

MEETING — AGENDA —

Ngā Take

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Western Bay of Plenty
District Council

COUNCIL

Te Kaunihera



C25
Thursday, 18 April 2019
Council Chambers
Barkes Corner, Tauranga
9.30am

Notice of Meeting No 25 Te Karere

Council Te Kaunihera

Thursday, 18 April 2019
Council Chambers
Barkes Corner
9.30am

His Worship the Mayor
Deputy Mayor

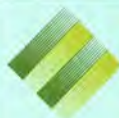
G J Webber (Chairperson)
M Williams

Councillors:

G Dally
M Dean
M Lally
P Mackay
K Marsh
D Marshall
M Murray-Benge
J Palmer
J Scrimgeour
D Thwaites

Media
Staff

Miriam Taris
Chief Executive Officer
Western Bay of Plenty District Council



Western Bay of Plenty
District Council

Te Kaunihera a rohe mai i nga Kuri-a-Wharei ki Otamarakau ki te Uru

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Council Delegations Mangai o Te Kaunihera

Quorum:

The quorum for this meeting is six members.

Role:

- To exercise all powers and functions to deal with statutory and procedural matters, to carry out civic duties and responsibilities, and to exercise all non-delegated functions.
- To delegate authorities as appropriate to Council committees and the Chief Executive Officer.
- To delegate any authorities which may be additional to the roles required under the Local Government Act 2002 to Community Boards, and to appoint Councillors to Community Boards.
- To establish Joint Committees of Council, and appoint elected members and/or others to these committees.
- To make all financial decisions not otherwise delegated or included in Council's Long Term Plan and/or Annual Plan.
- To maintain, monitor and direct an overview of Council's finances including but not limited to:
 - The financial progress of major capital works projects including those considered in the Long Term Plan and Annual Plan processes.
 - Implementation of Council's risk management.
 - Approval of new debt and/or new facilities.
 - Receiving exception reports on Council's financial performance at least quarterly.
 - Undertaking all financial monitoring of performance against the Long Term Plan and Annual Plan.
 - Ensuring treasury management within the limitations of the Treasury Policy as set by the Long Term Plan.
 - Allowing for variations from Council's key treasury policy ratios.
- To exercise all non-delegated functions being:
 - (a) The power to make a rate
 - (b) The power to make a bylaw
 - (c) The power to borrow money, purchase, or dispose of assets, other than in accordance with the Long Term Plan
 - (d) The power to adopt a long term plan, annual plan, or annual report
 - (e) The power to appoint a chief executive
 - (f) The power to adopt policies required to be adopted and consulted on under the Local Government Act 2002 in association with the Long Term Plan or developed for the purpose of the local governance statement
 - (g) The power to adopt a remuneration and employment policy
 - (h) The power to enter into contracts otherwise than in accordance with the provisions of Section 4 of the Public Bodies Contracts Act 1959
 - (i) The power to initiate any proceedings in the High Court that are not injunctive proceedings
 - (j) The power to remove the Deputy Mayor subject to Schedule 7 (18) of the Local Government Act 2002

- (k) The power to discharge or reconstitute any committee established by the Mayor subject to Schedule 7 (30) of the Local Government Act 2002
- (l) Powers as conferred by the Minister of Conservation under the Reserves Act 1977

Procedural Matters:

- Confirmation of all Standing Committee minutes excluding the District Plan Committee, Regulatory Hearings Committee and District Licensing Committee minutes
- Receipt for information all Community Board minutes
- Receipt for information all District Plan Committee, Regulatory Hearings Committee minutes and District Licensing Committee minutes
- Adoption and amendment of Standing Orders.
- Establishment of and delegations to Joint Committees, Sub Committees and any other governance body that the Council deems necessary.
- Purchase, sell and dispose of Council property other than delegated in accordance with all of the following:
 - the Long Term Plan
 - the Significance Policy
 - Council's Asset Management Plans
 - Council's Reserve Management Plans
 - Committee or appropriate delegations
- Councillor and Council appointments to other organisations.
- Approval of elected member training/conference attendance.

Any other procedural matters as required under the Local Government Act 2002 or any other Act.

Mayor's Delegation:

Should there be insufficient time for Council to consider approval of elected member training/conference attendance that this be delegated to the Mayor/Deputy Mayor with a report back to Council at the next scheduled meeting.

Should there be insufficient time for Council to consider approval of a final submission to an external body that the signing off of the submission on behalf of Council be delegated to the Mayor/Deputy Mayor provided that the final submission be reported to Council or the relevant Committee at the next available meeting.

Mayor and Councillors' Delegations:

Pursuant to Clause 32(1) of Schedule 7 of the Local Government Act 2002, to each of the Mayor and Councillors, whether individually or collectively, the power to listen to and receive the presentation of views by people pursuant to Section 83(1)(d) of the Local Government Act 2002 in relation to any processes Council undertakes to consult on under the Special Consultative Procedure as required by the Local Government Act 2002 or any other Act.

Agenda for Meeting No. C25

Pages

**Present
In Attendance
Apologies**

Public Excluded Items

The Council may by resolution require any item of business contained in the public excluded section of the agenda to be dealt with while the public are present.

Public Forum

A period of up to 30 minutes is set aside for a public forum. Members of the public may attend to address Council for up to three minutes on items that fall within the delegations of Council provided the matters are not subject to legal proceedings, or to a process providing for the hearing of submissions. Speakers may be questioned through the Mayor by members, but questions must be confined to obtaining information or clarification on matters raised by the speaker. The Mayor has discretion in regard to time extensions.

Such presentations do not form part of the formal business of the meeting, a brief record will be kept of matters raised during any public forum section of the meeting with matters for action to be referred through the customer contact centre request system, while those requiring further investigation will be referred to the Chief Executive.

C25.1

Receipt of Community Board Minutes

Please refer to minutes of the meetings of the Community Boards as circulated separately with this agenda.

Recommendation

THAT the minutes of the following meetings be received:

- 1. Minute no. WB19 of the Waihi Beach Community Board held on 25 March 2019*
- 2. Minute no. OM19 of the Omokoroa Community Board held on 26 March 2019*
- 3. Minute no. K19 of the Katikati Community Board held on 27 March 2019*
- 4. Minute no. MC19 of the Maketu Community Board held on 2 April 2019*
- 5. Minute no. TP19 of the Te Puke Community Board held on 4 April 2019*

C25.2

Minutes of Council and Committee Meetings for Confirmation

Please refer to minutes of the meetings of the Council and its Standing Committees as circulated separately with this agenda.

Recommendation

THAT the minutes of the following meetings as circulated separately with the agenda are confirmed and are a true and correct record:

6. *Minute no. RUR12 of the Rural Committee held on 28 February 2019*
7. *Minute no. C24 of the Western Bay of Plenty District Council held on 7 March 2019*
8. *Minute no. LATP7 of the Long Term and Annual Plan Committee held on 7 March 2019*
9. *Minute no. PP19 of the Policy Committee held on 12 March 2019*
10. *Minute no. CC16 of the Community Committee held on 28 March 2019*
11. *Minute no. OP18 of the Operations and Monitoring Committee held on 11 April 2019*

C25.3

Minutes for Receipt

Please refer to the minutes as circulated separately with this agenda.

Recommendation

THAT the minutes of the following meetings as circulated separately with the agenda are received:

12. *Minute no. RH15 of the Regulatory Hearings Committee held on 20 December 2018*
13. *Minute no. DLC 10 of the District Licensing Committee held on 12 November 2018*
14. *Minute no. DLC 11 of the District Licensing Committee held on 29 and 30 December 2018*
15. *Minute no. JG8 of the Joint Governance Committee held on 10 April 2019.*

C25.4

Information for Receipt

Please refer to the Minute Index and Information Pack as circulated separately with this agenda.

Recommendation

THAT the information items included in the Minute Index and Information Pack dated 18 April 2019 as circulated separately with the agenda be received.

