July 2017

The meeting went into Public Excluded session at 11.44 am.

Moved Curnow/Wethey

That the public be excluded from the following part of the proceedings of this meeting namely:

- *Confirmation of Minutes Public Excluded 26 June 2017*
- *Mangawhai Holiday Park Wastewater Connection Agreement*
- *Kaipara District Council Water Supply Risks*

The general subject matter of each matter to be considered while the public is excluded, the reasons for passing this resolution in relation to each matter and the specific grounds under s48(1) of the Local Government Official Information and Meetings Act, 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered:	Reason for passing this Resolution	Ground(s) under Section 48(1) for the passing this resolution:
Confirmation of minutes 26 June 2017	Section 7(2)(i) enables any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	Section 48(1)(a) 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 for which good reason for withholding would exist.
Mangawhai Holiday Park Wastewater Connection Agreement	Section 7(2)(i) enables any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	Section 48(1)(a) 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 for which good reason for withholding would exist.
Kaipara District Council Water Supply Risks	Section 7(2)(i) enables any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	Section 48(1)(a) 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 for which good reason for withholding would exist.

Carried

9 Open Council Minutes Tuesday 11 July 2017

The meeting moved back into Open Session at 12.20 pm.

Moved Wade/Jones

That the public be re-admitted to the meeting and resolutions made whilst in Public Excluded be confirmed in Open Meeting once the relevant parties have been informed.

Carried

9.1 Crown Support

Democratic Services Manager 1203.01

The Democratic Services Manager tabled the report as item 9.1 (**attached**).

Moved Wade/Curnow

That the Kaipara District Council:

- 1 *Receives the Democratic Services Manager's report 'Crown Support' dated 03 July 2017; and*
- 2 *Believes it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with the provision of s79 of the Act determines that it does not require further information prior to making a decision on this matter; and*
- 3 *Delegates to the Chief Executive to consult with and receive direction from the Crown Manager, subject to prior discussion with the Mayor and Deputy Mayor and communication to the full Council.*

Carried

10 Closure

The meeting closed at 12.34 pm.

Confirmed

Chair

File Number: 2306.18 **Approval for Agenda** ☒
Report To: Council
Meeting Date: 11 July 2017
Subject: Rates setting, assessment and invoicing process
Date of Report: 28 June 2017
From: Glennis Christie, General Manager Finance
Report purpose ☒ **Decision** ☐ **Information**
Assessment of significance ☐ **Significant** ☒ **Non-significant**

Summary of process

Statutory considerations for rates setting, assessment and invoicing are set out in the Local Government Act 2002 (LGA) and the Local Government (Rating) Act 2002 (LGRA) and are supported by the Chief Executive's statutory responsibilities to Council and Council delegations.

The LGRA requires Council to set by Council resolution the rates for the financial year. The rates can only be set once Council has adopted its Annual Plan for that year, including the Funding Impact Statement. Once a rates resolution is resolved, Council has legal authority to assess and collect rates, as well as charging penalties for outstanding amounts.

Council set the rates for 2017/2018 on 26 June 2017.

The next part of the process is managed by the Chief Executive and officers in accordance with the LGA and LGRA. Under section 42(2) of the LGA, the responsibilities of the Chief Executive include: implementing the decisions of the local authority (section 42(2)(a) LGA); and ensuring the effective and efficient management of the activities of the local authority (section 42(2)(d) LGA). In addition, some aspects of the process occur under officer delegations. Under section 132 of the LGRA Council may delegate the exercise of functions, duties or powers under the LGRA, except certain functions, duties or powers relating to setting rates.

The basis for assessing rates is contained in section 43 of the LGRA and section 44 states that the basis of liability for rates is the delivery of a rates assessment.

The LGRA also defines the contents of the rates assessment notice (section 45) and the rates invoice (section 46).

The delivery of the rates assessment and the rates invoice are prescribed in sections 48 and 136.

An important step in the rates setting, assessment and invoicing process is the legal review of the rates resolution, the Funding Impact Statement (rating tools), and the templates for the rates assessment, invoice and the invoice for metered water supply. A legal review was conducted before the rates were set on 26 June 2017.

Recommendations

That Kaipara District Council:

- 1 *Receives the report from the General Manager Finance, 'Rates setting, assessment and invoicing process' dated 28 June 2017;*
- 2 *Believes it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with the provisions of s79 of the Act determines that it does not require further information, further assessment of options or further analysis of the costs and benefits of different options prior to making a decision on this matter; and*
- 3 *Confirms that the Chief Executive has authority to implement the Council's decision on rate setting, including to take all necessary steps to assess and invoice the rates as set in accordance with the Local Government Act 2002 and the Local Government (Rating) Act 2002.*

Reason for report

Following the adoption of the Rates Resolution for 2017/2018 at the 26 June 2017 Council meeting, Council requested information on the rates assessment and invoicing process.

Background

Statutory considerations for rates setting, assessment and invoicing are set out in the Local Government Act 2002 (LGA) and the Local Government (Rating) Act 2002 (LGRA). These are supported by the Chief Executive's statutory responsibilities to Council and Council delegations.

Section 23 of the LGRA requires Council to set by Council resolution the rates for the financial year. The rates can only be set once Council has adopted its Annual Plan for that year, including the Funding Impact Statement. The rates set must also be in accordance with the relevant provisions of Council's Long Term Plan and the Funding Impact Statement in its Annual Plan.

Once the rates are set, the rates as set can be assessed and invoiced.

The format and content of the land rates assessment notice, the land rates invoice and the water rates invoice are reviewed and approved by legal counsel.

Degree of significance

This report is essentially an information report and, as such, is not significant in terms of Council's Significance and Engagement Policy.

Factors to consider

Community views

The community would expect that the rates setting, assessment and invoicing is statutorily compliant.

Policy impacts

Not applicable for this report.

Financial considerations

Rates fund the majority of Council activities so it is important to accurately assess and invoice the rates.

Legal considerations/delegation

Section 42(2) of the LGA sets out the responsibilities of the Chief Executive. The ones pertinent to the rates assessment and invoicing process are as follows:

“42 Chief executive

(2) A chief executive appointed under subsection (1) is responsible to his or her local authority for—

(a) implementing the decisions of the local authority; and”

....

“(d) ensuring the effective and efficient management of the activities of the local authority”.

The statutory procedure for assessing rates is contained in the Local Government (Rating) Act 2002 Section 44(1) and (2) which states as follows:

“44 Notice of rates assessment

(1) A local authority must deliver a rates assessment to a ratepayer to give notice of the ratepayer’s liability for rates on a rating unit.

(2) A ratepayer is liable for rates on a rating unit when the local authority for that unit to the ratepayer.”

The rates assessment has to comply with Section 45 of the LGRA.

The statutory procedure for invoicing rates is contained in the Local Government (Rating) Act 2002 Section 46(1) and (2) which states as follows:

“46 Rates Invoice

(1) If a rates payment is due for a particular period, the local authority must deliver to the ratepayer a rates invoice for the rating unit for that period.

(2) A rate invoice must clearly identify the following ...”

Under Section 132 Council may delegate the exercise of functions, duties or powers under the LGRA, except certain functions, duties or powers relating to setting rates. Council is not able to delegate its power of delegation. Council adopted the LGRA delegations on 28 October 2014. The Chief Executive, General Manager Finance and the Revenue Manager were delegated authority for the LGRA delegations.

File number: 1203.01

Approved for agenda ☒
Report to: Council

Meeting date: 11 July 2017

Subject: Crown Support

Date of report: 03 July 2017

From: Seán Mahoney, Democratic Services Manager

Report purpose ☒ **Decision** ☐ **Information**
Assessment of significance ☐ **Significant** ☒ **Non-significant**
Resolution to exclude the public

<i>General subject of each matter to be considered</i>	<i>Reason for passing this resolution</i>	<i>Ground(s) under Section 48(1) for the passing of the resolution</i>
Crown Support	Section 7(2)(i) enables any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	Section 48(1)(a) 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 for which good reason for withholding would exist.

Summary

Peter Winder has been appointed Crown Manager to Kaipara District Council with effect from 20 June 2017. The Terms of Reference for this appointment will require Council to consider how it will interact with the Crown Manager over matters of consultation and direction.

Recommendation

That the Kaipara District Council:

- 1 *Receives the Democratic Services Manager's report 'Crown Support' dated 03 July 2017; and*
- 2 *Believes it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with the provision of s79 of the Act determines that it does not require further information prior to making a decision on this matter; and*
- 3 *Delegates to the Chief Executive to consult with and receive direction from the Crown Manager, subject to prior discussion with the Mayor and Deputy Mayor.*

Reason for the recommendation

Agreeing a framework for receiving consultation and direction will enable the Crown Manager and Council to handle matters arising in a timely manner.

Reason for the report

The Terms of Reference for the appointment of a Crown Manager require that the Crown Manager will provide direction to Council over the matters within his remit and that the Crown Manager will consult before delivering direction. Council needs to consider how this process will occur and what practical steps need to be agreed before any decision matters arise.

Background

Peter Winder was appointed Crown Manager on 20 June 2017. The Terms of Reference (attachment 1) have some differences to the 2016 Terms of Reference which Council needs to consider.

Issues

Peter Winder has been appointed Crown Manager to Kaipara District Council effective from 20 June 2017, with a review in June 2018 and a termination in October 2019.

Councillor's attention should be drawn to the Extent of Authority within the terms of reference.

The 2016 Terms of Reference noted "*The Crown Manager will manage outstanding and future legal action relating to ...*" The 2017 Terms state "*The Crown Manger will provide direction on outstanding and future legal actions relating to*"

Council will need to consider how this direction is received and managed on. Noting that when decisions come up there will sometimes be a need to act quickly and decisively that will not meet with Council meeting timeframes. Council's current delegations allow the Chief Executive to implement many of the decisions covered in the Crown Managers Terms in consultation with the Mayor and Deputy Mayor.

Further the 2016 Terms allowed the Crown Manager to "*...make decisions relating to the legal actions...including the power to initiate and manage new legal actions, or discontinue current legal actions, that fall within their responsibilities*" This has been changed to "*direct the Council to act to address legal actions, including directing the Council to initiate new or discontinue legal actions within their management responsibilities*"

Additionally the Crown Manager is given a framework to consider the merit of initiating new or discontinuing current legal actions against the costs and resources required when making his or her decisions." *The Crown Manager must consult the Council before he or she decides to direct the Council to initiate new legal actions, or discontinue current legal actions.* "

Council should consider how this consultation occurs, when the need arises. Again, noting that consultation is required before the Crown Manager relays any direction on these issues, time may be of the essence.

The Crown Manager is required to report to Council at least every six months. This requirement was not contained in the 2016 Terms. This report is also to include any directions he or she has made. The Crown Manager may make recommendations to Council following any Court decisions on the legal actions within their responsibilities. Again these may be time critical.

Under the Local Government Act Council is required to co-operate with the Crown Manager and comply with directions. This means that it is actually the consultation that is more pertinent to Council input and discussion as much as the receipt of direction.

There are no legal decisions imminent or requiring direction at this stage. The Chief Executive has instructed lawyers re the former CE case and dealing with costs consistent with the previous Council decision not to appeal. We await the ruling on the Judicial Review later this year and future actions on this will require the Crown Manager to collaborate with Northland Regional Council (in line with the Terms of Reference).

Factors to consider

Community views

The Terms of Reference are a public document and Council will need to ensure the community understands how these Terms will be implemented. The Governance statement will be updated to reflect any changes in decision making and to reflect the new Terms of Reference.

Policy implications

Nil

Financial implications

Individual directions may have financial implications and these will need to be detailed in reports to Council.

Legal/delegation implications

The Terms of Reference have been reviewed by Councils Lawyers. All direction will need to be recorded at Council meetings.

Options

Option A: Councillors could receive all consultation meeting as a full council.

Option B: Council could delegate the consultation to the Chief Executive to meet with the Crown Manager and report back through monthly reporting.

Option C: Council could delegate to the Chief Executive to receive and consult with the Crown Manager and undertake instruction following prior notification with the Mayor and Deputy.

Assessment of options

Option A allows for full disclosure over all issues, however it may prove difficult to ensure all members are fully briefed on the background to all issues. Option B may be the most pragmatic approach for matters that are already before the Courts. Option C allows for the same approach to be taken to legal matters which are managed by the Crown Manager as those which are currently not under the Crown Manager. The Mayor or Deputy could request an extraordinary Council meeting if they were uncertain of any advice

Assessment of significance

This does not trigger Council's significance policy.

Recommended option

The recommended option is **Option C**

Next step

Implement the delegation.

Attachments

- Crown Manager Terms of Reference

4 Performance Reporting

4.1 Chief Executive's Report July 2017

Chief Executive: 2002.02.18/July

Recommended

That Kaipara District Council receives the Chief Executive's Report for July 2017.



Monday 14 August 2017

Chief Executive's Report

➤ Part 1 : Activities Report

- (a) Chief Executive Overview**
- (b) Summary of Activity**
- (c) Looking Forward**

Part 2 : Financial Report



Kaipara te Oranganui

**KAIPARA
DISTRICT**

Two Oceans Two Harbours

Chief Executive's Report

For the month of July 2017

Part One

a) Chief Executive's overview

b) Activities report

c) Looking forward

Part One:

a) Chief Executive Overview – July

June and July were busy with the close out of capital works, end of year financials and beginning of the new Council financial year.

June saw the 2016/2017 financial year close out with a strong set of results (detail follows in the Financial Report). There is now a significant workload for the Finance Team to prepare the annual accounts for audit leading to adoption of the Annual Report in line with our legal requirements by the end of October. This work is currently well in hand.

For infrastructure, an area of concern was weather related with continuing slips on the road network following heavy rainfall in recent months. The early high level estimates of cost have proven to be underestimates as more detailed engineering assessments have been made at key sites. This is discussed in the roading section below. Additional NZTA funding is available and will need to be considered including Council's share of any additional expenditure and choices this may require for the roading programme.

During July a series of public roading meetings were held across the district led by the Mayor and these were well received. The dial moves slowly on the residents survey results on the unsealed network but a more informed dialogue with the community has begun.

Similarly, the Mangawhai Community Advisory Panel gave its recommendations to Council to inform the Mangawhai Community Plan. The panel recommendations were received by the July Council and the MCP goes to the August Council and it will then go to the community for consultation and feedback in August. The outcome of this process will inform the next Long Term Plan.

A meeting was held in Kaikohe involving Mayors, Chairs and Chief Executives of the four Northland councils with Iwi Chief Executives. This was apparently a first meeting of its kind and was held in good spirit.

Briefings to Council began in July on the Long Term Plan for 2018/2028. This is a major exercise for Council over 2017/2018 and involves a series of requirements and deadlines that have been mapped out. Initial briefings considered financial parameters and asset management plans with more to follow.

Recruitment continues to be a regular requirement for Council. This will now include replacing two experienced managers who have taken opportunities arising from Whangarei District Council's reorganisation. Both individuals will be missed but their quality of life will benefit from reduced commuting times.

The Chief Executive attended various regional meetings, spoke to two SOLGM Leadership training programme sessions and attended the Local Government NZ Annual Conference in July with the Deputy Mayor.

Growth pressure continued in Mangawhai, the Community Team continued to engage actively with our various communities, and significant work was undertaken to improve our current website. Early indications are that this is proving more helpful to our customers and that they are finding better information more easily.

b) Activities Report

1 Community Activities

Community Planning

The Community Team has been busy progressing the following projects during the month of July:

- Working with a Dargaville community group to investigate options for lighting up the Northern Wairoa Bridge;
- Supporting the Genealogy/Kauri Coast Promotions Society with their Historical Walking Trails around Dargaville and Mangawhare;
- Continuing to work with Sport Northland and the Dargaville Lions on the development of an exercise trail in Selwyn Park, Dargaville. A blessing of the grounds has now been carried out and work will begin once the grounds start to dry up;
- Working with members of Kaiwaka Can and Te Uri o Hau to finalise designs for town entranceway sculptures in Kaiwaka to be presented to the NZ Transport Agency (NZTA) or their approval;
- Developing a planting plan for the remainder of the Kaiwaka Township to fit with new footpath and safety improvements carried out by the NZTA;
- Establishing a concrete path and improved public space near the Kaiwaka River and existing underpass in the centre of the township; and
- Meeting with the NZTA and Te Uri o Hau to walk out the potential alignment of the walkway and cycleway project to be incorporated as part of the Matakoho Bridges project. The proposed route will be sent out to the Matakoho community for final feedback before being finalised. This proposed path is in keeping with connections in the Kaipara's Walking and Cycling Strategy which is being developed.



Matakoho Walkway Cycleway Site Visit

As part of our Community Assistance Policy some community organisations use our insurance broker to get a cheaper insurance deal for their non-Council-owned buildings. This includes Dargaville Museum, Paparoa Sports Complex and others we are not aware of.

These groups deal with our broker who invoices them directly. Council is in the process of changing insurers to AON and they have provided interim cover until 01 November when we will enter into 12 month policy that aligns with the other councils in Northland.

Our old provider has contacted a number of community organisation and stated they are no longer eligible for the cheaper insurance deal as they are no longer Council's provider and this year's insurance has increased. Staff will encourage these groups to sign up with the current provider and we will work with AON to see if a cheaper policy can be negotiated as soon as practicable after November.

Council has also been contacted by a number of the 11 Hall Committee's that Council previously paid the insurance cover for. They have expressed their concern at having to pay half of their insurance policy and transitioning to paying the full amount the following year. The hall committees are Kaihu, Ruawai, Paparoa, Maungaturoto and Kaiwaka.

The Community Facilitator facilitated a community meeting for housing issues in Dargaville as it had come to the attention of a number of community agencies that people are struggling to find rental homes and some are living in their cars. The purpose was to come up with actions to ensure this does not become a crisis situation. Another meeting will be scheduled in the next two weeks to follow up on actions.

The Community Team has also been planning the upcoming Community Planning meeting to be held in Pahi in late August. This meeting is to reconnect with this community and establish how Council and the community can work together to achieve outcomes desired by local residents.

Reserves and Open Spaces

The Parks Team has been busy working on the new contract for Kaipara's parks and reserves maintenance to get this out to the market. Five submissions have now been received, with the registrations of interest process now complete. This has been narrowed down to two companies to go through to the request for proposal stage.

Kaipara's Walking and Cycling Strategy has now been finalised with valuable community and key stakeholder feedback received and incorporated into the routes and document. It is anticipated this will be adopted at the August Council meeting.

Work on the walkway through Gordon Street Reserve, water tabling at Memorial Park, vegetation removal along the Kainui-Pearson Street Esplanade Reserves, Selwyn Park entrance improvements, and the Kaiwaka toilet upgrade are now all complete with just some tidying up to do on some sites, once the weather permits.

Good progress is being made with the Dargaville River Path project from the wharf to the band rotunda and the next stages around the band rotunda and wharf are being priced.

The new playground in Kaiwaka has been installed with good feedback from the community being received.



Shade sails for the Kelly's Bay and Pahi Playgrounds have now been installed.

There have been upgrades to the Taharoa Domain and Tinopai campground wastewater systems. Work also continues on renewing the resource consents that are due along with other operational requirements from the resource consents regarding water takes and discharge volumes.

With the new budgets approved we are planning our capital works programme for the upcoming year

Taharoa Domain

With wet weather over the month of July, the campground has been quiet in terms of campers. However the website opened for bookings for the upcoming summer season on the 01 July and was popular with both online bookings and telephone inquiries. To date 87 confirmed bookings have been received and an average of six calls per day with general inquiries.

The annual trout fishing competition was held on the weekend of 24 June and once again proved to be a very popular event. The prize giving for this event was held at the Lake Waikare Outdoor Centre. The Centre is booked out on 28 July for an Elderly Day Lunch (weather permitting). With the right marketing and advertising we are hoping to have more events held there in the future.

The Domain is now preparing for the arrival of a new office and summer night staff portacom which are due to arrive end August/early September.

Library

Community Connections

- Results of our library bag design competition are shown here. There were so many excellent entries from children that we chose a junior winner and presented her with an art book at her school's assembly;
- Our July holiday programmes were a success;
- We visited the Dargaville High School's book club to get feedback on services at Dargaville Library. They will visit us this school term;
- Community library volunteers were thanked during volunteer's week with certificates for their contribution to Kaipara Library services;
- This term's stepping up adult beginner computer classes in Maungaturoto and Dargaville have started; and
- We have started promoting "Spark Jump", a free Wi-Fi modem opportunity for families with school-aged children. Supported by the Spark Trust this programme offers no contract, pay as you go Wi-Fi for families.



Community Libraries

- Paparoa and Kaiwaka libraries took up our offer of trialing us taking school holiday programmes on the road.
- We had a meeting in July with all managers attending. We are looking at ways we can standardise library service within the Kaipara.

Statistics

- Borrowing in all Kaipara libraries was down on previous years;
- Wi-Fi increased in usage.

Policy

Plan Changes and Bylaws

- District Plan Change 3 – North City Developments, Mangawhai – to rezone residential land on Molesworth Drive opposite the Museum, from Residential to Commercial – is proceeding. The hearing has been closed and the decision has been released subject to a 30 working day ‘appeal’ period which closed on 10 July. No appeals have been received and the plan change can now be notified to become included as ‘Operative’ in the District Plan. A report to Council is being prepared to enable the notification of the decision and to make the plan change operative in the District Plan.
- District Plan Change 4 – Fire Rule - The drafting of the section 42A Hearing Report has been completed and a hearing is set down for 15-17 August at the Mangawhai Club. The hearing is likely to take two days with a reserve if required. The hearing panel includes three commissioners: Burnette Macnicol, Alan Watson and Mark Farnsworth. All three commissioners are accredited and in Council’s approved pool of commissioners. In addition the services of a fire engineer and lawyer are to be made available to the panel for discussion of technical and legal matters that may arise during the hearing, deliberation and decision phases of the process.
- Recommendations from the Mangawhai Community Advisory Panel were presented to the July Council meeting. The recommendations are views on how Council should manage growth in Mangawhai. The final draft of Council’s own Mangawhai Community Plan (MCP) will be presented to the 14 August 2017 Council meeting for adoption.

Following the presentation of the MCP report the process to be followed includes:

- 15 August – 01 September – public feedback period for the Mangawhai Community Plan;
- 19 August and 26 August – Mangawhai Community Plan Open Days;
- November 2017 Council – (to be confirmed) – formal adoption of the Mangawhai Community Plan outcomes into the Long Term Plan 2018/2028 process.

The public consultation that will take place on the draft Mangawhai Community Plan will be led by Council and will include open days and email links.

The Mangawhai Community Plan will include funding and other mechanisms to implement the ‘Plan’. These will include: Roding, Parks, and Three Waters Infrastructure. Budgets associated with the implementation of the “Plan” will be included in the proposed Long Term Plan 2018/2028. A District Plan change or a number of plan changes are anticipated following completion of the Mangawhai Community Plan consultation process and it being formally adopted by Council. Completion of the formal Resource Management Act s32 issues and options report is programmed for February 2018.

- Implementation of the Northland Regional Policy Statement (NRPS) has begun with the appointment of a planning consultant to complete the work streams associated with the Regional Policy Statement (RPS). This will include notifying the resultant plan changes by the statutory deadline of May 2018. The Policy

Manager at the Northland Regional Council (NRC) has offered to explain RPS matters from a NRC perspective to Councillors. NRC's Policy Development Manager could also be invited to talk to the Mayor and Councillors at the same workshop/briefing about the Draft Regional Plan for Northland that is open for submission in September. It is envisaged that a session will be held with Councillors in November and that the NRC and the Kaipara District Council Policy Team will brief on the RPS and the statutory implications for the District Plan.

2 Roads and footpaths

Achievements for July

June was a great month for network maintenance with two maintenance graders paired with two metal trucks carrying out grading and re-metalling of the unsealed network. A full time culvert renewals team replaced prioritised dangerous culverts. This month saw the completion of the unsealed rehabilitations for the 2016/2017 year. In total there were 26 kilometres of unsealed roads rehabilitated.

July has seen the start of the 2017/2018 unsealed rehabilitation (heavy metalling) programme with the completion of Avoca Road and Pouto Road scheduled to start at the beginning of August.



Heavy Metal Build-Up, Bull Road

Seal Extension Policy

Last month Council provided feedback on alternative options for how Council might choose to undertake seal extensions initiated by members of the community. The recommended option included possible funding by way of a targeted rate. In order for Council to rate for such a targeted rate, it would firstly need to amend its Revenue and Financing Policy (R&F Policy) which sets out how the Council funds each activity it is involved in and why. Council is required to have this R&F Policy to provide predictability and certainty to customers about the sources and levels of funding.

This is the higher level approval that will enable a subsequent targeted rate for community initiated road sealing. The targeted rate must be consistent with Council's R&F Policy, or else the Funding Impact Statement (Rating

Tools) in any year will not be legally compliant. Any proposed amendment to the R&F Policy will require consultation via the special consultative procedure as required by the Local Government Act 2002.

Council will be reviewing its R&F Policy as part of the development of its Long Term Plan 2018/2028 (LTP) and it is considered more efficient to include the option of a targeted rate for community initiated road sealing in the three yearly review of the LTP. This would also provide an opportunity to consult on the draft seal extension policy.

Capital Projects

The network was severely affected after cyclones Debbie and Cook with 23 new slips. The slips have been investigated and categorised accordingly with reference to risk, the One Network Road Classification and the traffic volumes. Prior to undertaking the geotechnical investigations and preliminary design, it was estimated that the remedial cost of the emergency slips would be in the order of \$1.2 million. After a thorough site investigation by geotechnical engineers, which included detailed geotechnical investigations to determine the slip surface and understand the extent and mechanism of slope failure, and the development of preliminary designs, the revised estimate has increased to \$3.6 million to remediate the 23 emergency slips.

As they are classified as emergency works, the slip remedial works in excess of approximately \$1.3 million (10% of Council's operational budget) will attract an additional 20% subsidy from the NZ Transport Agency (NZTA) i.e. a total subsidy of 81%. However, Council will need to identify its local share. Alternative funding options are being discussed with NZTA and a report will be presented to the September Council meeting which will include options regarding the staging and funding of the slip remedial works.

A proactive approach to the 2017/2018 programme of work has seen the early start of the design and tender process. The Mangawhai Road preliminary designs have been completed, the bridge components replacement tender closed on 27 July, and the Baldrock Road slip remediation tender is being evaluated. The Settlement Road seal extension contract has gone to tender and closes on 25 August and the Waihue Road rehabilitation contract will go to the market in August.

Progress on capital projects to end of June:

Project Name	Status NB: PCC = Practical completion	Physical Works Complete (%)	Actual Cost vs Contract Price (%)	Physical Works Completion Due	Contract Value \$000's
Minor Improvements 2016/2017					
794 Pouto Road bridge replacement	PCC issued 22/05/2017	100%	90%	Completed	\$134
799 Parore/Waihue Intersection Wairere-Causar-Paparoa Station intersection	PCC not yet issued due to defects to be remedied.	100%	98%	Completed	\$323
812 Arapohue Road culvert replacement 2016/2017	PCC issued 22/05/2017	100%	90%	Completed	\$127
836 Arapohue Slips	PCC issued 23/05/2017	100%	84%	Completed	\$322
855 Tangowahine Valley Road bridge strengthening	Retendered. All tenders rejected.	0%	-	Withdrawn	-

Project Name	Status NB: PCC = Practical completion	Physical Works Complete (%)	Actual Cost vs Contract Price (%)	Physical Works Completion Due	Contract Value \$000's
830 Gorge Road Footpath	PCC issued 27/06/2017	100%	97%	Completed	\$74
856 Swamp Road Bridge refurbishment	PCC issued 14/06/2017	100%	79%	Completed	\$105
805 Murray Road Improvements 2015/2016	PCC issued 21/10/2016. Variations added.	100%	118%	Completed	\$136
Seal Extensions 2016/2017					
806 Black Swamp Road	PCC issued 30/06/2017	100%	66%	Completed	\$390
Heavy Metalling 2016/2017					
2016/2017 Heavy Metalling Round (under Contract 682)		100%		Completed	\$1,828
Resurfacing 2016/2017					
725 Reseals 2013/2018	PCC issued 22/03/2017. Additional area resealed.	100%	105%	Completed	\$1,014
Pavement Rehabilitation 2016/2017					
814 Dunn, Robertson, Whenuanui Reserve, Whitcombe	PCC issued 01/06/2017	100%	98%	Completed	\$677
815 Mangawhai, Tinopai	PCC issued 12/04/2017	100%	75%	Completed	\$788
816 Tangowahine Valley and Hoanga Rehabilitation	PCC issued 26/01/2017	100%	93%	Completed	\$1,041
Bridges and Structures 2016/2017					
807 Bridge Approaches and Guardrails	PCC Issued 14/02/2017	100%	99%	Completed	\$287

Clarification of 2016/2017 and 2017/2018 budgets

2016/2017 was Year 2 of a three year funding cycle and therefore any surpluses can be carried over to the 2017/2018 (final) year. It is envisaged that we will spend all of the surplus and forecasted budget in 2017/2018.

CAPEX	2016/2017 Budget \$	Forecasted Final Overall Claim \$	NZTA Approved 2017/18 \$
Minor improvements	3,548,295	2,848,763	3,300,163
Sealed road rehabilitation	2,214,431	2,327,266	2,599,195
Struct. component replacement	361,802	6,255	436,267
Sealed road surfacing	975,000	1,080,635	1,164,253
Road infrastructure unsubsidised	255,560	158,581	700,000

Minor Improvements - In order to ensure the full expenditure of the 2017/2018 budget the following projects have been initiated with works in different stages:

- Kaikohe Road Bridge No. 89;
- Pukehuia Road slip RP14,000;
- Pukehuia Road slip RP 9,650;
- Baldrock Road slip RP510;
- Paparoa-Oakleigh corner easing; and
- Tara Road improvements.

Sealed Road Rehabilitations - The 2017/2018 financial year indicates a large surplus due to improved methodology and testing, resulting in an improved allocation of rehabilitation sites. This surplus will be utilised in other defined work categories such as catching up on second coat seals.

Structural component replacement - The two Tangowahine Bridges (272 and 276) have gone back to the investigation stage after unsuccessful tendering prompted a revised scope and approach to remediation. The 2017/2018 Bridge Structural Components contract is in the tender evaluation phase.

Sealed Road Surfacing - The draft 2017/2018 reseal programme requires verification to ensure the high priority sections are targeted. High speed data will be utilised in the verification process.

Road Infrastructure unsubsidised – The Settlement Road seal extension contract has been released to the open market.



Localised widening on Opuna Road

Overweight Permits

The total permits issued for the 2016/2017 financial year was 70 as opposed to 86 permits for the 2015/2016 year.

Road Toll to June 2017

Road Toll	Total for all 2011	Total for all 2012	Total for all 2013	Total for all 2014	Total for all 2015	Total for all 2016	End of June 2016	End of June 2017	Annual Average 2006 to 2010
Whangarei	1	6	9	10	11	9	5	4	13
Kaipara	0	4	3	1	2	9	7	3	4
Far North	6	4	9	7	10	9	6	10	13
Totals	7	14	21	18	23	27	18	17	30

3 Solid Waste

The draft Waste Management and Minimisation Plan is currently out for public consultation, this closes on 03 August (to date one submission has been received) and hearings are scheduled to be held during August.

Some minor drainage works are nearing completion at the Dargaville Transfer Station. Options are currently being explored with regards to improving safety and vehicle access in and around the transfer station.

A site meeting was recently held on site at the closed Hakaru landfill around determining the suitability of treating and managing the leachate on site via spray irrigation. This is the last of options to be investigated before confirming the final recommendation on which option should be implemented to better manage leachate on this site, and proceeding with a resource consent application.

4 Water Supply, Wastewater, Stormwater and Land Drainage

Water zone samples were taken as per the required sampling programme with no transgressions reported for the month. Drinking water process and final quality were not affected in June, however raw water turbidity (i.e. poorer quality raw water) at Maungaturoto and Dargaville did rise during weather events but the treatment plants were able to cope. Wastewater samples were taken as per consent schedule.

There have been several instances where the SCADA system's modems have needed to be manually reset to restore communication for sites. During these outages Broadspectrum treatment staff were unable to remotely monitor the plants. Options are being investigated to mitigate these communication outages.

Table 1: Operation Expenditure 2016/2017

Sector	YTD Claim	Annual Budget
Water	\$816,880	\$717,000
Wastewater	\$600,059	\$657,000
Stormwater	\$173,914	\$194,000
Total Claim	\$1,590,853	\$1,576,000
MCWWS (Trility)	\$921,352	\$1,203,000

An audit of the Kaiwaka Wastewater Treatment Plant has identified the requirement for handrails to the wetland walkway.



Walkway requiring handrails

Capital Projects

The Capital Works Programme for the year progressed well with most of the planned projects progressed in the financial year. Maungaturoto Desludging did not progress due to consenting and budgeting issues and will be undertaken in the 2017/2018 financial year. The project to construct the weir across the Kaihu River was cancelled as it was deemed that the present temporary weir that is installed when required is sufficient and fit for purpose.

Construction of two new wastewater pump stations to serve Parkview (Estuary Drive) is underway after delays caused by the late delivery of pump fittings.

Progress on capital projects to end of June:

Category	Project Name	Status	Physical Works % Complete	Contract Value \$000	Contract Price vs Actual Cost %	Physical Works Completion Due
Water	827 - renewal of 4.5kms of the Baylys bulk watermain	Construction Complete. AsBuilts to be supplied	95%	518	In progress	March 2017 Waiting on Asbuilts
	849 Dargaville water supply renewals)	Construction	95%	211	In progress	June 2017 Waiting on Asbuilts
	849 Maungaturoto water supply renewals	Construction	95%	135	In progress	July 2017 Waiting on Asbuilts
	838 – renewal of 110m of the Ruawai water supply main	Completed	100%	41	112% - \$5,000 more than budget due to an extra sluice valve required	December 2016
	840 - Mangawhai Water Treatment Plant Upgrade.	Plant has been commissioned.	100%	244	97%	March 2017
	842 and 843 - Installation of backflow preventers.	87 out of 110 backflow prevention devices have been installed.	100%	51	100%	May 2017
Wastewater	848 - Dargaville wastewater renewals	Construction	95%	361	In progress	July 2017 Awaiting final CCTV and Asbuilts
	847 - Mangawhai Community Wastewater Scheme Irrigation extension.	Construction	95%	256	In progress	July 2017 Awaiting Asbuilts
	Maungaturoto Oxidation Pond Desludging	To be awarded	0%	Not yet awarded		2018
	Estuary Drive Pump Station	Construction	75%	242	In progress	August 2017
	Maungaturoto Wastewater Treatment Plant SCADA	Construction	95%	49	108% - PC upgrade required which had not been included in the tender.	August 2017 Waiting for good weather to lower pond for commissioning
	Property purchase	Completed	100%	298	100%	November 2016

Category	Project Name	Status	Physical Works % Complete	Contract Value \$000	Contract Price vs Actual Cost %	Physical Works Completion Due
Stormwater	850 - Dargaville stormwater renewals	Construction	95%	540	In progress	July 2017 Awaiting on Asbuilts and Gordon street investigation

Drainage Districts

Lockable gates to Raupo stopbank were installed from Simpson Road to Westlake Road. Winter machine cleaning is underway in Kopuru Swamp in Koremoa District, and weed raking of canals is presently underway in the Raupo District.



5 Regulatory – July

Due to the nature of regulatory and agenda closing times, reporting this month is an update for July. The Chief Executive's report at the September meeting will have the July statistics for Council.

Resource Management

The resource consents department are facing increasing pressure and resistance from some parties in the development community in relation to our efforts to improve processes and information requirements for applications. This is in regards to the notification of non-complying and discretionary applications and stricter vetting of applications for completeness. A communication plan will need to be formulated to work with, instead of at odds with, these key stakeholders. Concerns may start to be raised with elected members and/or senior management.

The consent hearing for Pro Land Matters RM160285 (40 Pearson Street) was held on 29 May 2017 and closed on 13 July. The decision was released on 31 July 2017 declining this consent.

RMA Consents are currently using four consultants, all of which have confirmed that they have very limited or no capacity to take on additional consents.

Building Control

A current project is underway to deal with historic consents with outstanding Code Compliance Certificates. The legislative requirement is to issue a letter from the Building Consent Authority (BCA) advising of a decision which had not been completed. All 324 historical consents in Mangawhai have now been issued this letter with the intention to start on the files in Dargaville next.

From 01 July all Building Control Officers (BCO's) are required to either hold or be working toward a recognised qualification. There are three BCO's that are now registered to complete this through the Otago Polytechnic.

The online consent system has had several major improvements which is greatly appreciated by our customers. This is reflected in over 80% satisfaction from building customers.

Earthquake Prone Buildings (EQPB) amendment became law on 01 July and the Territorial Authority (TA) is registered with Ministry of Business, Innovation and Employment (MBIE). We will be developing a strategy to implement the requirement to identify EQB's in the district within the 15 year timeframe, whilst owners have 35 years to upgrade. This needs to be rolled out by prioritising their risk assessments and graduated rollout which is also recommended by MBIE.

Health

The Environmental Health Team is currently meeting the target transition period from the Food Hygiene Regulations to the Food Act. This will be completed by February 2019.

Alcohol

Current service improvements have meant that we are consistently completing applications as they come to hand within a 23 working day timeframe. The end of year alcohol reports are in progress and expected to be presented to the Council by the end of August/mid September.

Animal Control, Noise and Parking

There is a growing concern that dog attacks continue to be on the increase (particularly dog attacks on other animals) and this places further pressure on resources from prosecution and budgetary strains.

Monitoring and Compliance

Compliance monitoring with directives and notices that were issued in previous months, are continuing to be followed up on a regular basis within the Monitoring and Compliance Team. This wet winter season has seen an increase with silt and erosion complaints.

6 LIMs Overview

A Land Information Memorandum (LIM) is a property information report compiled by Council. It is typically obtained by a potential buyer when looking to purchase a property and must be issued within 10 working days of receipt.

In July 30 LIM applications were processed all on time taking five working days on average.

7 LGOIMA Overview – 01 July to 31 July

Below is a list of requests received for information under the Local Government Official Information and Meeting Act 1987. Information requested as a LGOIMA must be answered in 20 working days from the day of receipt. All requests were processed within statutory timeframes.

Name	Update
Jez Partridge	Notable and significant trees
Wayne Deeming	NZTA and KDC - Brynderwyn Safe System View Stop
John Dickie	No parking signs along Molesworth Drive, Mangawhai
Nick Frost	Copy of Policies
Funeral Directors Association of NZ	Registered funeral directors
Nick and Ann Marinus	Information relating to breach of District Plan
Clive Boonham	Fire Rule Plan Change 4 - legal advice
Farrand and Mason	Pedestrian access State Highway
John Dickie	Consultant information

8 Corporate Services

Human Resources

As at 28 July 2017 employment related data:

	Annual Plan Budget	Actual	Variance
Head count	118	116	2
Full time equivalent	114	112	2
Employment costs (YTD to 30/06/2017)	\$8.614m	\$8.833m	\$0.219m

The following appointments were made during July:

- Development Engineer; and
- Building Technical Support Officer.

The following positions were vacated during July:

- Building Technical Support Officer.

The following positions were vacated during July:

- Revenue Manager; and
- Parks and Community Manager.

Health and Safety

There were six accidents reported by Council staff and contractors during June. None of the accidents resulted in a lost time injury. Two of the accidents involved contractors contacting overhead cables with equipment and there is ongoing focus on this risk to better mitigate it in the future.

Eleven incidents or near misses reported by Council contractors and staff. The growth in reported near misses and the investigative follow up is a positive indicator of an improving safety culture in Council activities.

Council officers conducted sixteen audits of contractor activities during June. Whilst nearly all of the audits identified some minor areas for improvement, the only site that had a significant issue was the Kaiwaka waste water facility where some work is required to reduce the risk of falls around the oxidation ponds.

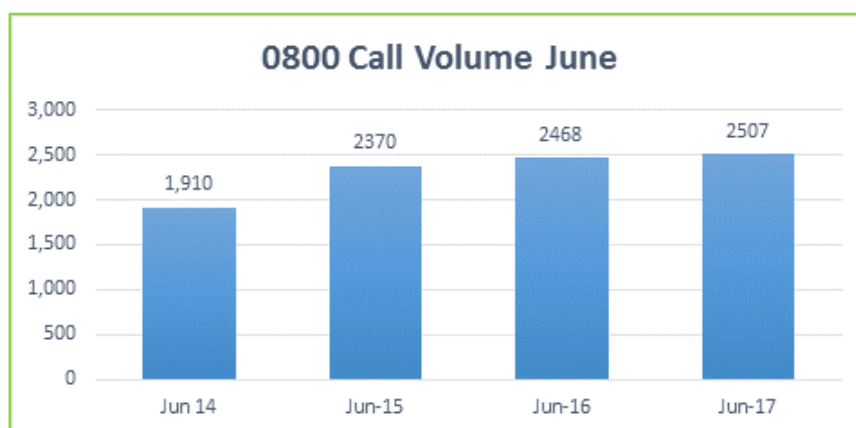
Two of the audits of the Dargaville and Maungaturoto Water Treatment Plants were conducted under new Hazard Substances New Organism (HSNO) regulations. Some compliance issues relating to electrical code, signage and fire code for chlorine storage were identified and officers are working with the contractor to address these matters.

Customer Services

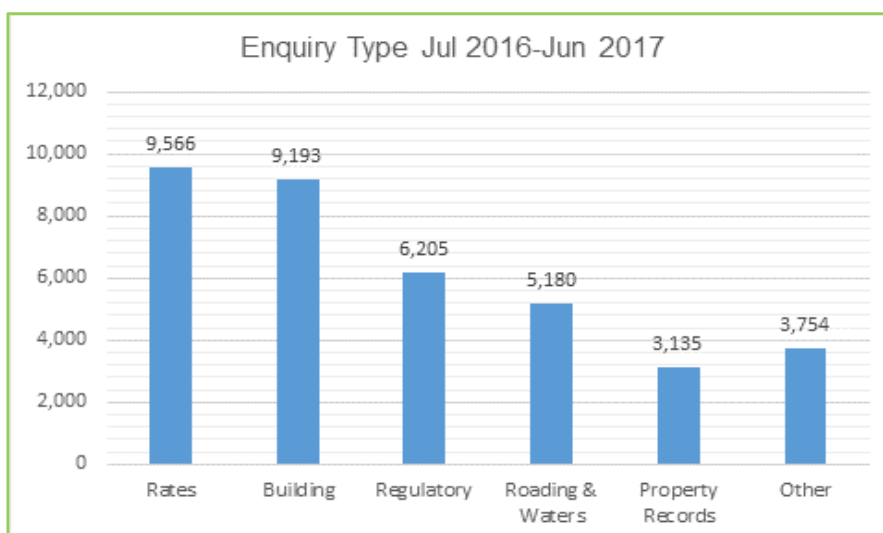
Interaction Volume and Measures

The volume of customer enquiries continues to grow along with business activity across the district. Until new customer service software becomes available later this year the only definitive measure of enquiry volume is the number of customers calling our 0800 number which has grown considerably over the last three years.

For the month of June 2017, 0800 call data compared with the previous three years is as follows:



Customer enquiry type for the year to 30 June 2017 are reported below:



Customer service staff are continuing to receive regular feedback from customers experiencing extended telephone wait times when calling Council. Issues with our outdated PBX software causing calls to drop are also adding frustration. Efforts are being made to minimise wait times within available resourcing and resolve the call dropping, but growing call volumes, especially at peak times, continues to create customer frustration. The introduction of new telephone and customer service technology later this year will provide data and will aid in improving the customer experience.

Communications

The re-development of the current website has continued during July focussing on:

- Top viewed pages 01 July – 28 July (excluding home page);
- District Plan/District Plan Index;
- Rates and water rates FAQ;
- Contact us;
- Maps;
- Dargaville library; and
- Building information and planning.

The average visitor is – *(compared to June)* viewing 19% more pages (more breadth of content available) and spending 4% less time on a page (better content/able to find an answer quickly).

During July there were 10,246 website sessions, by 6,156 individual users, combining a total of 29,291 pages viewed. A 'user' views about three pages per trip to the website and spends 2.45 minutes on the site. Of the visitors during July 2017 45% are first time visitors to the site. Last month 39% of visitors were from Auckland, 25% were from Whangarei and 12% from Sydney.

New content that has been made available in the last month includes:

1. A refreshed home page, built from current user heat-maps, google analytics and tracking of mouse flows of visiting users. This allowed us to define key customer queries and house those under the headings of Find It, Apply for It, Say It, Request It and Pay It. So that a user to the site can get an answer to their question (80% of the time) within two clicks. This new layout design reflects a consistency with best practice website across the country.
2. A cemeteries content page with information about burials, cremation and locations of smaller locally managed cemeteries.
3. An external health and safety page for contractors to Council.
4. LIM information page.
5. LGOIMA information page (and online request form).
6. A number of high usage forms have been made pdf editable to cut down on printed/hand-filled forms.

Information services

There are a number of projects underway which are designed to enhance Council's capability to conduct its core business. These include the implementation of a new financial planning and reporting module, the redevelopment of the Council's website, planning for an electronic document record management system and the introduction of electronic purchase orders. Two projects (the replacement of the PABX telephone system

and the installation of customer service software) have required new network infrastructure to guarantee call quality and this network infrastructure will be operational during August. This will allow the two dependent projects to progress to completion before years end.

There were three short term system outages resolved during June affecting the VM Ware server management software, the SCADA water monitoring system and part of the PABX that affected analogue telephones in Dargaville.

c) Looking forward

1	Wednesday 16 August	Raupo Drainage Committee	Ruawai – 10.00am
2	Monday 21 August	Mangawhai Community Park	Mangawhai - 10.00am
3	Friday 01 September	Long Term Plan Public Briefing	Paparoa – 9.30am
4	Monday 11 September	Audit, Risk and Finance	Mangawhai – 10.00
5	Monday 11 September	Long Term Plan Public Briefing	Mangawhai – 1.00pm
6	Thursday 21 September	Harding Park/Pou Tu Te Rangi	Dargaville – 2.00pm
7	Tuesday 26 September	Ordinary Council Meeting	Dargaville – 9.00am
8	Tuesday 26 September	Long Term Plan Public Briefing	Dargaville – 12.30pm
9	Monday 09 October	Ordinary Council Meeting	Dargaville – 9.00am
10	Monday 09 October	Taharoa Domain Governance	Dargaville – 2.00pm
11	Friday 13 October	Long Term Plan Public Briefing	TBC – 9.30am
12	Monday 30 October	Long Term Plan Public Briefing	TBC – 9.30am
10	Tuesday 14 November	Ordinary Council Meeting	TBC – 10.00am
11	Thursday 16 November	Raupo Drainage Committee	Ruawai – 10.00am

Chief Executive's Report

Part Two - Financial Report to 30 June 2017

June 2017 Financial Report

This report covers:

- Whole of Council overview;
- Statement of Operating and Capital Performance including commentary on activities;
- Statement of Financial Position;
- Cash Flow; and
- Treasury management

Whole of Council Overview

Key Indicators for year to date June are set out in the tables below.

	Year to Date June 2017			Indicator	Full Year	
	Actual \$000's	Budget \$000's	Variance \$000's		Budget \$000's	Forecast \$000's
Total Rates	32,230	32,282	(52)	●	32,282	32,387 ↑
Operating Subsidies and Grants	4,500	5,302	(802)	●	5,302	4,373 ↓
Activity Revenue and Other Income	5,527	4,346	1,181	●	4,346	5,372 ↑
Total Operating Income	42,257	41,930	327	●	41,930	42,132 ↑
Employee Benefits	8,833	8,614	(219)	●	8,614	8,854 ↑
Contractors	8,353	9,913	1,560	●	9,913	8,523 ↓
Professional Services	4,294	4,768	474	●	4,768	4,474 ↓
Repairs and Maintenance	3,279	2,798	(481)	●	2,798	3,196 ↑
Finance Costs	2,953	3,440	487	●	3,440	3,133 ↓
Other Operating Costs	4,989	5,507	518	●	5,507	5,301 ↓
Total Operating Costs	32,701	35,040	2,339	●	35,040	33,481 ↓
Operating Surplus / (Deficit) before Depreciation	9,556	6,890	2,666	●	6,890	8,651 ↑
Capital Subsidies	5,221	6,355	(1,134)	●	6,355	5,934 ↓
Contributions	3,219	1,190	2,029	●	1,190	2,800 ↑
Other Capital revenue	1,633	150	1,483	●	150	451 ↑
Total Capital Revenue	10,073	7,695	2,378	●	7,695	9,185 ↑
Capital Expenditure	13,451	15,863	2,412	●	15,863	16,035 ↑
Other Capital Payments						
Total Capital Payments	13,451	15,863	2,412	●	15,863	16,035 ↑
Subtotal Capital	(3,378)	(8,168)	4,790	●	(8,168)	(6,850) ↑
Surplus / (Deficit) before Loan Payments and Depreciation	6,178	(1,278)	7,456	●	(1,278)	1,801 ↑

	June 2016	June 2017
Net Debt (Loans less current Bank)	57,676	50,253

Key ● Favourable ● Unfavourable within 10% of Budget ● Unfavourable over 10% of Budget

Attachments	1	Statement of Operating and Capital Performances	2	Statement of Financial Position
	3	Cash Flow	4	Treasury positions

Note: This report is prepared in a similar manner to the monthly reports during the year and before the Annual Report is finalised. The items to be completed for the Annual Report are fixed assets – revaluation, actual depreciation, impairment and sold analysis, provisions for debtors and reserves finalised. Most other year end adjustments have been completed.

Statement of Operating and Capital Performance

Rates Revenue: Targeted rates have been adjusted for the Mangawhai Community Wastewater Scheme (MCWWS) A to F early payment. The value of the adjustment was \$120,000 with only the planned income recognised in each year. Remissions totalling \$276,000 were granted in June. This was to write-off penalties imposed on abandoned and Maori land now statute barred. In total rates penalties for the year were \$676,000 which was below the budget of \$750,000.

Other Operating Revenues: User fees and charges are ahead of budget for the year by \$0.9 million mainly due to increased regulatory activity and Kai Iwi Lakes camp charges. NZ Transport Agency (NZTA) operating subsidies are below budget for the year by \$0.8 million. A number of smaller one-off items mainly in district leadership and community activities have contributed to other revenue being \$0.2 million ahead of budget this year.

Operating Costs: Contractor costs for the year are \$1.6 million below budget due mainly to roading and regulatory costs. Professional services costs are below budget by \$0.5 million for the year mainly due to district leadership. Repairs and maintenance is ahead of budget by \$0.5 million for the year due to costs within the three waters and community activities. Other costs are below budget by \$0.5 million due to lower costs in district leadership and roading.

The reclassification in October 2016 of professional charges relating to the treatment of costs from the Northland Transportation Alliance (NTA) accounts for much of the lower than budget activity costs for the year. Council costs were previously coded as external and now have been more correctly classified as internal. The offset is in internal recoveries which are above budget due to the new arrangements for the NTA. An additional effect of the new arrangements is that there is a reclassification between solid waste and roading.

Employee benefits have ended the year at \$8.8 million, \$0.2 million ahead of budget and right on forecast. The higher costs were predominantly in regulatory to cope with continued growth and is covered by increased revenue.

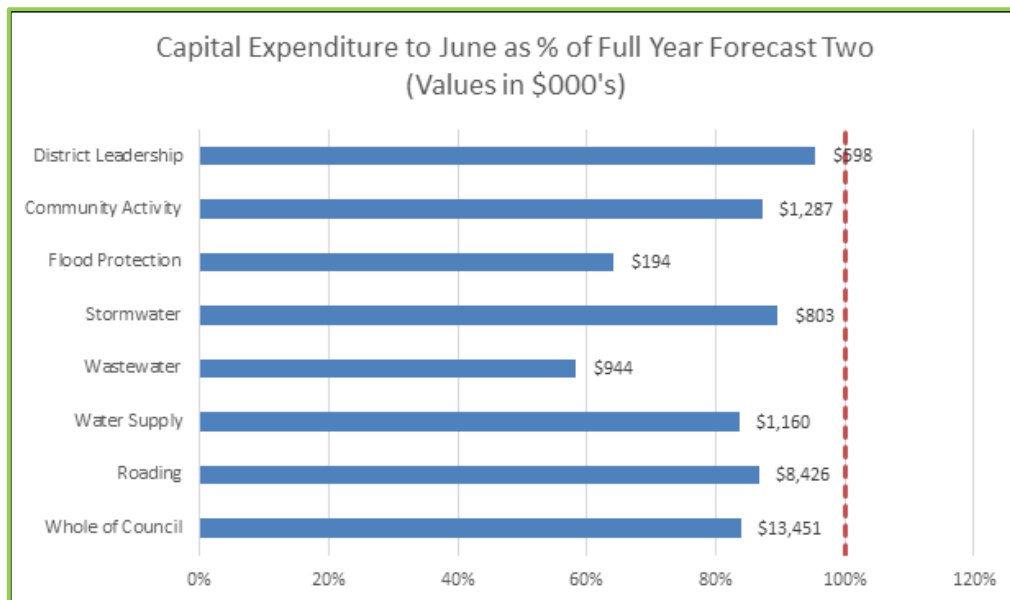
Finance costs for the year were \$3.0 million which was \$0.5 million below budget reflecting the lower intra-year loan balance.