C25.5

Decision Report from the Omokoroa Community Board – Request for CCTV at Omokoroa

11-12

Attached is a report from the Senior Governance Advisor dated 2 April 2019.

This report refers to the Council recommendation that the recommendation from the Omokoroa Community Board to Council (considered at the Council meeting C24 held on 7 March 2019) where the Council resolved 'that the item lie on the table at this time to enable the Omokoroa Community Board to give full consideration to initial set-up costs of a CCTV system and the ongoing long term monitoring and maintenance costs.'

C25.6

Recommendatory Report from the Te Puke Community Board – Funding for the Te Puke Centre

13-14

Attached is a report from the Senior Governance Advisor dated 9 April 2019.

C25.7

Recommendatory Report from the Tauranga City Council / Western Bay of Plenty District Council Joint Governance Committee – Waiari Mauri Monitoring Model Proposal

A report from the Governance Advisor dated 10 April 2019 will be circulated when available.

C25.8

Recommendatory Report from the Tauranga City Council / Western Bay of Plenty District Council Joint Governance Committee – Tauranga Western Bay Safer Communities Tactical Group Decision to Remain an International Safe Community

A report from the Governance Advisor dated 10 April 2019 will be circulated when available.

C25.9	Recommendatory Report from the Tauranga City Council / Western Bay of Plenty District Council Joint Governance Committee – Sub-Regional Parks Relationship Agreement	
	A report from the Governance Advisor dated 10 April 2019 will be circulated when available.	
C25.10	Recommendatory Report from the Tauranga City Council / Western Bay of Plenty District Council Joint Governance Committee – TECT All Terrain Park Capital Works Programme	
	A report from the Governance Advisor dated 10 April 2019 will be circulated when available.	
C25.11	Storm Water and Waste Water Easement Over Part of Omokoroa Beach Grove Esplanade Reserve	15-24
	Attached is a report from the Legal Property Officer dated 22 February 2019.	
C25.12	Local Government Funding Agency Limited Half Yearly Report to Shareholders 2018/19 and Draft Statement of Intent 2019/20	25-81
	Attached is a report from the Group Manager, Finance and Technology Services dated 5 April 2019.	
C25.13	2019 Election Update	82-106
	Attached is a report from the Governance Manager dated 8 April 2019.	
C25.14	Conflict of Interest Policy (Revised)	107-125
	Attached is a report from the Group Manager, Finance and Technology Services dated 9 April 2019.	
C25.15	Fraud and Corruption Prevention Policy (Revised)	126-138
	Attached is a report from the Group Manager, Finance and Technology Services dated 9 April 2019.	

C25.16 **Chief Executive Officers Exception Report – April 2019** 139-149

Attached is a report from the Chief Executive Officer dated 5 April 2019.

C25.17 **Mayor’s Report to Council – March 2019** 150

Attached is a report from His Worship the Mayor dated 5 April 2019.

Local Government Official Information and Meetings Act

Exclusion of the Public

Schedule 2A

Recommendation

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

- *In Confidence Council and Committee Minutes for Confirmation.*
- *In Confidence Minute Index and Information Pack*
- *In Confidence Chief Executive Officer’s Report -*

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

<i>General subject of each matter to be considered</i>	<i>Reason for passing this resolution in relation to each matter</i>	<i>Ground(s) under Section 48(1) for the passing of this resolution</i>
<i>In Confidence Council and Committee minutes for Confirmation</i>	<i>THAT the public conduct of the relevant part of the proceedings of the meeting would likely result in the disclosure of information for which good reason for withholding would exist.</i>	<i>For reasons previously stated on the relevant minutes.</i>
<i>In Confidence Minute Index and Information Pack</i>	<i>THAT the public conduct of the relevant part of the proceedings of the meeting would likely result in the disclosure of information for which good reason for withholding would exist.</i>	<p><i>For reasons previously stated on the relevant minutes.</i></p> <p><i>To enable the Council to carry on without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</i></p> <p><i>Protect the privacy of natural persons, including that of deceased natural persons.</i></p> <p><i>Maintain legal professional privilege.</i></p>

Western Bay of Plenty District Council

Council

Decision Report from Omokoroa Community Board Meeting OM19 26 March 2019 – Request for CCTV

Executive Summary

The following is a decision adopted by the Omokoroa based on the recommendation from Council that the recommendation from the Omokoroa Community Board Meeting held on 18 February 2019 “lie on the table at this time to enable the Omokoroa Community Board to give full consideration to initial set-up costs of a CCTV system and the ongoing long term monitoring and maintenance cost.”

The Omokoroa Community Board further discussed this item at their meeting held on 26 March 2019.

The report is provided for information purposes only.

Remit from the Omokoroa Community Board

OM19.2 **Decision Report from Recommendation to Council – Request for CCTV at Omokoroa**

The Board considered a report from the Democracy Advisor dated 11 February 2019 as circulated with the agenda.

The Board was advised of the following points:

- Initial set-up costs were not just for a camera unit.
- Securing power to a CCTV unit could be up to \$20,000.
- Costs for ongoing monitoring and maintenance could be up to \$660 / month.
- Public notification/permission for the camera placement would have to be given.
- Terms for monitoring the camera footage would need to be developed.
- Technology changes and camera life meant any unit may only have a 3 to 4 year life span to be really effective.

The Board was again advised that the installation, monitoring and maintenance of CCTV was not a Council activity and reminded that the Policy Committee would be undertaking a review of CCTV in the Western Bay later in the year.

The Board noted that the review may provide an overview of different options and look at how the management of CCTV units was being undertaken in other districts.

Resolved: Member T Sage / Councillor Murray-Benge

1. *THAT the report of the Democracy Advisor dated 11 March 2019 titled Council Decisions on Board Recommendations in regard to CCTV at Omokoroa be received.*
2. *THAT the request to install a CCTV system at the intersection of Western Avenue and Omokoroa Road be deferred at this time pending the Council review of CCTV in the Western Bay later in the year.*

Recommendation

1. ***THAT the report of the Senior Governance Advisor dated 2 April 2019 titled Decision Report from Omokoroa Community Board Meeting OM19 26 March 2019 – Request for CCTV in regard to the recommendation from Council Meeting C24 held on 7 March 2019 be received.***
2. ***THAT Council note the decision of the Omokoroa Community Board to defer a request to install a CCTV system at the intersection of Western Avenue and Omokoroa at this time pending the Council review of CCTV in the Western Bay later in the year.***


Aileen Alty
Senior Governance Advisor

Western Bay of Plenty District Council

Council

Recommendatory Report from the Te Puke Community Board – Funding for the Te Puke Centre

Summary

Council is required to consider the recommendations and resolve accordingly. The following options are available to Council and where appropriate the preferred option has been recommended.

Please note the following is a recommendation only.

The Council to resolve to:

- a. adopt as recommended
- b. to modify
- c. refer to another Committee
- d. to decline (giving reasons) and refer back to the Te Puke Community Board

Recommendation from the Te Puke Community Board – 4 April 2019

TP19.4.5 **Te Puke Centre**

The Board was appreciative of the presentation made at its last workshop by two of The Centre Steering Committee representatives. The Board had already shown its support for the community project through a grant to carry out a feasibility study.

The representatives had made the following requests to the Board and also outlined the current status and projected sustainability of the proposed Te Puke Centre at the Board workshop held on 14 March 2019.

- Make a contribution from the Community Board reserve fund as a one off payment for the set-up of The Centre.
- Support an application for rent for one year through the Annual Plan.
- Support an application for a service contract for the Te Puke Centre.

- Give an invitation to the Te Puke Centre representative to attend the Board's Annual Plan Workshop.

In discussion Board members highlighted the opportunity that had arisen to keep the local Te Puke Post Office operating and to develop a 'Centre' to showcase aspects of our township and district as well as becoming an operating 'town centre' facility for the community at large. If the opportunity to take the proposal to fruition was not taken up now, there would be no opportunity to readdress this in the future.