Overall total operating costs are 6.7% below budget for the year with contractors 15.7% below, professional services 9.9% below and repairs and maintenance 17.2% ahead of budget for the year.

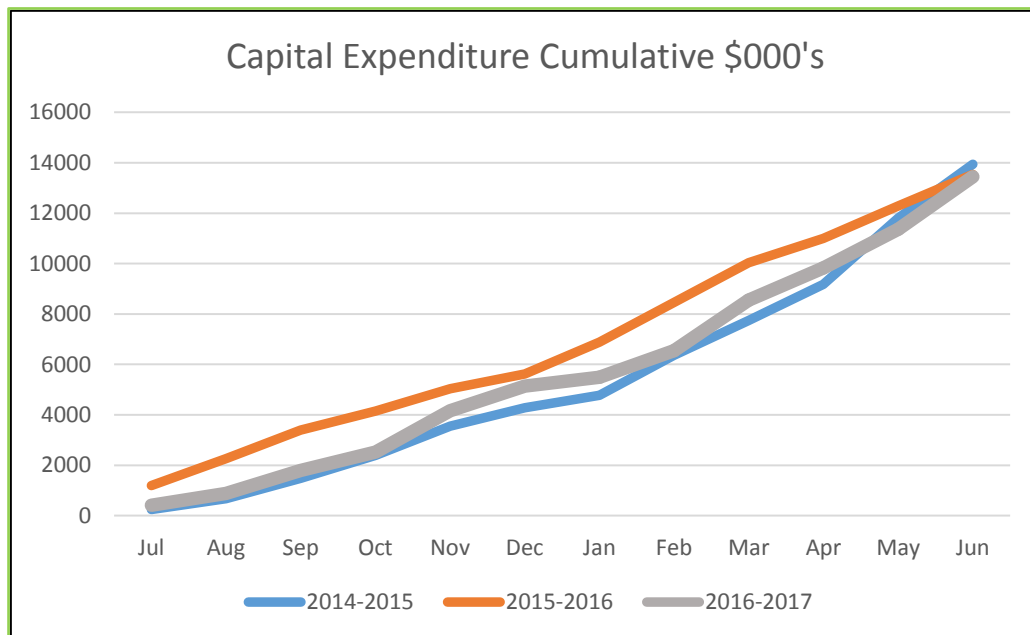
Capital Revenue and Costs: Capital funding at \$10.1 million is ahead of budget for the year by \$2.4 million. Development contributions were \$1.5 million compared with \$0.6 million budget and \$1.3 million forecast while financial contributions were \$1.7 million compared with \$0.5 million budget and \$1.5 million forecast. Both reflect continuing growth in the district. Asset sales are \$1.5 million ahead of budget, including a non-cash item of \$0.9 million for land corrections. Capital subsidies are below budget by \$1.1 million in roading.

Capital expenditure achieved \$13.5 million for the year, \$2.4 million below budget and \$2.6 million below forecast. All activities were below forecast. A separate paper detailing carry forward capex will be prepared as part of the year end process.

The following graph displays the % complete for Council and each activity compared with Forecast Two. Stormwater includes the Pohutukawa Road purchase carried forward from 2015/2016.



The below graph compares the last three year's capital expenditure.



Development contributions receipts for the month were \$334,000 and now total \$1,515,000 for the year. The actual receipts are made up of MCWWS \$1,349,000, roading \$154,000 and other schemes \$12,000.

Financial contributions of \$167,000 were received in June bringing total contributions to \$1,705,000 for the year. The continued high levels of activity have brought financial contributions above the revised Forecast Two value.

No further land was sold in June. However the Matakohe Hall has been sold to their committee and land assets have been reconciled. Land sales for the year to date are:

- 27 Wharfdale Crescent, Mangawhai \$124,000
- 250 Molesworth Drive, Mangawhai \$327,000.

The Matakohe Hall, which was approved earlier in the year to be sold to the hall committee by way of grant, was sold for \$250,000.

A reconciliation of land held by Kaipara District Council (KDC) has been undertaken during the year. This involved identifying land listed in the rates system as being owned by KDC and comparing this with the land listed on the asset register. Part of the issue is Crown Land. There were many instances of conservation land listed in the asset register. The view has been taken that land listed as Crown-owned is not KDC, it can only be in one set of books. Any dispute as to ownership in the future will be resolved and additions if appropriate made to the asset register at the time. There were also numerous segregation strips and walkways transferred by developers to KDC and not recorded and some double-counting of land. The final outcome is a reduction in land by \$932,000 taken into account in June. This is a non-cash accounting entry.

Statement of Financial Position

Trade and Other receivables have decreased with NZTA paying the subsidy right on month end.

Trade and Other Payables have decreased with an accounting entry made to recognise the June rates billings.

Public Debt

Public debt has met the agreed yearend target of \$62.1 million. Debt falling due within twelve months has been reclassified as current. The cash on hand position will be reviewed as part of the Annual Report preparation process to identify options.

Attached is the treasury policy interest rate and funding positions for the treasury management operations. The all up cost of debt was 5.22% at the end of June against the benchmark of 3.72%.

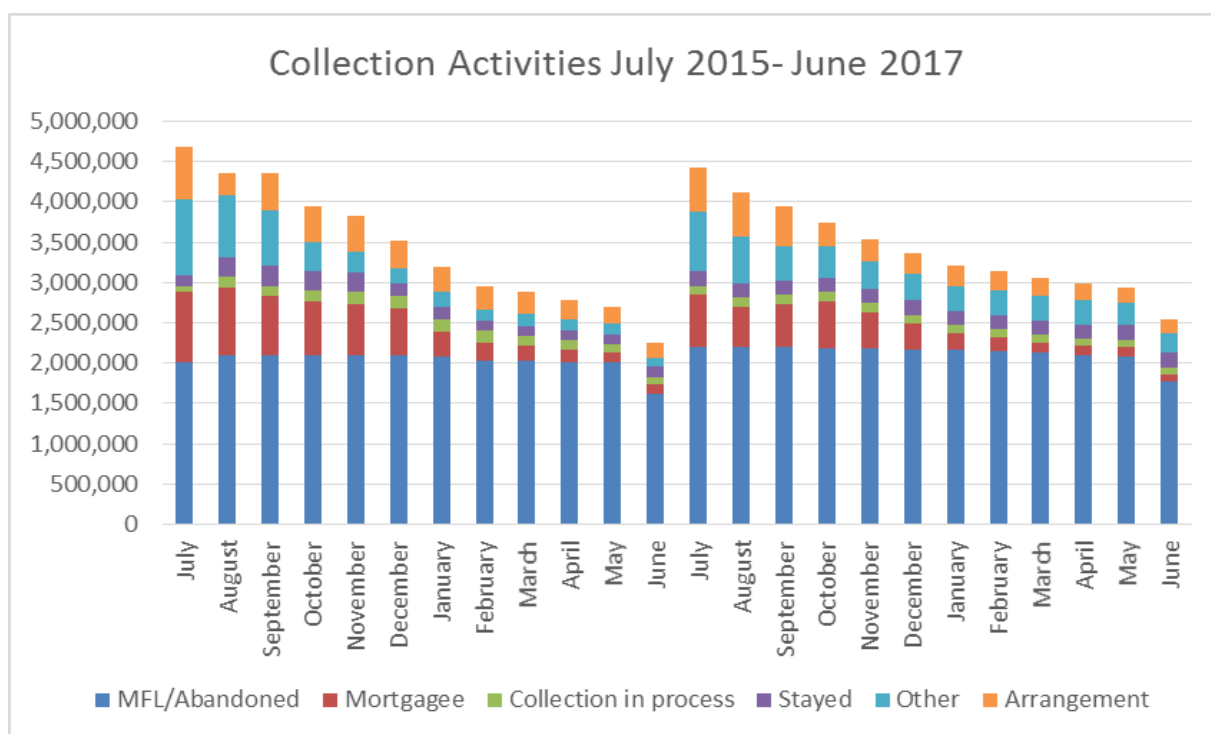
Commentary on Activities

Commentaries are now included on the relevant Statement of Operating and Capital Performance included with this report.

Debtors

Land rates arrears over \$200 (prior years) at 30 June 2017 are \$0.9 million excluding \$1.7 million arrears for Maori Freehold and Abandoned Land. At 30 June 2016 the arrears were \$2.6 million. Arrears letters have resulted in reduction in prior year and current year arrears, however the rates arrears at 30 June 2017 are \$0.2 million more than 2016. This is largely due to the hold on enforcement activities.

The following graph represents land rates arrears collection activities, in July 2016, the 2015/2016 current arrears were restated as prior years arrears.



Other debtors' arrears (older than 30 days) comprising mainly water rates debt, are \$0.6million. The level of arrears has reduced by \$8,000 from May.

The table below is a summary of aged debtors at 30 June 2017.

Other Debtors Aged Arrears at 30 June 2017	30 Days		60 Days		90 Days		Total Arrears	
	\$	Number	\$	Number	\$	Number	\$	Number
Resource consents	41,000	10	37,000	6	48,000	27	126,000	43
Licensing, compliance, pools	5,000	17	3,000	8	12,000	28	20,000	53
Building consents	6,000	8	4,000	1	58,000	18	68,000	27
Sundry debtors - housing	-	-	-	-	-	1	-	1
Sundry debtors	10,000	9	1,000	4	65,000	21	76,000	34
Water rates	29,000	105	15,000	63	295,000	443	339,000	611
Total	91,000	149	60,000	82	478,000	538	629,000	769

Attachment 1

For the period ended:		This Month				Year To Date				Whole Year Annual Plan	Commentary	Year To Date				Whole Year	
30 June 2017		Actual \$'000	Budget \$'000	Variance \$'000 %		Actual \$'000	Budget \$'000	Variance \$'000 %		Budget \$'000		Actual \$'000	Forecast Two \$'000	Variance \$'000 %		Forecast Two \$'000	
Statement of Operating and Capital Performance																	
Whole of Council																	
Operating Revenues																	
Rates (General)	1,791	1,755	36	2.0%	21,222	21,083	138	0.7%	21,083	Whole of Council Total operating revenue at \$42.3 million was \$0.3 million ahead of budget and \$0.1 million ahead of forecast. Rates were on budget after the MCWWS prepayments were adjusted in June. Penalties were lower than budget after the end of year adjustment for remission of statute barred abandoned and Maori land. User fees and charges within regulatory and community at \$0.9 million ahead of budget more than offset the lower roading subsidies which were \$0.8 million below budget. Other revenue in community ahead of budget by \$0.1 and district leadership \$0.1 million make up the balance of the increase for the year. Contractor costs for the year are \$1.6 million below budget due mainly to roading. While regulatory costs for contractors are also below budget these are offset by higher costs in professional services. Professional services costs are below budget by \$0.5 million for the year mainly due to district leadership. Repairs and maintenance is ahead of budget by \$0.5 million for the year due to costs within the three waters and community. Other costs are below budget by \$0.5 million due to lower costs in district leadership and roading. Finance costs were below budget by \$0.5 million due to lower intra year loan balances. Capital funding at \$10.1 million is ahead of budget for the year by \$2.4 million. Of this \$2.0 million is in development and financial contributions received due to high levels of growth in the District. Asset sales are \$1.5 million ahead of budget, including a non-cash item of \$0.9 million for land corrections. Capital subsidies are below budget by \$1.1 million in roading. Capital expenditure achieved \$13.5 million for the year, \$2.4 million below budget and \$2.6 million below forecast. All activities were below forecast. A separate paper detailing carry forward capex will be prepared as part of the year end process. For more detail please refer to main financial commentary.	21,222	21,050	172	0.8%	21,050		
Rates (Targeted)	704	881	-177	-20.1%	10,332	10,449	-117	-1.1%	10,449		10,332	10,586	-254	-2.4%	10,586		
Rates (Penalties)	-276	62	-338	-541.5%	676	750	-74	-9.8%	750		676	751	-75	-10.0%	751		
User Fees and Charges	225	284	-60	-20.9%	4,569	3,635	934	25.7%	3,635		4,569	4,470	99	2.2%	4,470		
Other Revenue	14	33	-19	-58.0%	608	408	200	49.0%	408		608	564	44	7.7%	564		
Subsidies and Grants - Operational	488	879	-391	-44.5%	4,500	5,302	-802	-15.1%	5,302		4,500	4,373	127	2.9%	4,373		
Investments and Other Income	24	26	-2	-6.3%	350	303	47	15.7%	303		350	338	12	3.6%	338		
Total Operating Revenues	2,969	3,921	-952	-24.3%	42,257	41,930	327	0.8%	41,930		42,257	42,132	125	0.3%	42,132		
Operating Costs (excl. Depreciation)																	
Contractors	893	1,470	577	39.2%	8,353	9,913	1,560	15.7%	9,913		8,353	8,523	170	2.0%	8,523		
Professional Services	664	396	-268	-67.8%	4,294	4,768	474	9.9%	4,768	4,294	4,474	180	4.0%	4,474			
Repairs and Maintenance	446	272	-174	-63.7%	3,279	2,798	-481	-17.2%	2,798	3,279	3,196	-83	-2.6%	3,196			
Other Operating Costs	593	563	-31	-5.4%	4,988	5,508	520	9.4%	5,507	4,988	5,301	313	5.9%	5,300			
Employee Benefits	766	705	-61	-8.7%	8,833	8,614	-219	-2.5%	8,614	8,833	8,854	22	0.2%	8,854			
Finance costs	234	287	52	18.3%	2,953	3,440	487	14.1%	3,440	2,953	3,133	180	5.7%	3,133			
Total Operating Costs (excl. Depreciation)	3,596	3,692	96	2.6%	32,701	35,041	2,340	6.7%	35,040	32,701	33,482	781	2.3%	33,481			
Operating Surplus/(Deficit) (before Depreciation)	-627	229	-856	-374.5%	9,556	6,889	2,667	38.7%	6,890	9,556	8,650	906	10.5%	8,651			
Capital Funding																	
Subsidies and Grants - Capital	704	170	534	314.2%	5,221	6,355	-1,135	-17.9%	6,355	5,221	5,934	-713	-12.0%	5,934			
Development Contributions	334	54	280	521.2%	1,515	650	865	133.1%	650	1,515	1,300	215	16.5%	1,300			
Financial Contributions	167	45	122	270.2%	1,705	540	1,165	215.7%	540	1,705	1,500	205	13.6%	1,500			
Rates (Capital)	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0			
Sale of Assets	1,182	150	1,032	688.1%	1,633	150	1,483	988.8%	150	1,633	451	1,182	262.1%	451			
Total Capital Funding	2,387	419	1,968	470.0%	10,073	7,695	2,378	30.9%	7,695	10,073	9,185	888	9.7%	9,185			
Total Capital Funding and Operating Surplus	1,759	647	1,112	171.8%	19,629	14,584	5,045	34.6%	14,585	19,629	17,835	1,794	10.1%	17,836			
Capital Payments																	
Capital Expenditure	2,091	794	-1,297	-163.3%	13,451	15,878	2,427	15.3%	15,863	13,451	16,035	2,583	16.1%	16,035			
Total Capital Payments	2,091	794	-1,297	-163.3%	13,451	15,878	2,427	15.3%	15,863	13,451	16,035	2,583	16.1%	16,035			
Funding Surplus/(Deficit) - prior to reserve allocations and before Depreciation, Provisions and Operating Funds																	
	-332	-147	-185	126%	6,178	-1,294	7,472	-578%	-1,278	6,178	1,801	4,377	243%	1,802			
Non Cash Accounts																	
Depreciation	800	800	0	0.0%	9,602	9,600	-2	0.0%	9,600	9,602	9,600	-2	0.0%	9,600			
Provisions	1,259	89	-1,170	-1313.6%	1,291	90	-1,201	-1337.7%	90	1,291	34	-1,256	-3644.6%	34			
Vested Assets	57	0	-57	0.0%	89	0	-89	0.0%	0	89	32	-57	-178.9%	32			
Total Memo Accounts	2,116	889	1,227	138.0%	10,981	9,689	1,292	13.3%	9,689	10,981	9,666	1,315	13.6%	9,666			

Kaipara District Council
Financial Reporting

For the period ended:		This Month				Year To Date				Whole Year Annual Plan	Commentary	Year To Date				Whole Year	
30 June 2017		Actual	Budget	Variance		Actual	Budget	Variance		Budget		Actual	Forecast Two	Variance		Forecast Two	
		\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000	%	\$'000		\$'000	\$'000	\$'000	%	\$'000	
Statement of Operating and Capital Performance																	
Community Activities																	
Operating Revenues																	
	Rates (General)	291	289	2	0.6%	3,492	3,491	1	0.0%	3,491	Community Activities User fees and charges ended the year at \$945,000 which was \$211,000 ahead of budget and \$48,000 ahead of forecast. The majority of the extra revenue related to Kai Iwi lakes camp ground which at \$407,000 was \$168,000 ahead of budget. Other revenue was ahead of budget by \$95,000. This related to reimbursement of costs associated with leased properties. Total operating costs were \$4.4 million for the year. This was \$0.2 million ahead of budget and \$0.1 million ahead of forecast. Repairs and maintenance was \$0.1 million ahead of budget with higher costs at Taharoa/Kai Iwi Lakes, Mangawhai Parks and pensioner housing. Other operating costs were \$0.1 million ahead of budget due to the extra \$250,000 grant to settle the Matakoke Hall, which was approved earlier in the year to be sold to the hall committee, partially offset by savings in property costs, other employee costs and vehicles. Higher employee costs at Kai Iwi over the summer have impacted on the employee budget. Financial contributions received for the year were \$1,607,000, well ahead of budget of \$500,000 and forecast of \$1,453,000. Capital expenditure for the year was \$1.3 million which was \$0.1 million below budget and \$0.2 million below forecast. Projects not done this year are work on the civic buildings and the Tinopai playground. The playground is on hold while the local community complete fundraising for their contribution. There were also a number of Mangawhai projects held due to finalising the Mangawhai Town Plan.	3,492	3,485	7	0.2%	3,490	
	Rates (Targeted)	24	23	0	2.1%	284	282	2	0.7%	282		284	283	1	0.4%	283	
	Rates (Penalties)	0	0	0	0.0%	0	0	0	0.0%	0		0	0	0	0.0%	0	
	User Fees and Charges	43	40	2	5.9%	945	734	211	28.8%	734		945	897	48	5.4%	897	
	Other Revenue	1	2	0	-10.5%	114	19	95	497.4%	19		114	110	3	2.8%	110	
	Subsidies and Grants - Operational	0	4	-4	-100.0%	48	50	-2	-4.2%	50		48	54	-6	-11.5%	54	
	Investments and Other Income	0	0	0	0.0%	0	0	0	0.0%	0		0	0	0	0.0%	0	
	Total Operating Revenues	359	358	0	0.1%	4,882	4,576	307	6.7%	4,576		4,882	4,829	54	1.1%	4,834	
Operating Costs (excl. Depreciation)																	
	Contractors	35	36	1	2.4%	400	423	23	5.4%	423		400	420	21	4.9%	420	
	Professional Services	13	29	16	55.0%	293	358	65	18.2%	358	293	323	30	9.4%	323		
	Repairs and Maintenance	93	122	29	23.5%	1,133	1,017	-116	-11.5%	1,017	1,133	1,177	43	3.7%	1,177		
	Other Operating Costs	358	274	-84	-30.7%	1,954	1,844	-111	-6.0%	1,843	1,954	1,786	-168	-9.4%	1,785		
	Employee Benefits	43	48	5	10.6%	615	589	-26	-4.4%	589	615	616	1	0.2%	616		
	Finance costs	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0		
	Total Operating Costs (excl. Depreciation)	543	509	-33	-6.5%	4,395	4,230	-165	-3.9%	4,229	4,395	4,322	-73	-1.7%	4,321		
	Operating Surplus/(Deficit) (before Depreciation)	-184	-151	-33	21.7%	487	345	142	41.0%	346	487	507	-19	-3.8%	513		
Capital Funding																	
	Subsidies and Grants - Capital	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0		
	Development Contributions	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0		
	Financial Contributions	162	42	120	287.7%	1,607	500	1,107	221.5%	500	1,607	1,453	155	10.7%	1,453		
	Rates (Capital)	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0		
	Sale of Assets	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0		
	Total Capital Funding	162	42	120	287.7%	1,607	500	1,107	221.5%	500	1,607	1,453	155	10.7%	1,453		
	Total Capital Funding and Operating Surplus	-22	-109	87	-79.7%	2,095	845	1,249	147.7%	846	2,095	1,959	135	6.9%	1,965		
Capital Payments																	
	Capital Expenditure	148	250	102	40.7%	1,288	1,373	86	6.2%	1,373	1,288	1,476	189	12.8%	1,476		
	Total Capital Payments	148	250	102	40.7%	1,288	1,373	86	6.2%	1,373	1,288	1,476	189	12.8%	1,476		
Funding Surplus/(Deficit) - prior to reserve allocations and before Depreciation, Provisions and Operating Funds																	
		-170	-359	189	-53%	807	-528	1,335	-253%	-527	807	483	324	67%	489		
Non Cash Accounts																	
	Depreciation	13	13	0	0.0%	154	154	0	0.0%	154	154	154	0	0.0%	154		
	Provisions	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0		
	Vested Assets	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0		
	Total Memo Accounts	13	13	0	0.0%	154	154	0	0.0%	154	154	154	0	0.0%	154		

For the period ended:		This Month				Year To Date				Whole Year Annual Plan	Commentary	Year To Date				Whole Year
30 June 2017		Actual \$'000	Budget \$'000	Variance \$'000 %		Actual \$'000	Budget \$'000	Variance \$'000 %		Budget \$'000		Actual \$'000	Forecast Two \$'000	Variance \$'000 %		Forecast Two \$'000
Statement of Operating and Capital Performance																
District Leadership																
Operating Revenues																
	Rates (General)	381	348	34	9.6%	4,311	4,175	136	3.2%	4,175	District Leadership Rates penalties of \$276,000 were remitted in June bringing total penalties for the year to \$676,000 compared with a budget of \$750,000. The remission in June relates to writing off statute barred penalties for abandoned and Maori land. Other revenue for the year includes payment of \$34,000 for the insurance claim relating to the burglary earlier in the year, recoveries for accounting services to the NTA of \$36,000, water penalties of \$38,000 and a wash up of recoveries for the local body elections \$28,000 relating to NRC and Health Board. Total operating costs of \$7.2 million were \$1.4 million below budget and \$0.8 million below forecast. Professional services are below budget by \$0.6 million and below forecast by \$0.2 million for the year. Generally costs have tracked closer to forecast with the exception of legal fees where costs were lower than expected by \$0.1 million in the last quarter of the year. The balance is a number of smaller variances in IT, forward planning and forestry. Comparing to budget where the costs are lower by \$0.6 million the main areas are district plan, leadership, Mangawhai Town Plan, forestry and waters administration. Other operating costs continue below budget for the year. There is one final adjustment to be completed when the asset capitalisation process is completed to finalise the Annual Report. This will have the effect to reduce the current credit balance closer budget. Finance costs are below budget due to reduced intra year loan balances. There have been two land sales totalling \$451,000 for the year. The Matakohē Hall which was approved earlier in the year to be sold to the hall committee by way of grant was sold for \$250,000. A reconciliation of land held by KDC has been undertaken during the year. This involved identifying land listed in the rates system as being owned by KDC and comparing this with the land listed on the asset register. Part of the issue is Crown land. There were many instances of conservation land listed in the asset register. The view has been taken that land listed as Crown owned is not KDC, it can only be in one set of books. Any dispute as to ownership in the future will be resolved and additions if appropriate made to the asset register at the time. There were also numerous segregation strips and walkways transferred by developers to KDC and not recorded and some double counting of land. The final outcome is a reduction in land by \$932,000 taken into account in June. This is a non cash accounting entry. Capital expenditure was \$0.6 million for the year. An adjustment is required to eliminate non capital costs from the IT projects. This will be completed as part of the Annual Report process and will then show a lower capital expenditure spend reflecting the delayed IT projects for the website, contact centre and telephone upgrade which will carry forward to 2017-2018.	4,311	4,251	59	1.4%	4,256
	Rates (Targeted)	0	0	0	0.0%	0	0	0	0.0%	0		0	0	0	0.0%	0
	Rates (Penalties)	-276	62	-338	-541.5%	676	750	-74	-9.8%	750		676	751	-75	-10.0%	751
	User Fees and Charges	3	7	-4	-59.8%	54	86	-32	-37.1%	86		54	77	-23	-29.7%	77
	Other Revenue	27	6	20	336.3%	255	73	182	250.0%	73		255	205	50	24.6%	205
	Subsidies and Grants - Operational	0	0	0	0.0%	0	26	-26	-100.0%	26		0	0	0	0.0%	0
	Investments and Other Income	23	25	-2	-7.0%	342	298	45	15.0%	298		342	330	12	3.6%	330
	Total Operating Revenues	158	448	-290	-64.8%	5,639	5,408	231	4.3%	5,408		5,639	5,615	24	0.4%	5,620
Operating Costs (excl. Depreciation)																
	Contractors	5	5	0	7.2%	61	66	5	8.0%	66		61	67	6	9.1%	67
	Professional Services	210	190	-20	-10.3%	1,693	2,298	605	26.3%	2,298	1,693	1,901	208	11.0%	1,901	
	Repairs and Maintenance	75	14	-61	-435.6%	202	179	-23	-13.1%	179	202	179	-23	-12.9%	179	
	Other Operating Costs	-217	-177	41	-23.0%	-2,469	-2,086	383	-18.4%	-2,087	-2,469	-1,997	472	-23.7%	-1,998	
	Employee Benefits	372	350	-22	-6.3%	4,690	4,740	50	1.0%	4,740	4,690	4,735	45	0.9%	4,735	
	Finance costs	234	287	52	18.3%	2,953	3,440	487	14.1%	3,440	2,953	3,133	180	5.7%	3,133	
	Total Operating Costs (excl. Depreciation)	679	670	-9	-1.4%	7,130	8,636	1,507	17.4%	8,635	7,130	8,018	888	11.1%	8,017	
	Operating Surplus/(Deficit) (before Depreciation)	-521	-221	-300	135.5%	-1,491	-3,228	1,737	-53.8%	-3,227	-1,491	-2,403	912	-37.9%	-2,397	
Capital Funding																
	Subsidies and Grants - Capital	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0	
	Development Contributions	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0	
	Financial Contributions	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0	
	Rates (Capital)	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0	
	Sale of Assets	1,182	150	1,032	688.1%	1,633	150	1,483	988.8%	150	1,633	451	1,182	262.1%	451	
	Total Capital Funding	1,182	150	1,032	688.1%	1,633	150	1,483	988.8%	150	1,633	451	1,182	262.1%	451	
	Total Capital Funding and Operating Surplus	661	-71	732	-1025.7%	142	-3,078	3,221	-104.6%	-3,077	142	-1,952	2,094	-107.3%	-1,946	
Capital Payments																
	Capital Expenditure	187	-267	-454	170.1%	598	626	28	4.5%	626	598	627	29	4.6%	627	
	Total Capital Payments	187	-267	-454	170.1%	598	626	28	4.5%	626	598	627	29	4.6%	627	
Funding Surplus/(Deficit) - prior to reserve allocations and before Depreciation, Provisions and Operating Funds																
		474	196	278	142%	-456	-3,704	3,249	-88%	-3,703	-456	-2,579	2,123	-82%	-2,573	
Non Cash Accounts																
	Depreciation	30	30	0	0.0%	357	357	0	0.0%	357	357	357	0	0.0%	357	
	Provisions	1,322	89	-1,233	-1385.3%	1,322	89	-1,233	-1385.3%	89	1,322	89	-1,233	-1385.3%	89	
	Vested Assets	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0	
	Total Memo Accounts	1,352	119	1,233	1038.2%	1,679	446	1,233	276.5%	446	1,679	446	1,233	276.5%	446	

For the period ended:		This Month				Year To Date				Whole Year Annual Plan	Commentary	Year To Date				Whole Year	
30 June 2017		Actual \$'000	Budget \$'000	Variance \$'000 %		Actual \$'000	Budget \$'000	Variance \$'000 %		Budget \$'000		Actual \$'000	Forecast Two \$'000	Variance \$'000 %		Forecast Two \$'000	
Statement of Operating and Capital Performance																	
Emergency Management																	
Operating Revenues																	
	Rates (General)	15	15	0	0.0%	183	183	0	0.0%	183	Emergency Management No operating revenue was received in the year as no large fires were fought requiring subsidies from the National Rural Fire Authority. Total operating costs of \$270,000 were below budget by \$31,000 and close to forecast. Costs in both Rural Fire and Civil Defence both tracked as planned. Capital The fire engine was not replaced meaning no subsidy received and no capital expenditure.	183	183	0	0.0%	188	
	Rates (Targeted)	0	0	0	0.0%	0	0	0	0.0%	0		0	0	0	0.0%	0	
	Rates (Penalties)	0	0	0	0.0%	0	0	0	0.0%	0		0	0	0	0.0%	0	
	User Fees and Charges	0	0	0	0.0%	0	0	0	0.0%	0		0	0	0	0.0%	0	
	Other Revenue	0	10	-10	-100.0%	3	118	-116	-97.9%	118		3	22	-20	-88.7%	22	
	Subsidies and Grants - Operational	0	0	0	0.0%	0	0	0	0.0%	0		0	0	0	0.0%	0	
	Investments and Other Income	0	0	0	0.0%	0	0	0	0.0%	0		0	0	0	0.0%	0	
	Total Operating Revenues	15	25	-10	-39.2%	186	302	-116	-38.4%	302		186	206	-20	-9.6%	211	
Operating Costs (excl. Depreciation)																	
	Contractors	51	4	-47	-1097.3%	80	54	-26	-47.9%	54		80	97	17	17.5%	97	
	Professional Services	6	3	-2	-70.7%	49	41	-8	-19.1%	41		49	47	-2	-4.6%	47	
	Repairs and Maintenance	0	4	4	100.0%	22	50	28	56.6%	50		22	36	15	40.2%	36	
	Other Operating Costs	45	15	-30	-202.8%	120	156	37	23.6%	155		120	87	-32	-37.1%	86	
	Employee Benefits	0	0	0	0.0%	0	0	0	0.0%	0		0	0	0	0.0%	0	
	Finance costs	0	0	0	0.0%	0	0	0	0.0%	0		0	0	0	0.0%	0	
	Total Operating Costs (excl. Depreciation)	101	26	-75	-284.2%	270	302	31	10.4%	301	270	268	-3	-1.1%	267		
	Operating Surplus/(Deficit) <small>(before Depreciation)</small>	-86	-1	-85	6682.2%	-85	0	-84	120673.1%	1	-85	-62	-23	36.4%	-56		
Capital Funding																	
	Subsidies and Grants - Capital	0	10	-10	-100.0%	0	115	-115	-100.0%	115	0	0	0	0.0%	0		
	Development Contributions	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0		
	Financial Contributions	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0		
	Rates (Capital)	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0		
	Sale of Assets	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0		
	Total Capital Funding	0	10	-10	-100.0%	0	115	-115	-100.0%	115	0	0	0	0.0%	0		
	Total Capital Funding and Operating Surplus	-86	8	-94	-1140.3%	-85	115	-199	-173.7%	116	-85	-62	-23	36.4%	-56		
Capital Payments																	
	Capital Expenditure	0	153	153	100.0%	0	153	153	100.0%	153	0	0	0	0.0%	0		
	Total Capital Payments	0	153	153	100.0%	0	153	153	100.0%	153	0	0	0	0.0%	0		
Funding Surplus/(Deficit) - prior to reserve allocations and before Depreciation, Provisions and Operating Funds																	
		-86	-145	59	-40%	-85	-38	-46	121%	-37	-85	-62	-23	36%	-56		
Non Cash Accounts																	
	Depreciation	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0		
	Provisions	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0		
	Vested Assets	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0		
	Total Memo Accounts	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0		

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For the period ended:		This Month				Year To Date				Whole Year Annual Plan	Commentary	Year To Date				Whole Year	
30 June 2017		Actual \$'000	Budget \$'000	Variance \$'000 %		Actual \$'000	Budget \$'000	Variance \$'000 %		Budget \$'000		Actual \$'000	Forecast Two \$'000	Variance \$'000 %		Forecast Two \$'000	
Statement of Operating and Capital Performance																	
Flood Protection and Control Works																	
Operating Revenues																	
Rates (General)	1	1	0	0.0%	14	14	0	0.0%	14	Flood Protection Total operating costs, which are predominately repairs and maintenance, finished the year close to both budget and forecast. Of the 29 land drainage districts with targeted rates most were within \$1,000 to \$2,000 of their budgets. The two main exceptions were Raupo which was below budget by \$18,000 due to low spending on stop bank repairs and Awakino ahead of budget by \$22,000 due to more machine cleaning undertaken in the year. Capital works completed in the year totalled \$194,000. The works completed were two headwalls, one floodgate and another floodgate partially completed.	14	19	-5	-23.7%	19		
Rates (Targeted)	52	52	0	0.4%	626	623	3	0.5%	623		626	625	1	0.2%	625		
Rates (Penalties)	0	0	0	0.0%	0	0	0	0.0%	0		0	0	0	0.0%	0		
User Fees and Charges	1	1	0	-33.9%	9	8	1	16.7%	8		9	11	-1	-11.2%	11		
Other Revenue	0	0	0	0.0%	0	0	0	0.0%	0		0	0	0	0.0%	0		
Subsidies and Grants - Operational	0	0	0	0.0%	0	0	0	0.0%	0		0	0	0	0.0%	0		
Investments and Other Income	0	0	0	0.0%	0	0	0	0.0%	0		0	0	0	0.0%	0		
Total Operating Revenues	54	54	0	-0.3%	650	646	4	0.7%	646		650	655	-5	-0.7%	655		
Operating Costs (excl. Depreciation)																	
Contractors	0	0	0	0.0%	0	0	0	0.0%	0		0	0	0	0.0%	0		
Professional Services	1	0	-1	0.0%	5	5	1	10.5%	5	5	6	2	28.1%	6			
Repairs and Maintenance	46	25	-22	-88.4%	343	325	-18	-5.6%	325	343	370	27	7.2%	370			
Other Operating Costs	6	5	-1	-19.1%	62	63	1	1.5%	62	62	63	1	1.8%	62			
Employee Benefits	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0			
Finance costs	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0			
Total Operating Costs (excl. Depreciation)	53	29	-24	-81.2%	409	393	-17	-4.3%	392	409	439	30	6.8%	438			
Operating Surplus/(Deficit) (before Depreciation)	1	25	-24	-97.4%	241	253	-12	-4.9%	254	241	216	25	11.5%	217			
Capital Funding																	
Subsidies and Grants - Capital	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0			
Development Contributions	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0			
Financial Contributions	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0			
Rates (Capital)	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0			
Sale of Assets	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0			
Total Capital Funding	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0			
Total Capital Funding and Operating Surplus	1	25	-24	-97.4%	241	253	-12	-4.9%	254	241	216	25	11.5%	217			
Capital Payments																	
Capital Expenditure	33	85	52	61.4%	194	604	410	67.9%	604	194	302	108	35.9%	302			
Total Capital Payments	33	85	52	61.4%	194	604	410	67.9%	604	194	302	108	35.9%	302			
Funding Surplus/(Deficit) - prior to reserve allocations and before Depreciation, Provisions and Operating Funds																	
	-32	-60	28	-47%	47	-351	398	-113%	-350	47	-86	133	-155%	-85			
Non Cash Accounts																	
Depreciation	8	8	0	0.0%	104	102	-2	-1.9%	102	104	102	-2	-1.9%	102			
Provisions	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0			
Vested Assets	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0			
Total Memo Accounts	8	8	0	0.0%	104	102	2	1.9%	102	104	102	2	1.9%	102			

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For the period ended:		This Month				Year To Date				Whole Year Annual Plan	Commentary	Year To Date				Whole Year
30 June 2017		Actual \$'000	Budget \$'000	Variance \$'000 %		Actual \$'000	Budget \$'000	Variance \$'000 %		Budget \$'000		Actual \$'000	Forecast Two \$'000	Variance \$'000 %		Forecast Two \$'000
Statement of Operating and Capital Performance																
Regulatory Management																
Operating Revenues																
Rates (General)	71	71	0	0.0%	857	856	0	0.0%	856	Regulatory User fees and charges for the year were \$3.5 million which was \$0.8 million ahead of budget and \$0.1 million ahead of forecast. Resource consents were ahead of budget by \$0.4 million and building control ahead of budget by \$0.3 million reflecting a high level of activity. Environmental and animal management was on budget for the year. Total operating costs of \$4.1 million are \$0.4 million ahead of budget and \$0.1 million below forecast. While contractor costs are below budget, much of the costs relate to resource consents and are absorbed into professional services. Professional services are ahead of budget by \$450,000 for the year. Outside services are used to augment staff because of the high levels of activity. Other operating costs are close to budget and forecast for the year. Write offs due to resolving historical debt issues which are ahead of budget have been offset by savings in other areas. Employee costs ended the year ahead of budget by \$0.2 million and on forecast reflecting higher staff costs to ensure consents are within set timeframes. Costs are covered by increased revenues.	857	862	-5	-0.6%	862	
Rates (Targeted)	0	0	0	0.0%	0	0	0	0.0%	0		0	0	0	0.0%	0	
Rates (Penalties)	0	0	0	0.0%	0	0	0	0.0%	0		0	0	0	0.0%	0	
User Fees and Charges	177	234	-57	-24.3%	3,546	2,782	764	27.5%	2,782		3,546	3,468	77	2.2%	3,468	
Other Revenue	-20	9	-30	-319.6%	72	112	-40	-35.4%	112		72	78	-6	-7.9%	78	
Subsidies and Grants - Operational	0	0	0	0.0%	0	0	0	0.0%	0		0	0	0	0.0%	0	
Investments and Other Income	1	1	0	5.2%	7	5	2	45.3%	5		7	7	0	-3.0%	7	
Total Operating Revenues	229	315	-86	-27.4%	4,482	3,755	727	19.4%	3,755		4,482	4,416	66	1.5%	4,416	
Operating Costs (excl. Depreciation)																
Contractors	19	42	22	53.7%	227	504	277	54.9%	504	227	326	99	30.3%	326		
Professional Services	147	34	-114	-336.6%	858	408	-450	-110.4%	408	858	778	-80	-10.3%	778		
Repairs and Maintenance	0	0	0	100.0%	0	1	1	100.0%	1	0	0	0	100.0%	0		
Other Operating Costs	57	60	2	3.7%	761	743	-18	-2.4%	742	761	823	62	7.5%	822		
Employee Benefits	212	159	-53	-33.2%	2,305	2,096	-209	-10.0%	2,096	2,305	2,323	18	0.8%	2,323		
Finance costs	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0		
Total Operating Costs (excl. Depreciation)	437	295	-142	-48.2%	4,151	3,751	-400	-10.7%	3,750	4,151	4,249	98	2.3%	4,248		
Operating Surplus/(Deficit) <small>(before Depreciation)</small>	-208	21	-228	-1099.6%	331	4	327	7717.0%	5	331	167	164	98.4%	168		
Capital Funding																
Subsidies and Grants - Capital	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0		
Development Contributions	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0		
Financial Contributions	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0		
Rates (Capital)	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0		
Sale of Assets	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0		
Total Capital Funding	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0		
Total Capital Funding and Operating Surplus	-208	21	-228	-1099.6%	331	4	327	7717.0%	5	331	167	164	98.4%	168		
Capital Payments																
Capital Expenditure	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0		
Total Capital Payments	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0		
Funding Surplus/(Deficit) - prior to reserve allocations and before Depreciation, Provisions and Operating Funds																
	-208	21	-228	-1100%	331	4	327	7717%	5	331	167	164	98%	168		
Non Cash Accounts																
Depreciation	1	1	0	0.0%	14	14	0	0.0%	14	14	14	0	0.0%	14		
Provisions	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0		
Vested Assets	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0		
Total Memo Accounts	1	1	0	0.0%	14	14	0	0.0%	14	14	14	0	0.0%	14		

For the period ended:		This Month				Year To Date				Whole Year Annual Plan	Commentary	Year To Date				Whole Year	
30 June 2017		Actual	Budget	Variance		Actual	Budget	Variance		Budget		Actual	Forecast		Variance	Forecast	
		\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000	%	\$'000		\$'000	\$'000	\$'000	\$'000	\$'000	
Statement of Operating and Capital Performance																	
Sewerage and the Treatment and Disposal of Sewage																	
Operating Revenues																	
Rates (General)	160	160	0	0.0%	1,925	1,924	0	0.0%	1,924	Wastewater Operating costs ended the year at \$3.0 million which was \$0.3 million below budget and \$0.1 million below forecast. The main areas below budget were engineering services in Mangawhai, \$0.2 million and repairs and maintenance, \$0.1 million spread across Dargaville, Mangawhai and Maungaturoto. Capital expenditure for the year was \$0.9 million, \$0.3 million below budget and \$0.7 million below forecast. Projects not commenced in Managawhai and the desludge in Maungaturoto now expected to commence in the new financial year are the main factors for the lower spend. Development contributions of \$1,349,000 have been received for the year for the Mangawhai Community Wastewater Scheme.	1,925	1,815	109	6.0%	1,820		
Rates (Targeted)	337	444	-108	-24.2%	5,203	5,208	-5	-0.1%	5,208		5,203	5,295	-92	-1.7%	5,295		
Rates (Penalties)	0	0	0	0.0%	0	0	0	0.0%	0		0	0	0	0.0%	0		
User Fees and Charges	0	0	0	0.0%	4	2	2	79.9%	2		4	4	1	16.2%	4		
Other Revenue	2	0	2	0.0%	49	7	42	591.7%	7		49	31	18	59.1%	31		
Subsidies and Grants - Operational	0	0	0	0.0%	0	0	0	0.0%	0		0	0	0	0.0%	0		
Investments and Other Income	0	0	0	0.0%	0	0	0	0.0%	0		0	0	0	0.0%	0		
Total Operating Revenues	499	605	-106	-17.5%	7,180	7,142	39	0.5%	7,142		7,180	7,145	36	0.5%	7,150		
Operating Costs (excl. Depreciation)																	
Contractors	96	94	-2	-1.9%	1,114	1,154	40	3.5%	1,154		1,114	1,123	9	0.8%	1,123		
Professional Services	46	26	-20	-74.8%	140	336	196	58.4%	336	140	186	47	25.0%	186			
Repairs and Maintenance	37	57	20	35.3%	617	710	93	13.1%	710	617	657	40	6.1%	657			
Other Operating Costs	68	95	27	28.3%	1,120	1,119	-1	-0.1%	1,118	1,120	1,150	30	2.6%	1,149			
Employee Benefits	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0			
Finance costs	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0			
Total Operating Costs (excl. Depreciation)	246	271	25	9.4%	2,990	3,319	329	9.9%	3,318	2,990	3,116	126	4.0%	3,115			
Operating Surplus/(Deficit) (before Depreciation)	253	333	-81	-24.2%	4,190	3,823	367	9.6%	3,824	4,190	4,029	161	4.0%	4,035			
Capital Funding																	
Subsidies and Grants - Capital	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0			
Development Contributions	286	29	256	880.4%	1,349	349	999	286.0%	349	1,349	1,088	261	24.0%	1,088			
Financial Contributions	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0			
Rates (Capital)	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0			
Sale of Assets	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0			
Total Capital Funding	286	29	256	880.4%	1,349	349	999	286.0%	349	1,349	1,088	261	24.0%	1,088			
Total Capital Funding and Operating Surplus	538	362	176	48.5%	5,539	4,172	1,367	32.8%	4,173	5,539	5,116	423	8.3%	5,122			
Capital Payments																	
Capital Expenditure	271	203	-68	-33.4%	944	1,198	254	21.2%	1,198	944	1,617	673	41.6%	1,617			
Total Capital Payments	271	203	-68	-33.4%	944	1,198	254	21.2%	1,198	944	1,617	673	41.6%	1,617			
Funding Surplus/(Deficit) - prior to reserve allocations and before Depreciation, Provisions and Operating Funds																	
	267	159	108	68%	4,595	2,974	1,621	54%	2,975	4,595	3,499	1,096	31%	3,505			
Non Cash Accounts																	
Depreciation	109	109	0	0.0%	1,302	1,302	0	0.0%	1,302	1,302	1,302	0	0.0%	1,302			
Provisions	-130	-11	119	-1100.1%	-130	-130	0	0.0%	-130	-130	-130	0	0.0%	-130			
Vested Assets	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0			
Total Memo Accounts	-21	98	-119	-122.0%	1,172	1,172	0	0.0%	1,172	1,172	1,172	0	0.0%	1,172			

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30 June 2017		Actual \$'000	Budget \$'000	Variance		Actual \$'000	Budget \$'000	Variance		Budget \$'000		Actual \$'000	Forecast Two		Variance \$'000	%	Forecast Two \$'000
				\$'000	%			\$'000	%								
Statement of Operating and Capital Performance																	
Solid Waste																	
Operating Revenues																	
Rates (General)	69	69	0	0.0%	828	828	0	0.0%	828	Solid Waste Operating costs are below budget as the new roading shared service is rolled out and costs have been reclassified. Most of the employee budget has been transferred to roading. Internal charges reflect the internal labour costs now being accounted for in a similar manner to roading. Costs for contractors directly associated with solid waste are ahead of both budget and forecast. The main variance is higher leachate removal costs from Hakaru. Management services costs have been spent exploring the Hakaru options and Bikerstaffe Road capping and ended below budget for the year.	828	828	0	0.0%	833		
Rates (Targeted)	0	0	0	0.0%	0	0	0	0.0%	0		0	0	0.0%	0			
Rates (Penalties)	0	0	0	0.0%	0	0	0	0.0%	0		0	0	0.0%	0			
User Fees and Charges	0	0	0	0.0%	0	0	0	0.0%	0		0	0	0.0%	0			
Other Revenue	0	7	-6	-95.1%	42	79	-37	-46.9%	79		42	67	-25	-37.4%	67		
Subsidies and Grants - Operational	0	0	0	0.0%	0	0	0	0.0%	0		0	0	0	0.0%	0		
Investments and Other Income	0	0	0	0.0%	0	0	0	0.0%	0		0	0	0	0.0%	0		
Total Operating Revenues	69	76	-6	-8.2%	870	906	-37	-4.0%	906		870	895	-25	-2.8%	900		
Operating Costs (excl. Depreciation)																	
Contractors	57	29	-28	-94.5%	510	477	-33	-6.9%	477		510	466	-44	-9.4%	466		
Professional Services	11	6	-5	-94.3%	79	95	16	16.6%	95		79	92	12	13.6%	92		
Repairs and Maintenance	4	2	-2	-88.7%	5	9	4	43.3%	9		5	4	-1	-23.8%	4		
Other Operating Costs	43	22	-21	-95.0%	388	403	15	3.6%	402		388	360	-28	-7.8%	359		
Employee Benefits	-31	147	178	121.5%	-19	1,190	1,209	101.6%	1,190		-19	13	31	247.3%	13		
Finance costs	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0			
Total Operating Costs (excl. Depreciation)	83	206	122	59.5%	963	2,173	1,210	55.7%	2,172	963	935	-29	-3.1%	934			
Operating Surplus/(Deficit)	-14	-130	116	-89.2%	-94	-1,267	1,173	-92.6%	-1,266	-94	-40	-54	133.3%	-34			
(before Depreciation)																	
Capital Funding																	
Subsidies and Grants - Capital	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0			
Development Contributions	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0			
Financial Contributions	0	0	0	0.0%	0	0	0	0.0%	0	0	24	-24	-100.0%	24			
Rates (Capital)	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0			
Sale of Assets	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0			
Total Capital Funding	0	0	0	0.0%	0	0	0	0.0%	0	0	24	-24	-100.0%	24			
Total Capital Funding and Operating Surplus	-14	-130	116	-89.2%	-94	-1,267	1,173	-92.6%	-1,266	-94	-16	-78	482.4%	-10			
Capital Payments																	
Capital Expenditure	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0			
Total Capital Payments	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0			
Funding Surplus/(Deficit) - prior to reserve allocations and before Depreciation, Provisions and Operating Funds																	
	-14	-130	116	-89%	-94	-1,267	1,173	-93%	-1,266	-94	-16	-78	482%	-10			
Non Cash Accounts																	
Depreciation	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0			
Provisions	-102	11	113	1037.8%	-102	131	233	178.2%	131	-102	44	146	334.5%	44			
Vested Assets	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0			
Total Memo Accounts	-102	11	-113	-1037.8%	-102	131	-233	-178.2%	131	-102	44	-146	-334.5%	44			

Kaipara District Council
Financial Reporting

For the period ended:		This Month				Year To Date				Whole Year Annual Plan	Commentary	Year To Date				Whole Year	
30 June 2017		Actual \$'000	Budget \$'000	Variance		Actual \$'000	Budget \$'000	Variance		Budget \$'000		Actual \$'000	Forecast Two		Variance \$'000	% %	Forecast Two \$'000
				\$'000	%			\$'000	%								
Statement of Operating and Capital Performance																	
Stormwater Drainage																	
Operating Revenues																	
Rates (General)	14	13	0	1.9%	162	162	0	0.0%	162	Stormwater Operating costs are below budget overall and just ahead of forecast. Contractor costs were being minimised with a new contractor in place. Professional fees were being incurred in Dargaville undertaking CCTV surveys and AMP improvements. However these have ended the year below budget in all schemes. A flurry of activity in June has brought repairs and maintenance ahead of budget by \$11,000 for the year. Repairs and maintenance was concentrated in Dargaville and Mangawhai. Capital expenditure of \$803,000 has ended the year \$93,000 below forecast but well ahead of budget. The higher than budget spend was due to the land purchase in Pohutakawa Road carried forward from 2015-2016. In addition work is almost complete on the Dargaville pipe renewals. This project has been increased in scope by bringing forward next year's planned work. The overall effect is a saving to Council.	162	161	1	0.6%	166		
Rates (Targeted)	90	90	1	0.8%	1,085	1,079	6	0.5%	1,079		1,085	1,082	3	0.3%	1,082		
Rates (Penalties)	0	0	0	0.0%	0	0	0	0.0%	0		0	0	0	0.0%	0		
User Fees and Charges	0	0	0	0.0%	0	0	0	0.0%	0		0	0	0	0.0%	0		
Other Revenue	0	0	0	0.0%	0	0	0	0.0%	0		0	0	0	0.0%	0		
Subsidies and Grants - Operational	0	0	0	0.0%	0	0	0	0.0%	0		0	0	0	0.0%	0		
Investments and Other Income	0	0	0	0.0%	0	0	0	0.0%	0		0	0	0	0.0%	0		
Total Operating Revenues	104	103	1	0.9%	1,247	1,241	6	0.5%	1,241		1,247	1,243	4	0.3%	1,248		
Operating Costs (excl. Depreciation)																	
Contractors	0	2	2	100.0%	21	33	12	35.6%	33		21	7	-15	-221.5%	7		
Professional Services	24	12	-12	-98.2%	72	147	75	51.3%	147		72	116	45	38.4%	116		
Repairs and Maintenance	69	25	-43	-173.5%	252	240	-11	-4.7%	240		252	194	-58	-30.1%	194		
Other Operating Costs	12	17	5	30.8%	207	210	3	1.5%	209	207	211	4	2.1%	210			
Employee Benefits	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0			
Finance costs	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0			
Total Operating Costs (excl. Depreciation)	105	56	-49	-87.2%	552	631	79	12.5%	630	552	528	-24	-4.6%	527			
Operating Surplus/(Deficit) (before Depreciation)	-1	47	-48	-101.6%	695	610	85	13.9%	611	695	715	-20	-2.8%	721			
Capital Funding																	
Subsidies and Grants - Capital	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0			
Development Contributions	1	1	0	-31.0%	11	16	-4	-27.8%	16	11	13	-2	-13.0%	13			
Financial Contributions	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0			
Rates (Capital)	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0			
Sale of Assets	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0			
Total Capital Funding	1	1	0	-31.0%	11	16	-4	-27.8%	16	11	13	-2	-13.0%	13			
Total Capital Funding and Operating Surplus	0	48	-48	-100.3%	707	626	80	12.9%	627	707	728	-22	-3.0%	734			
Capital Payments																	
Capital Expenditure	203	66	-138	-210.2%	803	320	-484	-151.4%	320	803	897	93	10.4%	897			
Total Capital Payments	203	66	-138	-210.2%	803	320	-484	-151.4%	320	803	897	93	10.4%	897			
Funding Surplus/(Deficit) - prior to reserve allocations and before Depreciation, Provisions and Operating Funds																	
	-203	-18	-186	1059%	-97	307	-403	-131%	308	-97	-168	72	-43%	-162			
Non Cash Accounts																	
Depreciation	31	31	0	0.0%	369	369	0	0.0%	369	369	369	0	0.0%	369			
Provisions	172	0	-172	0.0%	172	0	-172	0.0%	0	172	0	-172	0.0%	0			
Vested Assets	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0			
Total Memo Accounts	202	31	172	557.9%	541	369	172	46.5%	369	541	369	172	46.5%	369			