Resolved: Councillor Scrimgeour / Member Spratt

THAT the Te Puke Community Board fund \$15,000 from the Te Puke Community Board Reserve Account subject to Council at least matching the same amount to enable the Te Puke Centre Committee to progress their proposed project for a Te Puke Centre in Te Puke.

Recommendation

- 1. THAT the report from the Senior Governance Advisor dated 9 April 2019 and titled Recommendatory Report from the Te Puke Community Board – Funding for the Te Puke Centre be received.***
- 2. THAT Council adopt / not adopt the recommendation put forward by the Te Puke Community Board that Council contribute at least \$15,000 to the Te Puke Centre Committee to enable the Committee to progress the proposed project for a Te Puke Centre in Te Puke.***


Aileen Alty
Senior Governance Advisor

Western Bay of Plenty District Council

Council

Storm Water and Waste Water Easement Over Part of Omokoroa Beach Grove Esplanade Reserve

Purpose

This report seeks Council's consent under its delegated authority in respect of the granting of rights of easements in accordance with Section 48(1) of the Reserves Act 1977, for a storm water easement over part of Omokoroa Beach Grove Esplanade Reserve (Section 1 Survey Office Plan 330241) in favour of Lot 1 Deposited Plan S10102 (69 Omokoroa Road) to allow the discharge of storm water to Tauranga Harbour. Additionally should the current waste water connection be compromised by repair work to the retaining wall located at 69 Omokoroa Road consent will also be required to allow a new waste water connection to Council's system along an alternative route.

Recommendation

- 1. THAT the Legal Property Officer – Reserves and Facilities' report dated 22 February 2019 and titled Storm Water Easement Over Part of Te Puna Estuary Esplanade Reserve be received.**
- 2. THAT the report relates to an issue that is not considered significant in terms of Council's Policy on Significance.**
- 3. THAT pursuant to the authority delegated by the Minister of Conservation to the Western Bay of Plenty District Council, and the provisions of Section 48 of the Reserves Act 1977, Council hereby consents to the creation of a storm water easement shown on the attached plan (Attachment A) in favour of Lot 1 Deposited Plan South Auckland 10102 to allow Lot 1 Deposited Plan South Auckland 10102 to discharge storm water over Section 1 Survey Office Plan 330241; and**
- 4. THAT should it be required, pursuant to the authority delegated by the Minister of Conservation to the Western Bay of Plenty District Council, and the provisions of Section 48 of the Reserves Act 1977, Council hereby consents to the creation of a waste water easement shown on the attached plan (Attachment A) in gross to allow Lot 1 Deposited Plan South Auckland 10102 to discharge waste water over Section 1 Survey Office Plan 330241 to Council's waste water system.**

Date 22 February 2019
Subject Storm Water and Waste Water Easement Over Part of Omokoroa Beach Grove Estuary Esplanade Reserve

Open Session



Joanne Hin
**Legal Property Officer
Reserves and Facilities**



Peter Watson
Reserves and Facilities Manager



Approved

Gary Allis
Deputy Chief Executive

1. Background

In 2017 significant land slips occurred on the Omokoroa Peninsula. One landslip occurred onto Council Reserve from the seaward boundary of No 69 Omokoroa Road, depositing slip debris on the Council Reserve, a walkway/ cycleway. The slips resulted in closure of the walkway.

The Council has since removed the debris and reopened the walkway, and has assisted the landowner of 69 Omokoroa Road to arrive at a suitable design and process for the reconstruction and protection of the landowner's property which included the building of a retaining wall, and upgrading their storm water disposal. An agreement has been entered into between the Owner and Council in order to allow access over the reserve land in order to undertake the works.

As part of the works an easement will need to be granted over the reserve to allow the storm water to be discharged to Tauranga Harbour. Additionally should the current waste water connection be compromised by repair work to the new retaining wall the current connection will be decommissioned and consent will also be required to allow a new waste water connection to Council's system along an alternative route.

The stormwater easement will be maintained by the owner of 69 Omokoroa Road while the wastewater easement will be in gross (Council as Grantor and Grantee).

The owner has formally applied for the Western Bay of Plenty District Council's consent to a storm water and waste water easement.

Attachment A

A survey plan will be required to be created to detail the proposed easements locations.

The land over which the storm water and potential waste water easements are to be created is part of the Omokoroa Beach Grove Estuary Esplanade Reserve, being an esplanade reserve and is subject to the provisions of the Reserves Act 1977.

Within Omokoroa Beach Grove Esplanade Reserve, the storm water pipe is proposed to be underground passing beneath the walkway and then discharge at the base of the slope where measures will be undertaken to mitigate erosion. This installation will not affect the public's rights to access across the reserve.

Should the alternative wastewater connection be required the waste water pipe will be proposed to be underground passing beneath the walkway and then connect to Council's system at the same junction point as the existing connection.

The easement document ensures the protection of the Omokoroa Beach Grove Esplanade Reserve.

The Department of Conservation require that in terms of the delegation of the Minister's powers under the Reserves Act 1977, this is to be made by Councils and recorded as such.

2. Issues and Options Assessment

Option A	
<p><i>THAT pursuant to the authority delegated by the Minister of Conservation to the Western Bay of Plenty District Council, and the provisions of Section 48 of the Reserves Act 1977, Council hereby consents to the creation of a storm water easement shown on the attached plan (Attachment A) in favour of Lot 1 Deposited Plan South Auckland 10102 to allow Lot 1 Deposited Plan South Auckland 10102 to discharge storm water over Section 1 Survey Office Plan 330241.</i></p> <p>and</p> <p><i>THAT should it be required, pursuant to the authority delegated by the Minister of Conservation to the Western Bay of Plenty District Council, and the provisions of Section 48 of the Reserves Act 1977, Council hereby consents to the creation of a waste water easement in gross shown on the attached plan (Attachment A) to allow Lot 1 Deposited Plan South Auckland 10102 to discharge waste water over Section 1 Survey Office Plan 330241 to Council's waste water system.</i></p>	
Benefits in terms of the present and future interests of the District taking a sustainable development approach	<p>In order for the landowner to be able to effectively discharge storm water they are required to discharge into Tauranga Harbour via the esplanade reserve, and to effectively discharge waste water into Council's sewer system.</p> <p>The alternative wastewater connection is only required should the current connection be compromised by the repair of the retaining wall.</p>
Costs (including present and future costs, direct, indirect and contingent costs)	<p>Costs for the creation of the easement are borne by the landowner.</p> <p>The easement instrument protects Council from further maintenance or replacement costs of the easement facility.</p>
Assessment of cost effectiveness for households and businesses	N/A
Other implications	N/A

Option B Status Quo	
Benefits in terms of the present and future interests of the District taking a sustainable development approach	The current storm water run off compromises the integrity of the land. An engineered system should mitigate the current effects of stormwater run off.
Costs (including present and future costs, direct, indirect and contingent costs)	N/A
Assessment of cost effectiveness for households and businesses	N/A
Other implications	N/A

3. Statutory Compliance

Section 48 (1) of the Reserves Act 1977 provides Council with the Statutory authority to grant easements over reserves.

4. Funding/Budget Implications

Budget Funding Information	Relevant Detail
No funding required	<p>An application fee of \$307 is required from the applicant to allow the processing of the consent. No further costs will be sort from the applicant for the benefit of the easement as Council is encouraging connection into approved storm water points.</p> <p>The easement instrument protects Council from further maintenance or replacement costs of the easement facility.</p> <p>Costs associated with installing the storm water pipe and reinstatement of the site are to be borne by the applicant.</p>

5. Significance Assessment

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

Significant / Not Significant	Reason
Not Significant	This item does not trigger Council's policy on significance.

6. Consultation and Communication

The Reserves Act 1977 Section 48(3) states that where the easement will not materially alter, or permanently damage, or impede the rights of the public in the use of the reserve, public notification is not required, as the pipeline is underground. On this basis, there is no public consultation required.

The Reserves and Facilities and Utilities Departments of Council had been consulted. All parties were satisfied with the proposed works.