Kaipara District Council
Financial Reporting

For the period ended:		This Month				Year To Date				Whole Year Annual Plan	Commentary	Year To Date				Whole Year	
30 June 2017		Actual \$'000	Budget \$'000	Variance \$'000 %		Actual \$'000	Budget \$'000	Variance \$'000 %		Budget \$'000		Actual \$'000	Forecast Two \$'000		Variance \$'000 %		Forecast Two \$'000
Statement of Operating and Capital Performance																	
The Provision of Roads and Footpaths																	
Operating Revenues																	
	Rates (General)	788	787	0	0.0%	9,450	9,450	0	0.0%	9,450	Roading Operational subsidies of \$4.4 million have ended the year below budget by \$0.8 million and close to forecast. Contractor costs of \$5.7 million have tracked in a similar manner to subsidies being below budget by \$1.3 million and close to forecast. The main area was sealed maintenance which was \$0.7 million below budget with the reduction included in the forecast. Another \$0.4 million of the lower spend was in emergency works and districtwide operations. Professional costs tracked close to budget and forecast. Capital subsidies of \$5.2 million have ended the year below budget by \$1.0 million and below forecast by \$0.7 million. Capital works costs of \$8.5 million are below both budget and forecast for the year by \$2.1 million and \$1.3 million respectively. The main areas below forecast were minor improvements, \$0.7 million and bridges, \$0.4 million. Any carry forwards will be included in a separate paper to Council. A total of \$251,000 of development and financial contributions have been received. Internal Charges, Recoveries and Employee Benefits The Northland Transport Alliance (NTA) has changed the costing structure for roading. The NTA has brought in-house many of the costs previously incurred with professional engineers. The reclassification in October of professional charges relating to the treatment of costs from the Northland Transport Alliance (NTA) accounts for much of the lower than budget activity costs for the year. Council costs were previously coded as external and now have been more correctly classified as internal. The offset is in internal recoveries which are ahead of budget due to the new arrangements for the Northern Transport Alliance. An additional effect of the new arrangements means there is a reclassification between solid waste and roading. The changes above have streamlined both Roading and Solid Waste costs and required less interdepartmental charging.	9,450	9,455	-5	-0.1%	9,455	
	Rates (Targeted)	33	33	0	0.0%	390	390	0	0.0%	390		390	390	0	0.0%	390	
	Rates (Penalties)	0	0	0	0.0%	0	0	0	0.0%	0		0	0	0	0.0%	0	
	User Fees and Charges	0	0	0	0.0%	0	0	0	0.0%	0		0	0	0	15.0%	0	
	Other Revenue	4	0	4	0.0%	69	0	69	0.0%	0		69	45	23	51.4%	45	
	Subsidies and Grants - Operational	488	875	-387	-44.2%	4,452	5,226	-773	-14.8%	5,226		4,452	4,319	134	3.1%	4,319	
	Investments and Other Income	0	0	0	0.0%	0	0	0	0.0%	0		0	0	0	0.0%	0	
	Total Operating Revenues	1,313	1,695	-382	-22.6%	14,362	15,065	-704	-4.7%	15,065		14,362	14,209	153	1.1%	14,209	
Operating Costs (excl. Depreciation)																	
	Contractors	613	1,245	632	50.7%	5,730	6,982	1,252	17.9%	6,982		5,730	5,780	51	0.9%	5,780	
	Professional Services	113	76	-37	-48.5%	961	911	-51	-5.6%	911	961	901	-60	-6.6%	901		
	Repairs and Maintenance	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0		
	Other Operating Costs	184	202	18	8.8%	2,231	2,418	187	7.7%	2,417	2,231	2,202	-29	-1.3%	2,201		
	Employee Benefits	169	0	-169	0.0%	1,242	0	-1,242	0.0%	0	1,242	1,168	-73	-6.3%	1,168		
	Finance costs	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0		
	Total Operating Costs (excl. Depreciation)	1,079	1,523	444	29.1%	10,164	10,311	147	1.4%	10,310	10,164	10,052	-112	-1.1%	10,051		
	Operating Surplus/(Deficit) (before Depreciation)	234	173	61	35.6%	4,198	4,755	-557	-11.7%	4,756	4,198	4,157	41	1.0%	4,158		
Capital Funding																	
	Subsidies and Grants - Capital	704	160	544	338.9%	5,221	6,241	-1,020	-16.3%	6,241	5,221	5,934	-713	-12.0%	5,934		
	Development Contributions	47	24	23	98.8%	154	284	-131	-46.0%	284	154	199	-46	-22.9%	199		
	Financial Contributions	5	3	2	52.0%	97	40	57	143.3%	40	97	23	74	317.1%	23		
	Rates (Capital)	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0		
	Sale of Assets	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0		
	Total Capital Funding	756	188	569	303.5%	5,472	6,565	-1,093	-16.7%	6,565	5,472	6,156	-685	-11.1%	6,156		
	Total Capital Funding and Operating Surplus	990	360	630	175.1%	9,669	11,319	-1,650	-14.6%	11,320	9,669	10,313	-644	-6.2%	10,314		
Capital Payments																	
	Capital Expenditure	1,148	274	-874	-319.3%	8,465	10,621	2,156	20.3%	10,621	8,465	9,728	1,263	13.0%	9,728		
	Total Capital Payments	1,148	274	-874	-319.3%	8,465	10,621	2,156	20.3%	10,621	8,465	9,728	1,263	13.0%	9,728		
Funding Surplus/(Deficit) - prior to reserve allocations and before Depreciation, Provisions and Operating Funds																	
		-158	86	-244	-283%	1,205	699	506	72%	700	1,205	585	619	106%	587		
Non Cash Accounts																	
	Depreciation	515	515	0	0.0%	6,175	6,175	0	0.0%	6,175	6,175	6,175	0	0.0%	6,175		
	Provisions	57	0	-57	0.0%	89	0	-89	0.0%	0	89	32	-57	-178.9%	32		
	Vested Assets	57	0	-57	0.0%	89	0	-89	0.0%	0	89	32	-57	-178.9%	32		
	Total Memo Accounts	629	515	114	22.2%	6,353	6,175	178	2.9%	6,175	6,353	6,239	114	1.8%	6,239		

For the period ended:		This Month				Year To Date				Whole Year Annual Plan	Commentary	Year To Date				Whole Year	
30 June 2017		Actual \$'000	Budget \$'000	Variance \$'000 %		Actual \$'000	Budget \$'000	Variance \$'000 %		Budget \$'000		Actual \$'000	Forecast Two \$'000		Variance \$'000 %		Forecast Two \$'000
Statement of Operating and Capital Performance																	
Water Supply																	
Operating Revenues																	
	Rates (General)	0	0	0	0.0%	0	0	0	0.0%	0	Water Supply Rates revenue which is billed as water by meter is below budget for the year reflecting lower water use with the main area below budget being Ruawai. Operating costs are ahead of budget due to the work required to locate and repair a leak in Maungaturoto earlier in the year and costs incurred in Dargaville, Maungaturoto and Ruawai due to the contract rates in the water services contract. Capital expenditure costs in June are mainly the water main renewal in Maungaturoto and the pipe replacement project in Dargaville is virtually complete. For the year \$1.2 million has been spent within water supply which is approximately 84% of the year's forecast reflecting savings on the Baylys Beach main trunk replacement. Water supply has spent more than the original budget with the work carried forward from last year and extra projects approved in forecast one for Dargaville and Mangawhai.	0	0	0	0.0%	5	
	Rates (Targeted)	168	239	-71	-29.6%	2,744	2,866	-122	-4.3%	2,866		2,744	2,911	-167	-5.7%	2,911	
	Rates (Penalties)	0	0	0	0.0%	0	0	0	0.0%	0		0	0	0	0.0%	0	
	User Fees and Charges	2	2	0	-17.6%	11	23	-13	-54.4%	23		11	14	-3	-23.2%	14	
	Other Revenue	0	0	0	0.0%	5	0	5	0.0%	0		5	5	-1	-9.8%	5	
	Subsidies and Grants - Operational	0	0	0	0.0%	0	0	0	0.0%	0		0	0	0	0.0%	0	
	Investments and Other Income	0	0	0	0.0%	0	0	0	0.0%	0		0	0	0	0.0%	0	
	Total Operating Revenues	169	241	-71	-29.6%	2,759	2,889	-130	-4.5%	2,889		2,759	2,930	-170	-5.8%	2,935	
Operating Costs (excl. Depreciation)																	
	Contractors	17	13	-4	-30.9%	210	220	9	4.3%	220		210	236	26	11.0%	236	
	Professional Services	93	19	-74	-386.3%	146	169	24	14.1%	169	146	124	-22	-17.5%	124		
	Repairs and Maintenance	121	23	-98	-418.0%	704	268	-437	-163.3%	268	704	579	-125	-21.6%	579		
	Other Operating Costs	39	51	12	24.0%	615	638	23	3.6%	637	615	616	0	0.0%	615		
	Employee Benefits	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0		
	Finance costs	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0		
	Total Operating Costs (excl. Depreciation)	270	107	-163	-152.5%	1,676	1,295	-381	-29.4%	1,294	1,676	1,555	-121	-7.8%	1,554		
	Operating Surplus/(Deficit) (before Depreciation)	-101	134	-235	-175.3%	1,084	1,594	-511	-32.0%	1,595	1,084	1,375	-291	-21.2%	1,381		
Capital Funding																	
	Subsidies and Grants - Capital	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0		
	Development Contributions	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0		
	Financial Contributions	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0		
	Rates (Capital)	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0		
	Sale of Assets	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0		
	Total Capital Funding	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0		
	Total Capital Funding and Operating Surplus	-100	134	-234	-175.0%	1,084	1,594	-510	-32.0%	1,595	1,084	1,375	-291	-21.1%	1,381		
Capital Payments																	
	Capital Expenditure	101	31	-70	-225.1%	1,160	984	-177	-18.0%	984	1,160	1,388	228	16.4%	1,388		
	Total Capital Payments	101	31	-70	-225.1%	1,160	984	-177	-18.0%	984	1,160	1,388	228	16.4%	1,388		
Funding Surplus/(Deficit) - prior to reserve allocations and before Depreciation, Provisions and Operating Funds																	
		-201	103	-304	-296%	-76	611	-687	-112%	612	-76	-13	-63	476%	-7		
Non Cash Accounts																	
	Depreciation	94	94	0	0.0%	1,126	1,126	0	0.0%	1,126	1,126	1,126	0	0.0%	1,126		
	Provisions	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0		
	Vested Assets	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0	0.0%	0		
	Total Memo Accounts	94	94	0	0.0%	1,126	1,126	0	0.0%	1,126	1,126	1,126	0	0.0%	1,126		

Attachment 2

As at		Last Month 31/05/2017	This Month 30/06/2017		2016-2017
30 June 2017		Actual \$'000	Actual \$'000	Movement \$'000	Annual Plan \$'000
Statement of Financial Position					
Whole of Council					
Equity					
	Accumulated Funds	381,360	380,941	-419	375,619
	Restricted Reserves	5,673	5,673	0	5,692
	Asset Revaluation Reserve	197,939	199,499	1,560	210,459
	Council Created Reserves	-16,965	-16,934	31	-18,408
	Total Equity	568,006	569,179	1,173	573,362
represented by					
Current Assets					
	Cash and Cash Equivalents	898	11,874	10,976	682
	Other Financial Assets	115	115	0	115
	Trade and Other Receivables	5,639	4,613	-1,026	7,410
	Accrued Revenue	1,825	1,963	138	1,946
	Non Current Assets Held for Sale	186	186	0	210
	Total Current Assets	8,663	18,751	10,089	10,363
less					
Current Liabilities					
	Trade and Other Payables	11,078	9,095	-1,983	9,386
	Provisions	139	145	6	188
	Employee Entitlements	247	250	2	413
	Public Debt	5,750	22,127	16,377	1,064
	Total Current Liabilities	17,215	31,617	14,402	11,051
Working Capital / (Deficit)		-8,552	-12,866	-4,313	-688
plus					
Non Current Assets					
	Property, Plant & Equipment	626,146	626,604	458	643,649
	LGFA Borrower notes	688	688	0	560
	Biological Assets	3,466	3,466	0	2,786
	Derivative Financial Assets	0	0	0	0
	Other Financial Assets	276	278	1	273
	Total Non Current Assets	630,577	631,036	459	647,268
less					
Non Current Liabilities					
	Public Debt	43,000	40,000	-3,000	63,684
	Provisions	4,570	4,796	226	4,291
	Derivative Financial Liabilities	6,448	4,196	-2,253	5,243
	Total Non Current Liabilities	54,018	48,992	-5,026	73,218
Net Assets		568,006	569,179	1,173	573,362
		0	0		0
	Net Debt (Loans less bank)	47,852	50,253		64,066

Attachment 3

For the year ended:	YTD Actual	Annual Plan	Forecast Two
30 June 2017	2016-2017 \$'000	2016-2017 \$'000	2016-2017 \$'000

Cash Flow Statement

Cash Flow from Operating Activities

Receipts:

Rates	32,354	32,288	32,387
Fees, charges and other	10,067	5,511	8,147
Grants and subsidies	9,721	11,657	10,307
Interest received	129	25	25
<i>sub total</i>	52,271	49,481	50,866

Payments:

Suppliers and employees	29,830	31,552	30,308
Taxes (including the net effect of GST)	-314	0	0
Interest expense	3,067	3,440	3,133
<i>sub total</i>	32,583	34,992	33,441

Net Cash Flow from/(to) Operating Activities

19,688	14,489	17,425
--------	--------	--------

Cash Flow from Investing Activities

Receipts:

Sale of Property, plant and equipment	1,633	150	451
<i>sub total</i>	1,633	150	451

Payments:

LGFA Borrower notes	128	0	128
Property, plant and equipment purchases	13,770	15,863	16,035
<i>sub total</i>	13,898	15,863	16,163

Net Cash Flow from/(to) Investing Activities

-12,265	-15,713	-15,712
---------	---------	---------

Cash Flow from Financing Activities

Receipts:

Loans raised (Net)	0	0	0
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Payments:

Loans repayment (Net)	-2,834	-213	-2,834
-----------------------	--------	------	--------

Net Cash Flow from/(to) Financing Activities

-2,834	-213	-2,834
--------	------	--------

Net Increase/(Decrease) in cash and cash equivalents

4,589	-1,437	-1,121
-------	--------	--------

Cash and cash equivalents at beginning of period

7,285	2,119	7,285
-------	-------	-------

Cash and cash equivalents at end of period

11,874	682	6,164
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Attachment 4

Kaipara District Council Interest Rate Position			
12 Month Forecast Core Debt:	57.7	30-Jun-17	
Policy Limits	60% - 90%		
Overall Fixed:Floating Mix	90.10%		
Policy Compliance	N		
Note: Out of Policy Poistion as at 30 Jun 2017 approved at meeting 8 May 2017			
Fixed Rate Maturity Profile:			
Years	1 - 3 years	3 - 5 years	5 years plus
Policy Limits	15% - 60%	15% - 60%	0% - 60%
Actual Hedging	29%	27%	44%
Policy Compliance	Y	Y	Y
Liquidity Ratio:			
	110%		
Actual	117.70%		
Policy Compliance	Y		
Funding Maturity Profile:			
Years	0 - 3 years	3 - 5 years	5 years plus
Policy Limits	15% - 60%	15% - 60%	10% - 40%
Actual Hedging	48%	34%	18%
Policy Compliance	Y	Y	Y
Weighted Average Duration:			
Funding	2.79 Years		
Fixed Rate Portfolio (swaps and fixed rate loans)	4.42 Years		
Weighted average margin		0.62%	
Weighted average Commitment/Line Fee		0.11%	
Weighted average fixed rate (swaps & term loans/bonds)		4.43%	
All up cost of borrowing (On Drawn Debt)		4.98%	
Counterparty Credit Risk (Interest Rate Risk Mgmt Instruments and investments)			
Policy Credit Limit (NZ\$) per NZ Registered Bank (Interest rate risk management)		\$	20,000,000
Policy Credit Limit (NZ\$) per NZ Registered Bank (Investments)		\$	15,000,000
Policy Credit Limit (NZ\$) per NZ Registered Bank (Total maximum per counterparty)		\$	30,000,000
	Credit Exposure (Swaps)	Credit Exposure (Investments)	Compliance
	(\$m)	(\$m)	
WPC	0.00	0.00	Y
ANZ	1.90	0.00	Y
ASB	0.00	0.00	Y
BNZ	6.05	0.00	Y
Kiwibank	0.00	0.00	Y
CBA	0.00	0.00	Y

30-Jun-17

Kaipara District Council

Funding & Liquidity Risk Position

Committed Loan/Stock/Facilities/Investments \$72.3m

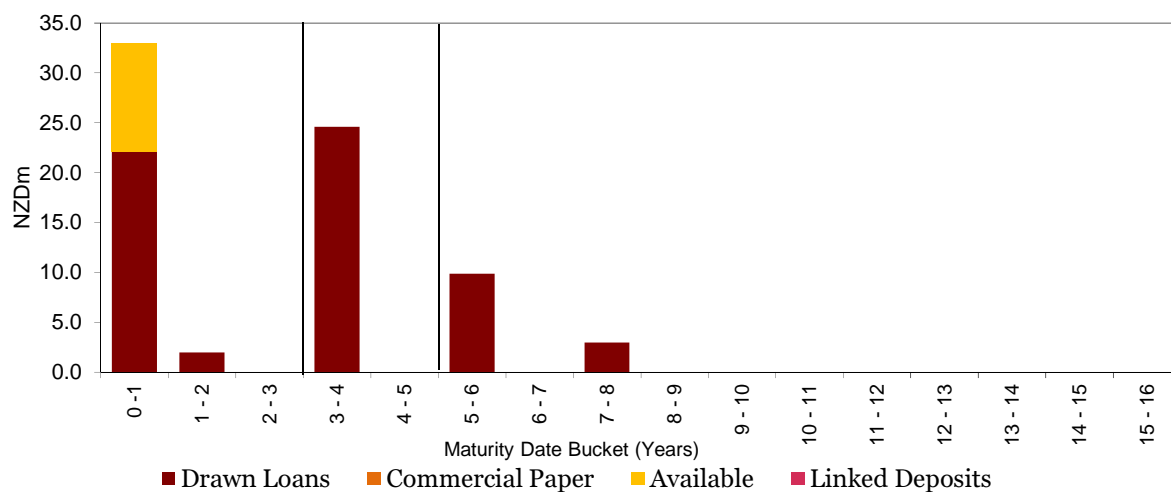
Current External Debt \$61.4m

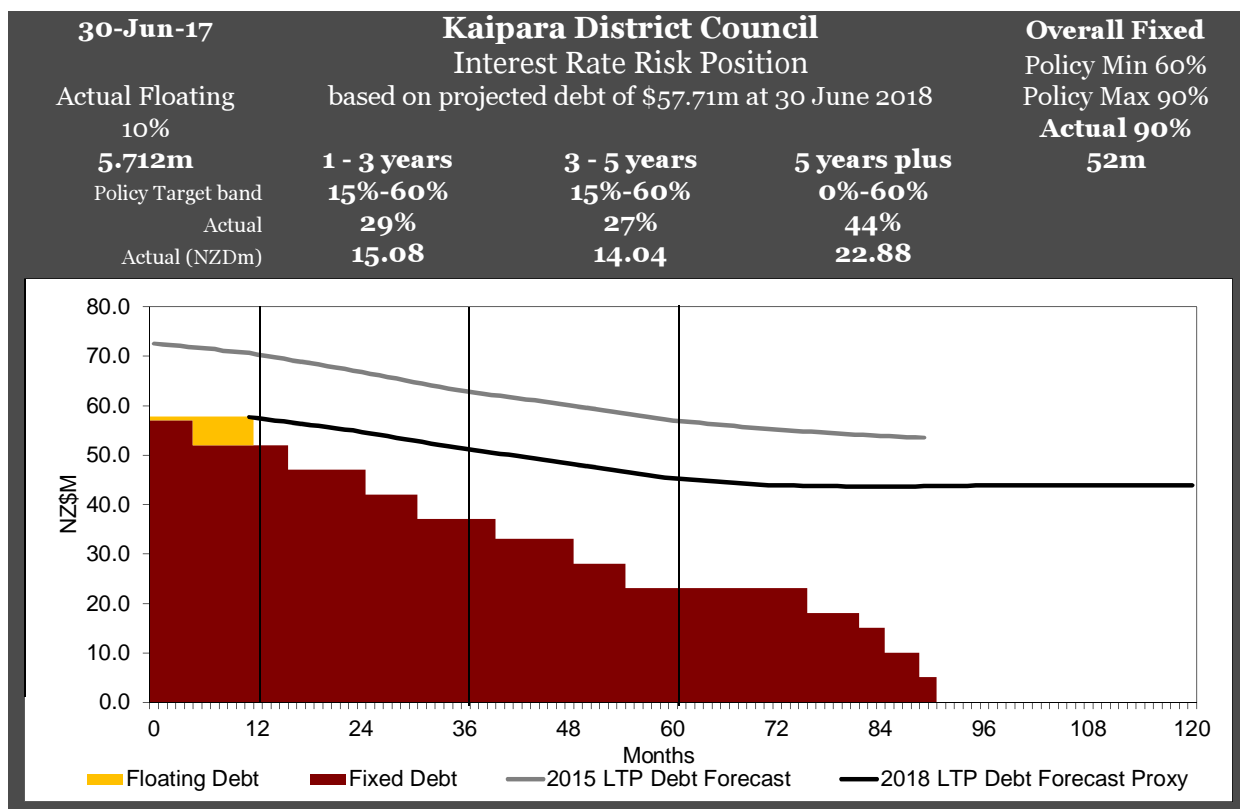
Current Net Debt \$61.4m

Policy Liquidity Ratio $\geq 110\%$

Actual Liquidity Ratio 118%

	0 - 3 years	3 - 5 years	5 years plus
Policy Target Band	15%-60%	15%-60%	10%-40%
Actual	48%	34%	18%
Actual (NZDm)	34.92	24.60	12.79





Interest Rate Risk Management

Interest rate risk management is about protecting against future interest rate rises and giving a measure of certainty about interest rate cost. The level of interest rate protection is looked at in the context of overall debt forecasts and is measured against the projected debt position at 30 June 2018 (at this point). The grey line in the graph above shows the projected debt for the remaining years of the 2015-2025 Long Term Plan. The black line is an interim proxy for the 2018-2028 Long Term Plan base. The graph shows that interest rate protection is at 85% for June 2017 and diminishes over time.

Interest Rate Risk Position

The interest rate risk position visually represents the Council's interest rate position within approved interest rate control limits as set out in the treasury policy document. The chart takes a snapshot of the risk position as at the reporting date.

The brown part of the graph shows the amount of debt which is fixed - (this includes fixed rate bonds together with payer swaps) meaning debt which gets repriced in one year's time or later. The top of the red area represents the forecast debt in a year's time. The yellow area therefore illustrates the amount of debt deemed floating rate and will include any forecast debt that has not been pre-hedged. Any existing loans or financial instruments which will be repriced within the next 12 months are included in the red area.

The key areas of focus are;

Fixed Rate Percentage Limit: (wholesale interest rate certainty)

The fixed rate percentage calculation is the total amount of fixed rate debt/interest rate hedges over the 12 month forecast net debt

Fixed Rate Maturity Limits: (spreading of wholesale interest rate maturity risks)

Fixed rate repricing maturity dates are spread based on defined maturity band limits, 1 - 3 years, 3 - 5 years and 5 - 10 years. Minimum and maximum percentage limits within each time band ensure a spread of maturities and reduces the risk of maturity concentrations.

5 Information Papers

File number: 4102 **Approved for agenda** ☒
Report to: Council
Meeting date: 14 August 2017
Subject: Kaipara District Council Draft 2018/2021 Co-funding Bid to
NZ Transport Agency
Date of report: 31 July 2017
From: Henri Van Zyl, Roothing and Solid Waste Manager
Report purpose ☐ **Decision** ☒ **Information**
Assessment of significance ☐ **Significant** ☒ **Non-significant**

Summary

All councils are required to submit an indication of their 2018/2021 three year funding bid that will be submitted to the NZ Transport Agency (NZTA) for the next three-year roading programme. The final bid will be submitted in October after further information is received. This interim budget for the bid is submitted for Council's information. The current financial year 2017/2018 is the third year and last year of the current 2015/2018 three year funding cycle. The inclusion of these figures in **Attachment 1** is to show the proposed changes compared to the current financial year to give a perspective of scale.

Council's Roothing team is working towards the development of the 2018/2021 funding bid in conjunction with NZTA with the understanding that this is a bid, and would need to be further scrutinised to become a final bid and then the final approved budget.

The paper is for the information of Council and to keep the momentum going on the process that is currently being worked through. Once the feedback from NZTA has been received, Council's Roothing team will incorporate that into the final bid in consultation with Council.

Recommendation

That Kaipara District Council receives the Roothing and Solid Waste Manager's funding report 'Kaipara District Council Draft 2018/2021 Co-funding Bid to NZ Transport Agency', and its attachment, dated 31 July 2017 and the information therein.

Reason for the report

To inform Council of the 2018/2021 interim bid submission to the NZ Transport Agency (NZTA).

Background

As part of the NZTA three year funding cycle, councils are required to submit their initial bids by 30 August 2017 for the 2018/2021 funding cycle. This is the start of the negotiation process.

The spreadsheet (**Attachment 1**) is an indication of the funding bid that is proposed to be submitted and includes the current 2017/2018 budget for comparison. The final bid is required to be submitted in October 2017 after information is received from the sealed network deterioration model (dTMS), the Lifecycle Management report and the Unsealed Strategy report.

It should be noted that the bid is exclusive of non-subsidised Roothing activities such as seal extensions.

Issues

A clarification for the proposed increase in the 2018/2021 budget is as follows:

Emergency fund local share –	Funding set aside in case of an emergency event
111 Sealed pavement maintenance –	Includes for a dedicated crack seal programme that will extend the life of the seal, plus extra for increase in pre-seal repairs.
111 Forestry rates -	Half the forestry rate take is to be used on the sealed network to cover consumption caused by logging transport.
112 Unsealed pavement maintenance –	Should reduce with the impact of the renewal programme. Has \$150k for dust suppression on forestry routes during summer.
113 Routine drainage maintenance –	Slight initial increase to cover improved side drain maintenance
114 Structures maintenance -	Reduction due to increase in renewal programme enabling better quality asset.
121 Environmental maintenance -	Increase to cover pruning programme.
122 Traffic services maintenance -	Reduction due to saving from streetlight power
131 Level crossing warning devices -	Only CPI and overhead change
151 Network and asset management -	To cover U/S Roadroid, Sealed HSD, FWD, dTIMS, Bridge inspections, structures inspections, RAMM, Asset Management, traffic counts, TMP's, CAR's, JUNO, etcetera
211 Unsealed road metalling -	\$1m extra to improve pavement depth and strength
212 Sealed road resurfacing -	Extra to catch up with poor texture values and backlog of first coat seals
213 Drainage renewals -	Extra \$400k to catch up with undersize pipes and improve side drains
214 Sealed road pavement rehabilitation -	Reduction in Rehabs first two years to match condition assessments and dTIMS model results but spike in Year 3
215 Structures component replacements -	Bridge and retaining structures component replacements
222 Traffic services renewals -	Reduction to match new LED network zero renewal needs.
432 Road Safety Promotion 2015-18-High Strategic fit -	Increase to improve safety programme.
432 Road Safety Promotion 2015-18-Medium Strategic fit -	No change
322 Bridge replacements -	Mangawhai-Kaiwaka Road + others

324 Road Improvements -	Mangawhai roundabout plus other growth improvements
341 Minor improvements/safety/resilience -	Network safety improvements + Resilience improvements to risk parts of network
452 Cycling -	e.g. Mangawhai shared path improvements and Kaiwaka improvements

Factors to consider

Community views

The community will expect to see an improved unsealed network with co-investing from NZTA.

Policy implications

Not applicable.

Financial implications

NZTA investment share is reliant on Council providing its 39% share. The Government's 61% share is contestable and reliant on evidence-based business cases.

Legal/delegation implications

Not applicable.

Options

For Council's information only.

Assessment of significance

For Council's information only.

Next step

Final bid submitted to NZTA in October after receipt of further information and feedback from NZTA.

Attachment

1. KDC draft 2018/2021 co-funding bid to NZTA

WC	Activities /Programmes	2017/18 Budget Total	2018/19 Budget Total	2019/20 Budget Total	2020/21 Budget Total	Notes
Emergency works and Preventive Maintenance			0	0	0	
141	Cyclone Cook	900000	0	0	0	
	Local Share					
141	Cyclone Debbie	318000	0	0	0	
	Local Share					
	Future NZTA Fund					
	Emergency Fund Local share		200,000	200,000	200,000	Funding set aside in case of an emergency event
	Subtotal	\$1,218,000	200,000	200,000	200,000	
Local road maintenance - Local Roads						
111	Sealed pavement maintenance	\$1,565,840	1,800,000	1,800,000	1,800,000	includes for a dedicated crack seal programme that will extend the life of the seal, plus extra for increase in pre seal repairs
	Forestry Rate					Half the Forestry rate take is to be used on the Sealed network to cover damage caused by Logging Transport
	General Rates					
112	Unsealed pavement maintenance	\$2,454,000	2,300,000	2,200,000	2,100,000	should reduce with the impact of the Renewal program. Has \$150k for dust suppression on forestry routes during summer
	Local Share					
113	Routine drainage maintenance	\$521,457	550,000	530,000	520,000	slight initial increase to cover improved side drain Maintenance
	Local Share					
114	Structures maintenance	\$265,850	250,000	250,000	250,000	Reduction due to increase in Renewal programme enabling better quality asset
	Local Share					
121	Environmental maintenance	\$516,516	520,000	520,000	520,000	Increase to cover pruning programme
	Local Share					
122	Traffic services maintenance	\$746,425	720,000	710,000	690,000	education due to saving from streetlight power
	Local Share					
131	Level crossing warning devices	\$10,225	12,000	12,000	12,000	Only CPI and Overhead change
	Local Share					
151	Network and asset management	\$1,462,175	1,300,000	1,300,000	1,300,000	to cover U/S Roadroid, Sealed HSD, FWD, dTIMS, Bridge inspections, structures inspections, RAMM, Asset Management, traffic counts, TMP's, CAR's, JUNO FIT.
	Operations Subtotal	\$7,542,488	\$7,452,000	\$7,322,000	\$7,192,000	
211	Unsealed road metalling (NZTA)	\$1,982,606	3,000,000	3,000,000	3,000,000	\$1m extra to improve pavement depth and strength
	General Rates share					
212	Sealed road resurfacing	\$1,164,253	2,200,000	2,300,000	2,100,000	extra to catch up with poor texture values and backlog of first coat seals
	Local Share					
213	Drainage renewals	\$409,852	800,000	800,000	800,000	Extra \$400k to catch up with undersize pipes and improve side drains
	Local Share					
214	Sealed road pavement rehabilitation	\$2,599,195	1,400,000	1,400,000	2,370,000	reduction in Rehabs first two years to match Condition assessments and dTIMS model results but spike in Yr3
	Local Share					
215	Structures component replacements	\$436,267	750,000	750,000	750,000	bridge and retaining structures component replacements.
	Local Share					
222	Traffic services renewals	\$189,572	150,000	150,000	150,000	Reduction to match new LED network zero renewal needs.
	Local Share					
	Renewals Subtotal	\$6,781,745	\$8,300,000	\$8,400,000	\$9,170,000	
	MO&R Total.	\$14,324,233	\$15,752,000	\$15,722,000	\$16,362,000	
Investment management (incl. Transport Planning)						
3	Activity Management Plan/ONRC transition plan-AMP improvements	\$50,000	0	0	0	
	Local Share					
	Subtotal	\$50,000	\$0	\$0	\$0	
Road safety promotion						
432	Road Safety Promotion 2015-18-High Strategic fit	\$152,505	125,000	135,000	145,000	Increase to improve Safety programme.
	Local Share					
432	Road Safety Promotion 2015-18-Medium Strategic fit	\$28,500	20,000	20,000	20,000	No Change
	Local Share					
	Subtotal	\$181,005	145,000	155,000	165,000	
Local road improvements						
322	Bridge replacements		1,600,000	900,000	900,000	Mangawhai-Kaiwaka Road + others

324	Road Improvements	\$400,000	2,100,000	2,500,000	2,500,000	Mangawhai roundabout plus other improvements
	Growth cost					
341	Minor improvements/safety/resilience	\$2,820,369	1,806,736	1,806,736	1,806,736	Network safety improvements + Resilience improvements to risk parts of network
	Local Share					
357	Resilience Improvement 2015/2018	\$820,000	0	0		
	Local Share					
451	Walking		0	0		
452	Cycling		300,000	310,000	280,000	Mangawhai shared path improvements and Kaiwaka improvements
	Rates					
	LED Conversion (Draft)	\$1,300,000				Streetlight LED changeover programme
	Local Share					
	Crash Reduction Study		50,000			
	Subtotal	5,340,369	5,856,736	5,516,736	5,486,736	
	Grand Total	21,113,607	21,953,736	21,593,736	22,213,736	

File number: 2121.1
Report to: Council
Meeting date: 14 August 2017
Subject: Residents Survey 2016/2017 Annual Report
Date of report: 25 July 2017
From: Peter Marshall, General Manager Corporate Services
Report purpose ☐ **Decision** ☒ **Information**
Assessment of significance ☐ **Significant** ☒ **Non-significant**

Approved for agenda ☒

Summary

Council engages Key Research Ltd to conduct telephone surveys of Kaipara residents to obtain feedback on resident's perceptions of Council's performance and reputation across a range of services and activities. Key Research surveys 100 residents selected at random every quarter and on top of quarterly updates, produces an annual report with analysis from the 400 interviews.

The report for the 2016/2017 year (**Attachment 1**) includes trend comparisons with the previous financial year. The report contains an Executive Summary listing the research objectives, methodology and key findings. A summary of these key findings include:

- Residents are largely satisfied with Council services, facilities and infrastructure (up 10%);
- A majority of residents remain sceptical of Council's performance;
- Council's reputation will improve by demonstrating more transparent and wise financial decision-making;
- Older residents tend to rate Council's reputation higher than younger residents;
- Satisfaction is higher in relation to public facilities and waters infrastructure, and lower with roading infrastructure and property rates; and
- Residents would value improvements to unsealed roads and service request outcomes.

Additional data is available to further interrogate the results around wards, age groups, gender and urban/rural mix. Also verbatim reports of individual commentary is available.

Recommendation

That Kaipara District Council:

- 1 *Receives the General Manager Corporate Service's report 'Residents Survey 2016/2017 Annual Report' dated 25 July 2017*

Reason for the recommendation

So Council will receive the Residents Survey Annual Report for the 2016/2017 financial year.

Reason for the report

To present the Residents Survey Annual Report for the 2016/2017 financial year to Council.

Background

For many years Council has contracted an external research consultancy to conduct telephone surveys of Kaipara residents on their perceptions of Council's performance across a number of categories including Council's overall reputation.

In 2016 Council extensively reviewed the survey questions and engaged a new consultancy, Key Research, to undertake the work. Key Research stagger their surveying during the year by conducting 100 interviews in each quarter. The benefits of this initiative is that we receive quarterly progress updates on community perceptions, and we avoid seasonal factors influencing feedback e.g. the previous contractor did their research in late summer.

The survey results also provide data to measure Council performance against a number of key measures contained in Council's Long Term Plan, and reported against in the Annual Report.

Part of the contract with Key Research is that they produce an Annual Report including analysis of the results and recommendations about the main areas to focus on to produce improved community perceptions of Council performance. Their Annual Report is attached for Council consideration.

Issues

The key findings of Key Research can be summarised as follows:

- Residents are largely satisfied with Council services, facilities and infrastructure (up 10%);
- A majority of residents remain sceptical of Council's performance;
- Council's reputation will improve by demonstrating more transparent and wise financial decision-making;
- Older residents tend to rate Council's reputation higher than younger residents;
- Satisfaction is higher in relation to public facilities and waters infrastructure, and lower with roading infrastructure and property rates; and
- Residents would value improvements to unsealed roads and service request outcomes.

There is an obvious objective to achieve an improving trend in how Council is perceived by Kaipara residents.

Factors to consider

Community views

The communities' views on Council's performance, reputation and value for money are extremely important given that, as a Local Authority, Council is accountable to the Kaipara Community (s3 (c) of the Local Government Act 2002).

Policy implications

Nil.

Financial implications

Nil, unless a programme of work is developed to address Key Findings.

Legal/delegation implications

Nil.

Assessment of significance

This is not a significant matter having regard to Council's Significance and Engagement Policy.

Attachments

- Key Research 2017 Annual Residents Survey



Kaipara District Council

2017 Annual Residents Survey

Introduction, Objectives and Methodology

Introduction

The Kaipara District Council has an ongoing need to measure how satisfied residents are with resources, facilities and services provided by the Council, and to prioritise improvement opportunities that will be valued by the community. Key Research has developed a comprehensive mechanism for providing this service

Research Objectives

- To provide a robust measure of satisfaction with the Council's performance in relation to services and Council assets
- To determine performance drivers and assist Council to identify the best opportunities to further improve satisfaction
- To assess changes in satisfaction over time and measure progress against the Long Term Plan

Methodology

- The methodology involves a quarterly telephone survey measuring the performance of the Kaipara District Council, together with quarterly dashboard reporting of progress
- The questionnaire was designed in consultation with staff of the Kaipara District Council and is structured to provide a comprehensive set of measures relating to core activities, services and infrastructure, and to provide a wider perspective of performance. This includes assessment of reputation, the willingness of residents to become involved with Council's decision making and to measure satisfaction across a range of lifestyle related measures
- The questionnaire was subjected to an initial pilot phase involving 19 interviews. The data from this phase was downloaded and carefully checked to ensure that the questionnaire was working as designed. Interviewers also confirmed that the questionnaire was flowing well and that there were no obvious issues with ambiguity
- Data collection was conducted over four periods; 101 responses between 12th to 26th September 2016, 101 responses between 20th January to 13th February 2017, 100 responses between 16th March to 7th April, and 98 responses between 25th May to 19th June 2017
- Data collection was managed to achieve defined quota targets based on age, gender, ward and ethnicity. Post data collection the sample has been weighted so it is exactly representative of key population demographics based on the 2013 Census
- At an aggregate level the survey has an expected 95% confidence interval (margin of error) of +/-4.9%
- There are instances where the sum of the whole number score varies by one point relative to the aggregate score due to rounding

Key Findings

1

Residents of the Kaipara District Council are largely satisfied with the various services, facilities and infrastructure that are provided and maintained by Council with 65% of residents being satisfied (% scoring 6 to 10) with overall performance compared to 55% in 2016

2

The Kaipara District Council does not have a particularly strong reputation with the majority of residents classified as *'Sceptics'*, having negative perceptions of the work that Council delivers to the community; they have little trust and doubt Council's vision and leadership

3

There is potential to improve reputation by demonstrating greater transparency with spending and by demonstrating wise spending and investment decisions and by further improving the reputation it has with regard to quality of its services

4

It is apparent that the 35-49 year old age group are likely to rate Council's reputation poorly while the older age groups are more likely to be classified as *'Champions'* who view the Council as competent and have a more positive emotional connection

5

Quality of life in the Kaipara District Council is rated highly by its residents. Satisfaction is highest in relation to public facilities and the three waters by those who use these services and facilities. Residents are less satisfied with aspects of roading infrastructure and property rates

6

While not specifically identified as high priorities, there is some evidence to suggest that residents would value improvements to the outcome from a request or complaint made to Council and the ride quality of Council's unsealed roads



Summary of Key Performance Indicators

Residents are particularly satisfied with the various public facilities, but are less satisfied with aspects of roading and recycling

Overall performance: Services and facilities summary

		Satisfaction with performance (% 6-10) 2017		
		2016	Difference	Sample
Library in Dargaville	88%	91%	-3%	165
Range of material at the library	86%	94%	-8%	164
Local park or sports field	86%	84%	2%	237
Response to request for resource consent	84%	77%	7%	22
Sewerage system	82%	83%	-1%	127
Response to questions on protecting public health	81%	38%	43%	11
Response to request for building permit	80%	85%	-5%	43
Public toilets	79%	72%	7%	262
Stormwater collection	79%	81%	-2%	117
Standard of signage and road markings on sealed roads	79%	60%	19%	382
Water supply	78%	82%	-4%	117
Refuse bag collection	74%	77%	-3%	324
Council road network reliability	73%	-	new	387
Response to questions on rubbish/recycling	72%	54%	18%	20
Litter and graffiti control	69%	70%	-1%	340
Response to water supply, sewerage or stormwater collection system	65%	31%	34%	40
Dog and stock control	65%	63%	2%	308
Footpaths	63%	59%	4%	352
Council's recycling service	59%	59%	0%	300
Standard of signage of unsealed roads	56%	28%	28%	358
Response to questions on animal management	48%	45%	3%	69
Ride quality of sealed roads	47%	45%	2%	393
Ride quality of unsealed roads	22%	22%	0%	369

NOTES:

1. Total Sample: 2017 n=400; 2016 n=401

2. Excludes 'Don't know' responses

3. "Ride quality of sealed/unsealed roads", for 2016 was asked as "Surface of sealed/unsealed roads"

4. "Standard of signage and road markings on sealed/unsealed roads", for 2016 was asked as "Safety of sealed/unsealed roads"

5. "Response to water supply, sewerage or stormwater collection system", for 2016 was asked as "Response to stormwater maintenance"

Quality of life in the Kaipara District is rated highly however only just less than half (48%) of residents are satisfied with annual property rates being fair and reasonable

Overall performance: Council, contact and value summary

		Satisfaction with performance (% 6-10)		
		2016	Difference	Sample
Quality of life in the Kaipara District	93%	89%	4%	392
Invoicing is clear & correct	88%	81%	7%	341
Payment arrangements are fair & reasonable	88%	80%	8%	340
Ease of contacting the Council	81%	83%	-2%	237
Community Spirit	81%	79%	2%	389
Staff understand queries and communicate well	77%	79%	-2%	234
Time to obtain information to resolve issue	65%	67%	-2%	233
Request or complaint outcome	61%	69%	-8%	225
Council involves public in decision making	57%	46%	11%	361
Water rates are fair & reasonable	53%	41%	12%	139
Annual property rates are fair & reasonable	48%	43%	5%	350

NOTES:

1. Total Sample: n=400
2. Excludes 'Don't know' responses

2017 comparison to 2015 and 2016 results

Key Performance Measures	Usage 2015	Performance 2015	Usage 2016	Performance 2016	Usage 2017	Performance 2017	Sample n= 2017
Plans for the future are in the best interests of the district ⁽³⁾		51%		39%		51%	400
Usage and satisfaction with district libraries	54%	86%	24%	90%	40%	87%	162
Usage and satisfaction with local parks and sports fields	69%	83%	58%	83%	63%	83%	251
Usage and satisfaction with public conveniences	73%	69%	66%	72%	69%	79%	275
Satisfaction with Council's response for Building Permit	8%	63%	9%	82%	11%	75%	45
Satisfaction with Council's response for Resource Consent	4%	36%	5%	67%	6%	70%	25*
Satisfaction with footpaths		52%		54%		56%	400
Satisfaction with recycling services	52%	74%		44%		44%	400
Satisfaction with Request for Service – Animal Management	8%	46%	15%	44%	17%	47%	67
Protection of public health	2%	15%	2%	38%	3%	74%	12*
Satisfaction with how rates are spent on services and facilities provided by Council - Overall		56%		43%		44%	400
Satisfaction with the way Council involves the public in decision making		47%		44%		51%	400

NOTES:

1. Sample: 2015 n= 303, 2016 n=401, 2017 n=400

2. Including 'Don't know' responses

3. From 2016 onwards wording of question is: "Now thinking about how open and transparent Council is, whether it can be relied on to act honestly and fairly, its competence, future planning and ability to work in the best interests of the district. Overall how much confidence do you have in Council?"

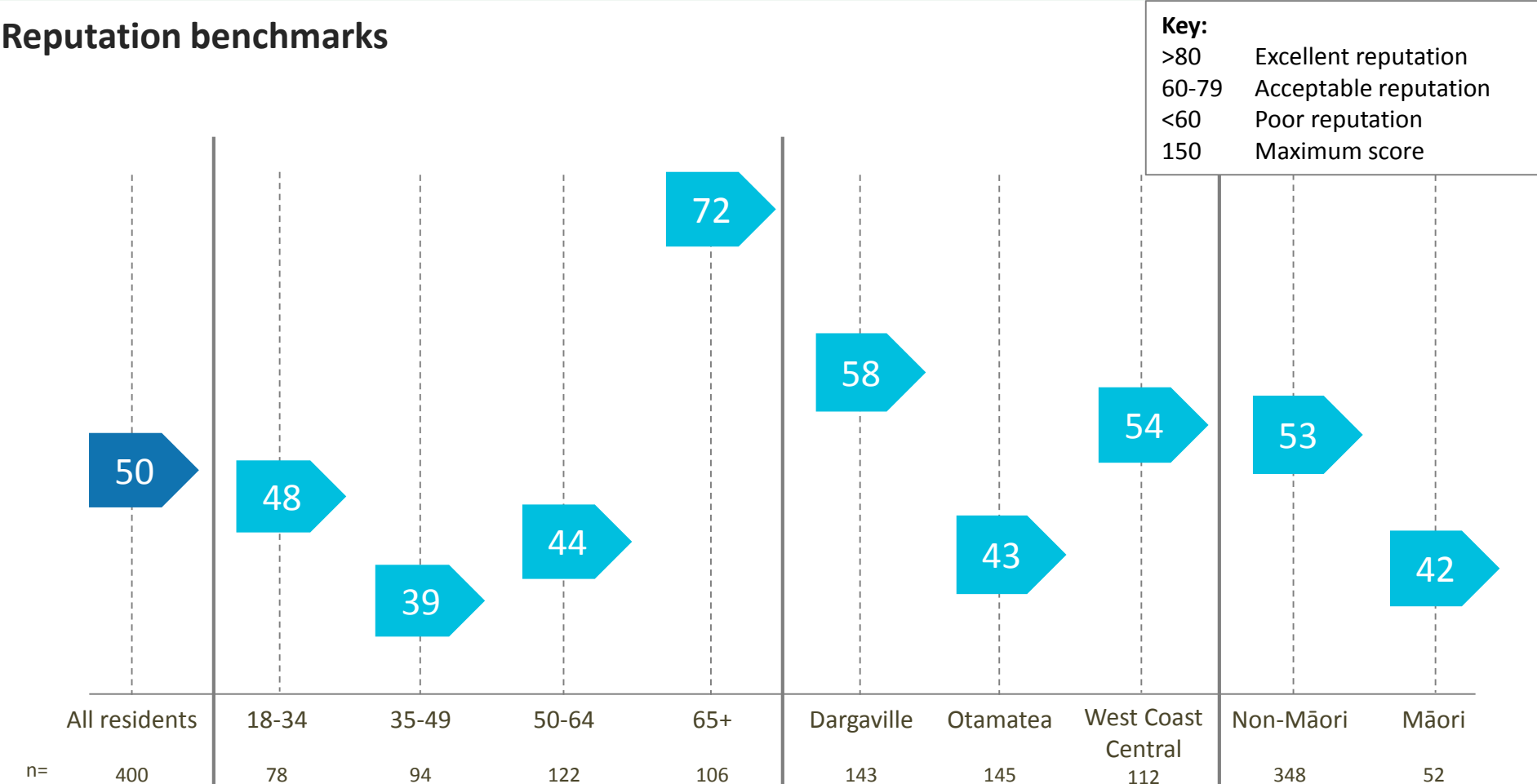
*Warning: small sample



Understanding reputation

Residents aged 65 and older have a more positive view of the reputation of the Council compared to younger age brackets

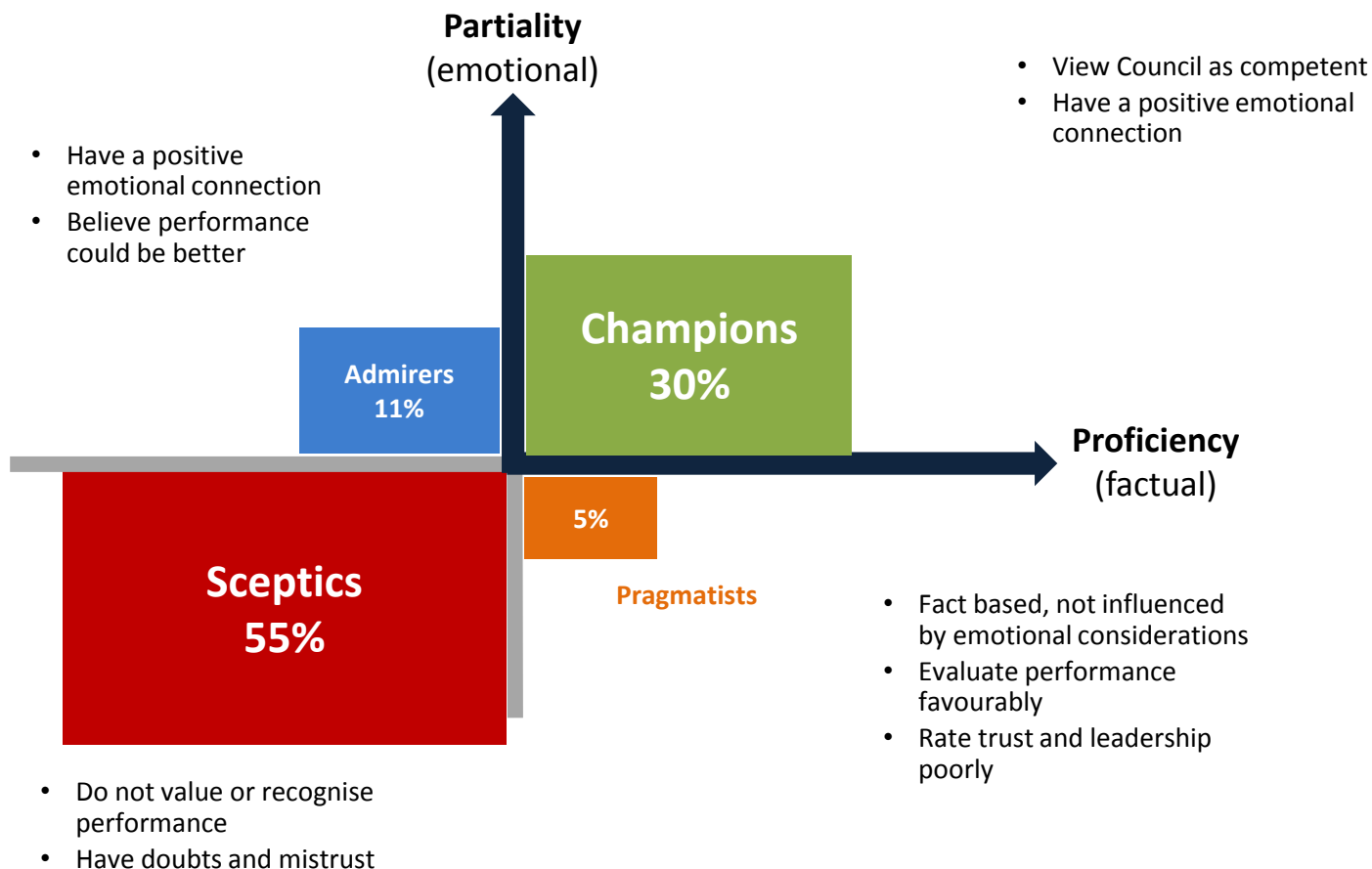
Reputation benchmarks



NOTES:
 1. Sample n=400
 2. OVREP. So everything considered, leadership, trust, financial management and quality of services provided, how would you rate the Kaipara District Council for its overall reputation?
 3. The benchmark is calculated by re-scaling the overall reputation measure to a new scale between -50 and +150 to improve granularity for the purpose of benchmarking

Approximately one in three residents (30%) are '*Champions*', who have an emotional connection with the council and evaluate performance favourably

Reputation profile

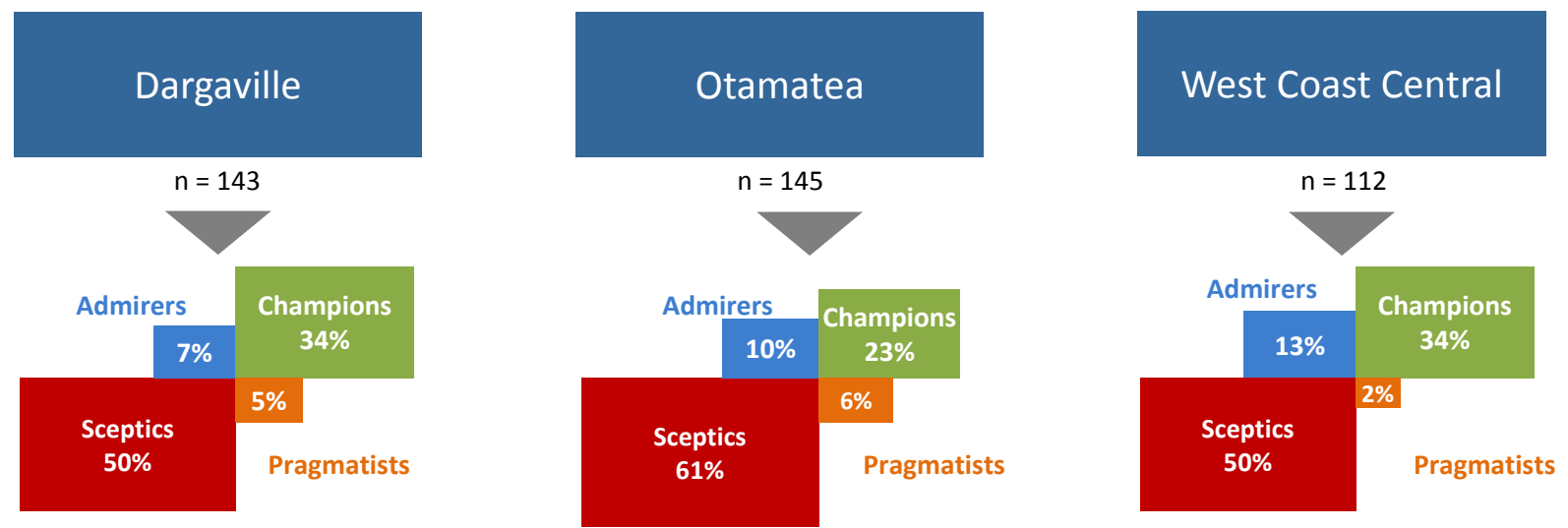


NOTES:

1. Sample: n=400. Excludes 'don't know' responses to any of the reputation questions
2. Segments have been determined using the results from a set of five overall level questions
3. REP1 leadership, REP2 trust, REP3 financial management, QL3 quality of deliverables, OVREP overall reputation

There is a higher proportion of ‘Admirers’ in the West Coast Central ward while those in the Otamatea ward are more likely to be ‘Sceptics’

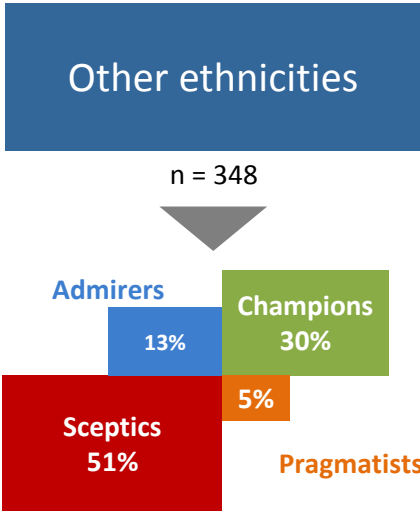
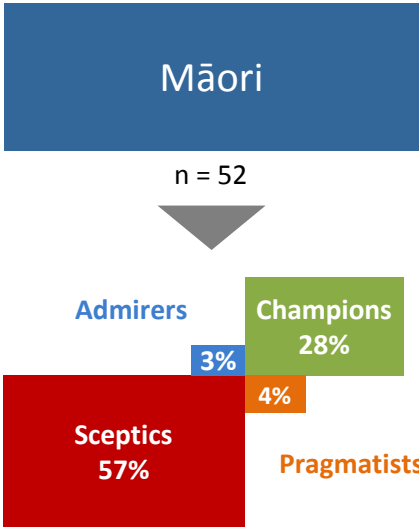
Reputation profile: Wards



NOTES:
 1. Sample: n=400. Excludes 'don't know' responses to any of the reputation questions
 2. Segments have been determined using the results from a set of five overall level questions
 3. REP1 leadership, REP2 trust, REP3 financial management, QL3 quality of deliverables, OVREP overall reputation

Non-Māori residents are more likely to be 'Admirers' than Māori residents

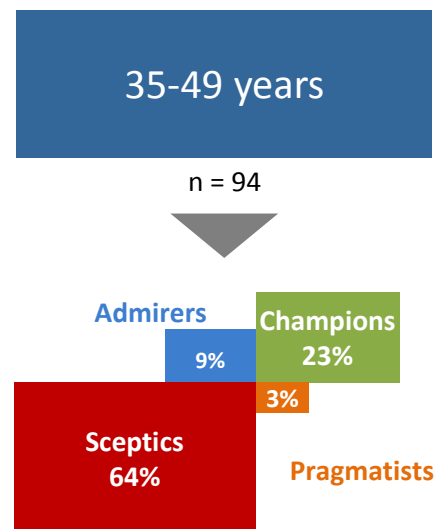
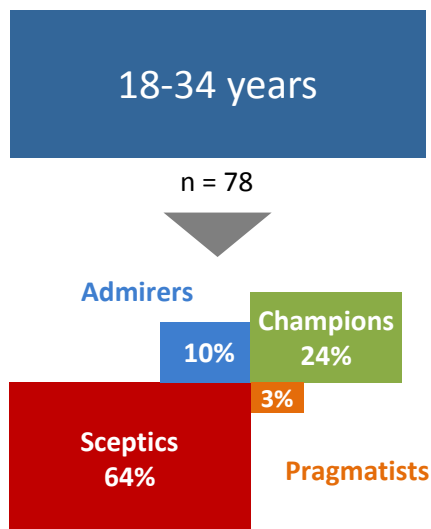
Reputation profile: Ethnicity



NOTES:
 1. Sample: n=400. Excludes 'don't know' responses to any of the reputation questions
 2. Segments have been determined using the results from a set of five overall level questions
 3. REP1 leadership, REP2 trust, REP3 financial management, QL3 quality of deliverables, OVREP overall reputation

Almost two in three residents aged 18 to 49 years old are 'Sceptics'

Reputation profile: Age

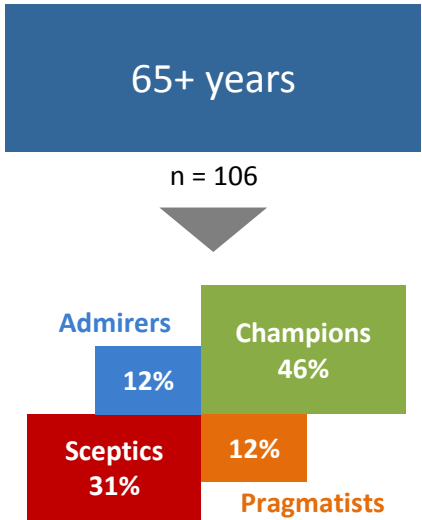
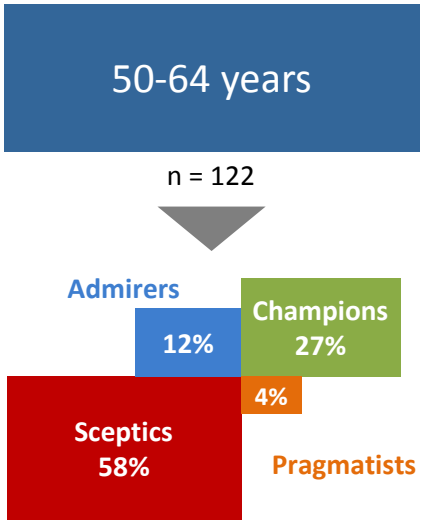


NOTES:

1. Sample: n=400. Excludes 'don't know' responses to any of the reputation questions
2. Segments have been determined using the results from a set of five overall level questions
3. REP1 leadership, REP2 trust, REP3 financial management, QL3 quality of deliverables, OVREP overall reputation

Nearly half (46%) of residents aged 65 and older are ‘Champions’, indicating an emotional connection and evaluating the performance of Council favourably

Reputation profile: Age



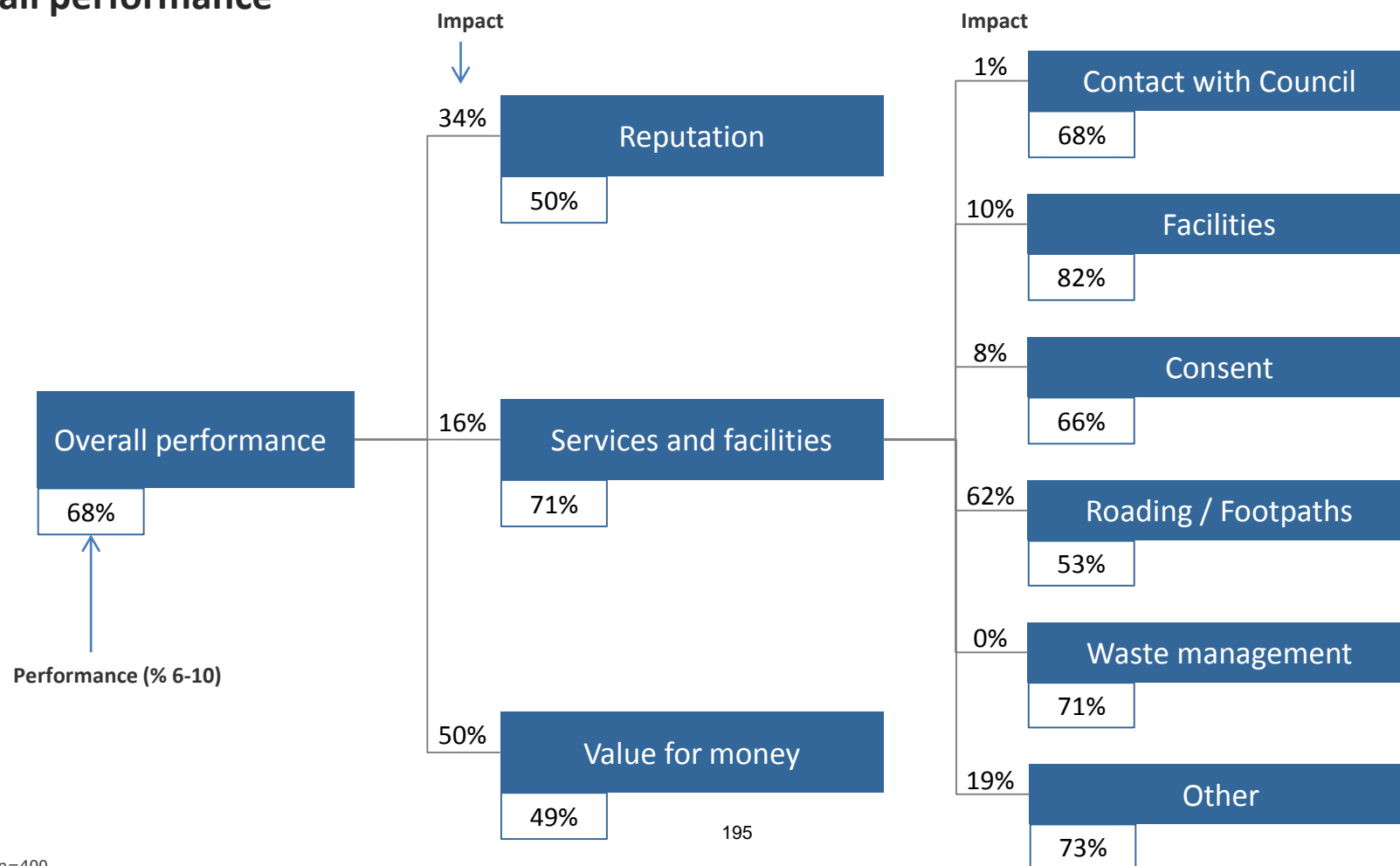
NOTES:
 1. Sample: n=400. Excludes 'don't know' responses to any of the reputation questions
 2. Segments have been determined using the results from a set of five overall level questions
 3. REP1 leadership, REP2 trust, REP3 financial management, QL3 quality of deliverables, OVREP overall reputation



Drivers of Overall Satisfaction

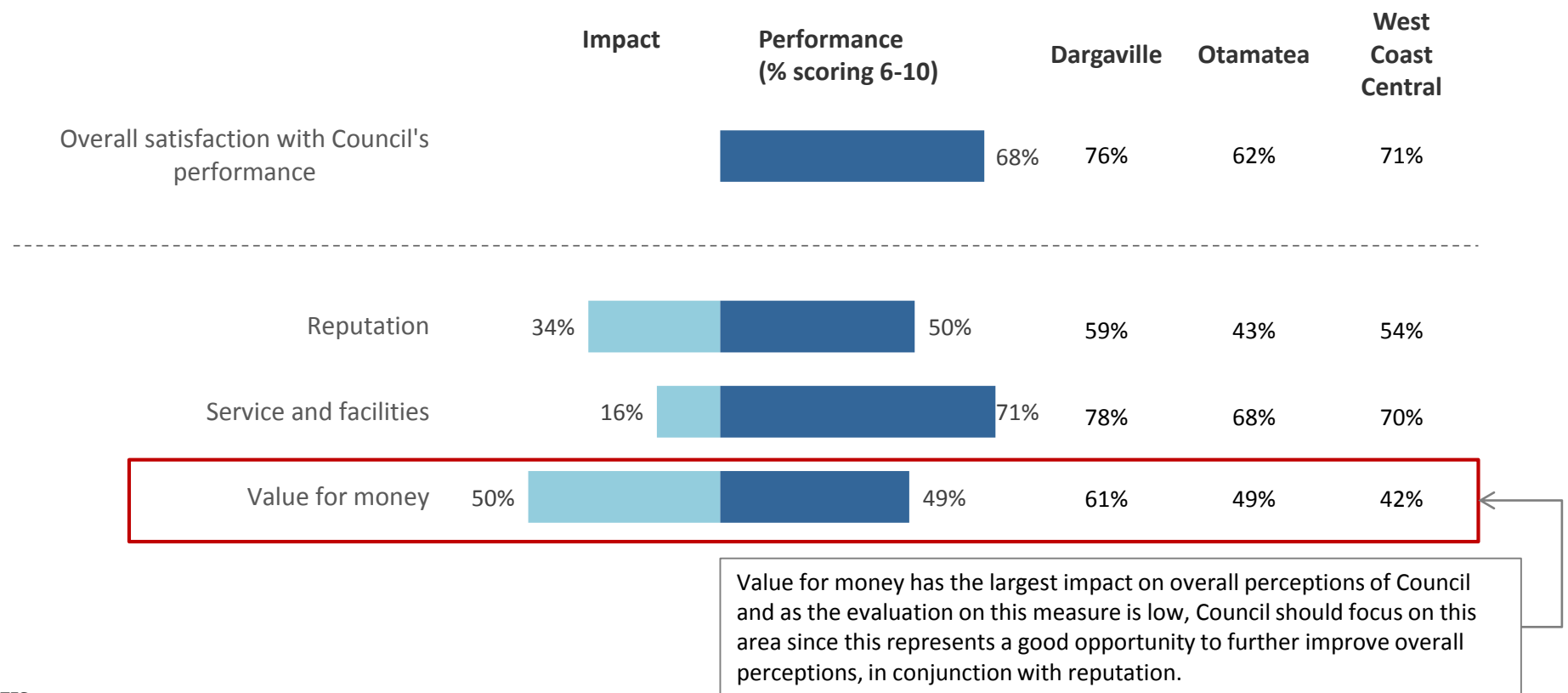
The overall performance evaluation is influenced most heavily by value for money with satisfaction highest for services and facilities

Overall performance



Perceptions of value for money has the largest influence on overall perceptions of Council’s performance; however, performance is lowest; focus in this area should lift overall satisfaction

Driver analysis: Overall level drivers



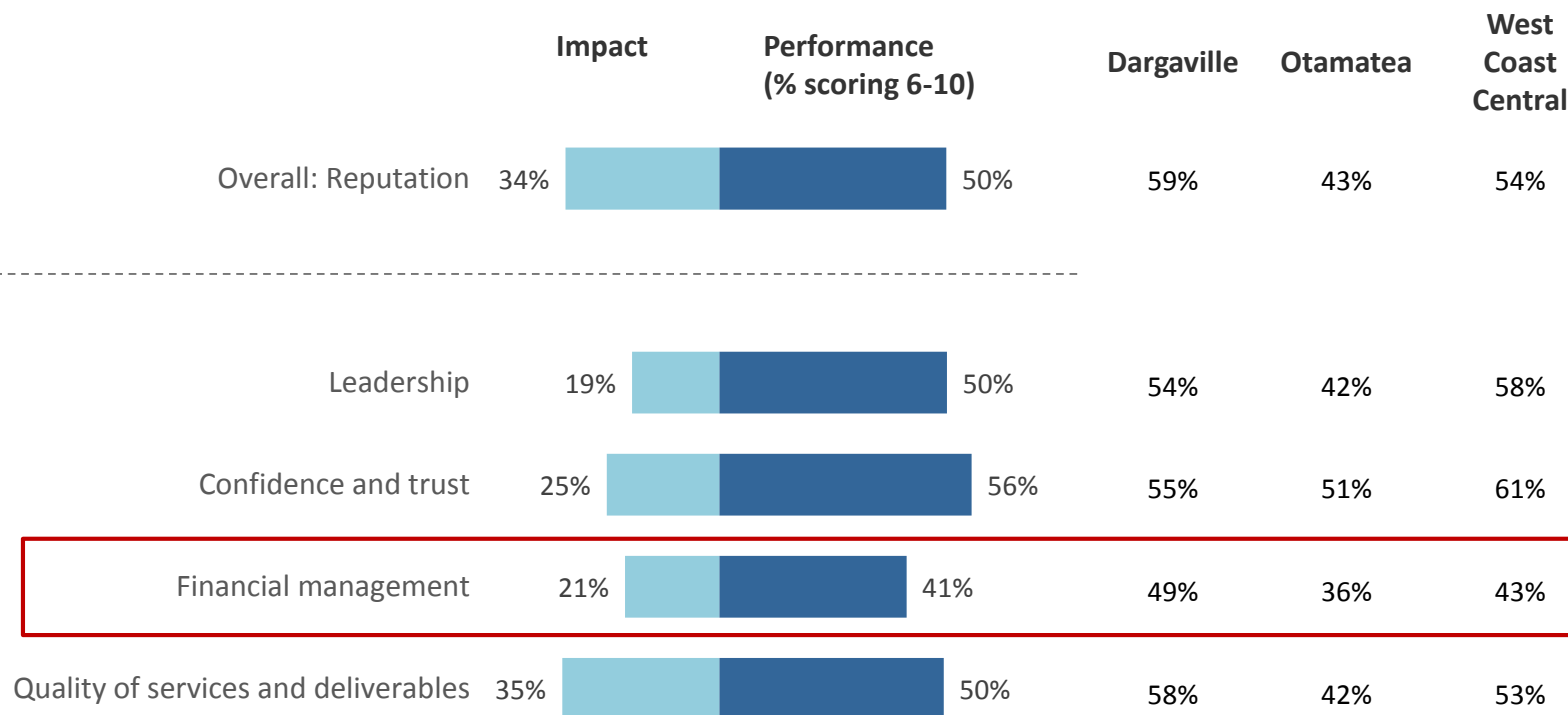
NOTES:

1. Sample: n=400
2. OVREP: So everything considered, leadership, trust, financial management and quality of services provided, how would you rate the Kaipara District Council for its overall reputation?
3. Q34: Now, thinking about everything Kaipara District Council has done over the last 12 months and what you have experienced of its services and facilities. How satisfied are you with how rates are spent on services and facilities provided by Council, and the value for money you get for your rates?
4. Q31: Now, thinking about ALL THE SERVICES of the Kaipara District Council taking into account facilities, water, outdoor spaces, roading, waste management and other services, how would you rate Kaipara District Council for its OVERALL CORE SERVICE DELIVERABLES?
5. Q45: When you think about Council overall, their image and reputation, the services and facilities they provide and the rates and fees that you pay. Overall, how satisfied are you with the Kaipara District Council?

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The low score for financial management, particularly in Otamatea ward, is impacting the overall reputation score of the council; focus in this area represents an opportunity for Council

Driver analysis: Reputation

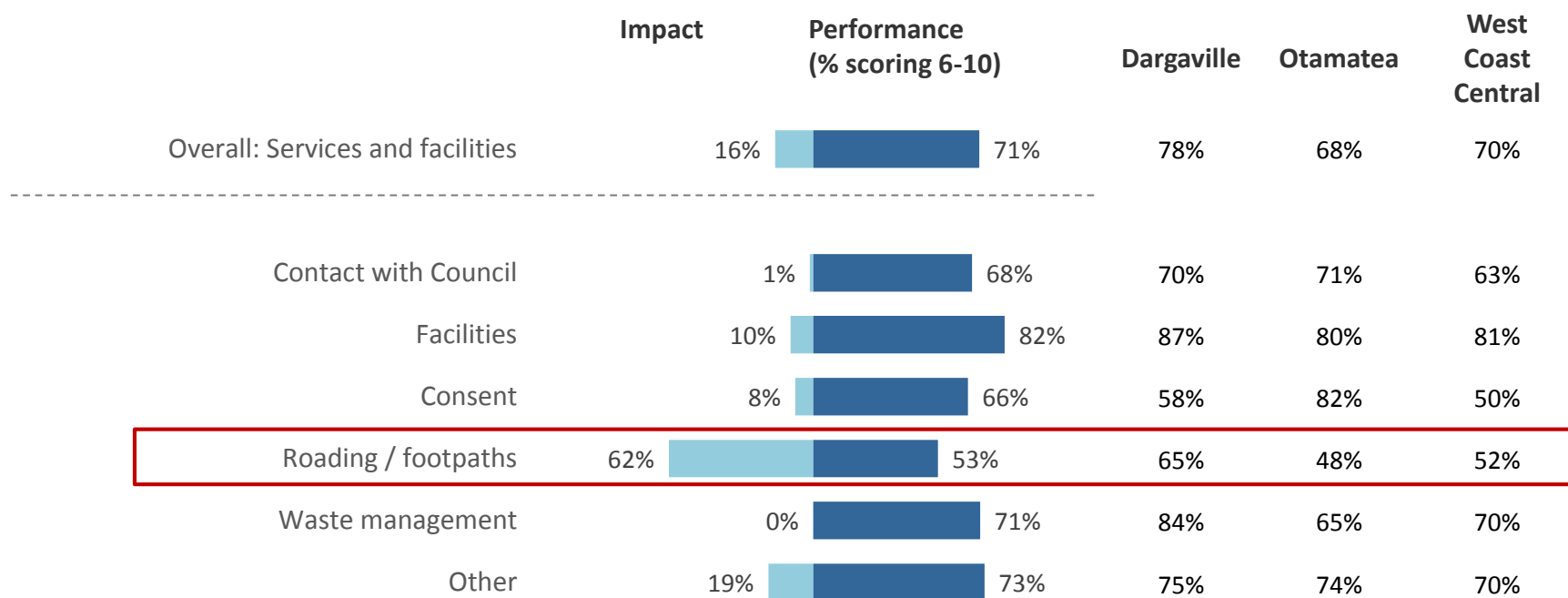


NOTES:

1. Sample: n=400
2. REP1: Thinking about how committed the Council is to making it easier to live in Kaipara, being in touch with the community and setting clear direction... overall how would you rate the Council for its leadership?
3. REP2: Now thinking about how open and transparent Council is, whether it can be relied on to act honestly and fairly, its competence, future planning and ability to work in the best interests of the district. Overall how much confidence do you have in Council?
4. REP3: Regarding Council's financial management – how appropriately it invests in the district, how wisely it spends and avoids waste, and its transparency around spending, how would you rate the Council overall for its financial management?
5. QL3: Overall, how would you rate the Council's reputation for the quality its services?
6. OVREP: So everything considered, leadership, trust, financial management and quality of services provided, how would you rate the Kaipara District Council for its overall reputation?

Roading/footpaths have a particularly strong impact on overall performance score; this area has the lowest performance and presents an opportunity to raise overall services and facilities score

Driver analysis: Services and Facilities

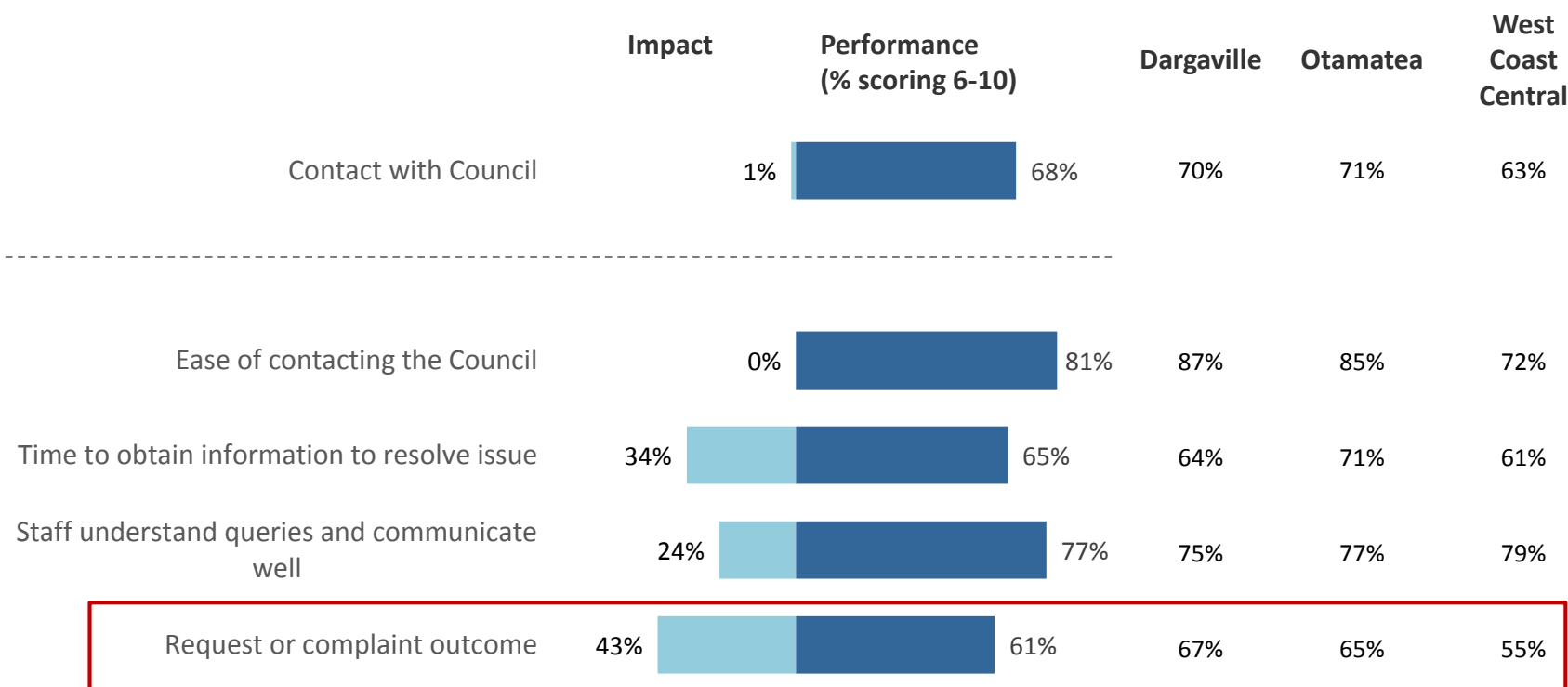


NOTES:

- Sample: n=400
- Q12: Overall, how would you rate council for how well they handled your request or issue?
- Q15: Thinking about the FACILITIES discussed provided by the Kaipara District Council taking into account things like libraries, sports facilities, public conveniences, how would you rate Kaipara District Council for the FACILITIES provided?
- Q20: Thinking about CONSENT services of the Kaipara District Council taking into building and resource, how would you rate Kaipara District Council for these CONSENT services overall?
- Q23: Thinking about the ROADING and FOOTPATHS of the Kaipara District Council how would you rate Kaipara District Council on their overall ROADING and FOOTPATHS?
- Q26: Thinking about the WASTE MANAGEMENT of the Kaipara District Council taking into account rubbish collection and litter bins, how would you rate Kaipara District Council for its overall WASTE MANAGEMENT?
- Q30: Thinking about OTHER services of the Kaipara District Council taking into account animal control, litter & graffiti, and protecting public health, how would you rate Kaipara District Council for these OTHER services overall?

Of the service drivers, contact with the Council has the highest impact with having a favourable outcome to a request or complaint having the most impact on performance in this area

Driver analysis: Services and Facilities: Contact with Council

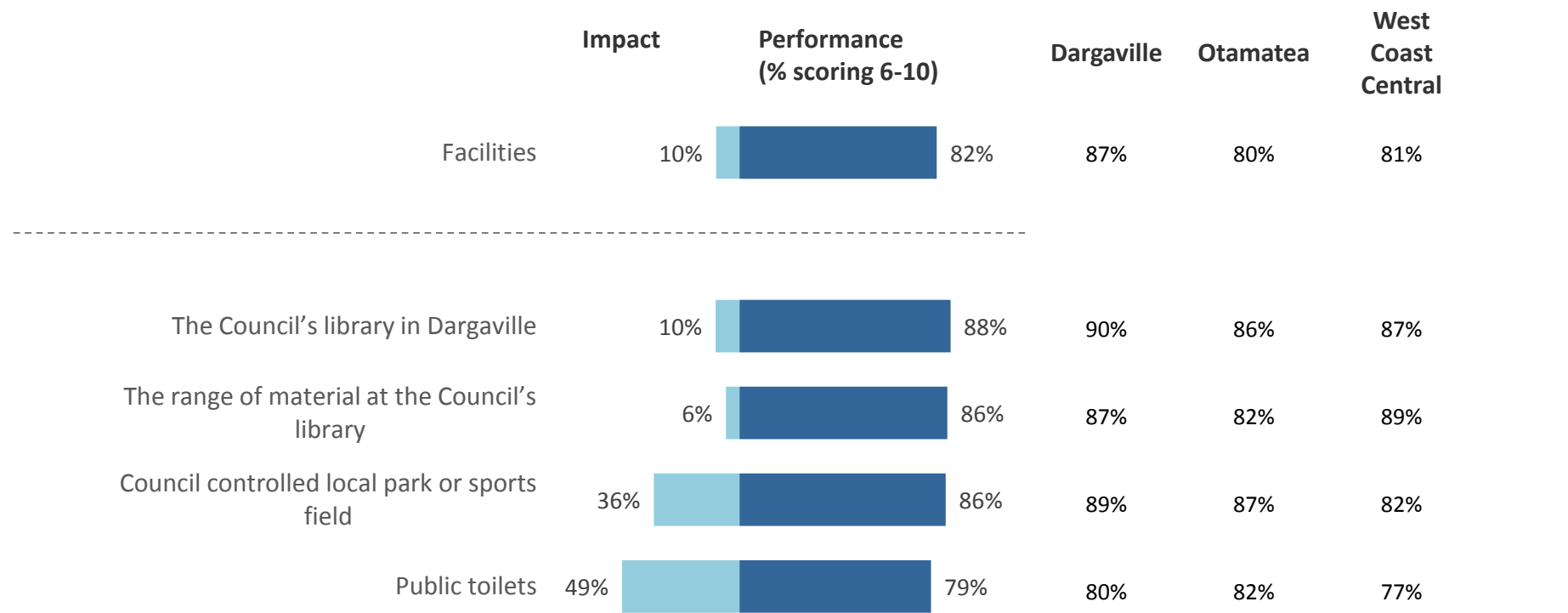


NOTES:

1. Sample: n=400
2. Q8: How satisfied were you with how easy it was to contact the Council?
3. Q9: And how satisfied are you with how long it took to get the information you needed or to resolve the issue?
4. Q10: How would you rate your satisfaction with how well the Council staff understood what you wanted and how they communicated with you?
5. Q11: And how satisfied were you with the outcome – how well your request or complaint was resolved?
6. Q12: Overall, how would you rate council for how well they handled your request or issue?

Residents are very satisfied with Council’s performance in delivering public facilities, the only area where performance was under 80% exists in public toilets in West Coast Central

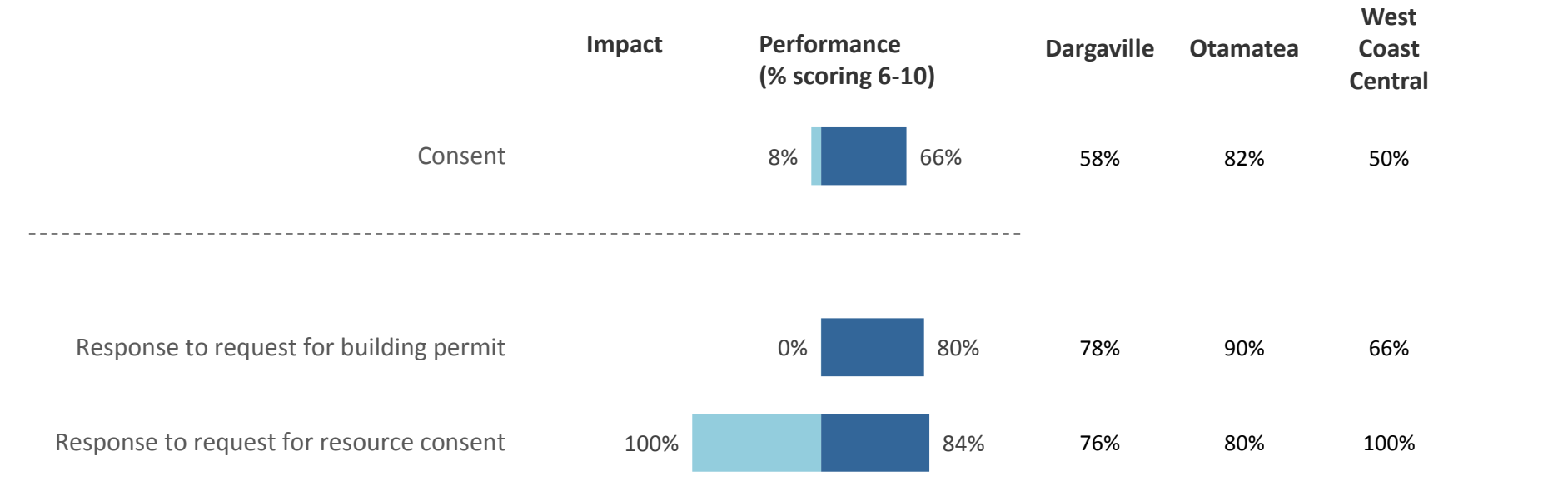
Driver analysis: Services and Facilities: Facilities



NOTES:
 1. Sample: n=400
 2. Q14a & c: On a scale of 1 to 10, where 1 is very dissatisfied and 10 is very satisfied, how satisfied are you with...
 3. Q15: Thinking about the FACILITIES discussed provided by the Kaipara District Council taking into account things like libraries, sports facilities, public conveniences, how would you rate Kaipara District Council for the FACILITIES provided?

Satisfaction is high with response to request for building permit and resource consent and consents overall has low impact as a driver of overall Council performance

Driver analysis: Services and Facilities: Consent

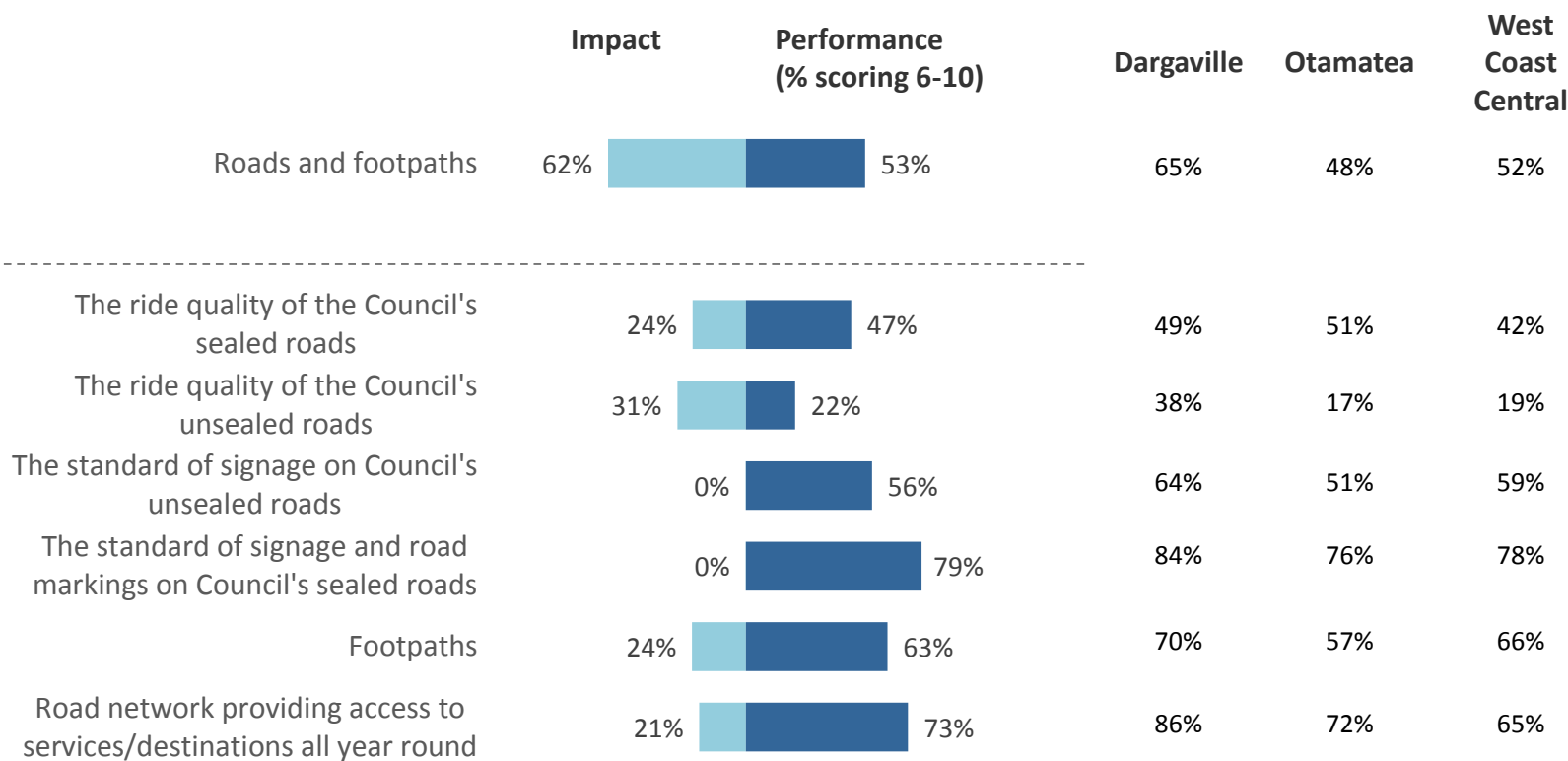


NOTES:

1. Sample: n=47
2. Q19a: And how would you rate the Council’s response to your request for a ...? Would you rate it ... 201
3. Q20: Thinking about CONSENT services of the Kaipara District Council taking into building and resource, how would you rate Kaipara District Council for these CONSENT services overall?

Roads and footpaths in general offer an opportunity for improvement, as performance is moderate and impact is high

Driver analysis: Services and Facilities: Road and footpaths

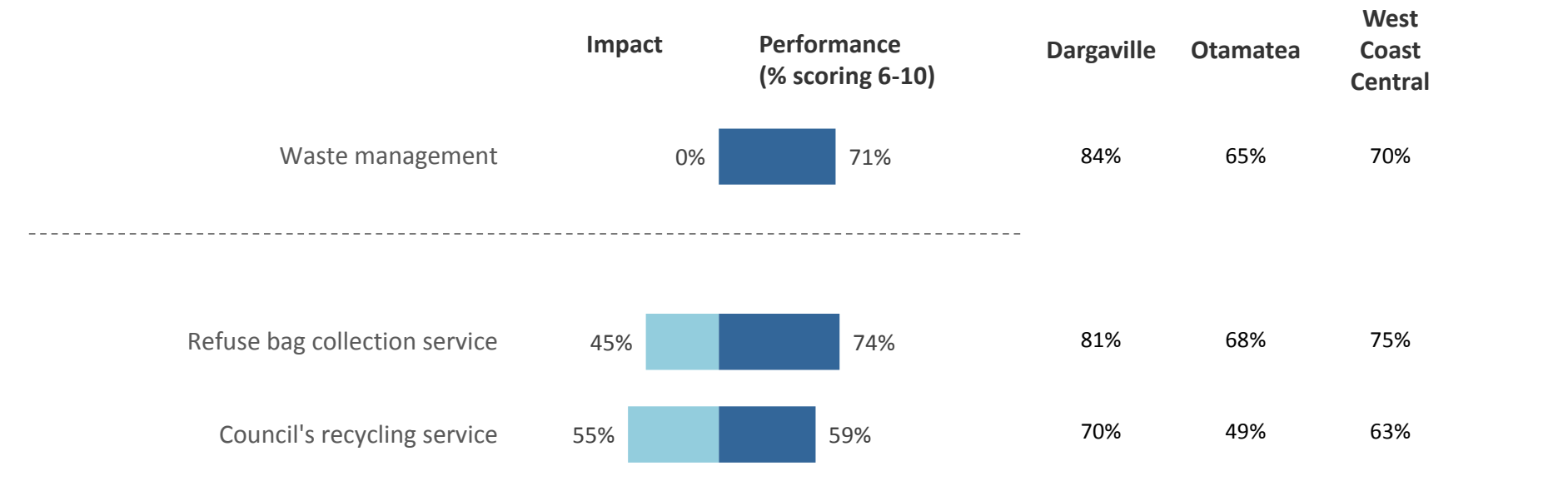


NOTES:

1. Sample: n=400
2. Q21: Now thinking about Council roads excluding State Highways 1, 12 and 14 which are not Council roads. On a scale of 1 to 10, where 10 is very satisfied and 1 is very dissatisfied, how satisfied are you with...
3. Q23: Thinking about the ROADING and FOOTPATHS of the Kaipara District Council how would you rate Kaipara District Council on their overall ROADING and FOOTPATHS?

Just under three quarters (74%) of residents are satisfied with the refuse bag collection service with only six in ten (59%) being satisfied with the Council’s recycling service

Driver analysis: Services and Facilities: Waste management

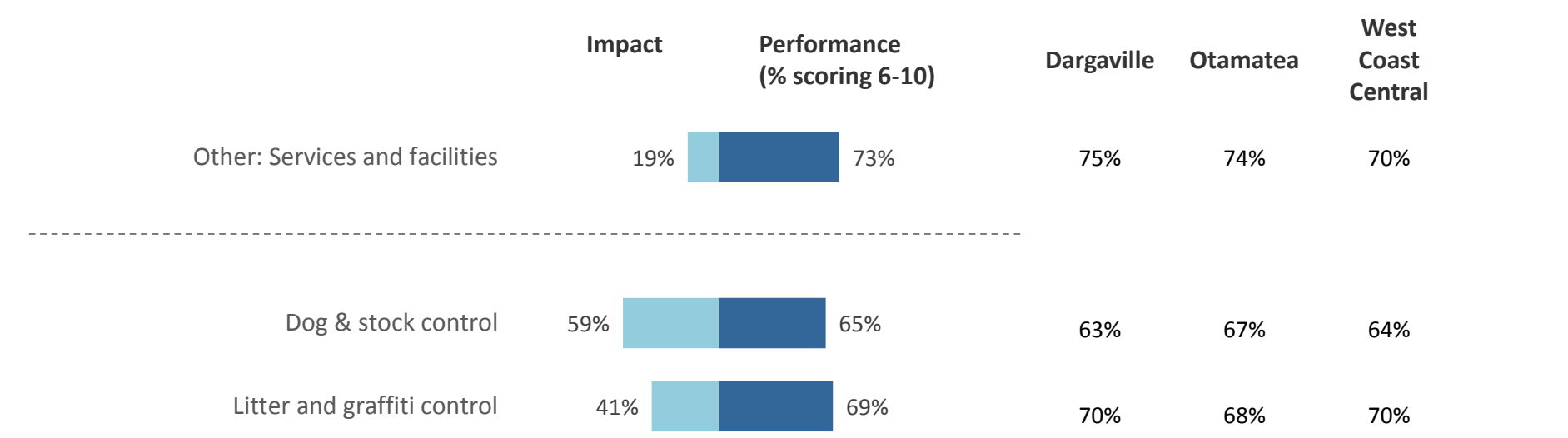


NOTES:

1. Sample: n=400
2. Q24: On a scale of 1 to 10, where 10 is very satisfied and 1 is very dissatisfied, how satisfied are you with the following services or facilities?
3. Q25a: And how would you rate Council's response regarding your questions around rubbish and recycling? Would you rate it ...
4. Q26: Thinking about the WASTE MANAGEMENT of the Kaipara District Council taking into account rubbish collection and litter bins, how would you rate Kaipara District Council for its overall WASTE MANAGEMENT?

Other services such as dog and stock control and litter and graffiti control have moderate satisfaction scores

Driver analysis: Services and Facilities: Other



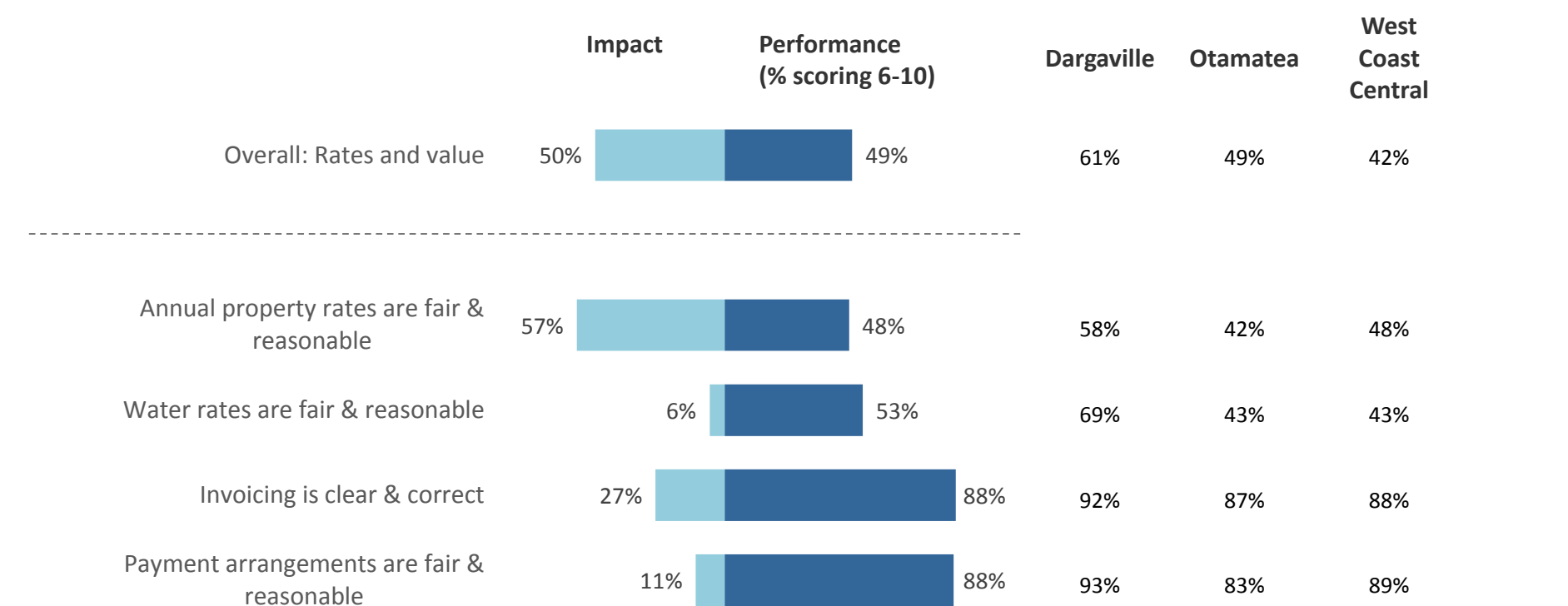
NOTES:

1. Sample: n=400
2. Q27: On the 1 to 10 scale, how satisfied are you with the following services or facilities?
3. Q28a: How would you rate Council's response regarding your questions around animal management? Would you rate it ...
4. Q29a: And how would you rate Council's response regarding your questions around protecting public health? Would you rate it ...
5. Q30: Thinking about OTHER services of the Kaipara District Council taking into account animal control, litter & graffiti, and protecting public health, how would you rate Kaipara District Council for these OTHER services overall?

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Improving perceptions of value for money represents an important opportunity and this is best achieved by focusing on demonstrating that rates are fair and reasonable

Driver analysis: Rates and value



NOTES:

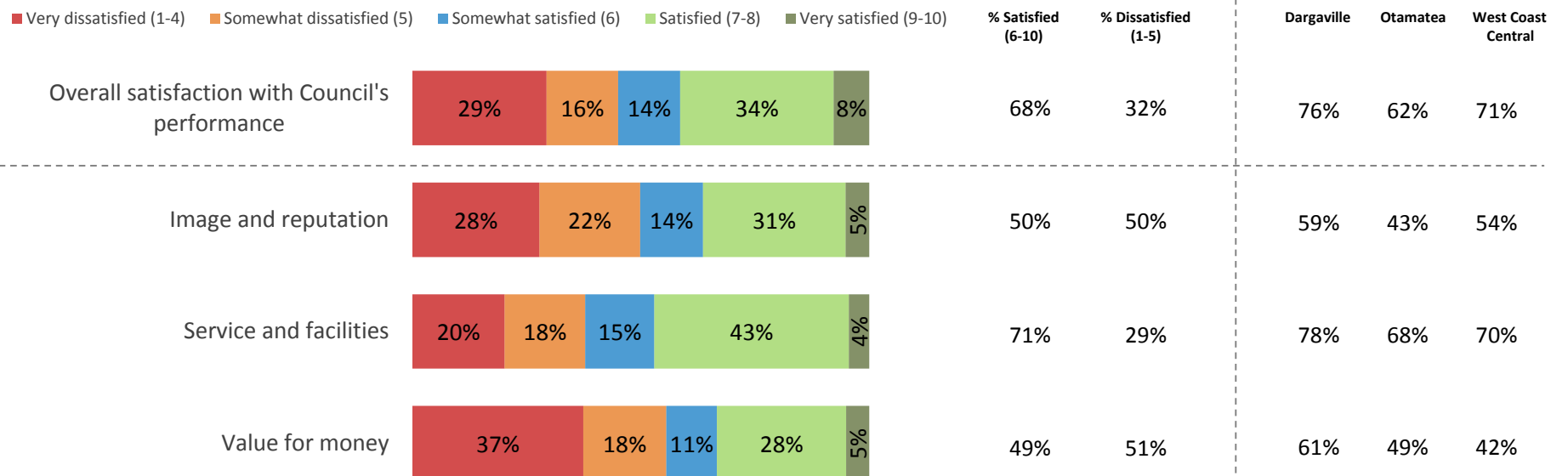
- Sample: n=400
- Q33: How strongly do you disagree (being 1) or agree (being 10) with the following statements?
- Q34: Now, thinking about everything Kaipara District Council has done over the last 12 months and what you have experienced of its services and facilities. How satisfied are you with how rates are spent on services and facilities provided by Council, and the value for money you get for your rates?