**Application for Easement over
Western Bay of Plenty District Council Land**

Applicant Name(s)	Abraham Janssen
Property Owner Name(s) (if different to applicant)	Abraham Janssen
Address and Legal Description of Owners property	69 Omokoroa Road, Omokoroa Lot 1 DPS 10102 (CFR) SA5D/980
Owner's Property Valuation No.	06881*321*00*
Applicant Postal Address	69 Omokoroa Road, Omokoroa Tauranga 3114
Applicant Contact Phone Number(s)	[REDACTED]
Applicant Email	[REDACTED]
Resource Consent No. (if part of a resource consent)	Will be provided once application has been lodged and an RC# allocated.
Name of Reserve and legal description (if known)	SEC 1 SO 330241 CFR 214103 THE ESPLANADE (OMOK) 06881*001*01* Esplanade Reserve Stopped road vested pursuant to Sec 345(3) LG Act 1974. See Doc 6380392.1
Proposed works (easement type e.g. stormwater/telecommunications) – please enclose aerial plan of proposed easement area, attach any site photos, site plans and drawing. Consider alternative locations.	Stormwater easement [REDACTED] in relation to the proposed stormwater system in favour of the applicant, over the Council Esplanade Reserve & Possible wastewater easement in gross in relation to the proposed back-up wastewater connection in favour of the applicant, over the Council Esplanade Reserve (only if the existing wastewater connection is compromised during the construction of the proposed retaining walls).
Particulars of structure or pipe works. Please detail construction methods, transport means.	The subject easement relates to the proposed stormwater system and possible back up wastewater line. The proposed stormwater system is comprised of: a new 100mmø uPVC SN8 stormwater connection a

	<p>40% (with anti-scour bocks as per NZBC E1), a new 300mmØ chamber to connect uPVC to RC pipe (chamber to have a frame and cover painted blue), the existing concrete SW pipe beneath the path, a new 300mmØ chamber to connect RC pipe to lay flat outfall pipe (chamber to have a minimum of 300 x 300 opening with grated lid to act as a bubble up relief if required), a new citrex 225mmØ culvert flume (double cleat) to base of the slope (to be anchored in place with galvanised waratah posts fixed to cleats with SS bands) and rock armouring at the outfall for scour prevention purposes. The retaining wall subsoil drains are to be connected to SW pipe via plastic sump and "Y" Junction.</p> <p>The proposed back-up wastewater connection is comprised of: the existing wastewater pipe, a new 100mmØ inspection chamber connection to the existing backup wastewater pipe, a new 100mmØ uPVC SN8 wastewater line from the back up location, to the existing wastewater manhole within the Council esplanade reserve.</p> <p>A detailed construction management plan is being produced by the SHE registered contractor BOP Retaining, which includes a specific construction methodology. This is a private matter between WBOPDC and the applicant.</p>
Proposed date of construction	<p>Pending resource consent and building consent approval.</p> <p>Once approved, construction will commence as soon as practicable (once the pre-construction assurances within the agreement between Council and the applicant have been met) and will be in keeping with the anticipated construction timeframes set out in the agreement document.</p>
<p>Will the structure or the use of the land materially or permanently affect the public's right to enter on to or use the land for recreational purposes</p> <p><i>(if it is determined that such an easement or structure will affect the public's right then the administering body must advertise the proposal for a statutory period of one month)</i></p> <p>Detail any engineering designs to mitigate the impact of the easement.</p>	<p>The proposed infrastructure will not impede the public's right to enter on to or use to reserve land for recreational purposes.</p> <p>It should be noted that the proposed infrastructure for the most part is located below ground level, therefore there are no visual or access effects.</p> <p>It should be noted there is a public walkway that exists within the reserve, and is typically where the public will access the reserve land. The public won't access the steeper land associated with the proposal.</p>
Application Fee - \$307.00 GST inclusive attached	

Once Council approves the Easement Application:

Council will identify any known significant ecological, historical or archaeological features within the Reserve. This may require mitigation measures to be undertaken to protect them at the cost of the applicant.

Council will obtain a valuation of the easement area. The applicant must pay for the cost of the valuation assessment and the assessed value of the easement area.

The applicant shall also have a survey plan prepared showing the easement area, at their cost. This must be done in consultation with Council staff.

All costs associated with the easement are payable by the applicant. By submitting this application, the applicant confirms they will pay all costs as they fall due. Council will not approve/submit the easement instrument (the document that registers the easement on the title) until all costs applicable to the easement have been paid by the applicant.

If at any time during the process the easement is unsuccessful or the applicant does not wish to continue, any costs that have been incurred in relation to obtaining the easement will require to be paid and no refund will be given.

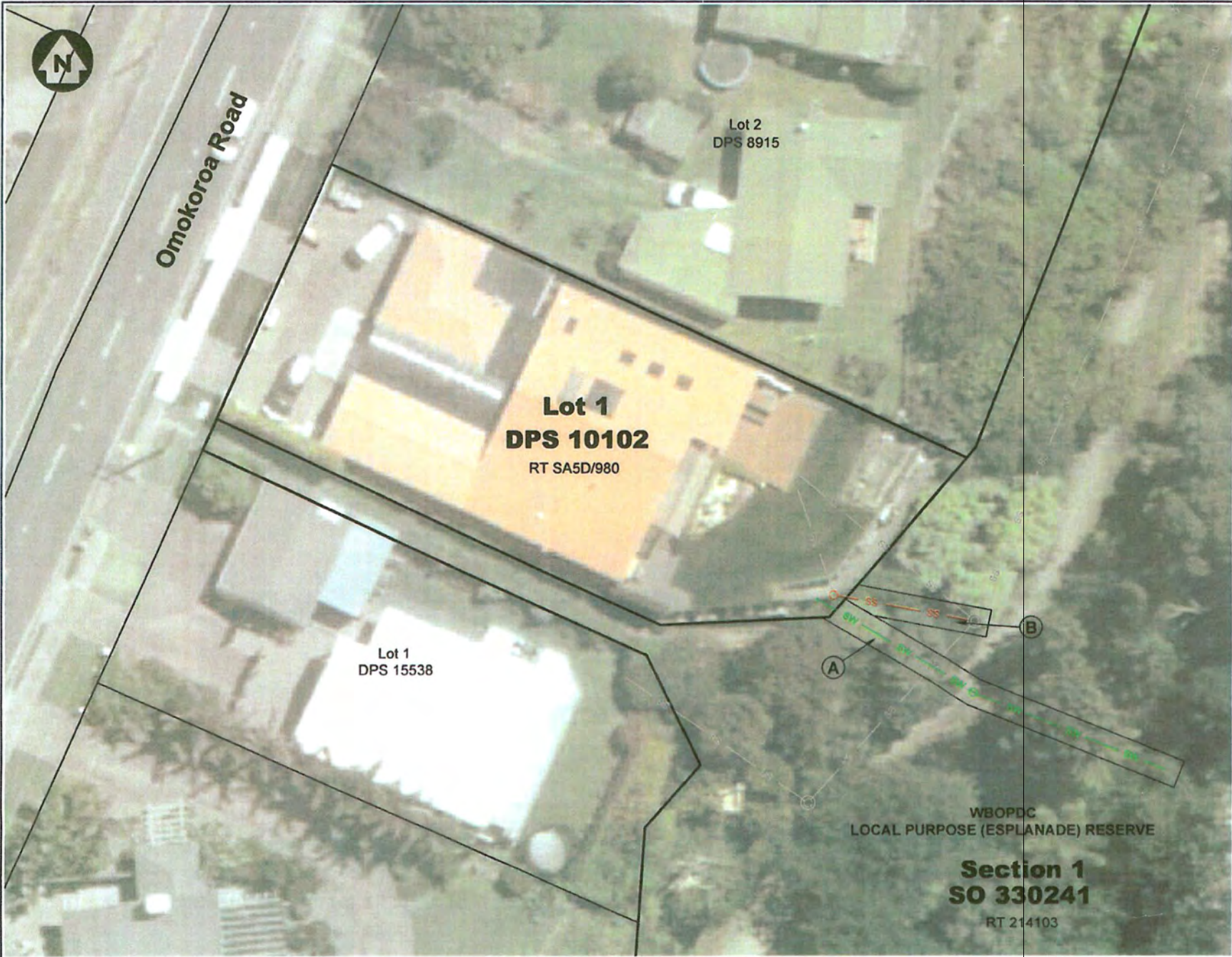
Signed by Applicant(s): PP.