Satisfaction scores

Just over three in four residents (76%) in Dargaville ward are satisfied with the council's performance, compared with less than two in three (62%) in Otamatea ward

Overall

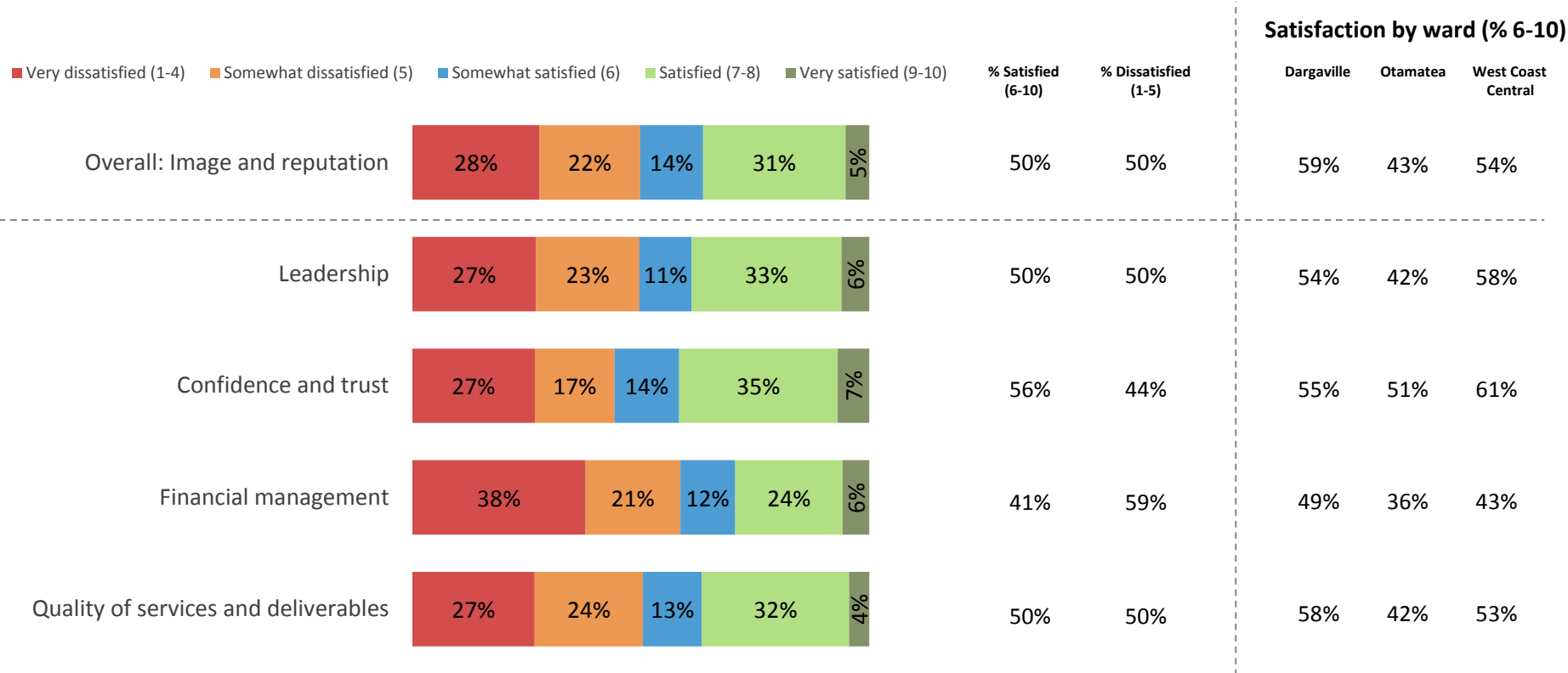


NOTES:

1. Total sample: n=400; Excludes 'don't know'
2. OVREP: So everything considered, leadership, trust, financial management and quality of services provided, how would you rate the Kaipara District Council for its overall reputation?
3. Q34: Now, thinking about everything Kaipara District Council has done over the last 12 months and what you have experienced of its services and facilities. How satisfied are you with how rates are spent on services and facilities provided by Council, and the value for money you get for your rates?
4. Q31: Now, thinking about ALL THE SERVICES of the Kaipara District Council taking into account facilities, water, outdoor spaces, roading, waste management and other services, how would you rate Kaipara District Council for its OVERALL CORE SERVICE DELIVERABLES?
5. Q45: When you think about Council overall, their image and reputation, the services and facilities they provide and the rates and fees that you pay. Overall, how satisfied are you with the Kaipara District Council?

The four elements of image and reputation have similar satisfaction distribution, the lowest satisfaction was for financial management by Otamatea residents

Image and reputation

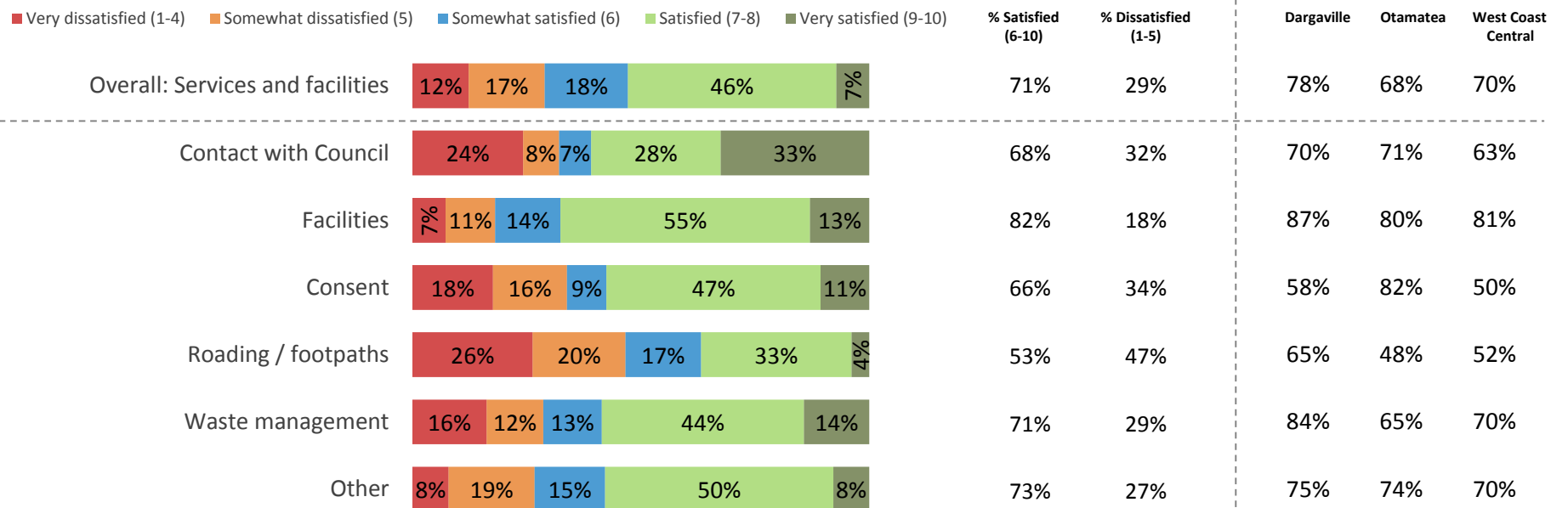


NOTES:

1. Total sample: n=400; Excludes 'don't know'
2. REP1: Thinking about how committed the Council is to making it easier to live in Kaipara, being in touch with the community and setting clear direction... overall how would you rate the Council for its leadership?
3. REP2: Now thinking about how open and transparent Council is, whether it can be relied on to act honestly and fairly, its competence, future planning and ability to work in the best interests of the district. Overall how much confidence do you have in Council?
4. REP3: Regarding Council's financial management – how appropriately it invests in the district, how wisely it spends and avoids waste, and its transparency around spending, how would you rate the Council overall for its financial management?
5. QL3: Overall, how would you rate the Council's reputation for the quality its services?
6. OVREP: So everything considered, leadership, trust, financial management and quality of services provided, how would you rate the Kaipara District Council for its overall reputation?

Roading/footpaths has the greatest level of dissatisfaction out of all services and facilities, with close to half (47%) of all residents dissatisfied

Services and Facilities

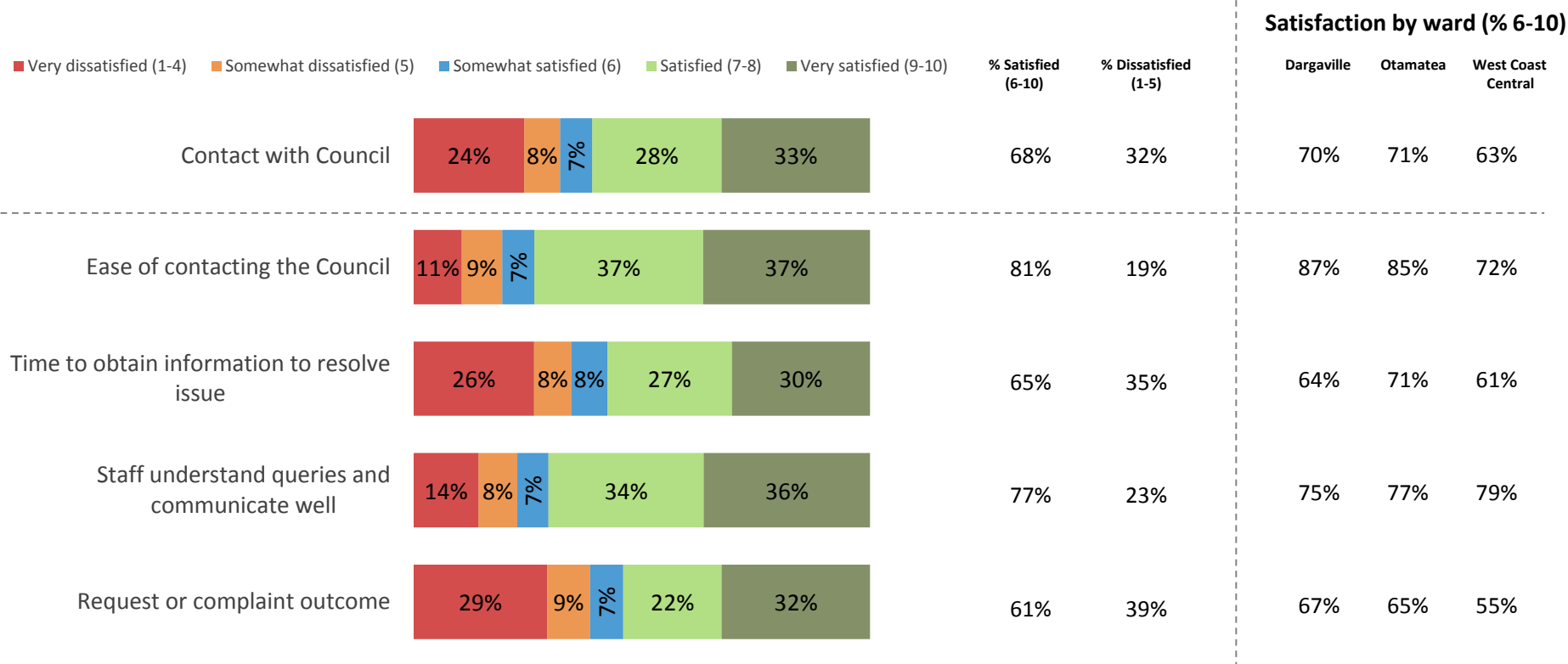


NOTES:

1. Total sample: n=400; Excludes 'don't know'
2. Q12: Overall, how would you rate council for how well they handled your request or issue?
3. Q15: Thinking about the FACILITIES discussed provided by the Kaipara District Council taking into account things like libraries, sports facilities, public conveniences, how would you rate Kaipara District Council for the FACILITIES provided?
4. Q20: Thinking about CONSENT services of the Kaipara District Council taking into building and resource, how would you rate Kaipara District Council for these CONSENT services overall?
5. Q23: Thinking about the ROADING and FOOTPATHS of the Kaipara District Council how would you rate Kaipara District Council on their overall ROADING and FOOTPATHS?
6. Q26: Thinking about the WASTE MANAGEMENT of the Kaipara District Council taking into account rubbish collection and litter bins, how would you rate Kaipara District Council for its overall WASTE MANAGEMENT?
7. Q30: Thinking about OTHER services of the Kaipara District Council taking into account animal control, litter & graffiti, and protecting public health, how would you rate Kaipara District Council for these OTHER services overall?

Ease of making contact with the Council is rated high by residents (81% satisfied) while under two thirds (61%) are satisfied with the outcome of a request or complaint

Services and Facilities: Contact with Council

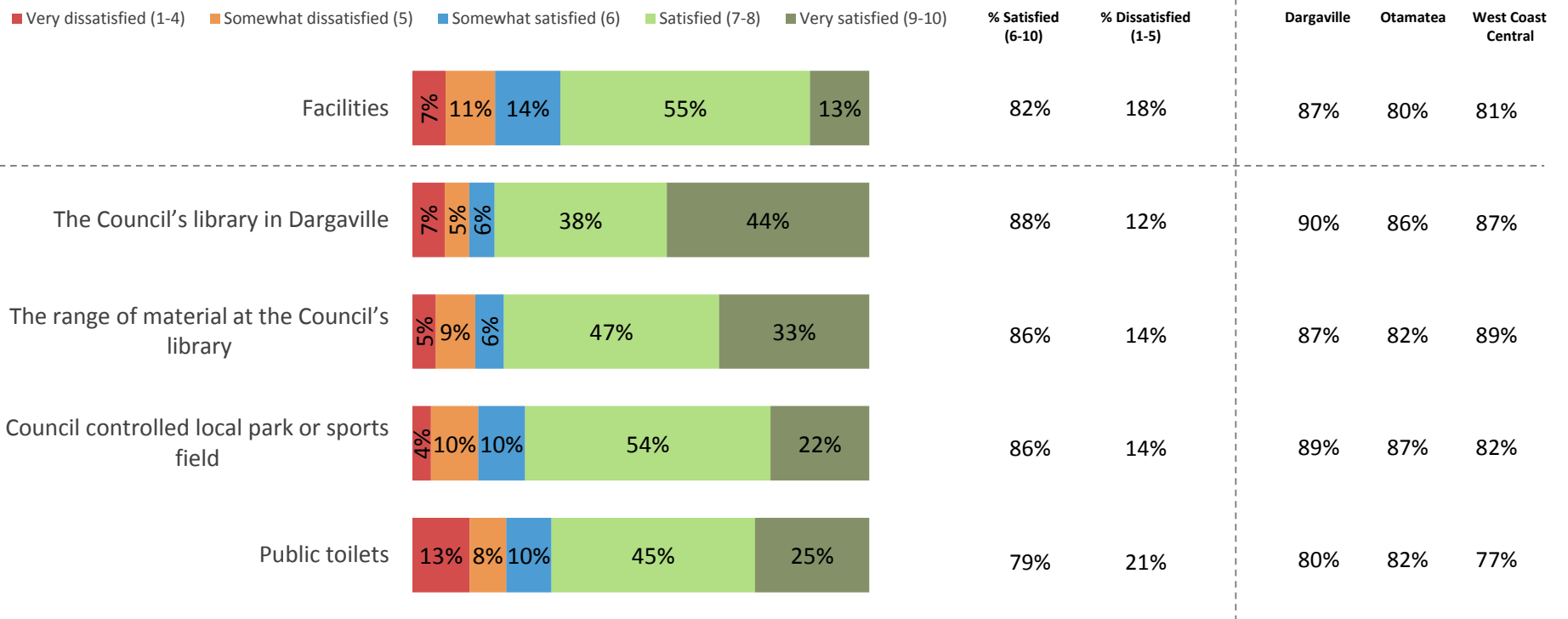


NOTES:

1. Total sample: n=400; Excludes 'don't know'
2. Q8: How satisfied were you with how easy it was to contact the Council?
3. Q9: And how satisfied are you with how long it took to get the information you needed or to resolve the issue?
4. Q10: How would you rate your satisfaction with how well the Council staff understood what you wanted and how they communicated with you?
5. Q11: And how satisfied were you with the outcome – how well your request or complaint was resolved?
6. Q12: Overall, how would you rate council for how well they handled your request or issue?

Of those residents who use the Council's libraries in Dargaville, just under nine in ten (88%) are satisfied

Services and Facilities: Facilities

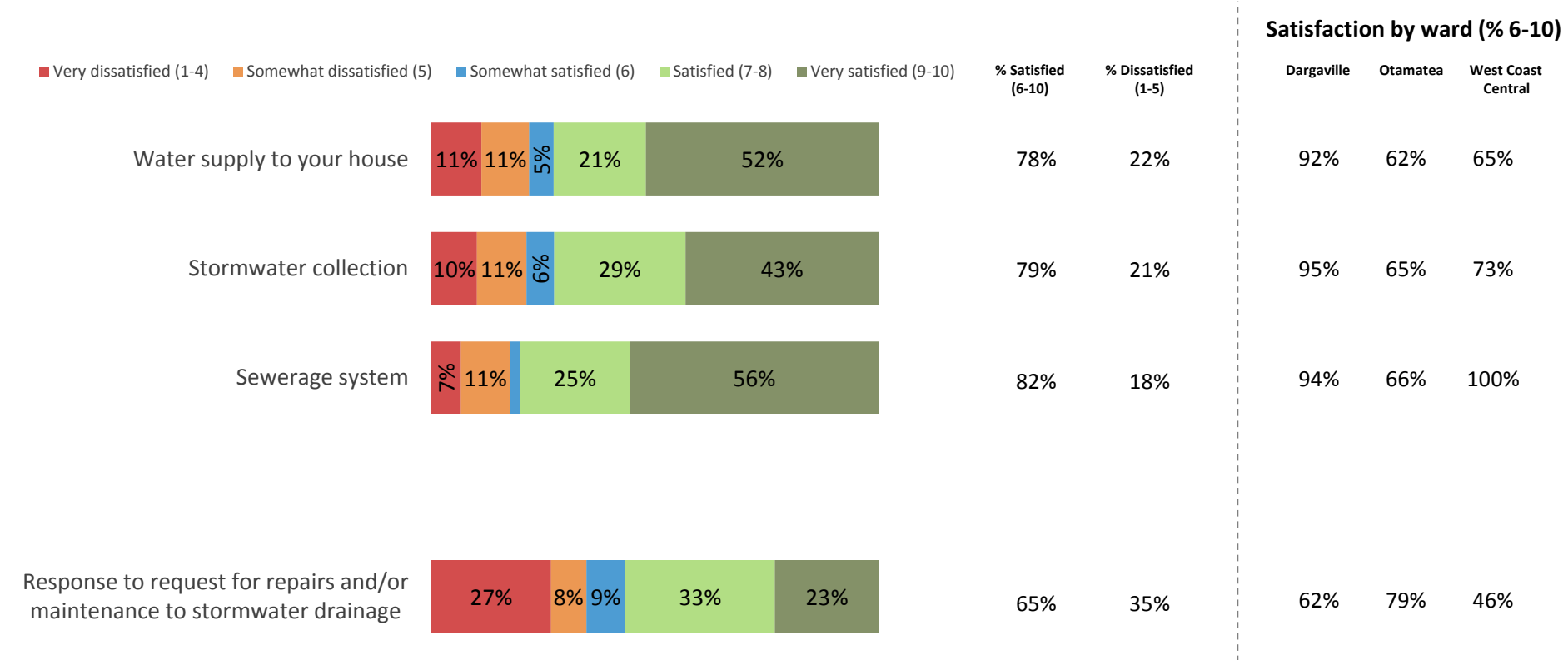


NOTES:

1. Total sample: n=400; Excludes 'don't know'
2. Q14a & c: On a scale of 1 to 10, where 1 is very dissatisfied and 10 is very satisfied, how satisfied are you with...
3. Q15: Thinking about the FACILITIES discussed provided by the Kaipara District Council taking into account things like libraries, sports facilities, public conveniences, how would you rate Kaipara District Council for the FACILITIES provided?

Residents who make use of each of the Council's three water services appear largely satisfied

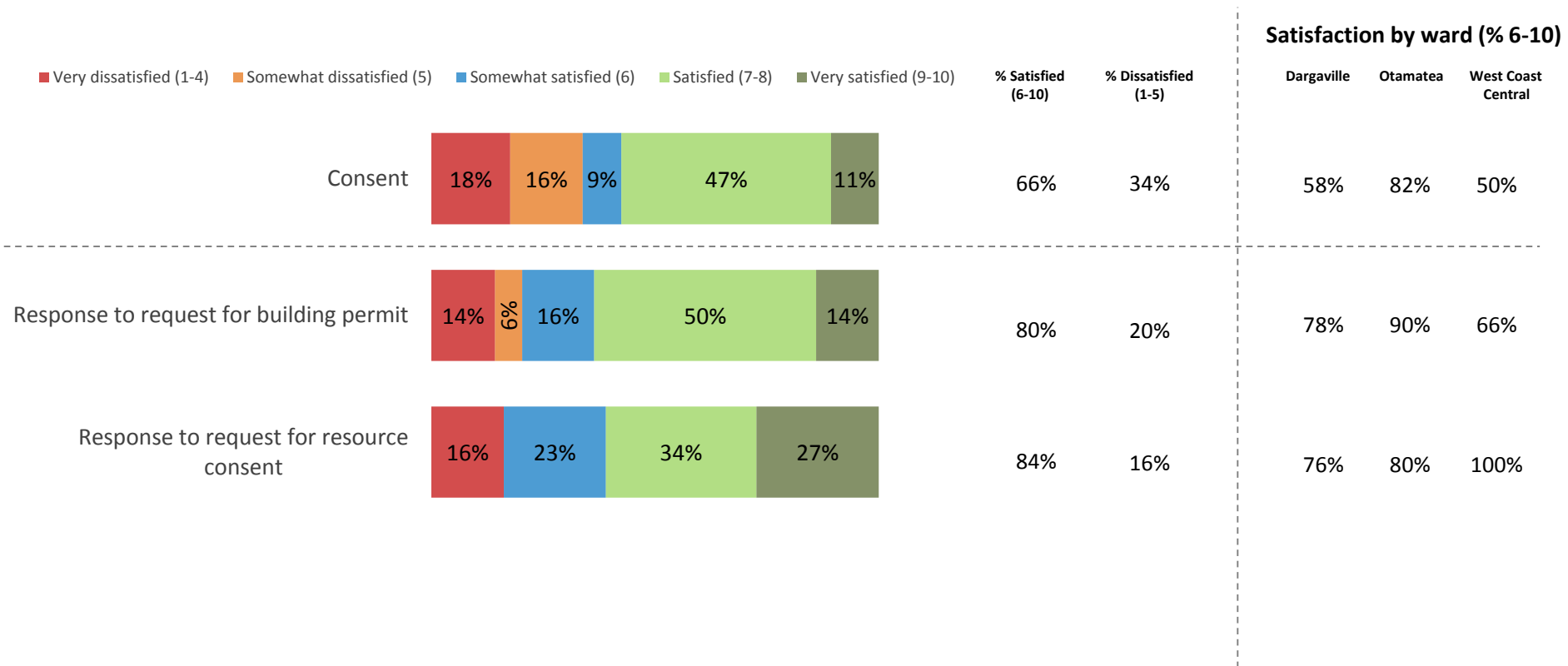
Services and Facilities: Three waters



NOTES:
1. Total sample: n=400; Excludes 'don't know'
2. Q16a: On a scale of 1 to 10, where 10 is very satisfied and 1 is very dissatisfied, how satisfied are you with the...
3. Q17a: And how would you rate Council's response to this request/s? Would you rate it ...

Residents who have had experience with consents in the past 12 months are generally satisfied

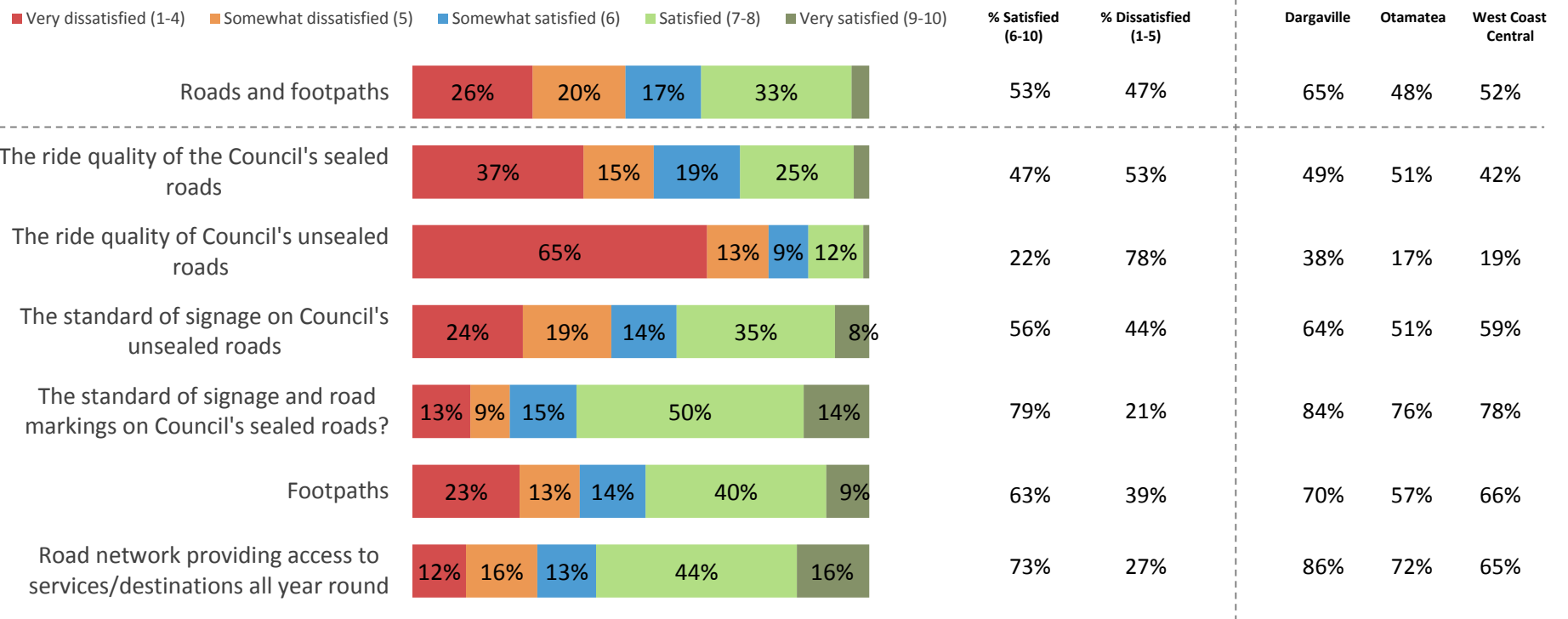
Services and Facilities: Consent



NOTES:
1. Total sample: n=400; Excludes 'don't know'
2. Q19a: And how would you rate the Council's response to your request for a ...? Would you rate it ...
3. Q20: Thinking about CONSENT services of the Kaipara District Council taking into building and resource, how would you rate Kaipara District Council for these CONSENT services overall?

Residents are least satisfied with the ride quality of Council's unsealed roads, especially in the Otamatea (17% satisfied) and West Coast Central wards (19% satisfied)

Services and Facilities: Roads and footpaths



NOTES:

1. Total sample: n=400; Excludes 'don't know'
2. Q21: Now thinking about Council roads excluding State Highways 1, 12 and 14 which are not Council roads. On a scale of 1 to 10, where 10 is very satisfied and 1 is very dissatisfied, how satisfied are you with...
3. Q23: Thinking about the ROADING and FOOTPATHS of the Kaipara District Council how would you rate Kaipara District Council on their overall ROADING and FOOTPATHS?

Residents are less satisfied with Council's recycling service (59% satisfied) compared to 74% being satisfied with the refuse bag collection service

Services and Facilities: Waste Management

■ Very dissatisfied (1-4) ■ Somewhat dissatisfied (5) ■ Somewhat satisfied (6) ■ Satisfied (7-8) ■ Very satisfied (9-10)

% Satisfied
(6-10)

% Dissatisfied
(1-5)

Satisfaction by ward (% 6-10)

Dargaville

Otamatea

West Coast
Central

Waste management



71%

29%

84%

65%

70%

Refuse bag collection service



74%

26%

81%

68%

75%

Council's recycling service



59%

41%

70%

49%

63%

Response to questions on rubbish & recycling



72%

28%

65%

73%

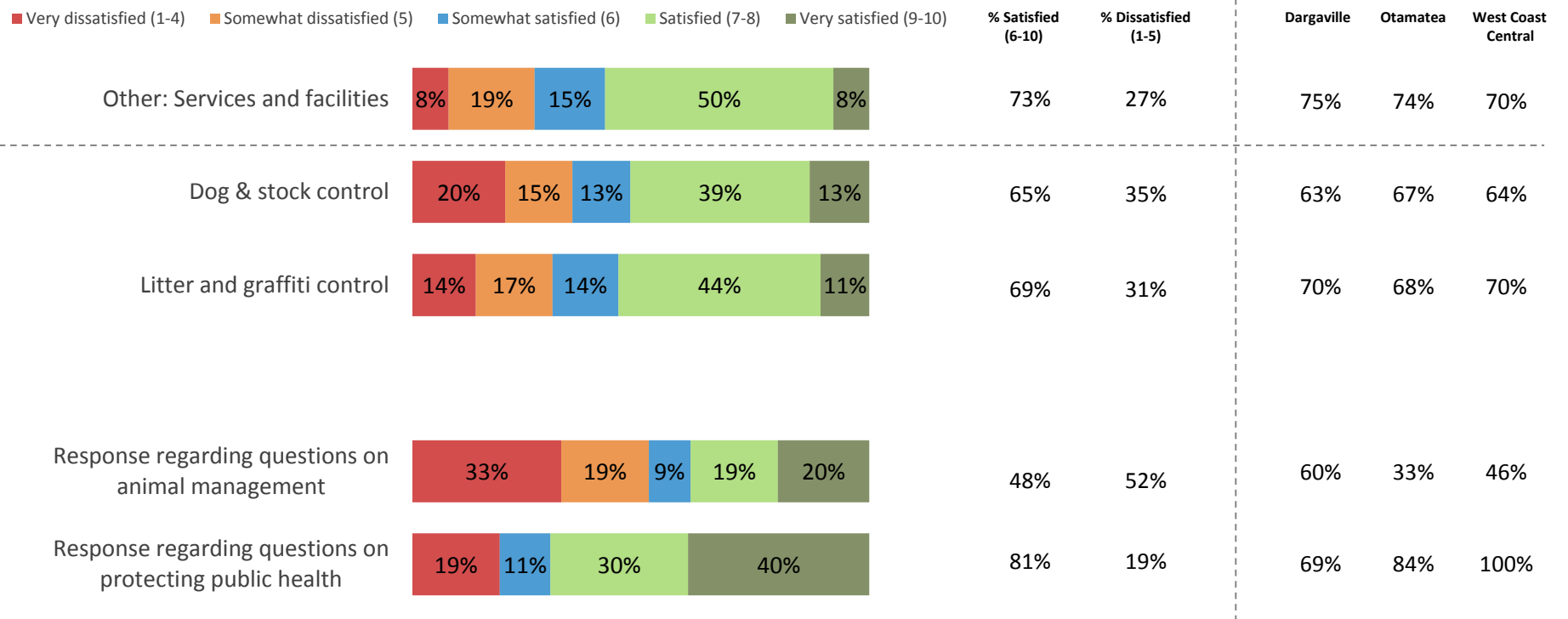
80%

NOTES:

1. Total sample: n=400; Excludes 'don't know'
2. Q24: On a scale of 1 to 10, where 10 is very satisfied and 1 is very dissatisfied, how satisfied are you with the following services or facilities?;
3. Q25a: And how would you rate Council's response regarding your questions around rubbish and recycling?
4. Q26: Thinking about the WASTE MANAGEMENT of the Kaipara District Council taking into account rubbish collection and litter bins, how would you rate Kaipara District Council for its overall WASTE MANAGEMENT?

Almost three in four residents (73%) are satisfied with other services and facilities such as dog & stock control and litter & graffiti control

Services and Facilities: Other



NOTES:

1. Total sample: n=400; Excludes 'don't know'
2. Q27: On the 1 to 10 scale, how satisfied are you with the following services or facilities?
3. Q28a: How would you rate Council's response regarding your questions around animal management?
4. Q29a: And how would you rate Council's response regarding your questions around protecting public health?
5. Q30: Thinking about OTHER services of the Kaipara District Council taking into account animal control, litter & graffiti, and protecting public health, how would you rate Kaipara District Council for these OTHER services overall?

Although overall more residents are dissatisfied with rates and value, almost nine in ten (88%) are satisfied with invoicing being clear and correct and with payment arrangements being fair

Rates and value

■ Very dissatisfied (1-4) ■ Somewhat dissatisfied (5) ■ Somewhat satisfied (6) ■ Satisfied (7-8) ■ Very satisfied (9-10)

% Satisfied
(6-10)

% Dissatisfied
(1-5)

Satisfaction by ward (% 6-10)

Dargaville

Otamatea

West Coast
Central

Overall: Rates and value

34% 17% 14% 27% 7%

49%

51%

61%

49%

42%

Annual property rates are fair & reasonable

37% 16% 8% 28% 11%

48%

52%

58%

42%

48%

Water rates are fair & reasonable

32% 15% 8% 29% 16%

53%

47%

69%

43%

43%

Invoicing is clear & correct

6% 6% 7% 47% 35%

88%

12%

92%

87%

88%

Payment arrangements are fair & reasonable

8% 49% 36%

88%

12%

93%

83%

89%

NOTES:

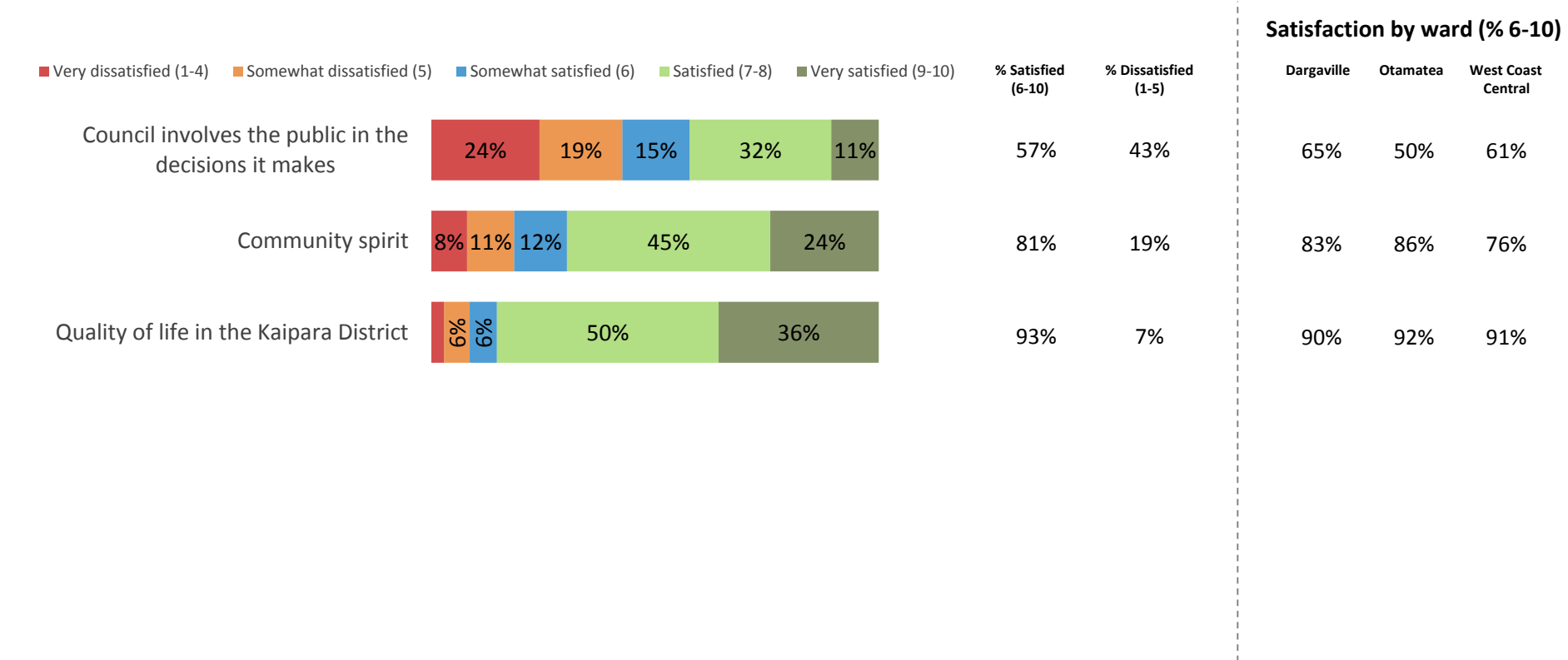
1. Total sample: n=400; Excludes 'don't know'
2. Q33: How strongly do you disagree (being 1) or agree (being 10) with the following statements?
3. Q34: Now, thinking about everything Kaipara District Council has done over the last 12 months and what you have experienced of its services and facilities. How satisfied are you with how rates are spent on services and facilities provided by Council, and the value for money you get for your rates?



Satisfaction with local issues and outcomes

Just over nine in ten (93%) residents are satisfied with quality of life in the Kaipara District; they are divided over Council involving the public in the decisions with far fewer (57%) satisfied

Local issues and outcomes



NOTES:
 1. Sample: n=400
 2. Q35: How satisfied are you with the way Council involves the public in the decisions it makes?
 3. Q36: If we think of community spirit as being a sense of belonging to a community, where people work together to shape their future, how would you rate the community spirit?
 4. Q37: On the 1-10 scale where 10 is very good and 1 is very poor, would you say that, overall, the quality of life in the Kaipara District is ...

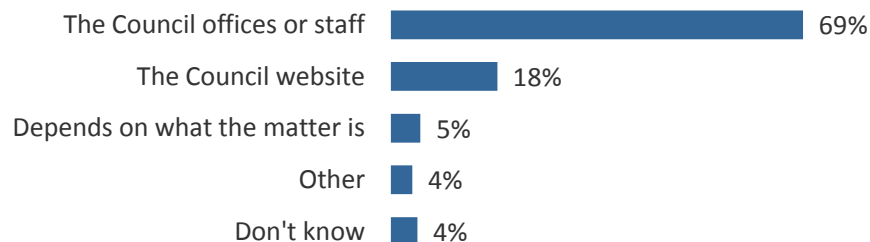


Frequency of use and reasons for dissatisfaction

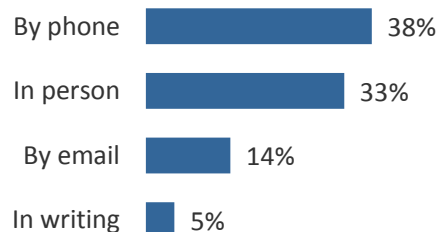
The majority of residents (69%) would approach the Council offices or staff first for a matter that needed to be raised, while contact with the Council is mostly made by phone or in person

Contact with the council

Approach first to raise a matter with Council



Contact with Council in the last 12 months

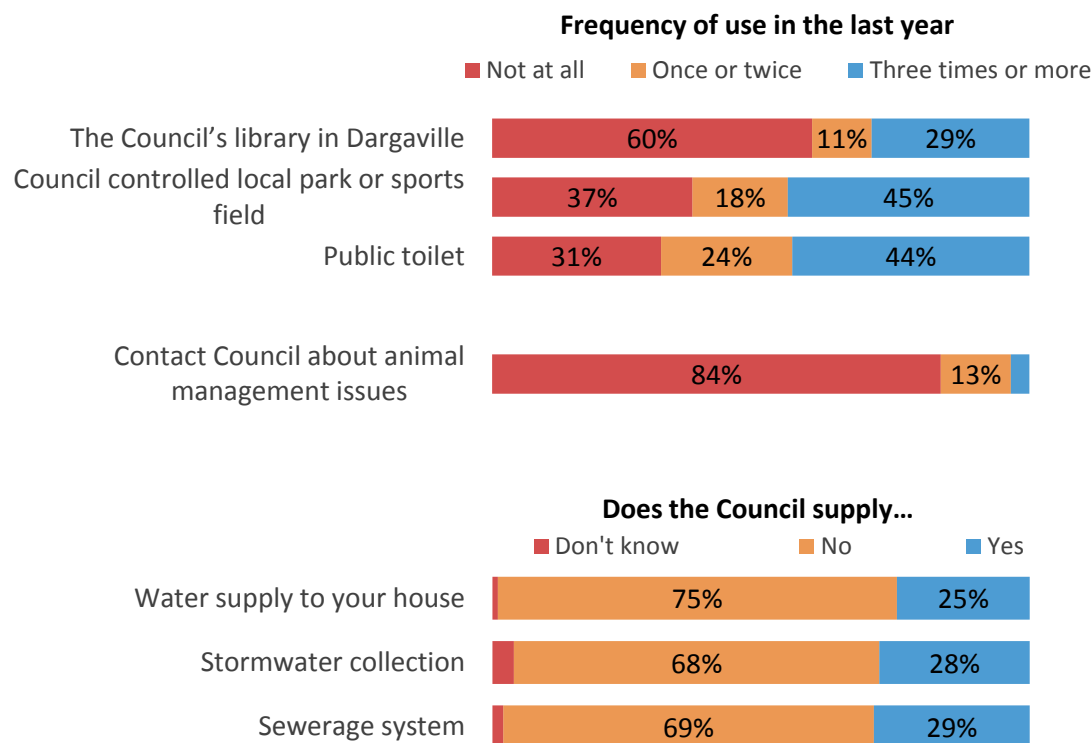


NOTES:

1. Sample: n=400
2. Q6: When you have a matter that you need to raise with Council, who do you approach first ...; single response
3. Q7: During the last 12 months, have you contacted the Council offices ...; multiple response

Approximately three in five residents (60%) have not used the library in Dargaville in the last 12 months. Three quarters (75%) of residents do not have Council supplied water in their homes

Frequency of use and supply

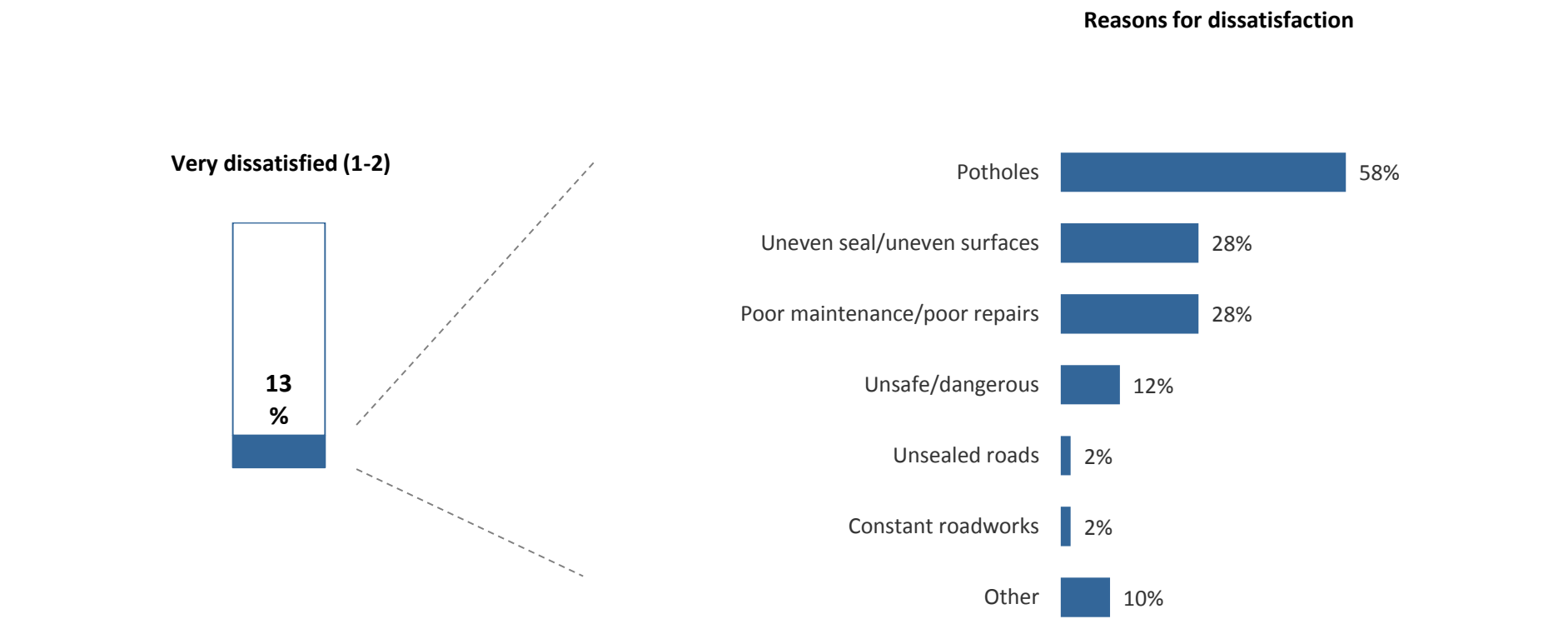


NOTES:

1. Total sample: n=400; Excludes 'don't know'
2. Q14: In the last year, how frequently have you used the following services provided by the Kaipara District Council...
3. Q28: In the last year, how often have you contacted the Kaipara District Council about... 222
4. Q16: Where you live, does the Council provide...

Potholes is the top reason for dissatisfaction with Council’s sealed roads

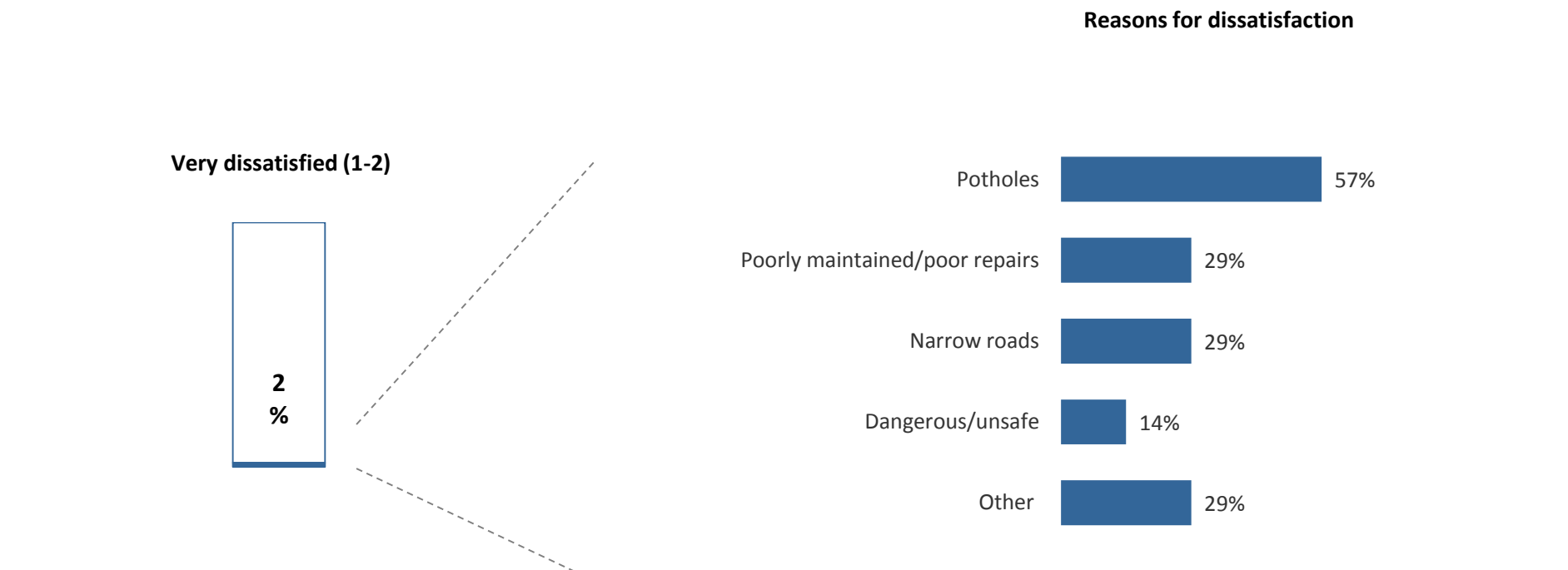
The ride quality of Council’s sealed roads



NOTES:
 1. Sample: n=397; very dissatisfied n=50
 2. Q21a: Can you tell me why you were not satisfied with the ride quality of the Council’s sealed roads?223

Dissatisfaction with the standard of signage and road markings on Council’s sealed roads is predominantly due to potholes

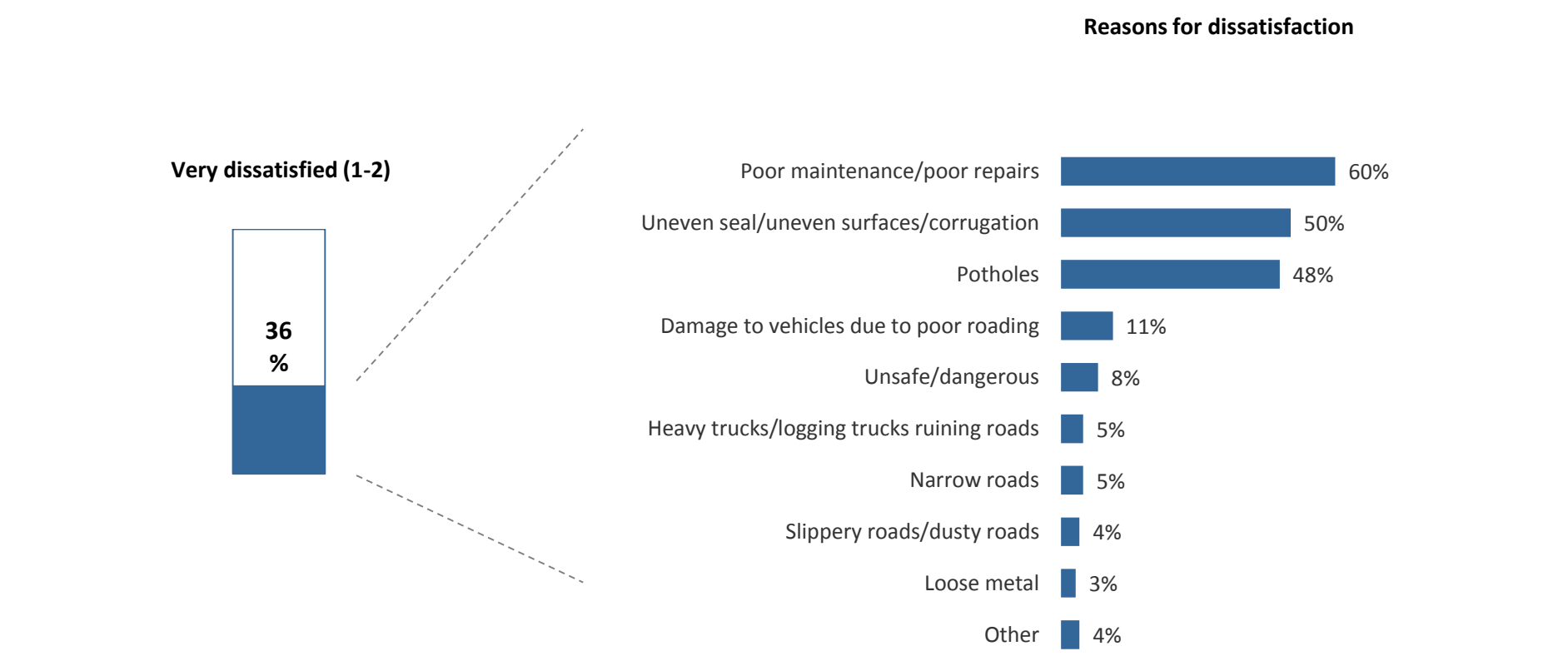
The standard of signage and road markings on the Council’s sealed roads



NOTES:
 1. Sample: n=394; very dissatisfied n=7
 2. Q21d: Can you tell me why you were not satisfied with the standard of signage and road markings on Council’s sealed roads?

Approximately three in five residents that are dissatisfied with the surface of Council’s unsealed roads gave poor maintenance and repairs as their reason

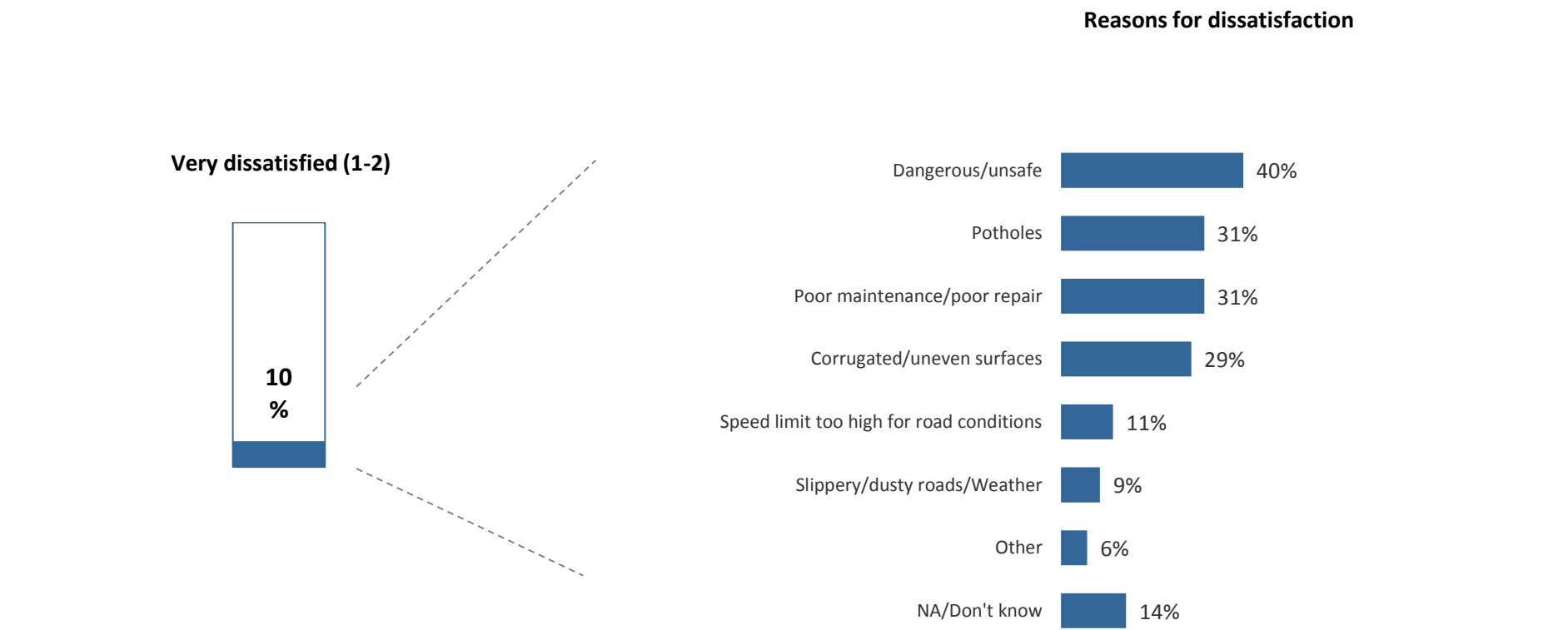
The ride quality of Council’s unsealed roads



NOTES:
 1. Sample: n=377; very dissatisfied n=123
 2. Q21b: Can you tell me why you were not satisfied with the ride quality of Council’s unsealed roads? 225

Of the 10% of residents that are very dissatisfied with the standard of signage of Council’s unsealed roads, 40% felt that they are dangerous and generally unsafe

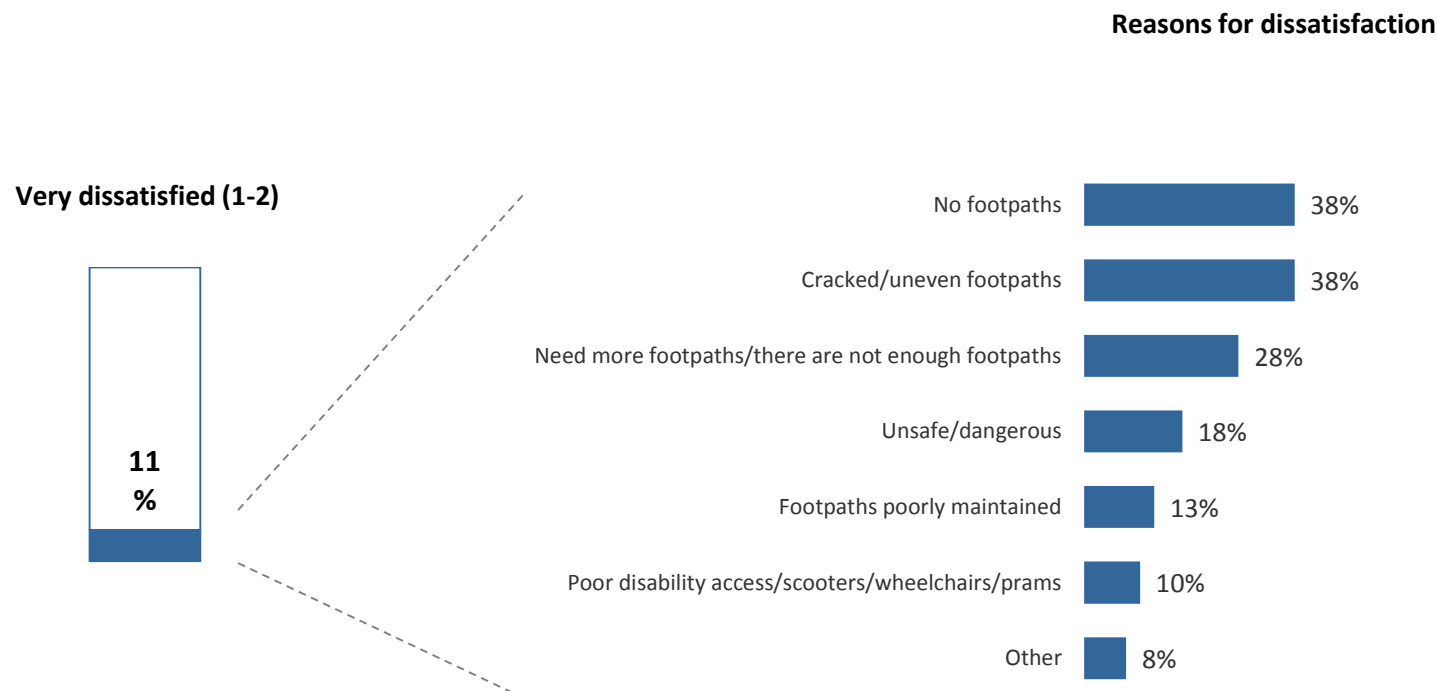
The standard of signage of Council’s unsealed roads



NOTES:
 1. Sample: n=374 ; very dissatisfied n=35
 2. Q21c: Can you tell me why you were not satisfied with the standard of signage on Council’s unsealed roads?

A lack of footpaths was the top reason for residents to be very dissatisfied with footpaths in the district, followed by them being either cracked or uneven

Footpaths



NOTES:

1. Sample: n=362; very dissatisfied n=39
2. Q21e: Can you tell me why you were not satisfied with footpaths?

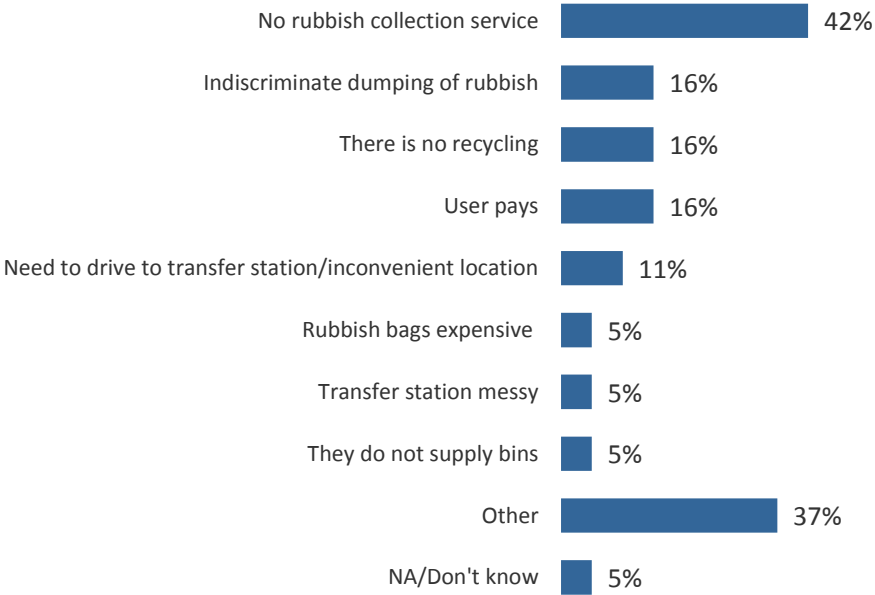
A lack of a rubbish collection service is the most common reason for residents being dissatisfied with the refuse bag collection service

Refuse bag collection service

Very dissatisfied (1-2)



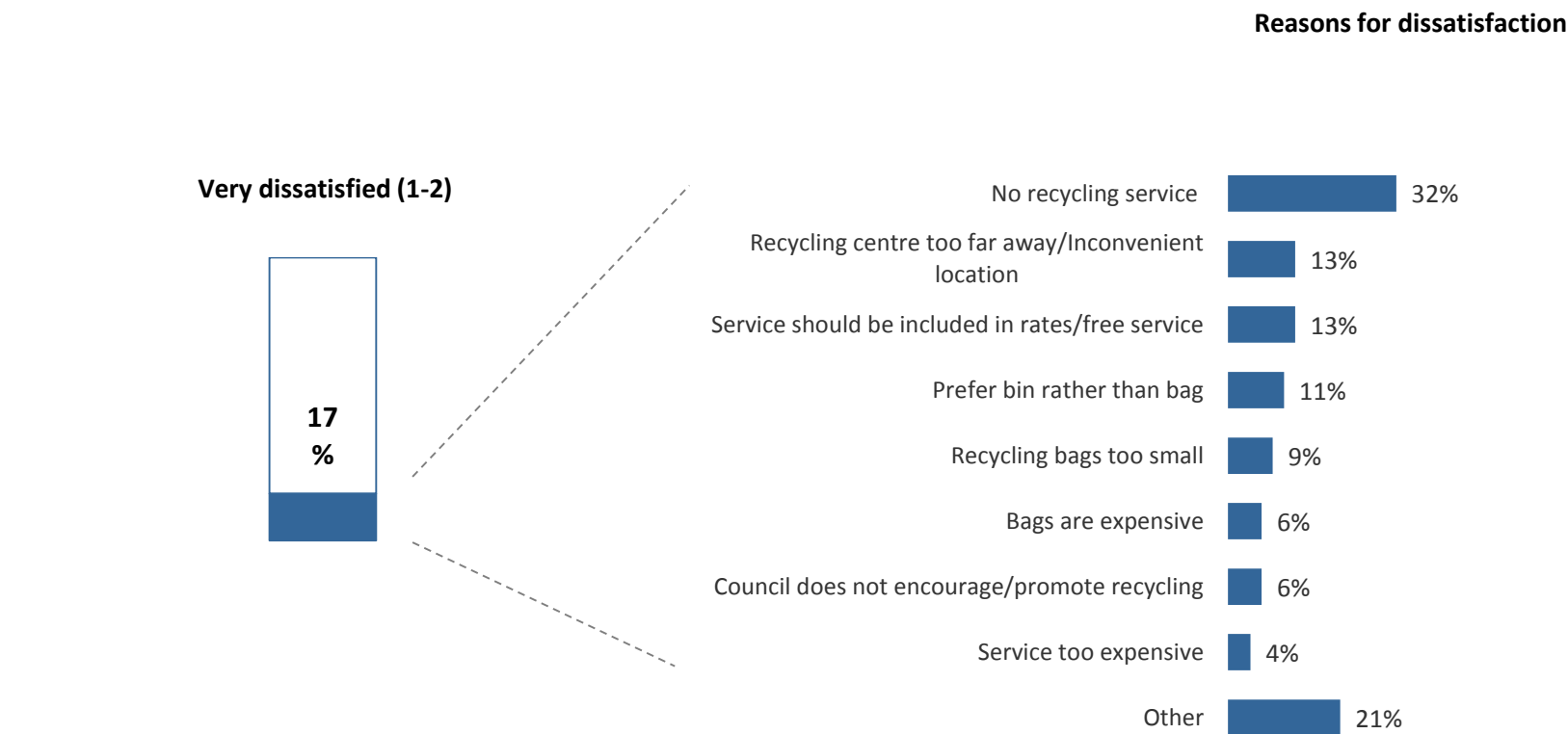
Reasons for dissatisfaction



NOTES:
 1. Sample: n=335; very dissatisfied n=19
 2. Q24a: Can you tell me why you were not satisfied with Refuse bag collection service?

Having no recycling service available to them is the main reason residents are very dissatisfied with the Council’s recycling services

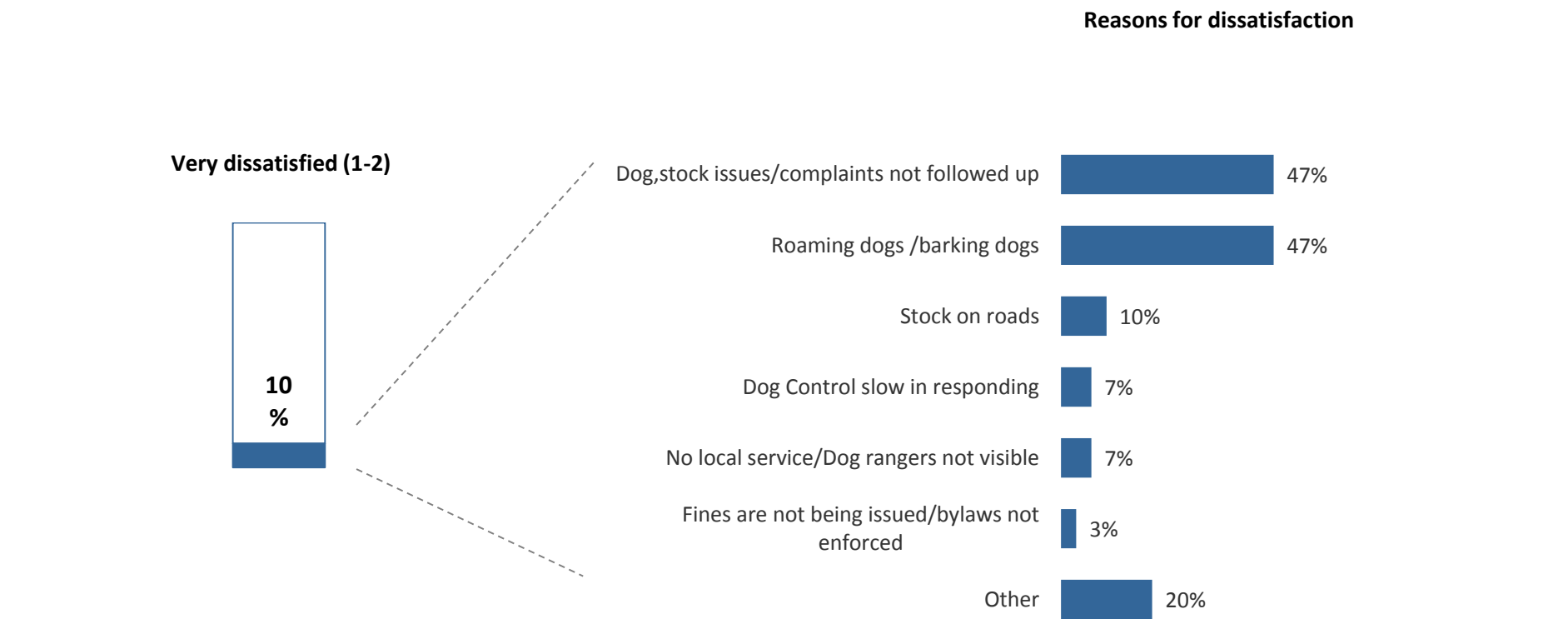
Council’s recycling services



NOTES:
 1. Sample: n=290; very dissatisfied n=47
 2. Q24b: Can you tell me why you were not satisfied with Council’s recycling services?

Complaints not being followed up regarding dog and stock issues as well as roaming and barking dogs are the two top reasons for dissatisfaction with dog and stock control

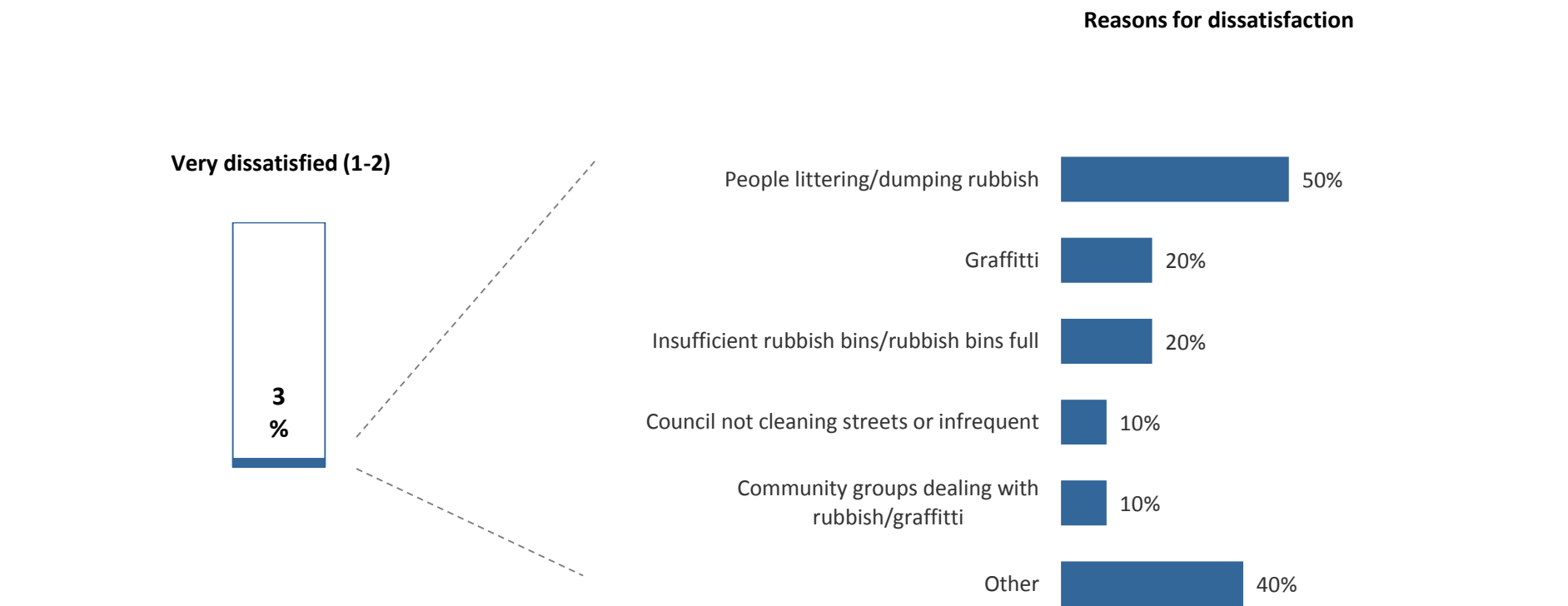
Dog and stock control



NOTES:
 1. Sample: n=333; very dissatisfied n=30
 2. Q27a: Can you tell me why you were not satisfied with dog and stock control?

People littering and dumping rubbish is the biggest reason for dissatisfaction with litter and graffiti control

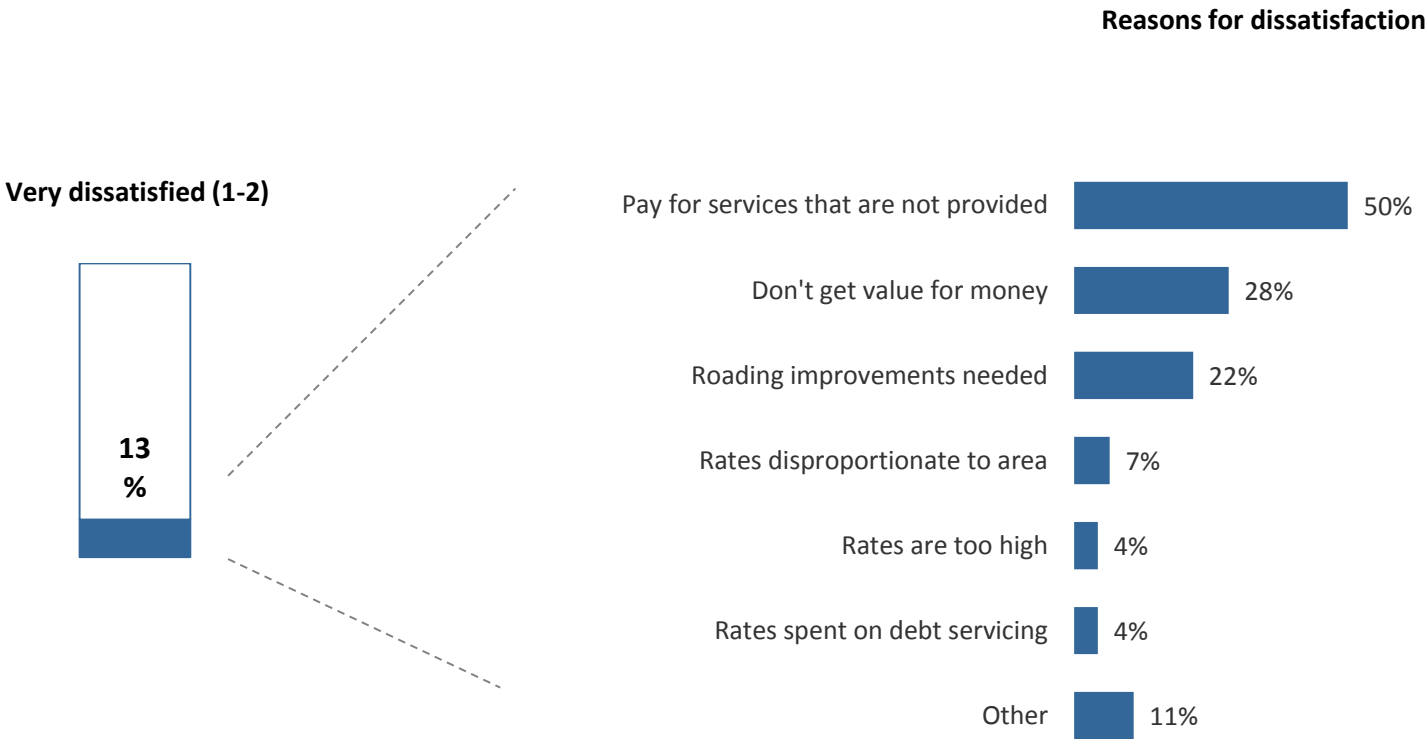
Litter and graffiti control



NOTES:
1. Sample: n=351; very dissatisfied n=10
2. Q27b: Can you tell me why you were not satisfied with litter and graffiti control?

Half of the very dissatisfied residents feel that they pay for services that are not provided

Value for money



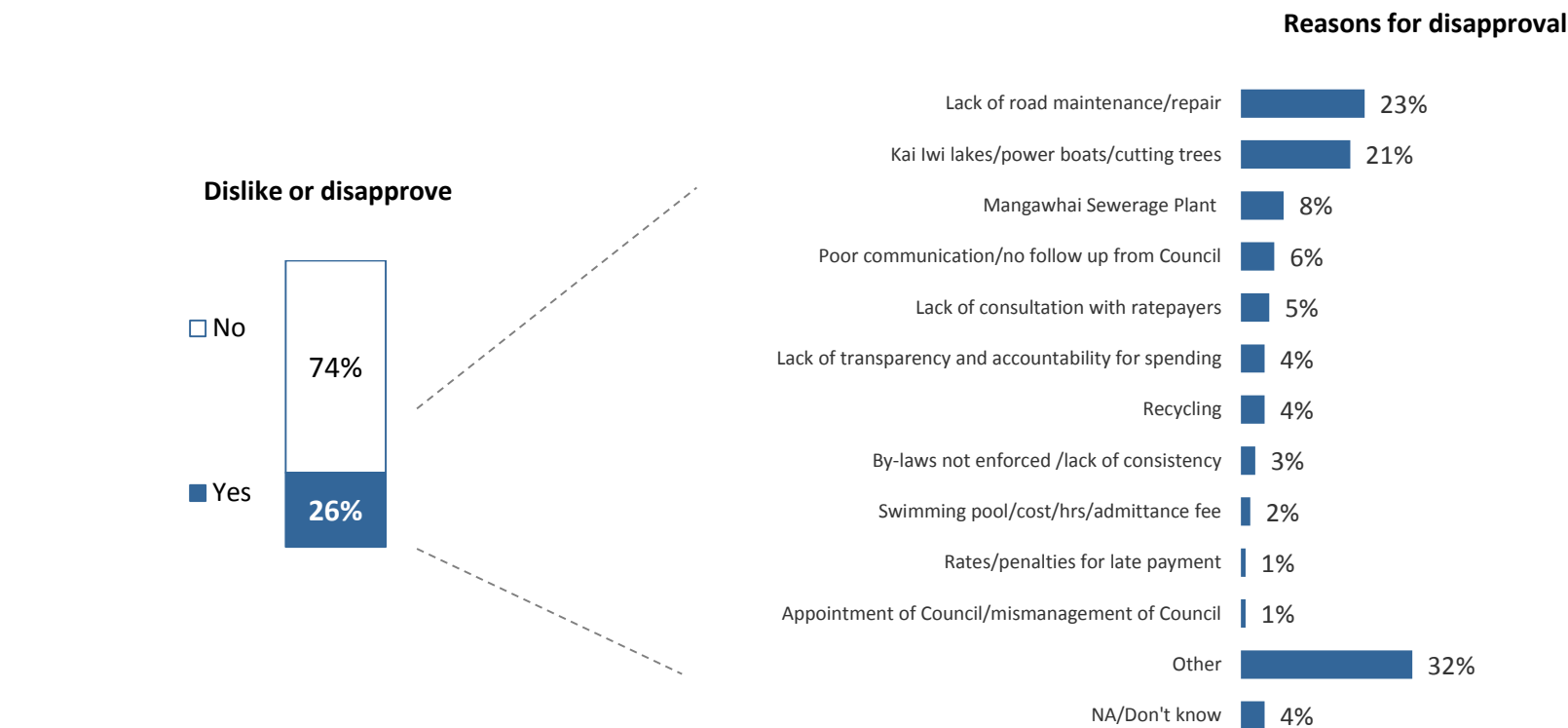
NOTES:
 1. Sample: n=383; very dissatisfied n=46
 2. Q34a: Can you tell me why you were not satisfied with the value for money?



Approval comments and feedback

Issues involving lack of road maintenance and Kai Iwi lakes, power boats and cutting trees are the top reasons for residents to dislike Council's actions, decisions or management

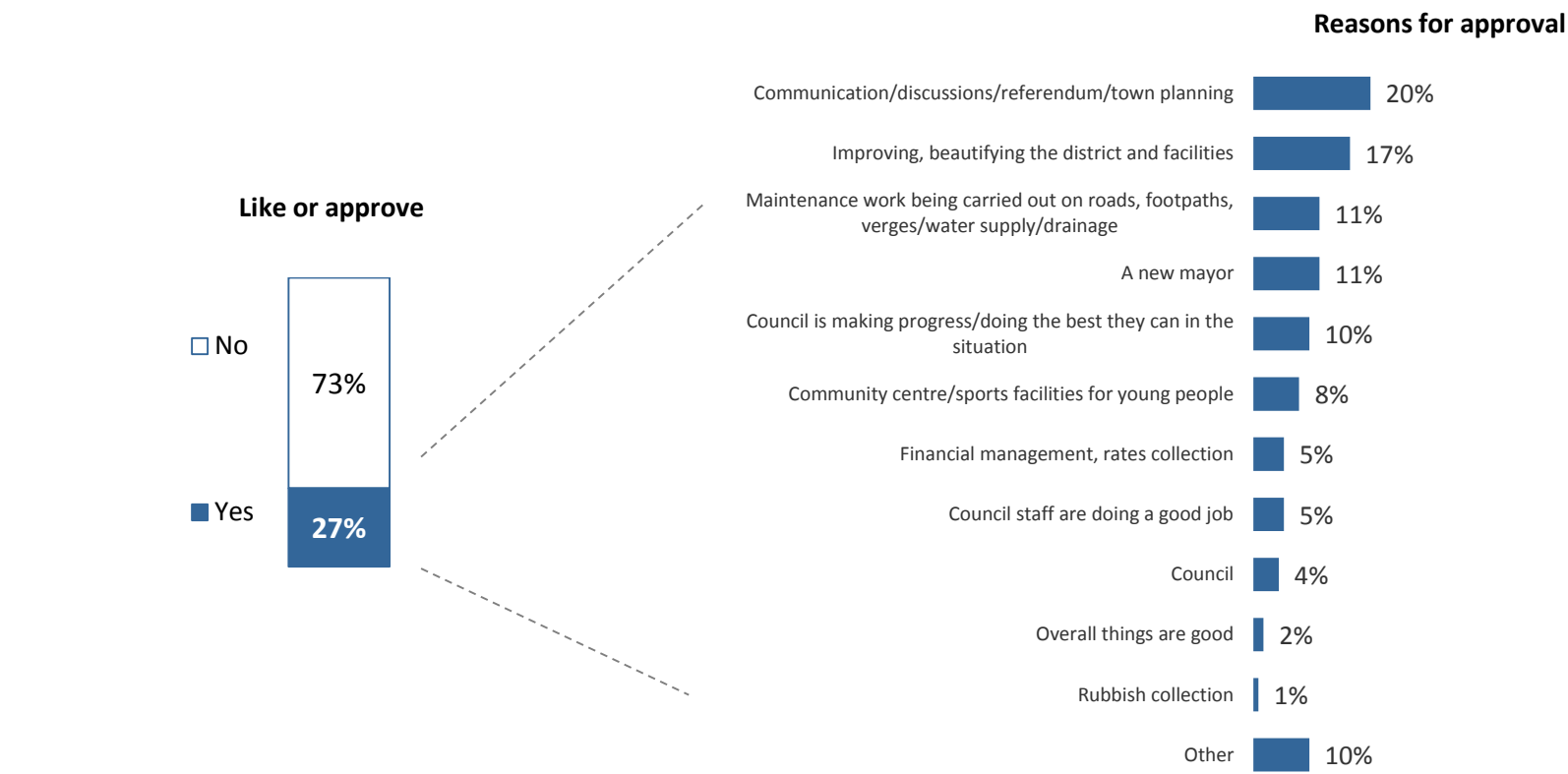
Dislike or disapprove of Council's actions, decisions or management



NOTES:
 1. Sample: n=400; yes n=112
 2. Q38: Is there any one thing that comes to mind with regard to the Council's actions, decisions or management in the last few months, that you dislike or disapprove of?
 3. Q38a: What is it?

Residents who approve of Council’s actions, decisions or management have a variety of reasons ranging from communication, improved maintenance to having a new mayor

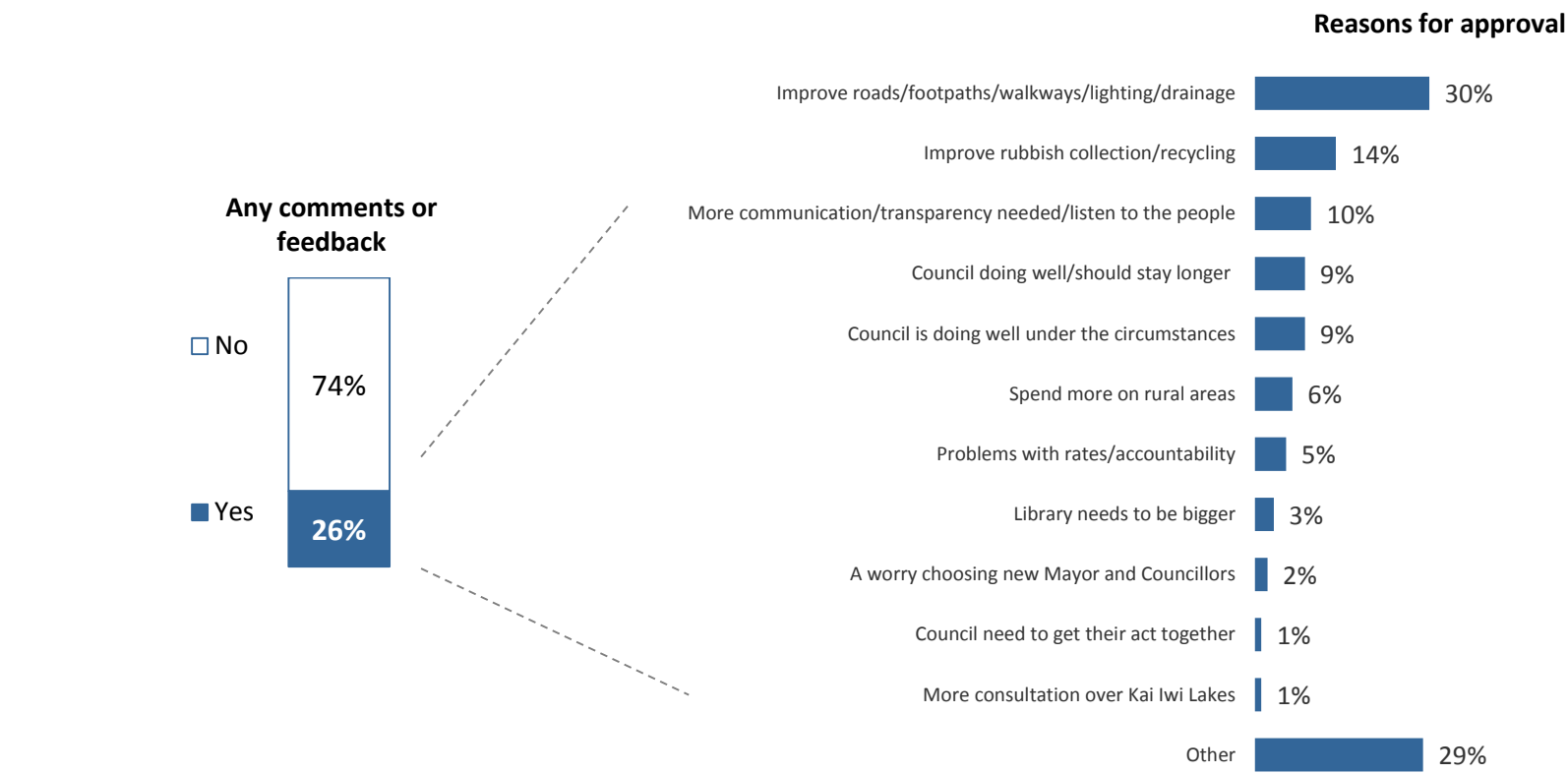
Like or approve Council’s actions, decisions or management



NOTES:
 1. Sample: n=400; yes n=114
 2. Q39: And is there any one thing about the Council's actions, decisions or management in the last few months, that comes to mind as something you do like or approve of?
 3. Q39a: What is it?

Improving the roads, footpaths and walkways received the most mention from the general comments and feedback left

Comments or feedback

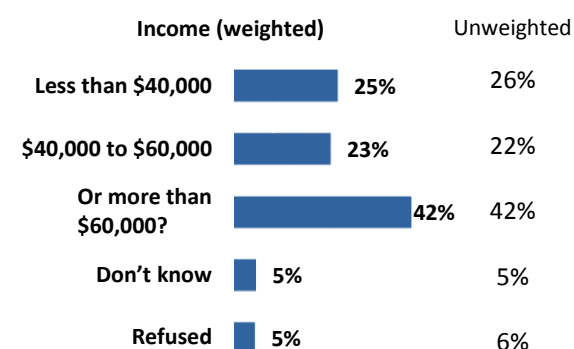
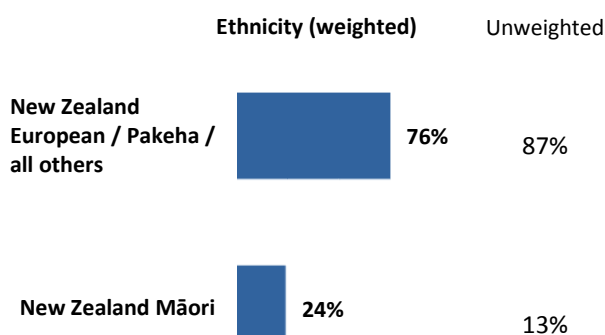
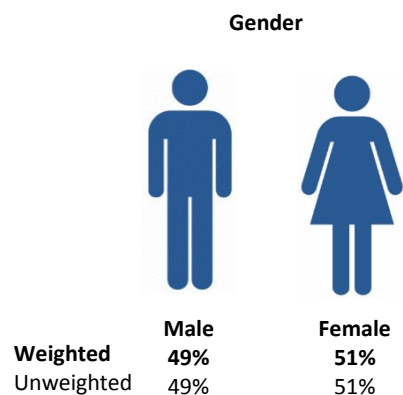
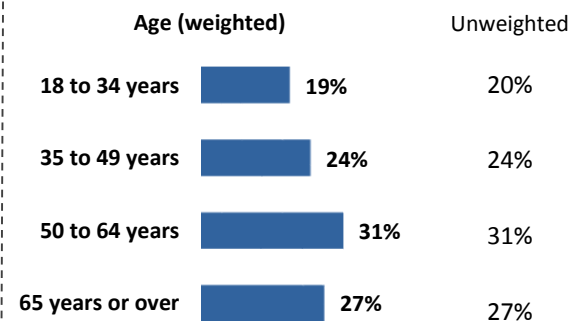
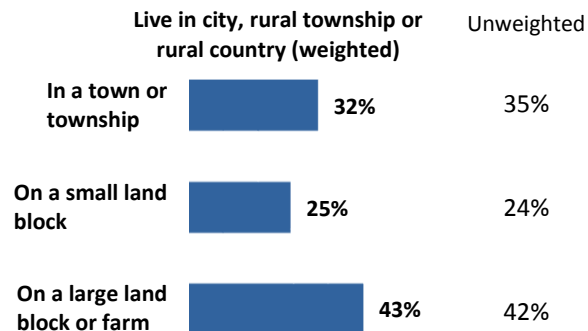
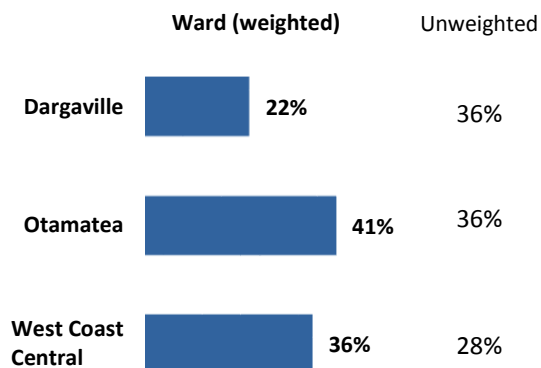


NOTES:
 1. Sample: n=400; yes n=93
 2. Q50: Finally, are there any comments or feedback that you would like to make?Q39a: What is it? 236



Sample profile

Demographic Profile





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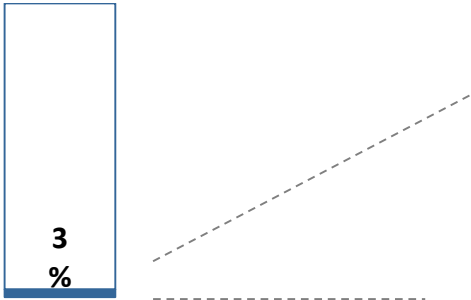


Appendix: Small sample verbatim comments

Of those who were very dissatisfied with the library, the three reasons given relate to the building

The Council’s library in Dargaville

Very dissatisfied (1-2)



Reasons for dissatisfaction

- The building is too small, the staff are excellent*
- I think its very quiet needs a massive amount done to it*
- I know that libraries are on the decline due to the internet but the building in Dargaville is not suitable as a library*

NOTES:
 1. Sample: n=165; very dissatisfied n=3
 2. Q14a: Can you tell me why you were not satisfied with the Council’s library in Dargaville?

Cleanliness, lack of soap and buildings requiring maintenance are the main reasons for dissatisfaction with public toilets

Public toilets

Reasons for dissatisfaction

Very dissatisfied (1-2)



- They need cleaned more. That's it*
- They are not very well cleaned and should be cleaned twice a day*
- The toilets needed cleaning*
- The toilet at Kaiwaka is often blocked and too many people use it because of the motorway*
- The Dargaville ones always stink because they have an odour even after they are clean.*
- No rubbish bins at the Ruawai wharf*
- Because they are dirty, sometimes doors do not lock, sometimes there has been graffiti.*
- They are overall not appealing*
- At times there is no toilet paper. Needs more maintenance*

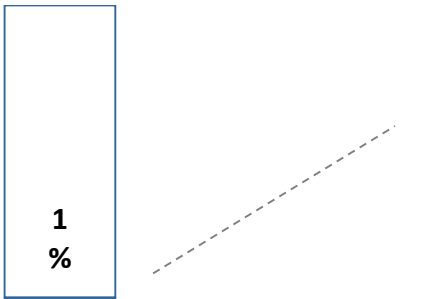
NOTES:
 1. Sample: n=262; very dissatisfied n=8
 2. Q14c: Can you tell me why you were not satisfied with public toilets?

The one reason for dissatisfaction with water supply concerns the high level of chlorine in the water

Water supply to your house

Reasons for dissatisfaction

Very dissatisfied (1-2)

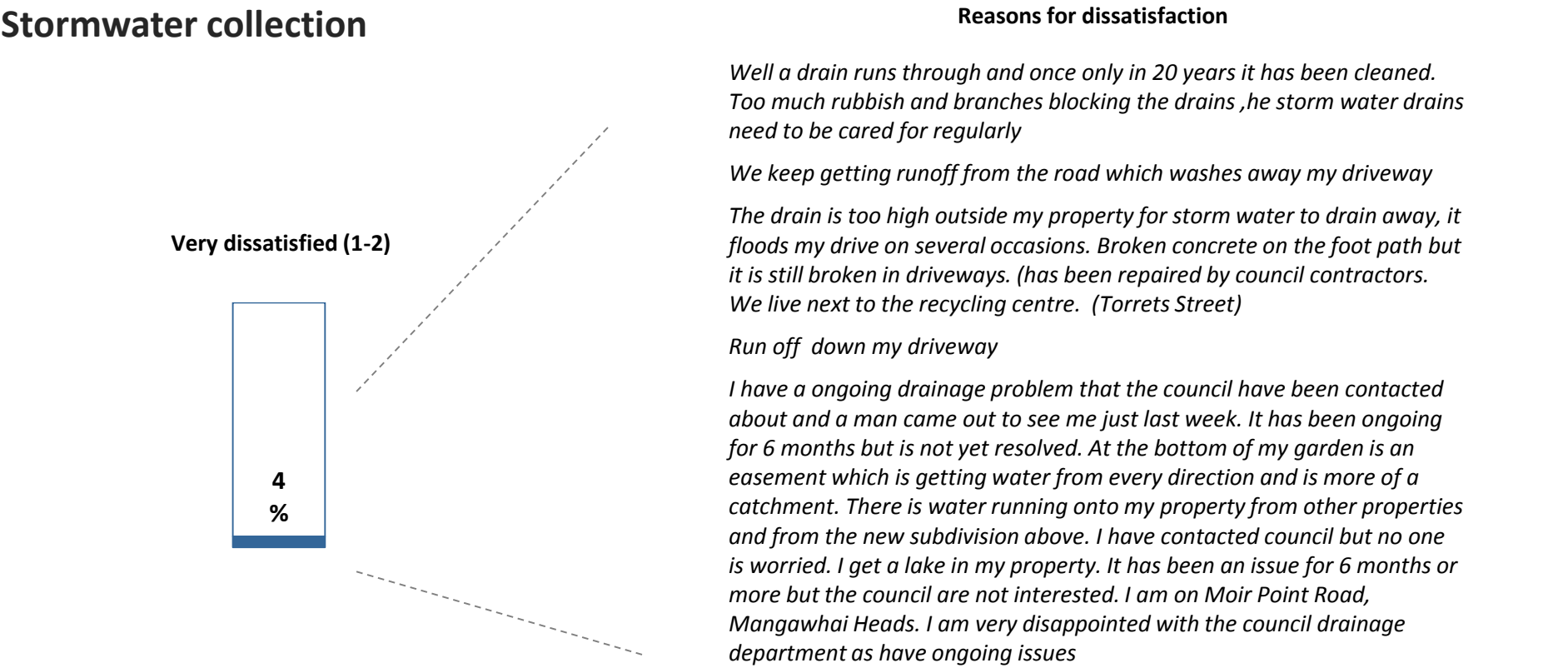


The level of chlorine in the water is way too high

NOTES:
 1. Sample: n=117; very dissatisfied n=1
 2. Q16a: Can you tell me why you were not satisfied with water supply to your house?

Runoff on their own driveway is among reasons given for dissatisfaction with stormwater collection

Stormwater collection



NOTES:
 1. Sample: n=117; very dissatisfied n=5
 2. Q16b: Can you tell me why you were not satisfied with stormwater collection?

Smell and failing to drain properly are the main reasons for residents dissatisfaction with the sewerage system

Sewerage system

Reasons for dissatisfaction

Very dissatisfied (1-2)



There is a collection sewerage pump station for the area behind my property and it should be monitored 24/7 as it overflows into the storm water at the back of my property and this means raw sewerage is flowing into the storm water creating a danger to my family and others in the area, flies and vermin are attracted to the problem. I need to ring the council to get the pump system fixed as the silent alarms do not seem to be heeded. Cobham Avenue, Dargaville

Keeps stinking my house out and blocking

Doesn't drain properly, not enough ,tree blocking a drain so there for tree needs cutting

Considering they are always knocking on the door saying we have a blockage and now they have run the sewage under the estuary they will have bigger problems unblocking the blockages

NOTES:
 1. Sample: n=127; very dissatisfied n=5
 2. Q16c: Can you tell me why you were not satisfied with the sewerage system?

Reasons for dissatisfaction with a request for a building permit relate to the process and a language barrier issue

Request for a building permit

Very dissatisfied (1-2)



Reasons for dissatisfaction

Someone that could not speak English was dealing with it. They were very unhelpful with basically zero practicality

It took so long and there was a huge amount of red tape

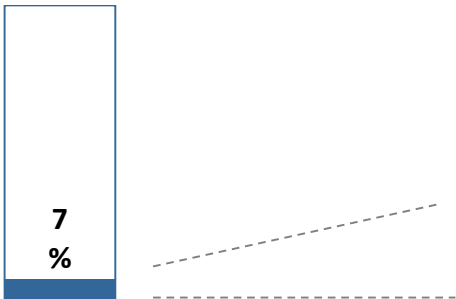
I was unhappy as the criteria required for a farm shed were over the top and unreasonable and the consent fees were horrendous, this was in the Tokatoka area

NOTES:
 1. Sample: n=43; very dissatisfied n=3
 2. Q19a: Can you tell me why you were not satisfied with a request for a building permit?

Dissatisfaction with a request for a resource consent stems from unhelpful staff along with an onerous process

Request for a resource consent

Very dissatisfied (1-2)



Reasons for dissatisfaction

They were very unhelpful again and some of the rules of what you have to do are ridiculous and I still have not got the consent after 10 or 11 months

NOTES:
 1. Sample: n=22; very dissatisfied n=1
 2. Q19b: Can you tell me why you were not satisfied with a request for a resource consent?



End

File number: 3834.0
Report to: Council
Meeting date: 14 August 2017
Subject: Marine and Coastal Area (Takutai Moana) Act 2011
Date of report: 27 July 2017
From: Howard Alchin, Policy Manager
Report purpose ☐ Decision ☒ Information
Assessment of significance ☐ Significant ☒ Non-significant

Approved for agenda ☒

Summary

The Marine and Coastal Area (Takutai Moana) Act 2011 ('MACA') was enacted to repeal the controversial Foreshore and Seabed Act 2004, and restore customary interests to the common marine and coastal area (CMCA) which the 2004 Act extinguished. The Act provides for the recognition of a number of rights, including Protected Customary Rights (PCR) and Customary Marine Title (CMT).

The Act provided a statutory timeframe within which all applications must have been received or lodged. This deadline was in April 2017. A number of applications have sought direct Crown Engagement with the Office of Treaty Settlements (OTS), and therefore Council's role is minimal. There have also been applications lodged with the High Court seeking recognition of rights. Council is able to file a Notice to Appear with regards to High Court applications.

A spreadsheet (**Attachment 1**) shows the active applications. There is also a map (**Attachment 2**) that has been prepared by OTS which illustrates the volume and area of applications in the Northland region.

While the Act provides for interests in the CMCA, which falls under regional council jurisdiction, territorial authorities still need to consider the applications, and the potential effects they may have on district councils.

Legal counsel has filed a number of 'Notices to Appear' on the applications that have been lodged with the High Court. While it is unlikely that Kaipara District Council (KDC) will oppose the applications, it is considered essential that we have a seat at the table and are involved in processes which may affect the Kaipara district. The intention therefore, is to keep a 'watching brief'.

There has been legal advice received that this process will be a long one, due to the volume of work, the steps that are necessary to be undertaken in processing and determining applications, and the requirement for funding to process applications and engage in Court processes. There is also likely to be considerable issues that arise given the number of applications which share similar boundaries and areas.

This Report outlines the legislative provisions, and the effects they may have for Kaipara district, for the Mayor and Councillor's information.

Recommendation

That the Kaipara District Council receives the Policy Manager's report 'Marine and Coastal Area (Takutai Moana) Act 2011' dated 27 July 2017 and notes the information contained therein.

Reason for the recommendation

This Report does not seek a decision by Council, but is merely to inform Council of the Marine and Coastal Area Act's provisions and the effect this may have on the Kaipara district.

Reason for the report

The reason for this report is to inform Council of the legislative provisions of the Marine and Coastal Area (Takutai Moana) Act 2011 ('MACA'), including how this process may affect Council. This report also provides information on the number of applications which fall within Kaipara District Council (KDC) boundaries.

Background

The Marine and Coastal Area (Takutai Moana) Act 2011 provides a common space in the Common Marine and Coastal Area which cannot be owned by anyone, and provides for legal recognition and protection of customary rights. There is no right contained within customary interests which limits or restricts access to the CMCA, and MACA provides for public rights of free access, fishing and navigation to co-exist with the rights that tangata whenua may seek (except in wahi tapu areas).

MACA provides a statutory process to enable tangata whenua to lodge applications which allow for participation in conservation processes, protected customary rights (**PCR**) and customary marine title (**CMT**).

The Act defines **Protected Customary Rights** (s51(1)) as:

'...a right that-

- (a) Has been exercised since 1840; and*
- (b) Continues to be exercised in a particular part of the common marine and coastal area in accordance with tikanga by the applicant group, whether it continues to be exercised in exactly the same or similar way, or evolves over time; and*
- (c) Is not extinguished as a matter of law'*

Such customary activities may include gathering shellfish, launching waka, and removing material such as hangi stones.

The Act provides that **Customary Marine Title** (s58(1)) exists:

'..in a specified area of the common marine and coastal area if the applicant group-

- (a) Holds the specified area in accordance with tikanga; and*
- (b) Has, in relation to the specified area –*
 - a. Exclusively used and occupied it from 1840 to the present day without substantial interruption; or*
 - b. Received it, at any time after 1840, through a customary transfer...'*

The Act also provides that CMT *'provides an interest in land, but does not include a right to alienate or otherwise dispose of any part of a customary marine title area'*.

Participation in conservation processes – This allows tangata whenua to be involved with the Department of Conservation in the creation or amendment of New Zealand Coastal Policy Statements.

Protected Customary Rights – A PCR holder will not be required to gain resource consent for customary activities, use or practices. Activities which may have a more than minor adverse effect on the PCR will also be prohibited (unless the applicant obtains the consent of the PCR holder). Plans will also be prohibited from including permitted activities if they will have an adverse effect that is more than minor on the PCR. A PCR group is able to derive commercial benefit from carrying out their PCR, and the rights associated with a PCR can be delegated and transferred in accordance with tikanga to a person identified in a PCR order/agreement.

Customary Marine Title – CMT provides an interest in land, but is not the same as freehold title. After a CMT order/agreement is made, a CMT group has following rights:

- The right to give, or decline to give, permission for activities requiring a resource consent;
- The right to protect wahi tapu and wahi tapu areas; and
- The right to create a planning document.