Date: 15/02/2018

Office Use Only:

Arch sites checked	Date:	
Fee Paid and receipted	Date:	Ref:
Applicant Parcel/RC No. – Condition No.		



DRAWN	MJP	DESIGNED	-
CHECKED	-	SURVEYED BY	yp
OFFICE OF ORIGIN - TE PUKU Ph 07 573 7717			
No.	Date	By	Description
A	15/09/18	MJP	SITE PLAN
B	-	-	-
C	-	-	-

- NOTES/KEY:**
- 1. GENERAL**
 - 1.1 Boundaries have been obtained from LINZ Data Service and have not been verified
 - 1.2 Areas and measurements are approximate and subject to survey
 - 1.3 Appointment or proposed easements in relation to the subject land may not have been shown or not required for compliance of this proposal
 - 2. SURVEY**
 - 2.1 Datum
 - 2.1.1 Horizontal datum: Bay of Plenty 2000
 - 2.2 Vertical datum: Motuakie 1953
 - 3. SERVICES**
 - 3.1 Services have been obtained from WBOPDC GIS and have not been ground verified

SCHEDULE OF EASEMENTS

PURPOSE	SHOWN	SERV. TEN. (Beneficial Land)	DOM. TEN. (Beneficial Land)
RIGHT TO DRAIN WATER	A	SECTION 1 SO 330241	LOT 1 DPS 10102
RIGHT TO DRAIN SEWAGE	B	SECTION 1 SO 330241	LOT 1 DPS 10102

JANSSEN
69 OMOKOROA ROAD
OMOKOROA

SITE PLAN

Stratum CONSULTANTS
 Geomatics | Environmental | Planning | Surveying

SCALE 1:250 ORIGINAL DWG SIZE A3
 DRAWING No 636034-T-S-0001 SHEET No 03 ISSUE A

Western Bay of Plenty District Council

Council

Local Government Funding Agency Limited Half Yearly Report to Shareholders 2018/19 and Draft Statement of Intent 2019/20

Purpose

Council is required to receive Local Government Funding Agency Limited's (LGFA) Half Yearly Report to Shareholders and requested to receive and comment on, if applicable, the draft Statement of Intent.

Recommendation

1. ***THAT the Group Manager, Finance and Technology Services report dated 5 April 2019 and titled "Local Government Funding Agency Limited Half Yearly Report to Shareholders 2018/19 and draft Statement of Intent 2019/20" be received.***
2. ***THAT the Local Government Funding Agency Limited Half Yearly Report to Shareholders 2018/19 and draft Statement of Intent 2019/20 relates to an issue that is considered to be of low significance in terms of Council's Significance and Engagement Policy.***
3. ***THAT the Local Government Funding Agency Limited Half Yearly Report to Shareholders 2018/19 (Attachment A) be received.***
4. ***THAT the Local Government Funding Agency Limited draft Statement of Intent 2019/20 (Appendix B) and accompanying Cover Letter (Appendix C) be received.***
5. ***THAT the Board of the Local Government Funding Agency Limited be advised of the following comments on the Local Government Funding Agency Limited draft Statement of Intent 2019/20 within two months from 1 March 2019:***


Kumaren Perumal
Group Manager, Finance and Technology Services

1. Background

The Local Government Funding Agency Limited (LGFA) is designated a council-controlled organisation under the Local Government Act 2002. The company was incorporated on 1 December 2011.

As a council-controlled organisation, LGFA is a separate legal entity from Council and is responsible for delivery of services in accordance with an agreed Statement of Intent.

1.1 Local Government Funding Agency Limited Half Yearly Report - 31 December 2018 to Shareholders

Under Section 66 of the Local Government Act 2002, within two months after the end of the first half of each financial year, the board of a council-controlled organisation must deliver to the shareholders a report on the organisation's operations during that half year. Please see **(Attachment A)**.

The Chief Executive of LGFA is pleased to report on another strong period of financial and operational performance by LGFA in line with the company's Statement of Intent forecasts. As at 31 December 2018, the LGFA signalled it is on track to meet all of its performance targets for the 12-month period to 30 June 2019 with the exception of "Savings on borrowing costs for council borrowers relative to other sources of financing and compared to previous years". This target has not been met due to lack of single name issuance by councils and shortening of comparable maturity dates. Further detail on the company's performance targets is provided on page 19 of the Half Yearly Report **(Attachment A)**.

1.2 Local Government Funding Agency Limited Draft Statement of Intent 2019/20

Under Schedule of 8 of the Local Government Act 2002 the board of a council-controlled trading organisation must deliver to its shareholders a draft statement of intent on or before 1 March each year. Please see **(Attachment B)**. The letter to the Shareholders is attached for information **(Attachment C)**.

The board must consider any comments on the draft statement of intent that are made to it within two months of 1 March by the shareholders or by any of them and deliver the completed statement of intent to the shareholders on or before 30 June each year.

The LGFA Shareholders' Council has reviewed and is in support of the content set out in the company's 2019/20 draft Statement of Intent.

Council is therefore requested to receive and comment on, if applicable, the draft Statement of Intent.

2. Significance and Engagement

The Local Government Act 2002 requires a formal assessment of the significance of matters and decisions in this report against Council's Significance and Engagement

and it is acknowledged that all reports have a high degree of importance to those affected by Council decisions.

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

In terms of the Significance and Engagement Policy this decision is considered to be **low** because it is a statutory requirement for council-controlled organisations to deliver to the shareholders a report on the organisations operations and also receiving the Statement of Intent from a Council Controlled Organisation for shareholders comment is statutory therefore the affect on ratepayers is low.

3. Engagement, Consultation and Communication

Interested/Affected Parties	Completed/Planned Engagement/Consultation/Communication
The Board of the Local Government Funding Agency Limited	Any comments on the Local Government Funding Agency Limited draft Statement of Intent 2019/20 must be received by the board for its consideration within two months from 1 March 2019.
Shareholders of the Local Government Funding Agency Limited	Shareholders are invited to provide comment and feedback on the draft Statement of Intent 2019/20 within two months from 1 March 2019.

4. Issues and Options Assessment

<i>THAT the Board of the Local Government Funding Agency Limited be advised of the following comments on the Local Government Funding Agency Limited draft Statement of Intent 2019/20 within two months from 1 March 2019</i>	
Reasons why no options are available	Legislative or other reference
Section 66 of the Local Government Act 2002 requires Council to receive and provide comment on a CCO Statement of Intent.	

5. Statutory Compliance

This report and its recommendations comply with the relevant legislation.

6. Funding/Budget Implications

Budget Funding Information	Relevant Detail
	The recommendations in this report have no budgetary or funding implications.



Statement of Intent 2019/20

1. Introduction

This Statement of Intent (SOI) sets out the intentions and expectations of New Zealand Local Government Funding Agency Limited (LGFA).

The LGFA is enabled under the Local Government Borrowing Act 2011 and is a council-controlled organisation (CCO) for the purposes of the Local Government Act 2002.

The SOI is prepared in accordance with section 64(1) of the Local Government Act 2002.

2. Nature and scope of activities

LGFA will raise debt funding either domestically and/or offshore in either NZ dollars or foreign currency and provide debt funding to New Zealand local authorities and may undertake any other activities considered by the Board of LGFA to be reasonably related or incidentally to, or in connection with, that business.