A planning document (which is not mandatory) will allow the CMT group to express its preferences on use, development and protection in relation to its recognised area of CMT. A planning document cannot contain rules, so councils have the flexibility to find methods to meet the objectives and policies of the planning document. The regional council is required to 'recognise and provide for' planning documents by a CMT group, and may result in changes to the Regional Policy Statement, or Regional Plans. This may affect KDC, due to requirements under the RMA that District Plans give effect to Regional Policy Statements, and not be inconsistent with Regional Plans. However, the likelihood and timeframes of this possibility is uncertain, and it may be a considerable length of time before there is any requirement to review the District Plan.

There is also a requirement under MACA that when a planning document is registered (with the relevant regional council, territorial authority, Heritage New Zealand Pouhere Taonga, Director-General of Conservation and Minister of Fisheries), a local authority must then take into account when considering a decision under the Local Government Act 2002 in relation to the CMT area. A relevant example for KDC would be the need to consider the CMT planning document when deciding to make bylaws restricting vehicle access to beaches.

Issues

There have been 16 claims under MACA, which appear from an initial overview to occur within Kaipara jurisdiction. This includes six claims which have been lodged with the Office of Treaty Settlements and are following the 'direct Crown Engagement' process and 10 claims that have been lodged with the High Court.

These claims are summarised below:

Direct Engagement with Crown	High Court Application
<ul style="list-style-type: none"> • Te Iwi o Te Roroa • Te Uri O Hau • Ngati Whatua • Nga Whanau o Te Aupori kit e Kao • Ngati Wharara Hapu • Ngapuhi, Ngati Wai, Haki Pereki and the Ngawhetu Sadler Whanau Trust • Nga Hapu o Ngai Tahu • Pananawe Marae • Te iwi, whanau and hapu of Ngatiwai • Te Tana Hohaia Whanau Waikaraka • Te Parawhau hapu • Te Hikutu whanau and hapu • Te Popoti ki Otirei • Ngati Manuhiri 	<ul style="list-style-type: none"> • Te Popoti ki Otirei • Ngatiwai Trust Board • Ngati Kawau and Te Waiariki Korora • Nga Puhi nui tonu, Ngati Rahiri, Ngati Awa, Nga Tahu and Ngatiawake • Nga Hapu o Ngai Iwi • Ngaitawake • Ropu o Rangiri • Te Runanga o Ngati Whatua • Ngati Manuhiri • Nga Hapu o Tangaroa ki te Ihu o Manaia tae atu ki Mangwhai

These are also referenced in the spreadsheet (**Attachment 1**), which shows where KDC has filed a Notice to Appear, and other administrative details. There have also been two applications lodged with the High Court (by Cletus Maanu Paul and by Rihari Dargaville) which apply to the entire CMCA of New Zealand, and are filed on behalf of all Maori. Legal advice has been that KDC does not need to file a Notice to Appear on those applications.

Despite the jurisdictional issues primarily concerning Northland Regional Council, as a territorial authority consideration of these applications is still important. Legal counsel has advised one such concern as a territorial authority is where Council-owned or operated infrastructure may conflict with the exercise and operation of customary interests (i.e. stormwater discharging to an area where tangata whenua may have established CMR).

Factors to consider

Community views

There is likely to be considerable public misunderstanding at both a national and local level regarding what MACA provides for, and what it restricts. It is important that the rights the Act provides for and the process that the applications must still follow is communicated effectively.

Policy implications

There are no policy implications at this stage.

Financial implications

There are no financial implications at this stage.

Legal/delegation implications

Legal counsel has filed a number of 'Notices to Appear' on the applications that have been lodged with the High Court. While it is unlikely that KDC will oppose the applications, it is considered essential that we have a seat at the table and are involved in processes which may affect the Kaipara district. The intention therefore, is to keep a 'watching brief'.

There has been legal advice received that this process will be a long one, due to the volume of work, the steps that are necessary to be undertaken in processing and determining applications, and the requirement for funding to process applications and engage in Court processes. There is also likely to be considerable issues that arise given the number of applications which share similar boundaries and areas.

Next step

Council staff will continue to keep a watching brief on the claims that are before the High Court, and those that are following the Crown Engagement process.

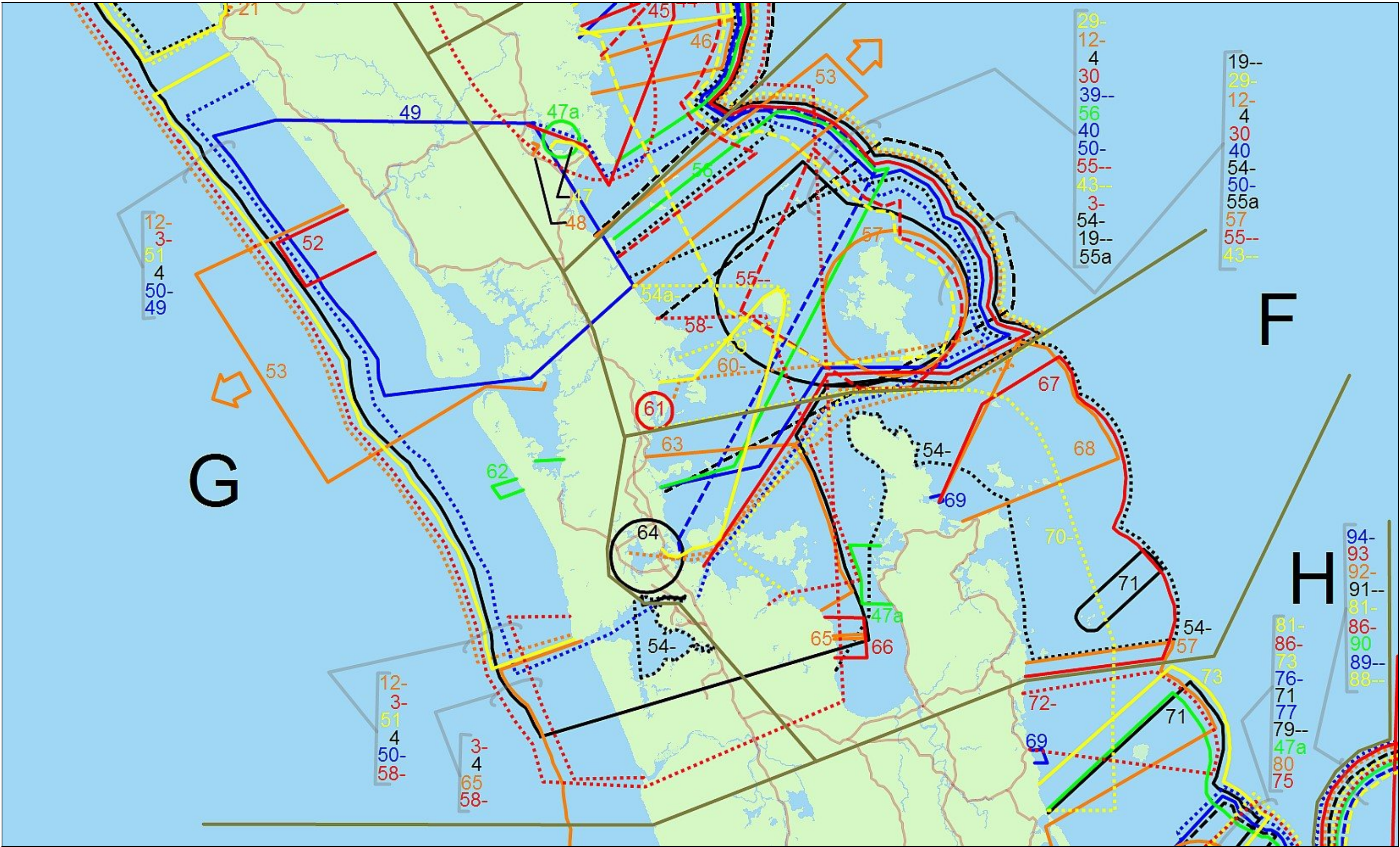
Council staff also intend to approach Northland Regional Council staff to enter into a working relationship with the regional council regarding these applications. Council staff have made contact with Far North District Council, and will endeavour to also engage with Whangarei District Council staff, as a number of applications cross territorial authority boundaries.

Attachments

- Spread sheet of Marine and Coastal Area (Takutai Moana) Act applications (through High Court process, or Crown Engagement) (**Attachment 1**)
- Map showing the applications in the Northland area, as prepared by the Office of Treaty Settlements (**Attachment 2**)

Applicant Name	On behalf of (application group)	Application	Map
James Te Tuhi	Te Popoti ki Oturei and descendants of Aperahama Taonui	HERE	Part of affidavit
Ngatiwai Trust Board	Ngatiwai Trust Board	HERE	Received as part of application
Cletus Maanu Paul	All Maori	HERE	
Louisa Te Matekino Collier	Ngati Kawau and Te Waiariki Korora	HERE	
Joseph Robert Kingi	Nga Puhi nui tonu, Ngati Rahiri, Ngati Awa, Nga Tahuu and Ngatiawake	HERE	
Kare Rata	Nga Hapu o Ngati Wai Iwi	HERE	
Rihari Dargaville	Ngaitawake	HERE	
Richard John Nathan	Ropu o Rangiriri	HERE	
Te Runanga o Ngati Whatua	Te Runanga o Ngati Whatua	HERE	
Trustees of the Ngati Manuhiri Settlement Trust	Ngati Manuhiri	HERE	
Waimarie Kingi	Nga Hapu o Tangaroa ki Te Ihu o Manaia tae atu ki Mangawhai	HERE	
	<i>Te Iwi o Te Roroa</i>	justice.govt.nz	Map
	<i>Te Uri O Hau</i>	justice.govt.nz	Map
	<i>Ngati Whatua</i>	justice.govt.nz	Map
	<i>Nga Whanau o Te Aupori ki te Kao</i>	justice.govt.nz	Map
	<i>Ngati Wharara Hapu</i>	justice.govt.nz	Map
	<i>Ngapuhi, Ngati Wai, Haki Pereki and Ngawhetu Sadler Whanau Trust</i>	justice.govt.nz	Map
	<i>Nga Hapu o Ngai Tahuu</i>	justice.govt.nz	Map
	<i>Pananawe Marae</i>	justice.govt.nz	Map
	<i>Te iwi, whanau and hapu of Ngatiwai</i>	justice.govt.nz	Map

	<i>Te Tana Hohaia Whanau Waikaraka</i>	justice.govt.nz	Map
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	<i>Te Hikutu whanau and hapu</i>	justice.govt.nz	Map
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6. Decision Papers

File number: 4106.06
Report to: Council
Meeting date: 14 August 2017
Subject: Transportation Procurement Strategy 2017 to 2021
Date of report: 04 August 2017
From: Curt Martin, General Manager Infrastructure
 Peter Thomson, Northland Transportation Alliance Manager

Approved for agenda ☒

Report purpose ☒ **Decision** ☐ **Information**
Assessment of significance ☐ **Significant** ☒ **Non-significant**

Summary

The Kaipara District Council, as an “approved organisation”, receives funding assistance (subsidy) for expenditure on land transport investments from NZ Transport Agency (NZTA), and KDC is required by NZTA to carry out any purchasing in accordance with this Act using approved procurement procedures.

Council is required to have an NZTA approved procurement strategy to access subsidy funding for roading projects and maintenance works. Council’s current procurement strategy expires in October 2017 and the purpose of this report is to present the ‘Transportation Procurement Strategy 2017 to 2021’ to Council for approval prior to submitting to NZTA.

Recommendation

That Kaipara District Council:

- 1 *Receives the General Manager Infrastructure’s and the Northland Transportation Alliance Manager’s report ‘Transportation Procurement Strategy 2017 to 2021’ dated 04 August 2017; and*
- 2 *Believes it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with the provision of s79 of the Act determines that it does not require further information prior to making a decision on this matter; and*
- 3 *Approves the Transportation Procurement Strategy 2017 to 2021 (as circulated with the above-mentioned report) subject to the Strategy being updated to include Council’s new vision and community outcomes; and*
- 4 *Approves the option for a single local roading Maintenance, Operation and Renewals contract for the Kaipara district; and*
- 5 *Delegates authority to the Mayor and Chief Executive to make changes, if required, to the Transportation Procurement Strategy 2017 to 2021 to reflect changes requested by the other three Northland councils that apply to their respective districts; and*
- 6 *Requests that NZ Transport Agency:*
 - a. *Endorses this Transportation Procurement Strategy; and*

- b. Approves the term of the three Maintenance, Operations and Renewals contracts at 4+2+1+1 (8 years maximum); and*
- c. Approves the use of the Northland Transportation Alliance, established as a Shared Services Business Unit, providing in-house professional services to the four Northland councils.*

Reason for the recommendation

To seek Council's approval of the Transportation Procurement Strategy 2017 to 2021.

Reason for the report

That the proposed recommendations satisfy Council's obligation to approve a Transportation Procurement Strategy and seeks NZ Transport Agency (NZTA) endorsement prior to 01 October 2017.

Background

Kaipara District Council (KDC), as an "approved organisation", receives funding assistance (subsidy) for expenditure on land transport investments from NZTA under s20 of the Land Transport Management Act 2003 (LTMA).

KDC is required by NZTA to carry out any purchasing in accordance with this Act using approved procurement procedures.

Under s25 of the LTMA, Council is required to have an NZTA approved procurement strategy to access subsidy funding for roading projects and maintenance works.

NZTA first approved Council's procurement strategy in October 2010 for a period of three years. This has been extended over the years and the current version expires in October 2017.

Issues

Regional Procurement

All four Northland councils are required to establish an NZTA endorsed procurement strategy that sets out their procurement plan for subsidised works by 01 October 2017.

The establishment of the Northland Transportation Alliance (NTA) provides the opportunity for an integrated approach to local government transportation procurement across Northland. A single strategy covering three local authorities and the regional council creates the potential to deliver local benefits through wider opportunities and regional co-ordination.

The NTA Collaborative Opportunities Business Case was formally adopted in May 2016 leading to the setup of the Shared Services Business Unit serving KDC, Far North District Council (FNDC), Northland Regional Council (NRC), and Whangarei District Council (WDC).

The purpose of NTA is to create positive change in the planning, management and delivery of transportation services in the region to achieve the following objectives of the Business Case.

- 1 More engaged and capable workforce delivering superior asset management.
- 2 Improved transport/customer outcomes, enabling investment and social opportunities.

- 3 Improved Regional strategy, planning and procurement.
- 4 Transport infrastructure is more affordable.

This strategy covers all the aspects of procurement for all transport activities within the four councils and covers the period until 2021. The update of the strategy then will align with the 2021/2024 three year programme and the councils' 2021/2031 10 year Long Term Plans. Any major changes which substantially affect procurement during its term will lead to its review.

Consultation during development

The development of this procurement strategy has involved discussion with a number of professional services and contracting companies and the involvement of their Industry Representatives (ACENZ and CCNZ) as recorded in the strategy document.

Maintenance contract procurement options

A series of workshops have also been held with elected representatives of the four Northland councils and NZTA during the preparation of this procurement strategy document. These workshops have focused on the new maintenance contracts regime proposed in the new Transportation Procurement Strategy.

The discussion of the new maintenance contract options considered in the development of the procurement strategy is summarised below.

It is important to note that a single procurement strategy for Northland has been proposed which will therefore require approval by the four Northland councils prior to being submitted to the NZTA for approval. There is therefore an issue regarding timing of the approvals by the respective councils and this may lead to one or more councils resolving to approve a variation to what is proposed in the strategy, particularly regarding the number of maintenance contracts within a council's district e.g. the strategy recommends three maintenance contracts across Northland whereas one council may resolve to have two maintenance contracts within its district instead of one. This would in turn require the strategy to be updated to reflect that council's decision.

Network Maintenance Contracts - the Status Quo

NZTA has approved the extension of all district council local road contracts to end simultaneously on 30 June 2018, to allow aligned joint procurement and implementation of the Strategy across FNDC, KDC and WDC.

Current supplier markets – and the case for change

The current situation is outlined as follows.

WDC has three area maintenance contracts and a reseal contract. The maintenance contracts are held by two tier 1 contractors (Fulton Hogan and Broadspectrum) and the reseal contract by a third tier 1 contractor (Downer).

FNDC has two tier 1 contractors operating (Fulton Hogan and Broadspectrum) across four contracts.

KDC has a single maintenance contract with a tier 1 contractor (Broadspectrum), and a relatively small resealing contract (with Fulton Hogan).

The strategic view is that the foundation of a healthy supplier market is three tier 1 contractors operating and engaged in Northland road maintenance contracts, and a range of small to medium contractors supporting them with consistent and reliable workflow.

The small to medium contractors do get sub-contract work but there are no guarantees and there is no certainty of continuity of work. They operate in a traditional market where they are reliant on the larger contractors for the supply of sub-contract work.

NTA was established because the Northern councils recognised the need for a step-change in how transportation networks are managed, and they wanted the benefits available from taking a regional approach. If we continue to deliver the status quo, little if any benefits or improvements will be delivered.

A healthy supplier market with a minimum of three tier 1 contractors could possibly be achieved by having a multitude of new contracts however it is more likely this would just consolidate the dominant position of the two-incumbent tier 1 contractors. Other tier 1 contractors may only be able to compete for contracts if the term, scale and value of contracts make it commercially viable for them to compete to enter and then remain in the Northland market.

The result is that significant consolidation from the current eight maintenance contracts is necessary to deliver additional benefits.

Development of options

In developing the options, it is important to reiterate the problem statements we are trying to address. They are:

- A lack of competition;
- A need for better asset and project management;
- A need to grow the capability and capacity of the industry as a whole;
- A need to meet the NTA key client procurement drivers:
 - The smart buyer capability of the client
 - Acceptable management of risk
 - Achieving value for money
 - Customer focus
 - Flexibility
 - Asset management ensuring council control
 - Measurable benefits from NTA
 - Ability to cluster
 - Local suppliers
 - Sustainable market
 - Innovation
 - Better relationships with suppliers.

Status quo contracts regime

There are eight network maintenance contracts currently held by two contractors, Fulton Hogan and Broadspectrum.

NZTA's State Highways contract is held by Fulton Hogan. Therefore, two tier 1 contractors dominate with another tier 1 (Downer) with no significant maintenance contract at present.

The existing contracts ranged from \$1m to \$8m at the time of tender. This scale is not sufficient to draw new tier 1 contractor competition into Northland. If the status quo is retained it is likely the market will continue to be dominated by two incumbent contractors.

The status quo does not optimise the required benefits to Northland and has therefore been discarded as an option going forward.

Dis-aggregated or unbundled contracts

This has been considered in comparison to the status quo. The councils' strategic objectives of the Collaborative Opportunities Business Case are to build capacity, superior asset management, improve procurement and investment, and deliver more cost-effective services. These objectives will be more difficult to deliver using many smaller contracts and contractors. It would create less interest and competitive bidding from tier 1 contractors who can bring greater management and technical capacity. It would place a much greater contract administration workload on NTA staff and reduce our ability to focus on better strategy, planning and work delivery outcomes.

This option is often promoted with a view to creating more work for tier 2 or 3 contractors, regionally and locally based small to medium businesses. Certainly, a healthy supplier market must have a steady work value being channelled to these contractors. The councils need to be very careful not to feed work to this market sector at the expense of achieving the strategic outcomes and benefits for Northland.

An alternative approach is a win-win for all tier contractors and the NTA by consolidating work into larger contracts to ensure adequate management capacity, performance, depth of resources, responsiveness to significant emergency events, and requiring a reasonable proportion of integrated maintenance work to be carried out by competent tier 2 and 3 sub-contractors. A proposed portion for guaranteed sub-contract work is 20-30% of the total contract value. This would result in approximately \$15m per year across Northland of steady assured maintenance work for tier 2 and 3 suppliers. This would be a significant improvement on the current situation where there are great uncertainties for small to medium contractors deriving income from routine maintenance activity. This in turn can restrict the tier 2 and 3 contractors from submitting competitive bids for other infrastructure capital work. In other words, the whole of the supplier market suffers from uncertain and inconsistent "bread and butter" work that helps to underpin sustainable businesses.

In summary dis-aggregating or unbundling contracts has not been further developed as a feasible option.

Consolidated (very large) contracts

Creating larger contracts from the current eight has been assessed. The focus of assessment has been on a range between one to five contracts across Northland.

A single contract would have an annual value of over \$50m, while two contracts would have values of between \$25-30m.

Maintenance contracts of this size are not common in the NZ transport sector, and most likely would result in contractors creating joint-ventures to submit tender bids. Competitiveness and the number of bids received at the tender box would most likely be reduced.

The basic shortcoming of having only one or two contracts is not achieving a healthy sustainable market; which is interpreted as having at least three stable tier 1 contractors in the region. One or two very large contracts would likely eliminate some competition based on the need of a large upfront investment (than would be required for 3 to 5 contracts) for plant, facilities etcetera by the successful contractor.

Possible benefits from a single large contract for the whole region:

- Possibly the most efficient/cost reduction at first tender. Impacts for future tender rounds and other works in the region may be negative.
- Likely to satisfy NTA business case objectives.
- May be able to develop a wider supplier alliance framework that deals with the risks, and emergency situations. This could be like alliances formed in response to the Canterbury and Kaikoura earthquake events. It would take time to develop this approach, to get agreement with three councils and NZTA, engage industry, develop skills and capability, agree procurement process etcetera.

Possible dis-benefits from a single large contract:

- Likely long term reduction of competition in the market. Both for tender renewal and other infrastructure works.
- Joint principals contract with the three District Councils. Need to be agreed with NZTA, well documented and actioned over life of contract (a risk). More complex governance of a contract with three client partners.
- The NTA at present has insufficient capability to manage such large contracts that would span across Council boundaries.
- A single contract is a winner take all situation and could create a “win at all costs” tender approach and raises the risk of getting an unsustainable tender price that is difficult to manage in terms of both work outcomes and relationships.
- Getting all three councils’ acceptance.
- All eggs are in one basket (if contract relationships are not positive, contract management is a problem). Limited risk mitigation.
- Significant extra time required for all involved to work through to create the right procurement framework, and agreement involving councils, NZTA and industry. We do not have the time required.
- Three councils would be locked into the contractual relationship for whole period of contract. Very limited flexibility to alter approach.

In summary, a single contract or two contracts is not seen as a desirable or even achievable option under current circumstances, and is considered “a step too far” in the next contract term, and for both the NTA and suppliers in terms of a healthy market.

Very large contracts should be considered and reviewed when renewing the Strategy in four years’ time. That will allow enough time to fully develop and consider the option, in conjunction with NZTA and the supplier market. A whole of network alliance contract model of some sort should be one of the considerations.

To get there may be the right solution in the long term but it needs to be well thought through, as to how it is how structured, what in-house skills are required and need to be developed, and how to develop with the industry suppliers.

The other critical aspect is that the NTA at present has insufficient capability to manage such a large contract. Over the next contract term the NTA will develop and improve capability that would be needed for a large alliance contract. The next contract term will also have a key NTA focus to deliver benefits, and improvements by better work programming and asset management under a traditional style of measure and value, schedule of rates contract.

Therefore, this is an option to consider for the future, as the NTA does not have sufficient time within the next 12 months to invest and develop its internal capability to give certainty that this option would produce beneficial outcomes.

Therefore, one or two regional contracts are not considered feasible options for 2018.

Consideration of cross-boundary issues for a Three to Five Contract Model

The NTA was very clear that a “one-network” approach should be taken in developing the best option for delivery i.e. existing council boundaries should not artificially constrain the best value for money option coming to the fore. This was tested continuously throughout the development of the options.

The key issues of scale and value can be addressed within a council area. At this time, there would be limited benefit in having cross-boundary contract areas. NTA staff and contractors felt that the customers in each council area were distinct communities of interest who related to their specific council. Any perceived benefit was likely to be insufficient to overcome administrative and other dis-benefits such as cross-council subsidies, customer request management, integration of different management and reporting systems and compromising future exit strategies.

The qualification to this is that where it makes sense for operational effectiveness for one contractor to maintain a specific section of road this could be worthwhile, but these would be at the margins and would not necessarily even need any council input, i.e. this could be a commercial arrangement between two contractors seeking operational efficiency.

There is nothing to suggest that a cross-boundary contract would produce significant benefits now; but this could well be considered in future contracts/tendering rounds.

Option A: Five Maintenance Contracts Option (consolidated Status Quo)

This option consolidates the current eight contracts into five contracts across Northland as shown below.

Contract	Approximate Value	Description
Far North - Northern	\$9 million	Traditional measure and value contracts. “Fence to fence” including resealing and non-complex pavement renewals. Contract boundaries follow current lines.
Far North – Southern	\$10 million	

Kaipara	\$12 million	Traditional measure and value contracts. "Fence to fence" including resealing and non-complex pavement renewals.
Whangarei – Northern	\$8 million	Urban contract combined with parts of the existing rural contracts, and an adjustment of the rural network contract to suit. Traditional measure and value contracts. "Fence to fence" including resealing and non-complex pavement renewals.
Whangarei - Southern	\$10 million	

Pros

- Creates some opportunity for contract efficiency and limited potential gains for each of the councils.
- New contracts range in value from \$8 to \$12m, compared to the status quo range of \$1m to \$8m.
- Simultaneous tenders and tender evaluation to ensure best market result, and to appropriately weight proposed resources particularly with multiple bids from a contractor i.e. no double counting of resources and management/technical skills.
- Will provide satisfactory response and resilience where storms/events sever road links and isolate sub-regions within districts.
- Utilises NTA staff capacity to manage contracts and programme work, providing asset management development opportunities for staff, and makes use of the regional distribution of road engineering staff in Dargaville, Whangarei, Kaikohe and Kaitiaia.

Cons/Risks

- All but one of the new contracts falls short of reaching the critical mass threshold to create genuine interest for tier 1 contractors with no current Maintenance, Operations and Renewals (MO&R) contracts in Northland to enter the market.
- Some uncertainty about how many new tier 1 contractors (in addition to the three currently in Northland) will be attracted to bid.
- Expect at least three tier 1 contractors to pre-qualify for tendering and may only receive two tier 1 bids for several contracts.
- May not establish three stable tier 1 contractors in Northland if two contractors can win all contracts between them. Status quo of two dominant tier 1 contractors may continue.
- High risk of very restricted competition. The incumbents would be heavily advantaged in a tendering environment where the expected annual revenue stream is not large enough to allow an incoming tenderer to provide for establishment of a high calibre team.

- f. High risk of not achieving the efficiency gains envisaged in the Collaboration Business Case. Any efficiency gains will be further threatened if no new tier 1 contractors bid for the work.
- g. Limited improvement in level of contractor staff expertise, and the ability to upskill sub-contractors so that small to medium contracts can leverage, develop and grow their business potentially to the next tier.
- h. Limited opportunity to guarantee tier 2 and 3 sub-contractors a significant percentage of maintenance work annually across Northland.
- i. Alternative bids may be received that aggregate the two contract bids in either FNDC or WDC. Adds to complexity of tender evaluation and reduces certainty of outcomes.

Option B: Three Maintenance Contract Option (preferred option)

This option consolidates the current eight contracts into three contracts across Northland as shown below.

Contract	Approximate Value	Description
Far North	\$19 million	Single network, traditional measure and value contracts. "Fence to fence" including resealing and non-complex pavement renewals.
Kaipara	\$12 million	
Whangarei	\$18 million	

Pros

- a. Creates a new scale of contract efficiency and potential gains for each of the councils.
- b. New contracts range in value from \$12m to \$19m, compared to the status quo range of \$1m to \$8m.
- c. All new contracts reach the critical mass threshold to create genuine interest for tier 1 contractors currently operating outside Northland to enter the market.
- d. Estimated efficiency gain (savings) over the status quo ranges from \$1.5m to \$3m per year from lower tendered rates and margins, in total across the three contracts.
- e. Expect up to five contractors to pre-qualify for tendering and to receive at least three tier 1 bids for each contract.
- f. Simultaneous tenders and tender evaluation to ensure best market result, and to appropriately weight proposed resources particularly with multiple bids from a contractor i.e. we will take care to ensure there is no double counting of resources and management/technical skills.
- g. Encourage a high level of contractor staff expertise, and the ability to upskill sub-contractors so that small to medium contractors can leverage, develop and grow their business potentially to the next tier.
- h. Brings greater depth of business and employment investment to Northland.

- i. Greater capability of larger contractors to react and respond to and support major weather events and civil emergencies.
- j. Best probability to establish three stable tier 1 contractors in Northland, and provide the opportunity to guarantee tier 2 and 3 sub-contractors up to \$15m of maintenance work annually across Northland.
- k. Optimises NTA staff capacity to manage contracts and programme work, providing asset management development opportunities for staff, and makes best use of the regional distribution of road engineering staff in Dargaville, Whangarei, Kaikohe, and Kaitiaia.
- l. Has in principle support from the Alliance Leadership Group.

Cons/Risks

- a. Some uncertainty about how many new tier 1 contractors, in addition to the three currently in Northland, will be attracted to bid.
- b. Is more difficult to revert to a dis-aggregated contract model if this is desired in the future.
- c. Very low risk that future re-tendering would not generate sufficient competition. Evidence supports the position that if the contract reaches a critical mass then competition will follow.
- d. Single contract may not provide satisfactory response and resilience where storms/events sever road links and isolate sub-regions within districts. This risk can be mitigated by having contractual requirements to maintain specified levels of resource/depots in different locations based on NTA staff local knowledge.
- e. A single contractor could lose long serving staff to other suppliers and key institutional knowledge. This risk is reduced by having a significant contract of critical mass which can deliver commercial viability around employment of resources and best value for money.

New maintenance contracts - form of contract

All the new maintenance contracts should take a similar and consistent form.

A traditional delivery model generally suits when the council wants to retain control over the programme of work, deliver on a measure and value basis and encourage a healthy market when there are limited suppliers. This fits the current Northland situation.

Therefore, a traditional measure and value contract will give competitive pricing and will allow experienced NTA staff administering the contract to manage expenditure; work programming; asset management; intervention management; service levels and deliver the outcomes required by the councils.

Contract documents will clearly identify important issues to the councils such as: responsiveness, coverage and resilience; quality and distribution of resources, depots, and staff; sustainability in contract pricing; guaranteed sub-contract work and contractor/sub-contractor work methodology; and including incentives for collaborative behaviours from both parties to and across the contracts.

The contracts will bundle together the bulk of maintenance and renewal activity (about 70% by value) including pre-reseal repairs, resealing and non-complex pavement rehabilitation. Bundling these

activities will ensure a high level of accountability for the contractor to provide quality outcomes for all maintenance and renewal activity. It also helps to build the contract threshold value.

The contract and tender documents will clearly identify what is important to good delivery and will give significant weighting to those issues in the price-quality evaluation of tender procedures.

Factors to consider

Community views

The community would expect Council to maximise the NZTA subsidy for its transportation programme, and Council is required to have an NZTA approved procurement strategy to access subsidy funding for roading projects and maintenance works.

Policy implications

The proposed *Transportation Procurement Strategy 2017 to 2021* will replace Council's current policy.

Financial implications and budgetary provision

The recommendations in this report have no effect on Council's budgetary provisions. Subject to Council having an NZTA approved procurement strategy to access transportation subsidy, there will be no financial implications for Council.

Legal/delegation implications

KDC receives funding assistance for expenditure on land transport investments from the NZTA under s20 of the Land Transport Management Act 2003 (LTMA), and is required to carry out any purchasing in accordance with this Act using approved procurement procedures.

Under s25 of the LTMA, Council is required to have an NZTA approved procurement strategy to access subsidy funding for roading projects and maintenance works. This approval is required by 01 October 2017.

Options

Council has three options:

Option A: Approve the proposed Transportation Procurement Strategy and seek NZTA endorsement. This option will progress Council's legal obligation to have an approved Strategy in place by 01 October 2017 and maintain access to funding assistance, and is expected to achieve NZTA endorsement by the deadline date.

For KDC this essentially results in a single network, traditional measure and value "fence to fence" MO&R contract including resealing and non-complex pavement renewals.

Option B: Approve the proposed Transportation Procurement Strategy with amendments and seek NZTA's endorsement. This option will progress Council's legal obligation to have an approved Strategy in place by 01 October 2017. However, the specific nature of any amendments may reduce the likelihood of securing NZTA endorsement, and ultimately may fail to meet the 01 October 2017 timeline.

Option C: Not approve the proposed Transportation Procurement Strategy. This option will not progress Council's legal obligation to have an approved Strategy in place by 01 October 2017 and may adversely

affect Council's access to funding assistance. Council would have to seek further time extensions from NZTA to develop and approve its Transportation Procurement Strategy. The delay would likely result in Council being unable to have new maintenance contracts in place by 01 July 2018. Therefore, Council may also have to seek approval to further extend current contracts. Such delays would almost certainly adversely affect the regional co-ordination opportunity to tender and award contracts across all of Northland's local road networks in FNDC, KDC and WDC.

Assessment of significance

An assessment of significance has been made in accordance with KDC's Significance and Engagement Policy. The approval of a new Transportation Procurement Strategy replacing the previous Strategy, does not trigger any of the guideline thresholds set out below:

- a) \$3,000,000 or more budgeted expenditure
- b) \$300,000 or more unbudgeted expenditure
- c) Impacts by increasing individual rates levies by 10 per cent
- d) Transfers ownership or control of a strategic asset to or from Council
- e) Significantly alters the intended level of service provision for any significant activity.

The following criteria have also been used to consider whether this matter is more rather than less significant.

- a) The number of individuals and/or groups within the community affected by the proposed Transportation Procurement Strategy is restricted to a relatively small group of company suppliers.
- b) The financial implications of the proposal on Council's overall resources are negligible as the out-sourced supply model is not subject to change.
- c) The levels of public interest in the proposed Transportation Procurement Strategy is limited as it has little or no direct impact on the scope and level of service delivery to the community.

Therefore, in accordance with s5 of the Local Government Act 2002 (LGA), this matter has been determined not to have a high degree of significance.

This matter does not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via Council's normal publications on its website, and to its community.

Funding decisions associated with Transportation will be made in conjunction with residents and ratepayers via the development of the Long Term Plan 2018, including formal consultation.

Recommended Option

Option A is recommended.

Next step

Next Steps:

- Approved Strategy reviewed and endorsed by NZTA before October 2017.
- Tendering of new Maintenance Contracts through several stages from September 2017 to February 2018.

- Evaluation and award of tenders February to April 2018.
- New Maintenance Contracts in FNDC, KDC and WDC commence on 01 July 2018.

Attachments

- Transportation Procurement Strategy 2017 to 2021

FINAL DRAFT

Northland Transportation Alliance

Transportation Procurement Strategy

2017 to 2021



Document Management

Document Information

Document Owner	Northland Transportation Alliance Manager
Date Created	1 June 2017
Date Endorsed by the NZ Transport Agency	30 September 2017
This Strategy has been Approved by the Four Northland Councils	Far North District Council Kaipara District Council Northland Regional Council Whangarei District Council
Date Strategy Comes into Effect	1 October 2017 to 30 September 2021

Version Control

Document Status		
Reference	Approved by	Date
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1 Introduction

The formation of the Northland Transportation Alliance (NTA) has provided the opportunity for a combined regional approach to be agreed and delivered through the adoption of this procurement strategy.

The four objectives that formed the basis for the Northland Transport Collaboration Business Case April 2016 and the formation of the NTA, have provided the local focus for the development of this strategy.

These objectives with their given weighting are:

- More engaged and capable workforce delivering superior asset management (30%).
- Improved regional strategy, planning and procurement (30%).
- Improved transport/customer outcomes, enabling investment and social opportunities (25%).
- Transport infrastructure is more affordable (15%).

This strategy covers the period until 2021. The update of the strategy then will align with the 2021/24 three year programme and the 2021/31 ten year Councils' Long Term Plans. Any major changes which substantially affect procurement during its term will lead to its review.

2 Executive Summary

The establishment of the NTA provides the opportunity for an integrated approach to local government transportation procurement across Northland. A single strategy covering three Local Authorities and the Regional Council creates the potential to deliver local benefits through wider opportunities and regional coordination.

Key aspects within this strategy that have the potential to deliver value from procurement are:

- The development of a single procurement programme for transportation works that incorporates each Council's needs, manages conflicting requirements and engages with the supplier industry in a coordinated and regional approach.
- The potential to deliver local objectives (e.g. three Tier One contractors established in Northland) through regional procurement that attracts more competition in the market than in the past.
- The ability to work with the industry and encourage through procurement the inclusion of increased Small and Medium Enterprises (SME) involvement, recruitment of new trainees, value creation initiatives and staff training in response to tender opportunities.
- The ability to encourage competition from professional services consultants in procuring and developing a region-wide service for a portion of the required work.
- The ability of the five NTA partner organisation's (the four Councils and the New Zealand Transport Agency (the Transport Agency)) to work closely together to understand each party's procurement needs and work collectively to efficiently deliver these in conjunction with the suppliers.
- The ability to procure three local roads Maintenance, Operations and Renewals (MO&R) contracts for the Northland network that are of a size that will attract companies to compete for these attractive term contracts.
- The ability to coordinate the terms of all the local MO&R contracts with those of the Transport Agency's Network Outcome Contract (NoC) to enable a business case to be researched on the potential for a future one network approach.

- The ability to form a single regional pre-qualification register for both physical works and professional services.
- The ability to work with the suppliers to identify opportunities for regional coordination and support to improve the transport outcomes. An example of this is the suggestion to develop a single regional transport emergency management plan.

2.1 Recommendations

The four Northland Councils request that the New Zealand Transport Agency:

- Endorses this procurement strategy and;
- Approves the term of the three MO&R contracts at 4+2+1+1 years (8 years maximum) and;
- Approves the use of the Northland Transportation Alliance, established as a Shared Services Business Unit, providing in house professional services to the four Northland Councils.

2.2 Evidence of Corporate Ownership or Internal Endorsement of the Procurement Strategy

This Transportation Procurement Strategy covering the Northland region's local transportation network (2017 to 2021) has been approved by the four Northland Councils as Approved Organisations:

- This strategy was approved by the Far North District Council at its meeting on 10 August 2017.
- This strategy was approved by the Kaipara District Council at its meeting on 14 August 2017.
- This strategy was approved by the Northland Regional Council at its meeting on 22 August 2017.
- This strategy was approved by the Whangarei District Council at its meeting on 31 August 2017.

This Strategy meets the requirements of the Transport Agency for the procurement of works and services they fund, is in line with other council procurement documents and policies and takes precedence for transportation works where there is conflicting information.

3 Policy Context

3.1 National Context Including the Transport Agency's Requirements

The current 2015/25 Government Policy Statement (GPS) on Land Transport has three key strategic priorities being:

- Economic growth and productivity
- Road safety
- Value for money

The GPS contains six national land transport objectives. These are for a land transport system that:

- Addresses current and future demand
- Provides appropriate transport choices
- Is reliable and resilient
- Is a safe system, increasingly free of death and serious injury
- Mitigates the effects of land transport on the environment
- Delivers the right infrastructure and services to the right level at the best cost

Further details of the 2015/25 GPS can be viewed using the following link:

<http://www.transport.govt.nz/ourwork/keystrategiesandplans/gpsonlandtransportfunding/gps2015>

The draft GPS for 2018/28 has been released for comment. The three key strategic priorities from the 2015 GPS remain.

Further details about the GPS 2018 can be viewed using the following link:

www.transport.govt.nz/ourwork/keystrategiesandplans/gpsonlandtransportfunding/#gps2018

The Land Transport Management Act 2003 (LTMA) clause 25 outlines the requirements for the Transport Agency to consider in approving Procurement Procedures for use by Approved Organisations (in this strategy being the four Northland Councils - Kaipara District, Far North District, Northland Regional and Whangarei District).

Key aspects of procurement procedures include:

- Must be designed to obtain best value for money spent.
- Enabling persons to compete fairly for the right to supply outputs.
- Encouraging competitive and efficient markets for the supply of outputs.

The Transport Agency's approved procurement procedures are detailed within its Procurement Manual. The four Northland Approved Organisations will utilise and comply with the procurement procedures within this Procurement Manual for purchasing all works and services that are funded by the Councils with financial support from the Transport Agency.

The Transport Agency's Procurement Manual requires each Approved Organisation to have a Procurement Strategy endorsed by the Agency.

The Transport Agency's Procurement Manual can be accessed in full using the following link:

<https://www.nzta.govt.nz/resources/procurement-manual>

3.2 Policy Context of the Approved Organisations

3.2.1 Strategic Objectives and Outcomes

The Northland Regional Land Transport Plan (RLTP) 2015-2021 outlines the strategic intent and outcomes for the Northland transportation system.

The RLTP has seven outcomes that have been developed to help plan the priorities that need to be focussed on.

They are:

1. A sustainable transport system that enhances the growth and existing economic development of Northland and New Zealand.
2. All road users are safe on Northland's roads.
3. Northland is well connected to Auckland and to the rest of New Zealand.
4. Northland's roading network is developed and maintained so that it is fit for purpose (including route resilience).
5. Our people have transport choices to access jobs, recreation and community facilities.
6. The transport system enhances the environmental and cultural values of Northland.
7. Effective ports servicing Northland and New Zealand.

The transportation strategic objectives and outcomes relevant to each of the four Councils have been developed in line with the legislative framework provided by the Local Government Act 2002 (LGA2002) and the Land Transport Management Act 2003 (LTMA).

3.2.2 Content of Long Term Plans (LTP)

For each of the Councils their strategic focus is outlined within their 2015/25 Long Term Plan (LTP). Each District Council's LTP contains its 30-year Infrastructure Plan which includes transport assets. A brief outline of each Council's vision, community outcomes and transport related high level thinking is provided below to demonstrate the strategic context that this procurement strategy falls within. For those who wish to explore further, information links are provided to a full copy of each LTP.

Far North District Council

The Far North's Vision in its LTP is "the place where people love to be". Transportation is an enabler in allowing this vision to be achieved. Within the LTP are the Council's community outcomes to support the achievement of its vision.

While transportation in the district supports or contributes to these outcomes those specific to it are:

- "Sustainable development of our local economy through partnerships, innovation, quality infrastructure and planning".
- "Sustainable, affordable, equitable infrastructure that contributes to the economic progress and social wellbeing of the district".

The full content of Far North's LTP can be found in: www.fndc.govt.nz/your-council/strategic-planning/long-term-plan-2015-2025

Kaipara District Council

Kaipara's Vision is "to be a place where it is easy to live – easy to enjoy nature, easy to join in and easy to do business".

The Kaipara District has three community outcomes. Transportation is an enabler that supports the achievement of all these outcomes. The outcomes are:

- We will work with you to help make it easy to enjoy nature.
- We will work with you to help make it easy to do business.
- We will work with you to help make it easy to join in.

To achieve these outcomes there are several objectives, two of which directly relate to transportation through providing access and necessary infrastructure.

These two objectives are:

- With your help, improve access to coasts and harbours.
- With your help, provide the necessary infrastructure for business.

The full content of Kaipara's LTP can be found in:

www.kaipara.govt.nz/Forms++Documents/A--Documents/Long+Term+Plan+20122022.html

Northland Regional Council

The NRC's involvement in the transportation requirements of the region where procurement processes may be required is in:

- The development of the Regional Land Transport Plan.
- The provision of Passenger Transport services.
- The management of the Total Mobility scheme.

Within the NRC's LTP the following outcomes relate to the transportation system:

- Northland's overall environment is maintained or improved with an emphasis on encouraging the sustainable access to and use of resources.
- Provide a business-friendly environment.
- Identify, promote or invest in regionally significant infrastructure.

Council have identified their transport role as promoting and enabling an effective, efficient and safe land transport system through regional transport management and operations.

The full content of the NRC's LTP can be found in:

www.nrc.objective.com/portal/final_ltp/final_ltp_2015-2025

Whangarei District Council

The Whangarei District's Vision is "To be a vibrant, attractive and thriving District by developing sustainable lifestyles based around our unique environment; the envy of New Zealand and recognised worldwide."

There are several community outcomes where transportation supports their achievement through the need for access.

Those community outcomes where transportation is specifically identified as fully or partially supporting their achievement are:

- Easy and safe to move around
- Growing resilient economy
- Well managed growth

During the development of the LTP four key issues were identified from community involvement, all of which are contributed to or affected by the transportation system and its management and delivery of outputs.

These are:

- Maintaining our assets
- Maintaining levels of service
- Managing the impacts of growth
- What does this mean for your rates?

The full content of Whangarei's LTP can be found in:

www.wdc.govt.nz/PlansPoliciesandBylaws/Plans/LTCCP/Documents/2015-2025-Long-Term-Plan.pdf

3.2.3 Objectives and Outcomes for the Procurement Strategy

The objectives for this procurement strategy are to:

- Ensure that the four business case objectives establishing the NTA are incorporated into the procurement process and delivered where appropriate.
- Ensure that the delivery of the transportation programme provides value for money.
- Ensure that the NTA and the supply market (including industry groups) work collaboratively to deliver the programme.
- Develop and maintain within Northland a competitive and efficient supply market for professional services, physical works and passenger transport services.
- Ensure that there is a satisfactory presence of both national and local suppliers within the Northland region.
- Be accountable and ensure open, fair and transparent procurement processes.
- Support local providers where appropriate.
- Encourage suppliers to continue to develop and improve their skills, capabilities, systems and processes and where appropriate share their learnings with their supply partners.
- Ensure suppliers provide ongoing training and up-skilling of their employees and opportunities for people to join the industry.
- Appoint a probity auditor to oversee major procurement (e.g. MO&R).

The outcomes sought from this procurement strategy are to:

- Inform the supplier market in advance of information on scope, size, timing and proposed selection methods for NTA procurement opportunities.
- Commit the NTA to work in conjunction with the Transport Agency and the four councils to coordinate their procurement programmes and deliver infrastructure programmes that consider each party's intentions and provide a procurement environment that manages work to the market in line with the supply market's capabilities to respond.
- Maintain the current suppliers within Northland and provide the opportunity for new entrants to compete in the market.
- Ensure the suppliers continue to grow their skills and capabilities and those of their staff.
- Ensure that the transportation programme is achieved.
- Ensure regular, ongoing and open discussions between the suppliers, their industry representatives and the NTA and where appropriate in conjunction with the Transport Agency and the Northland Councils other Infrastructure groups (e.g. 3 Waters, OSM etc).
- Provide expert recommendations to each of the Councils who will be approving the award of contracts through procurement managed by the NTA.
- Obtain endorsement from the Transport Agency of this procurement strategy.

Four strategic benefits were identified during the development of the business case that established the NTA. These were expanded on during workshops to identify the drivers and goals for this procurement strategy to deliver its objectives and outcomes.

The business case benefits (with their percentage weighting), drivers and goals are listed below as well as opportunities identified to deliver these through the procurement strategy, subsequent contract development, tender processes and during ongoing contractual relationships.

Table 1 Business Case Benefits

Business Case Benefits	Opportunity to Impact Through the Establishment of NTA and its Ongoing Procurement Programme
More engaged and capable workforce delivering superior asset management (30%)	<ul style="list-style-type: none"> • Retain existing staff and provide opportunity for their growth and ongoing development from their region wide involvement. • Upskill NTA staff, recruit if required and procure improved capability from suppliers for key positions (as identified in each procurement process) including asset management. • Deliver asset management by NTA and their suppliers through an approach that is appropriate and fit for purpose in delivering strategic, tactical and operational asset management. • Provide opportunities for local SME contractors to be involved in the MO&R contracts through requiring a percentage of the works to be carried out by them. • Provide the opportunity for local SME contractors to participate for capital works through the establishment of a pre-qualification register of approved suppliers. • Adopt an approach that incorporates continual improvement across the supply chain. • Regular surveys (or internal audits) across NTA and suppliers to identify aspects on which to pursue improvements. • Tier 1 contractors support, upskill and increase learning of SME contractors. For MO&R contracts require attribute response from tenderers on what they propose and build measures into the contracts. • Employment and training of apprentices/ cadets etc. within NTA and/or suppliers. • Provide a framework for improving capability through procurement documentation that allows for supplier initiatives to be offered that provide benefits which are assessed and valued as part of the tender evaluation process.
Improved transport/customer outcomes, enabling investment and social opportunities (25%)	<ul style="list-style-type: none"> • Ensure benefits from strategic regional procurement are reinvested in improving the transport system. • Develop across the MO&R contracts a single Emergency Management Plan which incorporates a whole of network approach and collaboration between suppliers to assist where necessary. • Focus on improving safety across the network. • Identify, agree and action other opportunities where a whole of network approach across the three MO&R contracts provides benefits.

Business Case Benefits	Opportunity to Impact Through the Establishment of NTA and its Ongoing Procurement Programme
Improved regional strategy, planning and procurement (30%)	<ul style="list-style-type: none"> • Skilled people work across the region on strategy, planning and procurement. Upskill as required. • Procurement designed to enable suppliers' initiatives that deliver benefits and develop a culture of identifying value creation opportunities. • Upskill the NTA team on Collaborative Working Arrangements or similar forms to allow this type of option to be considered at the time of the renewal of the three MO&R contracts. • Propose a positive relationship between parties within the three MO&R contracts and consider and incorporate this way of working where appropriate within other procurement opportunities.
Transport infrastructure is more affordable (15%)	<ul style="list-style-type: none"> • Strive to deliver the financial benefits identified in the business case. • Ensure opportunities go to market at a time that encourages competition. • Enable savings to be reinvested in transportation improvements that benefit community outcomes around resilience, accessibility and safety. • Work with the industry to ensure that procurement occurs in a way that encourages competition.



Table 2 Drivers and Goals

Drivers and Goals	Opportunity to Impact Through the Establishment of NTA and its Ongoing Procurement Programme
Contracts flexible to change	<ul style="list-style-type: none"> • Provide framework in procurement documentation for this to be addressed within tender offers with nil or known and managed financial effects.
Ensure delivery and interactions are customer focused	<ul style="list-style-type: none"> • Provide framework in procurement documentation for this to be addressed within tender offers and performance measured and benchmarked with other suppliers.
Deliver value for money	<ul style="list-style-type: none"> • Ensure procurement and contractual requirements will deliver value for money. • Develop measures and report on value for money initiatives/ innovations. • Engage with industry to test that procurement programme and documents encourage competition to deliver value for money.
Asset management ensuring Council involvement	<ul style="list-style-type: none"> • Agree with suppliers the asset management role of each party and build into procurement documentation and contract relationships each party's strategic, tactical and operational asset management role.
A sustainable / competitive market exists	<ul style="list-style-type: none"> • Target to have at least three Tier 1 contracts established within Northland through procurement processes. • Encourage collaborative working in contracts and across the region to deliver the various objectives and manage risk. • Ensure initiatives in place for the Tier 1 contractors to support upskilling the wider supply market (SME's). • Provide opportunities for SME's to compete for work packages.
Encourage innovation	<ul style="list-style-type: none"> • Introduce requirements in procurement documents for ongoing value creation and transfer of knowledge across the region that are fairly assessed as part of the tender evaluation. • Identify, agree, include and action innovations within the contracts for the term of the contracts.
Better relationships with the supply market	<ul style="list-style-type: none"> • Provide for collaborative working in the contracts including clear and open communications that improve relationships. • Develop programmes and actions to work with the supply market to continuously improve procurement

Drivers and Goals	Opportunity to Impact Through the Establishment of NTA and its Ongoing Procurement Programme
	<p>processes that supports a sustainable supplier market that can deliver the programme of works efficiently, to quality standards and within a collaborative approach of working together.</p> <ul style="list-style-type: none"> • Develop, agree and action initiatives to consult regularly with the industry.
Ensure SME suppliers have an opportunity to be involved	<ul style="list-style-type: none"> • Support the development of SME's through closed contest, direct appointment and open tender opportunities for all works. • Develop requirements within MO&R contracts for supply chain percentage involvement. • Ensure that the Tier 1 contractors support and assist SME's to develop within the MO&R contracts and other opportunities.
Acceptable management of risk profile	<ul style="list-style-type: none"> • Enable with suppliers, for an ongoing joint risk assessment process with, risks identified, agreed and managed within each relationship and across the region's works delivery.

3.3 What the Transport Agency's Procurement Requirements Mean for the Northland Transport Alliance

The Transport Agency's requirements are based on clause 25 of the LTMA. These are summarised as procurement procedures that:

- Must be designed to obtain best value for money spent.
- Must have regard to the desirability of enabling persons to compete fairly for the right to supply outputs.
- Must have regard to encouraging competitive and efficient markets.

Transport users want a system that meets their needs, is safe and reliable with predictable travel times. The Transport Agency and the Councils invest in transport services and infrastructure with an Investment Assessment Framework helping achieve value for money through:

- Planning to implement activities and programmes in the right way (through business cases).
- Selecting the right things to do (through results alignment).
- Implementing them at the right time and for the right price (through cost benefit appraisal and smart procurement).

These requirements mean the following for the Councils:

3.3.1 Value for Money

The Councils consider value for money spent to be ‘the lowest total whole of life cost to all parties for the development, operations and maintenance of an asset while ensuring user safety, providing a resilient network with predictable travel times’. To achieve this, we will ensure that any request to the market explains clearly the specific requirements of what we are purchasing. We will work with the supplier to ensure this is understood and delivered with appropriate processes in place to assess that the quality of the outputs is fit for purpose.

When deciding how to approach a procurement, we will consider whether the proposed procurement activity is consistent with value for money objectives, which include:

- Achieving the best possible outcome (for the community and the funder) for the total cost of ownership (or whole-of-life cost); and
- In the context of each procurement decision, balancing the value of promoting competition in the market with the cost of the procurement process to all parties.

Long term value for money outcomes need to be supported by a competitive market with a range of contractors from national Tier 1's to regional and local SME's. We will ensure that all suppliers are provided with opportunities to compete and through initiatives within the MO&R contracts provided with the opportunity for SME's to be involved and develop their businesses.

3.3.2 Competitive and Efficient Markets

Our goal is to ensure that we encourage an adequate number of suppliers in the market that are able and willing to compete for the opportunities that are being procured. We will develop procurement opportunities (other than for direct appointments) to ensure that initially for all tenders there are two competing and in 80% of these three or more suppliers tendering.

We will provide by June each year information to the market on our forward year's procurement intentions so that suppliers can prepare in advance for when these opportunities come to market. We will work with the suppliers and Industry representatives to ensure our programme encourages competition.

To address the concern of lack of competition on occasions within the FNDC area we will seek to go to market at a time that the market supports in order that there is competition. We will introduce initiatives in conjunction with the Industry to build longer term capability to better serve this geographic part of the market. For our MO&R contracts we will ensure the tender documents request information on the pricing of additional works. We will request each tenderer to submit a process in their tender that encourages and demonstrates a fair price for additional works while at the same time recognising that each contractor needs to make a profit.

For works of a value less than \$200k we will use either the direct (< \$100k) or closed contest procurement procedure that the Transport Agency's procurement manual allows to support an efficient market. We will engage with the industry and develop a pre-qualification register of approved physical works and professional services providers for the whole region.

Suppliers who are already on the Transport Agency's pre-qualification list will automatically be on the register.

From this register we will select three or more companies to compete for specific works when using the closed contest procurement method. Through this process, we will ask suppliers to provide only once some attribute requirements in order to be selected for the register. The selection attributes may be updated at any time by any supplier already on the register. For suppliers, not on the register they will be able to submit the required information at any time for consideration to become an approved supplier. When tender proposals are sought, we will require specific attributes and price information only relating to the actual assignments and works.

We will always provide feedback on tender evaluations, if requested, to enable companies to understand their position in the market and make decisions on improvements, training or upskilling to raise their competitiveness.

3.3.3 Fair Competition Among Suppliers

We consider achieving a credible position to ensure fair competition among suppliers as being very important in establishing, developing and maintaining a positive relationship with the market. We will be fair and reasonable in all our procurement undertakings. We will develop and maintain an open and honest position and be willing to engage with and listen to the supply market both on an individual level and with their respective industry groups (e.g. CCNZ – Civil Contractors NZ, ACENZ – Association of Consulting Engineers NZ, and NZ Bus and Coach). In effect, we wish to develop and maintain a position of “client of choice” with the supply market.

The focus of these relationships will be to ensure enabling of fair competition by listening to the market and acting on any aspects where we collectively agree improvements can be made.

We will, within the programme of works, provide opportunities so that suppliers will have some projects that meet their capabilities in both the size, form, and type of work and allow them to fairly compete for the opportunity.

3.4 Other Relevant Factors

The four councils have adopted their own procurement policies, manuals or plans for their organisation wide purchasing. These documents allow for procurement of the Councils' transportation services to be compliant with the Transport Agency's Procurement Manual. For clarity, it is noted here that if there are any conflicts between this Procurement Strategy and the four Councils' separate documents then this Strategy shall take precedence.

4 Procurement Programme for the Road Network and Associated Works

4.1 Maintenance, Operation and Renewals Contracts

The delivery of MO&R activities for the roading networks accounts for over 60% of the region's transportation expenditure (approx. \$50 m per year). This is the key strategic procurement opportunity within NTA's region wide programme to achieve the benefits of the business case.

For the Northland region, there will be three local roading Maintenance, Operation and Renewals (MO&R) contracts, one for each local authority area, with an approximate value between \$12m and \$19m per year for terms of 4+2+1+1 years. The contracts will be fence to fence involving most of the M&O aspects with reseals and a portion of rehabilitation work included. The procurement of these three contracts will meet the tendering programme for the contracts to start on 1 July 2018.

The contract documentation development and tender phase will ensure the preferred tenderers are notified by 31 March 2018 to allow a 3-month mobilisation period. The tender documents will be developed to require the contractor to provide an agreed amount of work for SME's (20% to 30%) and to commit through their tendered methodology support for these smaller companies in the development of their people and their capability. The key driver articulated for sustainable competition is '... value for money coming from a sustainable supplier market...'; where 'sustainable' has been identified as a minimum of three Tier 1 national contractors operating in the Northland Region to encourage a competitive market for transportation and other infrastructure services.

The approximate values of the MO&R contracts are indicated in the table below.

Table 3 MO&R Contract Values

Contract	Description	Approximate Annual Value
Far North	Single network, possible "delegation" of some roads at the margins to/from WDC and KDC.	\$19 million
Kaipara	Single network, possible "delegation" of some roads at the margins to/from WDC and FNDC.	\$12 million
Whangarei	Single network, possible "delegation" of some roads at the margins to/from FNDC and KDC.	\$18 million

It is anticipated that a robust procurement process will create the best opportunity to support an outcome of at least three Tier 1 contractors operating in Northland (including the Transport Agency's NOC contractor).

The price/quality procurement method will be used for determining the MO&R contractors. It is planned to adopt a 2-stage selection process where initially a short list of suppliers will be selected. The chosen suppliers will be kept informed and engaged by the NTA during the tender document development. Through this process the tenderers will become aware of the form and content of the document which will allow them to commence their preparation for the tender phase.

Details on the development of the three MO&R contracts is included in Appendix 3. We used the Road Efficiency Group's Guidance on Selection of Maintenance Contract Models at a number of workshops to develop the thinking and identify the appropriate contract form.

4.1.1 Term of the MO&R Contracts

This strategy seeks the Transport Agency's endorsement for a contract term from 1 July 2018 of 4+2+1+1 years for the three MO&R contracts. The 4+2 is to align with the Transport Agency's NOC completion dates of 2022/24.

This will enable, if appropriate, joint consideration by the Councils and the Transport Agency of a whole of network approach for MO&R work for State Highways and local roads post 2024. The 1+1 will allow for future staggered timing of contract renewals if a whole of network approach does not occur. The first 2-year contract extension will be based on achievement of agreed performance measures. The latter 1+1 extensions may only occur if there isn't a whole of network approach post 2024 and will be based on achievement of performance measures and will allow the three Local Authority contracts to terminate at different dates from one another over subsequent years, 2024, 2025 and 2026 to allow a staggered renewal of the contracts.

4.1.2 Other Maintenance Type Activities Not Included Within the MO&R Contracts

Some aspects of the maintenance and operations services will be tendered separately.

These include;

- Street lighting (possibly a region wide contract)
- Traffic signals
- Parking control
- Lower Harbour Bridge operation
- Hokianga ferry operation

The procurement process used for these aspects will comply with the Transport Agency's requirements.

4.2 Other Physical Works Contracts

For the provision of other physical works services, we will choose the supplier selection method from the following options of:

- Direct appointment
- Closed contest
- Lowest price conforming
- Price quality

For the price quality method, we will use non-price weightings that allow the intentions of the bidder to be evaluated fairly on the identified important aspects. The weightings will be within the Transport Agency requirements (a price weighting of 70% with allowance to use a lower price weighting provided its impact on the evaluation is tested before its use). When non-price attributes are to be assessed we will use the attributes of relevant experience, relevant skills and methodology. We will consider using further attributes or highlighting aspects within the minimum three attributes when this will enhance the supplier selection process and obtain better value for money.

The nature of the works proposed are generally of a routine nature being ongoing network management and capitalised renewals with a limited number of capital and minor works projects. As such the works are of a lower complexity and risk. The current supplier market can deliver these projects. Where appropriate we will utilise the direct appointment (involving competition when appropriate) and closed contest selection method to carry out smaller value works. We will use the regional register to select the appropriate companies to be invited to tender for these works. This will allow opportunities for the local SME's to tender for the work and will reduce the costs and time to both Council and the suppliers from open tendering small value works.

4.2.1 Renewals

We will bundle a portion (those not carried out by the MO&R contracts) of the capitalised renewals projects into a range of packages that generally have a combined value of between \$0.5 million and \$1 million. These will be tendered and awarded around September each year to enable an early start in the construction season and allow the flexibility for the supplier to decide the delivery programme. Each separate project (within a bundle) will be required to finish within a fixed time. All projects will be required to be completed by the 1 April the following year. It is considered that this approach delivers value for money in that competition occurs for the packages, the programming of the works is managed by the contractor within their wider commitments and the contract administration and management is limited to a small number of contracts.

4.2.2 Physical Works Programme

The physical works procurement programme for 2017/18 is included in Appendix 1. This provides the intended dates for tendering and awarding of contracts required by NTA to enable it to deliver the local authority annual plan commitments.

The programme will be updated as required and provided to the industry. For the subsequent years, an annual procurement programme will be developed showing the projects to be tendered. The programme for the following financial year will be provided to the industry by 1 June each year.

4.3 Professional Services

For the provision of professional services, we will generally choose the supplier selection method from the following options of:

- Direct Appointment
- Closed Contest
- Purchaser Nominated Price
- Price Quality

When the price quality method is used for professional services procurement we will normally use a price weighting of between 10% and 20% to deliver value for money. We may consider using a price weighting within the range allowed by the Transport Agency's (up to 70%) after testing such a weightings effect on the evaluation.

When the supplier selection model requires non-price attributes to be assessed we will use the minimum required attributes of relevant experience, relevant skills and methodology. We will consider using further attributes or highlighting aspects within the minimum three attributes when this will enhance the supplier selection process and target better value for money.

The current market for professional services within Northland is supplied by two national consultants (Opus and MWH (Stantec)). Opus have the largest office in the region while MWH's presence has been reducing in size over recent years. Other national consultants have left in recent years. There are several local Consultants from medium sized organisations (20 or so staff) to one person entities. The Councils will require support from this market to deliver the required work.

We will procure a term contract with a single provider for a portion of the annual spend (say 40% of the professional services annual transportation spend on external consultants). We will seek to develop this as a collaborative relationship where the parties work together to achieve the required results. We will require this supplier to have a permanent presence in the North, be assessed on achievement of agreed performance measures, have the capability to bring resources to Northland when required at short notice, to have a charging/pricing regime which meets the market and have a focus on recruiting and training local cadets to support their ongoing business and the region's capability.

We will work with the suppliers and develop the appropriate tender documentation and procure these services by 1 July 2018.

For additional professional services, we will establish a pre-qualification register based on aspects such as their resources, specific skills and areas of competence. We will use this register to procure services using either the direct appointment or closed contest procurement process. This register will be in place by 1 July 2018.

NTA operates as an in-house professional services business unit for the three district councils and the regional council. The NTA is able (through the four councils) to secure funding support from the Transport Agency, to carry out the network management and passenger transport responsibilities of the Councils. The use of in house resources ensures that the required intellectual property associated with the network and its operation are maintained and developed to provide quality advice to the four councils and to engage directly with the local users and customers. The Councils need to keep an appropriate level of knowledge in house and the business unit will support this achievement. NTA is currently developing its organisational structure to service the region and to identify its longer-term capability through existing staff and resource efficiencies. Once this capability is more clearly understood it will identify whether a second longer term relationship is required with another professional services provider or if a continuing use of the register is more appropriate. NTA will involve the local supply market in working through the issues and developing the most appropriate long term arrangement. Any changes to the externally provided professional services supply relationships will be in place by 1 July 2019.

During the establishment of the NTA its in house professional services business unit operation was reviewed. Agreement was reached with the Transport Agency that NTA's ongoing existence is an acceptable approach to this part of the business and provides security of strategic information, local capability and smart buyer skills to its parent Councils. The identification of Transport Agency fundable services, the charging of the NTA's work, the overhead allocation and the specific allocation of expense to work categories within each Council have been the subject of negotiation and agreement between the Agency and the Councils. This agreement is documented and will be monitored and audited regularly by the Transport Agency.

The four Councils request the Transport Agency's approval of the continuing operation of this shared services business unit as an in house professional services provider.

4.4 Complexity, Scale, Timing, Innovation Potential, Risk and an Assessment of the Supplier Market

The works proposed in this strategy are within the capability of the resources available to the Northland market. The strategy supports the supply chain improving its skill base through the bundled MO&R contracts that are intended to attract competition from existing providers and new entrants and are of a size to attract personnel with the experience and skills necessary to manage and participate within these contracts. The NTA intends to work with the supply chain to introduce initiatives that both widen the skill base across the suppliers and provide opportunities for employment and training of local recruits.

Through a collaborative approach, we will encourage the identification and introduction of value creation initiatives through trials and when successful share them across the supply chain in the region.

The procurement risks identified and the actions proposed include the following:

Table 4 Risks and Actions

Risk/Opportunity	Action
Transport Agency and Council's funding impacts	<ul style="list-style-type: none"> • Strategy to be updated following any major impact of the Transport Agency / Councils funding decisions. • Industry to be updated on effects. • Include in revised strategy.
Align the strategy with the approved 2018/28 GPS and 2018/21 NLTP	<ul style="list-style-type: none"> • Strategy to be updated if any major impact. • Industry to be updated on effects. • Include in revised strategy.
Retention of skilled resources within the region	<ul style="list-style-type: none"> • Establish a structure to provide opportunity for staff development and career paths within the wider responsibilities of NTA. • Provide for upskilling of existing staff as identified. • Provide opportunity within NTA for succession planning.
Improve skilled resources within Northland	<ul style="list-style-type: none"> • Work with industry to develop actions to improve skilled resources in the region. • Request for initiatives in contracts and measure results.
Procurement requests from NTA, Councils and Transport Agency to market at same time	<ul style="list-style-type: none"> • Develop relationships with and test/align programmes with others to minimise any conflicts in timing to market. • Include in strategy and involve Industry.

Risk/Opportunity	Action
Northland Transport Opportunities Business case objectives as key targets for delivery on by NTA and its supply partners	<ul style="list-style-type: none"> • Develop KPI's (SMART) that support business case objectives. • Include in strategy and contracts.
Response to emergency events that affect the roading network in parts of the region	<ul style="list-style-type: none"> • Develop a regional response to emergency management. Discuss and involve the Transport Agency and their NOC contractor. • Involve the MO&R contractors in developing a regional emergency management plan including promoting and enabling region-wide support for affected areas.

4.5 Need for Specialised Skills

The proposed and known works that are programmed for the period of this strategy are traditional in nature and the local suppliers have the resources capable of completing these works. There is no known requirement for specialist skills. If a need arises requiring some specific specialist skills, we would initially ask our contracted suppliers to source these from either their own organisations or from relationships they have through the wider national market. We believe this approach will be successful for any perceived occurrence and do not consider this a major risk.

4.6 Identification of Any Pending High-Risk or Unusual Procurement Activities

There is no current known need for a special procurement process that requires the Transport Agency's approval for use in this strategy. If during the term of this strategy a procurement process requiring approval is identified, we would work with the Transport Agency to collectively develop the necessary approach and seek approval. We would involve the supply chain in the establishment of such a need and keep them advised on the progress and outcome.



5 Procurement Environment

5.1 Analysis of Supplier Market

5.1.1 Professional Services

Over recent years there has been a reduction in the local supply of professional services providers to meet the region's needs. There should be an opportunity for professional services suppliers to grow their skills and local capabilities during the period of this strategy.

One of the key challenges for professional service providers based in Northland, as it is for the Councils, is to attract and retain skilled staff to Northland. It often takes a considerable period to attract staff. Supporting local providers, where possible, with the procurement process will assist in providing work load and encourage suppliers to continue developing adequate skilled and available resources. The proposal to use a register with direct and closed contest selection for lower cost assignments will assist in achieving this outcome.

5.1.2 Physical Works

Three national Tier 1 contracting companies currently have a presence in and carry out a share of the Northland works. Two of these companies are dominant in the MO&R contracts carrying out all the term works for the three Councils and for the Transport Agency's NOC contract. The other Tier 1 Contractor has indicated that if they are unsuccessful in competing and winning a local authority roading MO&R contract they will probably withdraw their presence from the Northland region. Two other national Tier 1 suppliers currently have no MO&R presence in Northland. Both companies have in recent years been purchased by major suppliers and have the corporate backing and financial support to look seriously at competing in this market. We have involved these five Tier 1 suppliers in a workshop and market questionnaires to identify what the contracting opportunities may look like in the MO&R space that would attract them to compete. Through the MO&R tenders we are targeting engagement of three Tier 1 contractors with offices and depots established in Northland, an objective that we believe supports a long term sustainable presence and ongoing competition.

There are a number of other suppliers who compete and carry out works in Northland. The current trend is that there is generally adequate competition to respond to tender opportunities within Kaipara and Whangarei. They generally receive three or more tenders for work that is put to the market. For the Far North District they are currently receiving two or more bids for around 80% of their tenders. A number of initiatives have been identified earlier in this strategy to improve the market responses, including developing processes to provide a percentage of work to the SME's, supporting SME's in developing their businesses to compete and from the MO&R procurement process targeting having the presence of three Tier one suppliers in the region with sustainable businesses. In discussions with CCNZ they are keen to work alongside NTA and other clients to identify ways of securing competition for opportunities coming to the market. They have identified such things as early knowledge of opportunities, tendering during the off season, timing of tenders, the assessment method used and speedier decision making and consider these would encourage more competition.

The NTA will endeavor to achieve and report on for the year 2017/18 that they receive three or more tenders for at least 80% of their requests for tenders. They will increase this target in future years based on the result from the previous year and in discussion with the Industry.

Each Council maintains a log book that records data from the tender process. This information is reported to the Transport Agency and is available to the suppliers and the public. The NTA will continue to maintain and report on this data.

5.1.3 Market Survey

During the development of this strategy a market survey was carried out involving larger construction companies and CCNZ representing the SME's.

The key results from the survey were:

- The market has improved over recent years and is expected to grow over the next three years.
- The procurement process varies between Councils and there is an expectation that with the NTA a more uniform and managed programme approach will develop.
- The key issues identified by the suppliers are having a secure forward workload, maintaining a skilled work force, succession planning, achieving zero harm and managing growth.
- The companies generally have some room to grow either through use of existing resources or resourcing up to meet a longer term increased work load.
- The Northland supply chain can support an increase in opportunities although there could be a short-term impact while new recruits join the workforce and require skill training and gaining experience to become fully productive.

Initiatives are proposed in this strategy to support a general upskilling across the industry through SME support, encouraging the employment of cadets and apprentices and MO&R contracts of a size and term to attract qualified and experienced key staff to the region. The target of getting three national suppliers with a sustainable work load based in the region and supporting SME growth will help in improving the market capability.

The NTA will work with the supply chain through direct relationships and with their industry groups to ensure that the market is aware of the forward work load and the timing of opportunities coming to the market. There will be a more uniform approach to contract documentation, a managed approach to procurement timing and the intent to work alongside the Councils and the Transport Agency to develop procurement programmes that enable a manageable flow of work to the market.

5.1.4 Analysis of the Impact of the Procurement Programmes of Other Approved Organisations and Other Entities

We have carried out an assessment of the forward work programmes of the Councils' and the Transport Agency. In doing this we have used the Business Case information and the Transport Agency's supplier analysis that was carried out in 2014 prior to tendering their Northland NOC.

From the information sourced the following is an estimate of the expenditure in 2017/2018 for works across the Northland region that would require suppliers' resources like those required to serve the transportation market.

Table 5 Current Market

Activity	Current Annual Average Value of Physical Works (\$m)	Comment on Future Trends
Local Authority transportation physical works	78	From the Northland Transport Opportunities Business Case. Programmes not increasing above inflation.
Transport Agency Transportation	35	Increase of up to \$50 m per year for bridge replacements and safety improvements throughout the SH network. The Auckland / Whangarei programme business case has identified a forward spend over the next 10 to 20 years of \$1.6 billion including the Whangarei to Northport 4-laning project. Impact in Northland of Government's announcement (April 2017) of increased infrastructure spend over next three years not known.
Local authority other Infrastructure	43	Covers 3 Waters programmes for the District Councils.
Private sector Infrastructure development	20	From Transportation Agency 2014 report - increased 10% for increased activity. Probable further increase from development. Possible major works at Carrington tourist development and Ngawha prison expansion. The improvements planned for SH1 north to Whangarei has the potential of creating further private sector investment.
Total	176	

With the Transport Agency planning a substantial increase in expenditure over the next 5 to 20 years and an expected improvement in the economy leading to anticipated, additional, private sector investment there will be a need for additional resources and the attraction of new entrants. This strategy's goals assist in supporting this growth. The NTA will establish strong relationships with the other clients in the region along with the supply chain and their industry representatives to work together to ensure that they consider and act on the needs of the growing market.

For future major projects, such as the recently announced Whangarei to Marsden Port 4-laning there is an expectation that senior staff for these projects will be resourced from around the country and some of the workforce may move into Northland to support the projects. It is expected that there will be a demand for support from the local work force and for SME's to secure a role for a number of years. This anticipation of a growing future work load in the region reinforces the business case and this strategy's goal of supporting and improving local capability.

6 Approach to Delivering the Work Programme

NTA's approach to delivering the work programme is described in detail earlier in this strategy in section 4.

In summary, the key aspects are to:

- Work with the other clients (Transport Agency and Local Authority non-transport works) to develop and integrate procurement programmes that generally meet each of their needs and ensure the market is aware of and can comment on what is planned and the timing of opportunities;
- Work with the industry to ensure that the expected growth and delivery of works is achieved through developing and delivering initiatives that lead to improved capability and increased skilled personnel available locally;
- Develop three MO&R contracts for the local road component of the network that are of a size, scale and tenure to attract existing companies and capable new entrants to compete for the work;
- Achieve the goal of having three Tier 1 contractors established in Northland that support the delivery of an affordable transport network and compete for other infrastructure works required by the Councils;
- Continue the culture of working collaboratively with the suppliers to ensure the best value for money outcomes are delivered and to support initiatives where value creation is identified; and
- Ensure that agreed common performance measures are established across the MO&R contracts that lead to the delivery of the key objectives and as benchmark measures are used to compare performance and provide incentives to the suppliers.

6.1 Confirmation of Specific Strategic Objectives

The strategic objectives that were developed through the business case for the establishment of the NTA are:

- More engaged and capable workforce delivering superior asset management.
- Improved regional strategy, planning and procurement.
- Improved transport/customer outcomes, enabling investment and social opportunities.
- Transport infrastructure is more affordable.

These objectives along with the Transport Agency's ones of:

- Obtaining best value for money spent.
- Enabling persons to compete fairly for the right to supply outputs.
- Encouraging competitive and efficient markets.

Have been used as the primary focus for the development of this strategy and have influenced the decisions and actions identified within the strategy.

6.2 The Procurement Approach

The procurement approach for establishing and delivering each segment of the work programme is described in section 4 in detail for the road network and associated works and services and for public transport services (section 7) below. In both these sections the optimal procurement options have been established. The REG delivery model guidelines for identifying the form of contract were used to support the decision to procure a traditional contract for the MO&R contracts. For the future MO&R contracts in 6 to 8 years' time an upskilling of the NTA team on alliance type contracts is proposed. This contract form can then be considered for the future knowing the skill level is in place.

Through the preparation of this document we have identified a strategy for procuring ongoing MO&R work. Our strategy is to tender out three bundled contracts, each one covering a local authority area for a period of at least 6 years.

The procurement of works will comply with the Transport Agency's procurement manual. Where there are organisations capable of doing the work, we will use an open tender process for all works greater than \$200k in value. For lesser amounts, we will seek proposals generally from three suppliers under the closed contest and for amounts below \$100k in value we may use direct appointment requests, for example where there is a need for a specialist or the value of bidding for a number of suppliers is not an effective outcome for low value work.

For both Professional Services and Physical Works we will establish a pre-qualification register of capable suppliers. This will minimise tender effort for the actual opportunities when tenderers will not be required to resubmit the pre-qualified attributes.

The upskilling of the Industry (both company and staff capability) to be better positioned to meet future demand is supported with initiatives throughout this strategy. The NTA intends to continue to develop and maintain a strong relationship with its supply partners, both at a company and Industry association level.

Feedback on tender responses is a critical aspect in assisting the suppliers identify gaps and strengthen their businesses skills and capabilities. The NTA will always provide procurement feedback when requested.

The NTA has staff resources which are skilled and capable of carrying out the responsibilities and processes required for procurement and contract management. It is anticipated that this role will predominantly be carried out by NTA staff although external providers may be used on occasions when there is a resource gap within the Alliance or a degree of independence is appropriate.

6.3 Analysis of Whether Advanced Components, Customised Procurement Procedures or Variations to Procurement Rules are Required and Why

No need has been identified for advanced or customised procurement procedures that are allowed within the Transport Agency's procurement manual. Should this situation change during the term of this strategy we will work with the Transport Agency on the specific requirements and seek approval if an advanced or customised procurement approach is considered necessary.

7 Procurement and Approach to Delivering the Programme for Public Transport Services

The strategic intent for passenger services is through the Northland Regional Land Transport Plan which identifies the following two goals as providing focus for the services provided now and in the future:

- A sustainable transport system that enhances the growth and existing economic development of Northland and New Zealand.
- Our people have transport choices to access jobs, recreation and community facilities.

The Northland Regional Council's operational goals for passenger transport services included in their Public Transport Plan are:

- An effective and efficient bus network in main centres.
- People have access to shared transport options.
- Reliable travel times and transport choice for communities servicing employment areas, retail and public services.
- Public transport opportunities on appropriate corridors.
- Transport management is effectively incorporated into land use planning.
- A procurement system that supports the efficient delivery of public transport services.

The Regional Council is currently reviewing its plans to include the requirement for a business case approach to be adopted in considering new Passenger Transport services. For those requiring more information from the Public Transport Plan it can be accessed from the following web site link:

[http://resources.nrc.govt.nz/upload/21946/Regional%20Public%20Transport%20Plan%202015-2025%20\(Final\).pdf](http://resources.nrc.govt.nz/upload/21946/Regional%20Public%20Transport%20Plan%202015-2025%20(Final).pdf)





The current passenger transport services in Northland are:

- Bus services in Whangarei (City Link), Bus about Kaitaia, Mid North Link (Kaikohe, Kerikeri, Paihia) and Hokianga Link and;
- Total mobility services within the Whangarei Urban area.

The procurement approach and programme for these services are as follows:

Table 6 Passenger Transport Services

Service	Term & Approximate Annual Estimate (\$)	Procurement Date	Comment
City Link Whangarei	6+3, \$1.6 million per year	2024 to 2027 depending on contract extensions	Currently being procured through open tender for commencement 1 May 2018.
Bus About Kaitaia	3-year trial service to 2018, \$140k per year	2018	The continuation of this service will need to meet business case requirements and secure local funding share. Procure through direct appointment or closed contest.

Service	Term & Approximate Annual Estimate (\$)	Procurement Date	Comment
Mid North Link Kaikohe/Kerikeri/Paihia	2-year trial to December 2018 \$500k per year	2018	Passenger numbers reported quarterly. If trial successful, then procure using open tender process.
Hokianga Link Omapere/Kaikohe/Kerikeri	Trial to 2018 \$36k per year	2018	Based on successful trial will be procured using direct appointment.
Total Mobility Whangarei	Annual \$200k per year	2018	Annual direct appointment with providers. Subject to continuation of funding of local share.

The Regional Council will continue to work with the communities of Northland to identify other public transport services that meet the criteria for funding both by the Transport Agency and a Targeted Transport rate. When a case is successful for funding support we will use one of the approved Transport Agency procurement processes to run a trial service to confirm patronage usage that justifies the continuation of the service. The ongoing procurement of an approved service will occur using an approved Transport Agency procurement process.

7.1 Identification of Any Pending High-Risk or Unusual Procurement Activities

No high risk or unusual procurement activities have been identified for passenger transport services. Should this situation change during the term of this strategy we will work with the Transport Agency on the specific requirements and seek approval from the Transport Agency if any high risk or unusual procurement activities is considered necessary.

7.2 Procurement Environment - Public Transport Services

The main passenger transport services contract is in the Whangarei area with some other rural services being trialed in the Far North District. The Whangarei contract is for a maximum of nine years with the full term expiring in 2027. When this contract was procured in 2017 there were 5 tenders that responded to the Request for Tender. In developing the future tendering strategy, we will identify and action initiatives to ensure that adequate competition occurs to provide a tender outcome that delivers value for money.

This will occur in collaboration with the suppliers and their Industry representatives. Other passenger transport services in the region are generally procured for the trial service from an existing private supplier through a direct appointment. Where a procurement process occurs one of the approved Transport Agency methods is used and where there is competition we have received two or more proposals.

8 Implementation of All Services

NTA has capable and experienced procurement staff at their offices who are trained, experienced and capable of managing the procurement requirements. In the NTA and Councils there are staff who are, or are training to be, qualified evaluators for assessing proposals more than \$200k. If additional resources are required to assist or provide independence, NTA will obtain the necessary skilled and experienced people from the supplier market.

We will meet the requirements for performance measurement and monitoring of section 11 of Transport Agency's procurement manual as it applies to the Council's funded works. This will be supported by the collection of procurement data as outlined in Appendix E of the Transport Agency's procurement manual. The web site with the full details of Appendix E can be accessed through the following link:

<https://www.nzta.govt.nz/assets/resources/procurement-manual/docs/appendix-e-data-checklist.pdf>

The development of this procurement strategy has involved discussion with a number of professional services and contracting companies and the involvement of their Industry Representatives (ACENZ and CCNZ).

On approval by the four Councils and endorsement by the Transport Agency, the strategy will be implemented for a period of four years from 1 October 2017. If the environment changes requiring a substantial deviation from the strategy it will be reviewed and updated. Issues that may trigger a review of the strategy include the finalisation of the 2018/28 GPS, Councils LTP's and approved funding levels for the 2018/21 NLTP. Copies of the strategy will be made available directly to interested parties or they can review it or uplift a copy from the Councils' web sites. The procurement programme for the 2017 / 18 year is included in Appendix 1. This programme will be updated on an annual basis to support the direction and deliverables required for transportation outcomes for each of the four Councils' Annual plans.

8.1 NTA Capability and Capacity

The Northland Transportation Alliance is a shared services business unit with around 50 employees seconded from the four Northland Councils. These employees are capable and experienced in various aspects such as Strategic Planning, Transport Planning, Passenger Transport Services, Asset Management, Programming, Design, Procurement, Contract Management, Operations and Customer response. We consider the capacity and capability within the NTA is sufficient to manage the procurement programme outlined in this strategy.

The organisation structure of the NTA is being developed. The outcome from this will be a structure focussed around regional delivery of the Transportation requirements through three work streams (Strategy and Planning, Network Development, Operations and Customer service). The creation of the business unit has presented the opportunity to deliver projected economic efficiencies and provide non-monetary operational and customer benefits including:

- Increased regional capacity and capability through specialisation.
- Improved customer service and improved engagement with stakeholders by having a wider talent pool of expertise.
- More resilience and business continuity through the ability to deploy resources across the region.

- Greatly enhanced capability to respond quickly and effectively to emergency events.
- Better career opportunities for staff with a more attractive employment proposition for new recruits.
- Less reliance on consultants as in-house resources develop.

One of the objectives is to improve the overall capability of the industry, both within NTA and their supply partners. Initiatives will be put in place as outlined in this strategy to identify areas and gaps where upskilling is required and then to work collectively to address these aspects. We will work with the Industry to attract people to the Industry through initiatives such as cadetships and apprenticeships. The Industry provides a wide range of opportunities for career growth both within the workforce and in contract management. In selecting companies to work with, we will provide in the non-price attributes and evaluate the responses for the companies to explain their plans and intentions for ongoing training and upskilling of their people and support of their supply partners.

8.2 Internal Procurement Processes

The Councils have identified in their policies that for Transportation procurement the processes and requirements that are allowed within the Transport Agency procurement manual shall be given precedence. Endorsement of this approach has been included in each Council's approval of this strategy.

8.3 Performance Measurement and Monitoring

The key drivers for this strategy include the Transport Agency's value for money, competitive and efficient markets and fair competition among suppliers. These along with the four business case benefits (section 1) make up the results areas to focus on, develop measures for and report on.

Table 7 below identifies performance indicators and measures that will form the initial framework for reporting to the Transport Agency and Councils.

Full reporting against these measures will be provided to the Transport Agency at least annually with progress updates provided at appropriate times.

When results indicate a level of non-achievement and this triggers the need for specific actions to improve the performance NTA will report on these to the affected party(s) on a case by case basis.

NTA will report on the measures (at least 6 monthly) to the Alliance Leadership Group with specific actions developed and agreed on to improve any non-achievements. More frequent reporting to the Alliance Leadership Group on any specific measure will occur on an exceptions basis to identify and agree any actions to improve the situation.

Table 7 Performance Indicators and Measures

Key Results Area	Performance Indicator	Measure
Value for Money	<ol style="list-style-type: none"> 1. Number of tenderers for procurement. 2. Final cost vs tendered cost of contracts. 3. For quality, timeliness, collaborative measures. 4. Benchmark indicators for three MO&R contracts. 	<ol style="list-style-type: none"> 1. 2017/18 year three or more bids for 80% closed contest or open tenders. 2. Number less than 1.1 Final Cost/Tender Cost (excluding inflation & additional works) cf number greater 1.1. 3. Develop within contracts, measure and compare overall results. 4. Develop key measures to assess performance across the three contracts.
Competitive and efficient markets	<ul style="list-style-type: none"> • Bids received. • Direct/ closed/ open contest. 	<ul style="list-style-type: none"> • Number bids per tender • Compare by total numbers
Fair competition among suppliers	<ul style="list-style-type: none"> • Open contest. • Direct and closed contest. • Feedback on tender proposals after contract award. 	<ul style="list-style-type: none"> • Number bids for each opportunity. • Number opportunities for each supplier from register. • 100% opportunity for feedback and 100% when requested.

There are four key results areas that were identified in the Northland Transport Collaboration Business Case (6 April 2016).

These are:

- More engaged and capable workforce delivering superior asset management.
- Improved transport/customer outcomes, enabling investment and social opportunities.
- Improved regional strategy, planning and procurement.
- Transport infrastructure is more affordable.

These have been incorporated into a business management framework where key performance indicators and targets have been developed. The targets within this framework will be included as performance measures and monitored and reported on in conjunction with those in table 7. The business management framework is included as appendix 2 within this strategy.

Conditions may be required by the Transport Agency or Councils when providing funding for specific projects or making recommendations because of any specific audit. When these conditions or recommendations require action through the procurement process or in existing contracts specific measures will be established and reported on as required by the Transport Agency or Council.

Service level agreements (SLAs) are in place and being further developed between the Councils and NTA. Where measures relating to procurement are developed these will be reported on by NTA as agreed within the SLA.

For the major MO&R contracts Councils and the NTA will work collaboratively with the three contractors to develop and agree a common performance framework and measurement regime based on key performance indicators identified within this strategy and the tender documents. The measurements and reporting will be the same for each contract. This provides the opportunity to benchmark across the region, incentivise performance and identify areas for improvement. Discussions will occur where performance gaps are identified, actions developed and introduced to improve the situation and further measurement occur to demonstrate improvement.

8.4 Communication Plan

The main audience for this procurement strategy is the four Northland Councils, the Transport Agency, NTA and the suppliers.

In developing this procurement strategy, the NTA has engaged with the industry a number of times.

This has included:

- An initial meeting with the Consultants and Contractors (including their industry representatives) of the region to outline the role of the NTA and to discuss the development of the procurement strategy.
- Two surveys with the contracting industry (including CCNZ) – one around the future shape of the MO&R market and the other on the general market, its size, local capability and expectations of it for the future.
- A workshop with a number of MO&R national suppliers and CCNZ to gauge thoughts on the size of contracts and test a number of options.

These interactions and engagement with industry have been found to be very positive in developing clarity about the future direction of transportation procurement and developing relationships in Northland.

It is intended to continue to engage with the industry to ensure the overall thinking of the supply chain is considered and to ensure appropriate and timely information on procurement opportunities is available and known. These regular (at least twice a year) meetings with suppliers will provide the opportunity to discuss other aspects such as performance (both Industry and NTA), Industry capability and other transportation issues.

The draft strategy was distributed to NTA, the Transport Agency and the four Councils Group Managers for feedback and comment. Based on their comments a final document was developed.

The strategy was then provided to the four Northland Councils for their approval. On approval from the four Councils the strategy is provided to the Transport Agency for their endorsement and approval. As this strategy covers combined works of a value less than \$100 million per year, under delegation, the endorsement will be from the Transport Agency's GM Planning and Investment.

The Transport Agency's endorsed strategy will be posted on the four Councils' websites for public information.

The owner of this document is the four Northland Councils, and the NTA as their agent and specialist trusted advisor. NTA will be responsible for ensuring that all feedback is considered and where appropriate incorporated into this strategy. They will keep this document up to date and amend it if key strategy thinking or other aspects require fundamental changes to the way works are procured and delivered.

Regular contact as appropriate with the supply market will occur through Industry meetings or workshops occurring (e.g. with CCNZ, ACENZ, NZ Bus and Coach).

8.5 Corporate Ownership and Internal Endorsement

This strategy has been approved by each of the four Northland Councils (Approved Organisations) as noted on page 2.



Appendices

Appendix 1 - Annual Procurement Programme for 2017 / 2018

Northland Transportation Alliance Procurement Plan 2017/2018							
Authority	Project Name	Project Location - Description - Type of Work	Estimated Project Value	Forecast Tender Programme			
				1st Quarter Jul-Sep	2nd Quarter Oct-Dec	3rd Quarter Jan-Mar	4th Quarter Apr-Jun
FNDC	Resilience Slips Programme	Area wide	\$ 2,000,000		Tender		
FNDC	Opito Bay Slip Repair	Opito Bay	\$ 1,200,000	Tender			
FNDC	Emergency works Slip Repairs	Area wide	\$ 2,200,000			Tender	
FNDC	North Road Pedestrian Crossing Upgrade	North Road, Kaitaia outside of Abundant Life School - Upgrade of existing islands and kerb build outs and lighting improvements	\$ 150,000		Tender		
FNDC	Access Road Right Turn Bay	Access Road Right Turn Bay and improved pedestrian facilities	\$ 175,000			Tender	
FNDC	Salvation Road (Houhora) A25	Armco culvert- major culvert replacement	\$ 150,000	Tender			
FNDC	Okakewai Road UN11	Armco culvert- major culvert replacement	\$ 150,000	Tender			
FNDC	Tipa Tipa Road UN 22	Armco culvert- major culvert replacement	\$ 150,000	Tender			
FNDC	Otaua Road M28	Bridge upgrade	\$ 150,000		Tender		
FNDC	Matawherohia Road (I48)	Bridge replacement	\$ 110,000		Tender		
FNDC	Waitangi to Haruru Stage 3	Shared use pathway construction	\$ 75,000	Tender			
FNDC	Mangonui SH10 Connection	Footpath construction	\$ 200,000	Tender			
FNDC	Forestry Resilience Package 2	Unsealed Forestry Roads upgrade - Pokapu, Matawaia Maromaku	\$ 2,900,000	Tender			
FNDC SUB-TOTAL			\$ 9,610,000				
FNDC	New Network Maintenance Contract(s)	number of contracts and total value to be confirmed	circa \$19m p.a.	ROI, Pre-Qual (tbc)	Tender		
KDC	Settlement Road Seal Extension	Seal Extension to go from RP393-1573 (Intersection of Settlement and Tawa Road). There will be some minor improvement related works as well. This Seal Extension is located in Kaiwaka.	\$ 650,000	Tender July			
KDC	Bee Bush/Arapohue/Hoyle Intersection	Intersection improvements associated with Minor Improvements. This Intersection is located in Arapohue.	\$ 150,000	Tender July			
KDC	Turkey Flat/Tatariki Spur Intersection	Intersection improvements associated with Minor Improvements. This intersection is located in Te Kopuru.	\$ 150,000	Tender July			
KDC	Tinopai Road Rehabilitation	Road rehabilitation from RP17048-18357. Located in Tinopai.	\$ 640,000	Tender July			
KDC	Paparoa Oakleigh Corner Easings	Minor Improvement associated works to improve the overall safety of these	\$ 420,000	Tender July			
KDC	Tara Road Flood works	This road is prone to flooding, preventing current residents from making use of the road during these flood occurrences. Drainage related works will be carried	\$ 380,000	Tender July			

KDC	Tara Road Footpath	Currently VRU's make use of the carriageway to commute, putting their own lives in danger. In order to address this matter, a footpath is to be constructed.	\$ 60,000	Tender July			
KDC	Waihue Road Rehabilitation	Road rehabilitation from RP9330-10170, and from RP10596-10961. Located in	\$ 610,000	Tender July			
KDC	Dunn Road Rehabilitation	Road Rehabilitation from RP2980-3344. Located in Ruawai.	\$ 180,000	Tender July			
KDC	Tangowahine Valley Road Bridges	Bridge Strengthening in order to carry 50MAX.	\$ 550,000	Tender August			
KDC	Kaikohe Road Bridge no.89	Bridge replacement.	\$ 300,000	Tender July			
KDC	Component Renewals Contract	Bridge Component renewals.	\$ 430,000	Tender July			
KDC	Pukehuia Road Slip RP14000	Slip Remediation works. Located in Pukehuia	\$ 270,000	Tender July			
KDC	Pukehuia Road Slip RP9650	Slip Remediation works. Located in Pukehuia	\$ 290,000	Tender July			
KDC	Mangawhai Road Slip RP750	Slip Remediation works. Located in Mangawhai	\$ 270,000	Tender July			
KDC	Mangawhai Road Slip RP1050	Slip Remediation works. Located in Mangawhai	\$ 270,000	Tender July			
KDC	Mangawhai Road Slip RP2000	Slip Remediation works. Located in Mangawhai	\$ 270,000	Tender July			
KDC	Balrock Road Slip RP510	Slip Remediation works. Located in Paparoa	\$ 250,000	Tender July			
KDC	Other Event Slips	Slip Remediation works. Located in Kaipara Network	\$ 800,000		Tender		
KDC SUB-TOTAL			\$ 6,940,000				
KDC	New Network Maintenance Contract	total value to be confirmed	circa \$12m p.a.	ROI, Pre-Qual (tbc)	Tender		
WDC	Minor Improvements	Signalised intersection improvements (Tarewa / Porowini)	\$ 1,000,000.00	Tender December			
WDC		Wilson Rd bridge upgrade	\$ 150,000.00	Tender November			
WDC	Sealed Road Rehabs	Bank St rehab (800-1300)	\$ 1,000,000.00	Tender July			
WDC		Whatitiri Rd rehab (5300-6000)	\$ 375,000.00	Tender November			
WDC		Pipiwai Rd rehab (36200-37100)	\$ 425,000.00	Tender November			
WDC		Springfield Rd rehab (0-2500)	\$ 1,000,000.00	Tender July			
WDC		Springfield Rd rehab (8700-9485)	\$ 275,000.00	Tender July			
WDC		Springfield Rd rehab (10675-10859)	\$ 75,000.00	Tender July			
WDC	Seal Extensions	Wright/McCardle Rd seal extensions	\$ 1,250,000.00	Tender August			
WDC	Structure Component Replacement	General maintenance - Scour Protection	\$ 175,000.00		Tender November		
WDC		General maintenance - component replacement	\$ 175,000.00		Tender November		
WDC		Ararua Rd bridge upgrade	\$ 200,000.00		Tender November		
WDC		Dr Hill Rd bridge upgrade	\$ 200,000.00		Tender November		
WDC	Street Lighting	LED upgrade	\$ 6,500,000.00	Tender - July - Nov			
WDC	Shared Paths (cycleways)	Kamo shared path stage 2	\$ 3,000,000.00	Tender August			
WDC		Kamo shared path stage 3	\$ 2,000,000.00		Tender November		
WDC		Kamo shared path stage 4	\$ 2,000,000.00		Tender November		
WDC SUB-TOTAL			\$ 19,800,000				
WDC	New Network Maintenance Contract	number of contracts and total value to be confirmed	circa \$18m p.a.	ROI, Pre-Qual (tbc)	Tender		

Appendix 2 - Benefit Management Framework

	Benefit Description	KPI	Targets	Timing
Benefit 1 Weight 30%	More engaged and capable workforce delivering superior asset management.	KPI 1: Recruitment times	Appropriately qualified person is appointed in the first round of advertising in 90% of recruitments.	From 1 July 2017
		KPI 2: Industry Skills Indicators	Alliance has the required skills (capabilities) in the required quantity (capacity), categorised by key areas of activity, and requirements at different levels of seniority.	Following organisation realignment in 2017/2018
		KPI 3: Employment Churn	Turnover in any year is less than 10%.	From 1 July 2017
		KPI 4 - Staff Engagement Survey	a. >65% of staff are 'engaged' b. <10% are 'disengaged'.	From 1 July 2017
Benefit 2 Weight 25%	Improved transport/customer outcomes, enabling investment and social opportunities.	KPI 1: ONRC Indicators (proportion of network meeting the ONRC CLoS Performance Measures)	The targets to be established 2017/2018.	Timing will need to established in 2017/2018
		KPI 2: GDP/VKT	The targets will be established once initial analysis of available information and the existing situation is carried out. The target is likely to be more about moving in the right direction rather than a hard number.	Timing will need to established in 2017/2018
		KPI 3: Customer Satisfaction Survey	>70% satisfaction.	From 1 July 2017

	Benefit Description	KPI	Targets	Timing
Benefit 3 Weight 30%	Improved Regional strategy, planning and procurement.	KPI 1: Procurement is Regionally Co-ordinated and Integrated	a. Regional Procurement Strategy approved. b. Annual procurement plan developed. c. 80% of contractors give an overall 'favourable' rating to Alliance procurement planning (survey to be developed).	a. By October 2017 b. For 2017/18 year c. From 1 July 2018
		KPI 2: Percentage of Work Programmes Delivered	a. >90% of annual programme by \$value b. >75% of individual capital projects tendered in the quarter identified in the procurement plan.	a. For 2017/18 year b. For 2017/18 year
		KPI 3: Asset Management is Regionally Coordinated and Integrated	a. Single Asset Management Plan b. Consistent levels of service in place using the ONRC	a. For 2021 LTP b. Consistent ONRC outcomes are confirmed annually.
		KPI 4: Appropriate Practice Asset Management	Asset Management systems and processes audit and AMP peer review demonstrates appropriate practice in each area of Asset management planning.	Baseline assessment carried out 2017/18. Future targets set once baseline is established and improvement plan is adopted.
Benefit 4 Weight 15%	Transport Infrastructure is more affordable.	KPI 1: Cost/VKT by LOS (benchmarking trend by classification within peer group)	The targets will be established once some initial analysis of available information and the existing situation is carried out. The target is likely to be more about moving in the right direction rather than a hard number.	Timing will need to be established in 2017/2018.
		KPI 2: Percentage Efficiency Achieved Through Improved Procurement	Being developed for approval by the Northland Transportation Alliance Leadership Group.	Timing TBC by end of August 2017.



Appendix 3 – Development of the MO&R Contract Proposal

In developing this Regional Procurement Strategy, a series of engagement sessions with Council officers and suppliers occurred aimed at identifying the key issues for the MO&R contracts and determining what the challenges are for both parties for service delivery and delivery of other benefits highlighted in the business case.

The suppliers identified the need to have contracts where scope, network size, contract term and annual value provide them with a 'critical size' to establish and maintain a base in the region and to attract and retain the level of quality resources necessary to deliver superior asset and contract management.

The 'critical size' was defined as being in the order of minimum contract values around \$12 million per annum and expected to incorporate network lengths of at least 1200 - 1500km as a minimum. Contract terms in excess of 5 years provided the certainty for investment in plant and resources and a base to grow their business and establish a sustainable long term presence in the region.

Several workshops were held with NTA operational staff and industry specialists were enlisted to assist at the workshops given the significance of potential changes and the need to be assured of thorough and robust processes.

NTA engaged EQUIP and used the Road Efficiency Group's Guidance on Selection of Maintenance Contract Models to define the contract form. NTA were strongly supported by the Transport Agency's presence and their principal change agent for the development of the NOC's (Network Outcomes Contracts) attended one workshop to provide valuable background information to the NTA team. Other Transport Agency staff assisted in the processes to establish the contract form and options for the contract numbers.

After several iterations and considerable discussion, the consensus was that a traditional contract form is the most appropriate for the Approved Organisations and the NTA at this point in time. There was a strategic view that the long-term contract form should be an alliance model, however with the current skills and experience within the NTA a more traditional contract form was appropriate now. In the development of the contractual documentation it is intended to promote collaborative behaviours from the parties to the contract and develop within the NTA an understanding and knowledge about alliance contracting for possible future use.

Consideration was given to what should be included in the contract. Again, consensus was achieved relatively quickly amongst NTA staff that the contracts should include maintenance and reseals and should adopt a 'fence to fence' concept. The suppliers generally supported this approach in a subsequent industry workshop. The question of how much of the pavement rehabilitation renewals should be included is subject to further refinement in the detailed documentation of the contracts and review of the overall works programme as well as providing other opportunities to the market.

The NTA staff and the suppliers were generally of the opinion that if the key issues of scope, scale, term and value could be addressed within a Council area there would be limited benefit in having cross-boundary contract areas. Their assessment is that the customers in each Council area are distinct communities of interest who relate to their specific Council.

Any perceived benefit was likely to be insufficient to overcome administrative and other dis-benefits (cross subsidisation issues, customer request management, effect on a managed exit strategy etc).

Following the joint workshops (and prior to engagement with the industry) SSBU staff carried out self-assessments on the issues facing their specific network and how they might be addressed through a through the contracting environment.

Reseals were very clearly identified by all SSBU staff as being best included in maintenance contracts for numerous reasons relating to quality control, service delivery, asset management and value for money. This was also strongly supported by contractors during subsequent workshops.

Pavement rehabilitation renewals were considered to be best delivered as a mixture determined by scale and complexity, with smaller scale rehabs via maintenance contracts and larger scale rehabs via separate tender.

KDC staff assessed the options and as a general statement, agreed the single contract for KDC is justified and supported. WDC staff developed a robust matrix assessment tool and applied it with a high degree of objectivity and awareness. That resulted in a raw result of a single contract scoring highest as the 'best for network' approach. FNDC staff concluded that a consolidation from the current four contracts to two contracts (approximately north and south of the Mangamuka Gorge / Maungataniwha Range) was the best approach. Aspects were raised by the SSBU staff that other issues may be required to be considered with interested parties in agreeing a way forward.

The Transition Manager, Alliance Manager and Procurement Strategy Consultant explored the same question as the SSBU staff but viewed through a 'one regional network lens'. Rather than assessing against operational criteria or drivers each option was considered against the business case objectives. This exercise assessed the viability of the full spectrum of options ranging from complete dis-aggregation into multiple small contracts (e.g. 'the local farmer with his tractor') through to a single region-wide 'NOC-style' contract. The preferred way forward when assessing options using the business case approach is for three contracts across the region – nominally one in each district council area. The combination of the 'bottom up' assessment against operational drivers by the SSBU staff and the 'top down' assessment against strategic objectives yielded results that are not widely dissimilar; which can be taken as an indication that the options have been narrowed in a robust way.

The collated internal self-assessments on a district by district basis seek four contracts, on base scoring. Three contracts are the preferred option when using the business case approach assessment against regional strategic objectives. This regional strategic approach was endorsed by the Alliance Leadership Group.

The main suppliers are comfortable that there will be contractual provisions requiring a certain percentage of the contract works to be sub-contracted to local suppliers. Common proportions are in the order of 20 – 30%.

A healthy Tier 1 supplier market with a minimum of three Tier 1 contractors may be achieved by having a multitude of contracts however it is more likely this may just consolidate the current situation.

It has been made very clear by those suppliers not currently operating in the MO&R space in the region that they cannot compete unless the term, scale and value of contracts make it commercially viable for them to pursue an opportunity to compete in the Northland market.