The LGFA will only lend to local authorities that enter into all the relevant arrangements with it (Participating Local Authorities) and comply with the LGFA's lending policies.

In lending to Participating Local Authorities, LGFA will:

- Operate in a manner to ensure LGFA is successful and sustainable in the long-term;
- Educate and inform Participating Local Authorities on matters within the scope of LGFA's operations;
- Provide excellent service to Participating Local Authorities;
- Ensure excellent communication exists and be professional in its dealings with all its stakeholders; and
- Ensure its products and services are delivered in a cost-effective manner.

3. Objectives

Principal Objectives

In accordance with the Local Government Act 2002, in carrying on its business, the principal objectives of LGFA will be to:

- Achieve the objectives and performance targets of the shareholders in LGFA (both commercial and non-commercial) as specified in this SOI;
- Be a good employer;
- Exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so; and
- Conduct its affairs in accordance with sound business practice.

Primary Objectives

LGFA will operate with the primary objective of optimising the debt funding terms and conditions for Participating Local Authorities. Among other things this includes:

- Providing savings in annual interest costs for all Participating Local Authorities on a relative basis to other sources of financing;
- Offering short and long-term borrowings with flexible lending terms;
- Enhancing the certainty of access to debt markets for Participating Local Authorities, subject always to operating in accordance with sound business practice; and
- Being the debt funder of choice for New Zealand local government.

LGFA will monitor the quality of the asset book so that it remains of a high standard by ensuring it understands each Participating Local Authority's financial position and the general issues confronting the Local Government sector. This includes

- LGFA will review each Participating Local Authority's financial position, its financial headroom under LGFA policies and endeavour to visit each Participating Local Authority on an annual basis;
- Implement the changes to the Foundation Policies that were approved at the November 2018 AGM to allow for lending to CCOs. Changes to operational policies and practices need to ensure that no additional risk is borne by lenders, guarantors or the Crown and
- LGFA will analyse finances at the Council group level where appropriate and report to the Shareholder Council and shareholders as to which Participating Local Authorities are measured on a group basis.

LGFA will take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.

Additional objectives

LGFA has a number of additional objectives which complement the primary objectives. These objectives will be measurable and achievable and the performance of the company in achieving its objectives will be reported annually. These additional objectives are to:

- Operate with a view to making a profit sufficient to pay a dividend in accordance with its stated Dividend Policy;
- Provide at least 75% of aggregate long-term debt funding to the Local Government sector;
- Achieve the financial forecasts (excluding the impact of AIL) set out in section 4;
- Ensure its products and services are delivered at a cost that does not exceed the forecast for issuance and operating expenses set out in section 4;
- Take appropriate steps to ensure compliance with the Health and Safety at Work Act 2015;
- Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency;
- Introduce CCO lending by December 2019 and report quarterly, the volume of lending to CCOs to both the Shareholder Council and shareholders and
- Comply with its Treasury Policy, as approved by the Board.

The measurement of the company performance regarding these additional objectives are set out as Performance Targets in Section 5 of this SOI.

4. Financial forecasts

LGFA's financial forecasts for the three years to 30 June 2022 are:

FINANCIAL YEAR (\$M)	SOI		
	Jun-20	Jun-21	Jun-22
Comprehensive income			
Interest income	272.1	293.2	294.0
Interest expense	253.6	274.2	275.1
Net Interest income	18.4	19.0	18.9
Issuance and on-lending costs	2.3	2.4	2.4
Approved Issuer Levy	1.5	1.6	1.6
Operating expenses	3.7	3.9	4.0
Issuance and operating expenses	7.6	7.8	8.0
P&L	10.9	11.2	10.9
Financial position (\$m)	Jun-20	Jun-21	Jun-22
Capital	25.0	25.0	25.0
Retained earnings	60.5	70.2	79.6
Total equity	85.5	95.2	104.6
Shareholder funds + borrower notes / Total assets	2.4%	2.5%	2.5%
Dividend provision	1.5	1.5	1.5
Total assets (nominal)	9,743.9	9,953.8	10,164.3
Total LG loans - short term (nominal)	460.0	460.0	460.0
Total LG loans (nominal)	9,100.2	9,346.0	9,418.7
Total bills (nominal)	425.0	425.0	425.0
Total bonds (nominal) ex treasury stock	9,064.0	9,264.0	9,454.0
Total borrower notes (nominal)	145.6	149.5	150.7

Note that there is some forecast uncertainty around the timing of Net Interest Income, Profit and Loss, Total Assets, LG Loans, Bonds and Borrower Notes depending upon council decisions regarding the amount and timing of refinancing of their April 2020, May 2021 and April 2022 loans. LGFA will work with council borrowers to reduce this uncertainty.

5. Performance targets

LGFA has the following performance targets:

- LGFA's net interest income for the period to:
 - 30 June 2020 will be greater than \$18.40 million.

- 30 June 2021 will be greater than \$19.00 million.
- 30 June 2022 will be greater than \$18.90 million.
- LGFA's annual issuance and operating expenses (excluding ALL) for the period to:
 - 30 June 2020 will be less than \$6.10 million.
 - 30 June 2021 will be less than \$6.20 million.
 - 30 June 2022 will be less than \$6.40 million.
- Total lending to Participating Local Authorities¹ at:
 - 30 June 2020 will be at least \$9,560 million.
 - 30 June 2021 will be at least \$9,806 million.
 - 30 June 2022 will be at least \$9,879 million.
- Conduct an annual survey of councils who borrow from LGFA and achieve at least an 80% satisfaction score as to the value added by LGFA to the council borrowing activities.
- Meet all lending requests from Participating Local Authorities, where those requests meet LGFA operational and covenant requirements.
- Achieve 75% market share of all council borrowing in New Zealand.
- Review each Participating Local Authority's financial position, its headroom under LGFA policies and arrange to meet each Participating Local Authority at least annually.
- No breaches of Treasury Policy, any regulatory or legislative requirements including the Health and Safety at Work Act 2015.
- Successfully refinance of existing loans to councils and LGFA bond maturities as they fall due.
- Maintain a credit rating equal to the New Zealand Government rating where both entities are rated by the same credit rating agency.

6. Dividend policy

LGFA will seek to maximise benefits to Participating Local Authorities as Borrowers rather than Shareholders. Consequently, it is intended to pay a limited dividend to Shareholders.

The Board's policy is to pay a dividend that provides an annual rate of return to Shareholders equal to LGFA fixed rate bond cost of funds plus 2.00% over the medium term.

At all times payment of any dividend will be discretionary and subject to the Board's legal obligations and views on appropriate capital structure.

¹ Subject to the forecasting uncertainty noted previously

7. Governance

Board

The Board is responsible for the strategic direction and control of LGFA's activities. The Board guides and monitors the business and affairs of LGFA, in accordance with the Companies Act 1993, the Local Government Act 2002, the Local Government Borrowing Act 2011, the Company's Constitution, the Shareholders' Agreement for LGFA and this SOI.

The Board comprises six directors with five being independent directors and one being a non-independent director.

The Board's approach to governance is to adopt best practice² with respect to:

- The operation of the Board.
- The performance of the Board.
- Managing the relationship with the Company's Chief Executive.
- Being accountable to all Shareholders.

All directors are required to comply with a formal Charter, to be reviewed from time to time in consultation with Shareholders.

The Board will meet on a regular basis and no fewer than 6 times each year.

Shareholders' Council

The Shareholders' Council is made up of between five and ten appointees of the Shareholders (including an appointee from the Crown). The role of the Shareholders' Council is to:

- Review the performance of LGFA and the Board, and report to Shareholders on that performance on a periodic basis.
- Make recommendations to Shareholders as to the appointment, removal, replacement and remuneration of directors.
- Make recommendations to Shareholders as to any changes to policies, or the SOI, requiring their approval.
- Ensure all Shareholders are fully informed on LGFA matters and to coordinate Shareholders on governance decisions.

8. Information to be provided to Shareholders

The Board aims to ensure that Shareholders are informed of all major developments affecting LGFA's state of affairs, while at the same time recognising both LGFA's obligations under NZX Listing Rules and that commercial sensitivity may preclude certain information from being made public.

² Best practice as per NZX and Institute of Directors guidelines

Annual Report

The LGFA's balance date is 30 June.

By 30 September each year, the Company will produce an Annual Report complying with Sections 67, 68 and 69 of the Local Government Act 2002, the Companies Act and Financial Reporting Act. The Annual Report will contain the information necessary to enable an informed assessment of the operations of the company, and will include the following information:

- Directors' Report.
- Financial Statements incorporating a Statement of Financial Performance, Statement of Movements in Equity, Statement of Financial Position, Statement of Cashflows, Statement of Accounting Policies and Notes to the Accounts.
- Comparison of the LGFA's performance with regard to the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Auditor's Report on the financial statements and the performance targets.
- Any other information that the directors consider appropriate.

Half Yearly Report

By 28 February each year, the Company will produce a Half Yearly Report complying with Section 66 of the Local Government Act 2002. The Half Yearly Report will include the following information:

- Directors' commentary on operations for the relevant six-month period.
- Comparison of LGFA's performance with regard to the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Un-audited half-yearly Financial Statements incorporating a Statement of Financial Performance, Statement of Movements in Equity, Statement of Financial Position and Statement of Cashflows.

Quarterly Report

By 31 January, 30 April, 31 July, and 31 October each year, the Company will produce a Quarterly Report. The Quarterly Report will include the following information:

- Commentary on operations for the relevant quarter, including a summary of borrowing margins charged to Participating Local Authorities (in credit rating bands).
- Comparison of LGFA's performance with regard to the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Analysis of the weighted average maturity of LGFA bonds outstanding.
- In the December Quarterly Report only, commentary on the Net Debt/Total Revenue percentage for each Participating Local Authority that has borrowed from LGFA (as at the end of the preceding financial year).

- To the extent known by LGFA, details of all events of review in respect of any Participating Local Authority that occurred during the relevant quarter (including steps taken, or proposed to be taken, by LGFA in relation thereto).

Statement of Intent

By 1 March in each year the Company will deliver to the Shareholders its draft SOI for the following year in the form required by Clause 9(1) of Schedule 8 and Section 64(1) of the Local Government Act 2002.

Having considered any comments from the Shareholders received by 30 April, the Board will deliver the completed SOI to the Shareholders on or before 30 June each year.

Shareholder Meetings

The Board will hold an Annual General Meeting between 30 September and 30 November each year to present the Annual Report to all Shareholders.

The Company will hold a meeting with the Shareholders' Council approximately every six months – prior to the Annual General Meeting and after the Half Yearly Report has been submitted. Other meetings may be held by agreement between the Board and the Shareholders' Council.

9. Acquisition/divestment policy

LGFA will invest in securities in the ordinary course of business. It is expected that these securities will be debt securities. These investments will be governed by LGFA's lending and/or investment policies as approved by the Board and/or Shareholders.

Any subscription, purchase or acquisition by LGFA of shares in a company or organisation will, if not within those investment policies, require Shareholder approval other than as concerns the formation of wholly-owned subsidiaries and the subscription of shares in such wholly-owned subsidiaries.

10. Activities for which compensation is sought from Shareholders

At the request of Shareholders, LGFA may (at its discretion) undertake activities that are not consistent with its normal commercial objectives. Specific financial arrangements will be entered into to meet the full cost of providing such as activities.

Currently there are no activities for which compensation will be sought from Shareholders.

11. Commercial value of Shareholder's investment

LGFA will seek to maximise benefits to Participating Local Authorities as Borrowers rather than Shareholders.

Subject to the Board's views on the appropriate capital structure for LGFA, the Board's intention will be to pay a dividend that provides an annual rate of return to Principal Shareholders equal to LGFA fixed rate bond cost of funds plus 2.00% over the medium term.

As the Shareholders will have invested in the LGFA on the basis of this limited dividend, the Board considers that at establishment the commercial value of LGFA was equal to the face value of the Shareholders' paid up Principal Shares - \$25 million.

In the absence of any subsequent share transfers to the observed share transfers on 30 November 2012, the Board considers the current commercial value of LGFA was at least equal to the face value of the Shareholders' paid up Principal Shares of \$25 million. This equated to a value per share of \$1.00.

12. Accounting policies

LGFA has adopted accounting policies that are in accordance with the New Zealand International Financial Reporting Standards and generally accepted accounting practice. A Statement of accounting policies is attached to this SOI.

The following statement is taken from the Financial Statements presented as part of LGFA's Annual Report 2018 (updated where necessary).

ATTACHMENT: Statement of accounting policies

a. Reporting Entity

The New Zealand Local Government Funding Agency Limited (LGFA) is a company registered under the Companies Act 1993 and is subject to the requirements of the Local Government Act 2002.

LGFA is controlled by participating local authorities and is a council-controlled organisation as defined under section 6 of the Local Government Act 2002. LGFA is a limited liability company incorporated and domiciled in New Zealand.

The primary objective of LGFA is to optimise the debt funding terms and conditions for participating local authorities.

The registered address of LGFA is Level 8, City Chambers, 142 Featherston Street, Wellington Central, Wellington 6011.

b. Statement of Compliance

LGFA is an FMC reporting entity under the Financial Markets Conduct Act 2013 (FMCA). These financial statements have been prepared in accordance with that Act and the Financial Reporting Act 2013. LGFA's bonds are quoted on the NZX Debt Market.

LGFA is a profit orientated entity as defined under the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and they comply with NZ IFRS and other applicable Financial Reporting Standard, as appropriate for Tier 1 for-profit entities. The financial statements also comply with International Financial Reporting Standards (IFRS).

c. Basis of Preparation

Measurement base

The financial statements have been prepared on a historical cost basis modified by the revaluation of certain assets and liabilities.

The financial statements are prepared on an accrual basis.

Functional and presentation currency

The financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless separately identified. The functional currency of LGFA is New Zealand dollars.

Foreign currency conversions

Transactions denominated in foreign currency are translated into New Zealand dollars using exchange rates applied on the trade date of the transaction.

Changes in accounting policies

There have been no changes in accounting policies.

Early adoption standards and interpretations

NZ IFRS 9: Financial Instruments. The first two phases of this new standard were approved by the Accounting Standards Review Board in November 2009 and November 2010. These phases address the issues of classification and measurement of financial assets and financial liabilities.

Standards not yet adopted

LGFA does not consider any standards or interpretations in issue but not yet effective to have a significant impact on its financial statements. Those which may be relevant to LGFA are as follows:

NZ IFRS 9: Financial Instruments (2014) – Effective for periods beginning on or after 1 January 2018. This standard aligns hedge accounting more closely with the risk management activities of the entity and adds requirements relating to the accounting for an entity's expected credit losses on its financial assets and commitments to extend credit.

d. Financial instruments**Financial assets**

Financial assets, other than derivatives, are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents include cash on hand; cash in transit, bank accounts and deposits with an original maturity of no more than three months.

Purchases and sales of all financial assets are accounted for at trade date.

At each balance date an assessment is made whether a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s), and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably.

Financial liabilities

Financial liabilities, other than derivatives, are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Derivatives

Derivative financial instruments are recognised both initially and subsequently at fair value. They are reported as either assets or liabilities depending on whether the derivative is in a net gain or net loss position respectively.

Fair value hedge

Where a derivative qualifies as a hedge of the exposure to changes in fair value of an asset or liability (fair value hedge) any gain or loss on the derivative is recognised in profit and loss together with any changes in the fair value of the hedged asset or liability.

The carrying amount of the hedged item is adjusted by the fair value gain or loss on the hedged item in respect of the risk being hedged. Effective parts of the hedge are recognised in the same area of profit and loss as the hedged item.

e. Other assets**Property, plant and equipment (PPE)**

Items of property, plant and equipment are initially recorded at cost.

Depreciation is charged on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant and equipment, less any estimated residual value, over its remaining useful life.

Intangible Assets

Intangible assets comprise software and project costs incurred for the implementation of the treasury management system. Capitalised computer software costs are amortised on a straight line basis over the estimated useful life of the software (three to seven years). Costs associated with maintaining computer software are recognised as expenses.

f) Other liabilities**Employee entitlements**

Employee entitlements to salaries and wages, annual leave and other similar benefits are recognised in the profit and loss when they accrue to employees.

g) Revenue and expenses**Revenue****Interest income**

Interest income is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this rate to the principal outstanding to determine interest income each period.

Expenses

Expenses are recognised in the period to which they relate.

Interest expense

Interest expense is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to determine interest expense each period.

Income tax

LGFA is exempt from income tax under Section 14 of the Local Government Borrowing Act 2011.

Goods and services tax

All items in the financial statements are presented exclusive of goods and service tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

h. Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

i. Segment reporting

LGFA operates in one segment being funding of participating local authorities in New Zealand.

j. Judgements and estimations

The preparation of these financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and income and expenses. For example, the present value of large cash flows that are predicted to occur a long time into the future depends critically on judgements regarding future cash flows, including inflation assumptions and the risk-free discount rate used to calculate present values. Refer note 2b for fair value determination for financial instruments.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future

periods. Where these judgements significantly affect the amounts recognised in the financial statements they are described below and in the following notes.

27 February 2019

Dear Shareholder

Draft Statement of Intent 2019/20

Please find attached a copy of the Draft Statement of Intent (SOI) for the 2019/20 year.

LGFA continues to focus on delivering strong results for both our council borrowers and shareholders.

For our borrowing councils we seek to optimize funding terms and conditions by

- Achieving savings in borrowing costs
- Provide longer dated funding and
- Provide certainty of access to markets

For our shareholders we are focused on

- Delivering a strong financial performance
- Monitoring asset quality
- Enhancing our approach to treasury and risk management and
- Ensuring we have the correct governance framework and capital structure in place

The following points regarding the Draft 2019/20 SOI are worth noting:

- Profitability is forecast to remain strong with projections for Net Operating Gain of \$10.9 million, \$11.2 million and \$10.9 million for the next three years, which is similar to results from previous years. However, we remain cautious in placing too much emphasis on the Year Three (2021/22) forecast given that over the next three years, we estimate that \$3.6 billion of our LGFA bonds and \$3.0 billion of council loans mature. Assumptions regarding timing of refinancing and interest rates have a meaningful impact on financial projections.
- Net interest income is expected to remain constant over the next three years as the balance sheet grows from council lending and we hold additional liquid assets to manage the LGFA bond maturities. However, this is offset by a modest reduction in on-lending margins as loans to councils made in previous years at higher margins are refinanced by councils at maturity with lower margin loans.
- We have increased our forecast for Local Government loans (short and long term) outstanding as at June 2020 to \$9.524 billion and to \$9.806 billion as at June 2021 (from \$8.421 billion and \$8.185 billion in the previous SOI). This reflects the higher long-term borrowing requirement outlined by councils in their 2018-28 Long-Term Plans, increased utilisation of short term borrowing from LGFA by councils and a surge in new council

Partnering with Councils to finance infrastructure investment

**Mā te huruhuru
ka rere te manu**

Half year report
31 December 2018



NEW ZEALAND LOCAL
GOVERNMENT FUNDING AGENCY
TE PŪTEA KĀWANATANGA Ā-ROHE

Mā te huruhuru ka rere te manu
is a traditional saying literally meaning
'birds need feathers to fly'.

**Its wider meaning is that
'investment is needed for success'.**

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Message from the Chair

He karere mai i te Toihau

**For the six months ended
31 December 2018**

“LGFA has facilitated a record amount of council borrowing over the six-month period as councils continue to invest in new infrastructure and refinance existing debt. Having undertaken a record amount of issuance in the six-month period, LGFA continues to offer investors a highly rated, higher yielding alternative to New Zealand Government Bonds”

Craig Stobo, Chair LGFA Board



Directors would like to highlight the following developments at LGFA for the six-month period to 31 December 2018.

Strong Financial and Operational Performance

LGFA total interest income for the six-month period of \$180.9 million was a 1.5% increase over the 2017-18 comparable period result of \$178.145 million while net operating profit of \$6.08 million was a 0.7% increase on the 2017-18 comparable period result of \$6.04 million.

Net interest income and operating profit exceeded both the previous comparable period result and are ahead of the Statement of Intent (SOI) forecast due to the early refinancing of loans by councils maturing in March 2019 and a higher level of new council borrowing.

Expenses have been managed under budget over the past six months as lower fees from a reduced utilisation of the standby facility, and lower Approved Issuer Levy payments relative to budget, were partially offset by higher legal and NZX costs from lending and bond issuance activities being above budget.

LGFA bonds continue to be an attractive investment for investors while LGFA has also delivered savings in borrowing costs and extended the tenor of lending available to our council borrowers.

The financial strength of LGFA was reaffirmed by credit rating agencies Standard & Poor's (in July 2018) and Fitch (in November 2018) who both maintained our credit rating at 'AA+' which, very importantly, is the same as the New Zealand Government.

Borrowing activity

LGFA issued a record \$985 million of bonds over the past six months and nominal outstandings now total \$9.104 billion (including \$400 million of treasury stock) across eight maturities from 2019 to 2033.

LGFA is the largest issuer of New Zealand dollar (NZD) securities after the New Zealand Government and our bonds are amongst the largest and most liquid New Zealand dollar debt instruments available for investors. We have seen a shift in investor composition over the past six months as offshore investors have become less attracted to the lower yielding NZD fixed income asset class while domestic bank balance sheets have increased their holdings on the outlook for stable domestic monetary policy and a reduced supply of NZ Government Bonds in the coming year. Our offshore

investor holdings have reduced from 39% in June 2018 to 33% in December 2018 while bank holdings have increased from 33% to 38%.

The performance of LGFA bonds over the past six months has been mixed with LGFA bond spreads to both swap and NZGB tighter on the mid curve maturities but wider on the short-dated and long-dated maturities. Outright yields on LGFA bonds have declined over the past six months by between 11 bps (0.11%) on the 2020 maturity and 46 bps (0.46%) on the 2025 maturity and are at historic lows.

LGFA continues to issue short-dated LGFA Bills ranging in maturities from three months to 12 months through a combination of monthly tenders and private placements. Outstandings under the programme have reached a record \$485 million. These instruments provide a source of funding for short-dated lending to our council borrowers and assist LGFA with liquidity management.

Lending to the sector

LGFA was established in December 2011 to provide long-dated borrowing, certainty of access to markets and to reduce the borrowing costs for the local government sector. The original 31 shareholders including the Crown remain as shareholders. Over the past six months, we added five new members with Ruapehu District and Waikato Regional Councils joining as guarantors and Wairoa, Clutha and Mackenzie District Councils joining as non-guarantors. Gore District Council also moved to become part of the guarantor group of councils. Total membership of 61 councils is very pleasing and this is expected to rise slightly in the coming year as several councils are partly through the joining process.

Long-dated lending over the six-month period to December 2018 was a strong \$1.05 billion with the lending activity a mix of new borrowing and the refinancing of council loans maturing on 15 March 2019. The tenor of borrowing by councils at 6.5 years was longer than the average term of borrowing of 4.5 years over the 12-month period to June 2018.

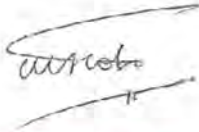
Customised lending continues to be popular for councils in that it provides opportunity to borrow to maturity dates which are different from LGFA bond maturities. LGFA lent \$800 million on a flexible basis to councils during the six-month period, which was approximately 76% of our total long-term lending over that period.

Short-dated lending for terms less than 12 months has been well received by councils and as at 31 December 2018, LGFA had \$527 million of short-term loans outstanding to 31 councils.

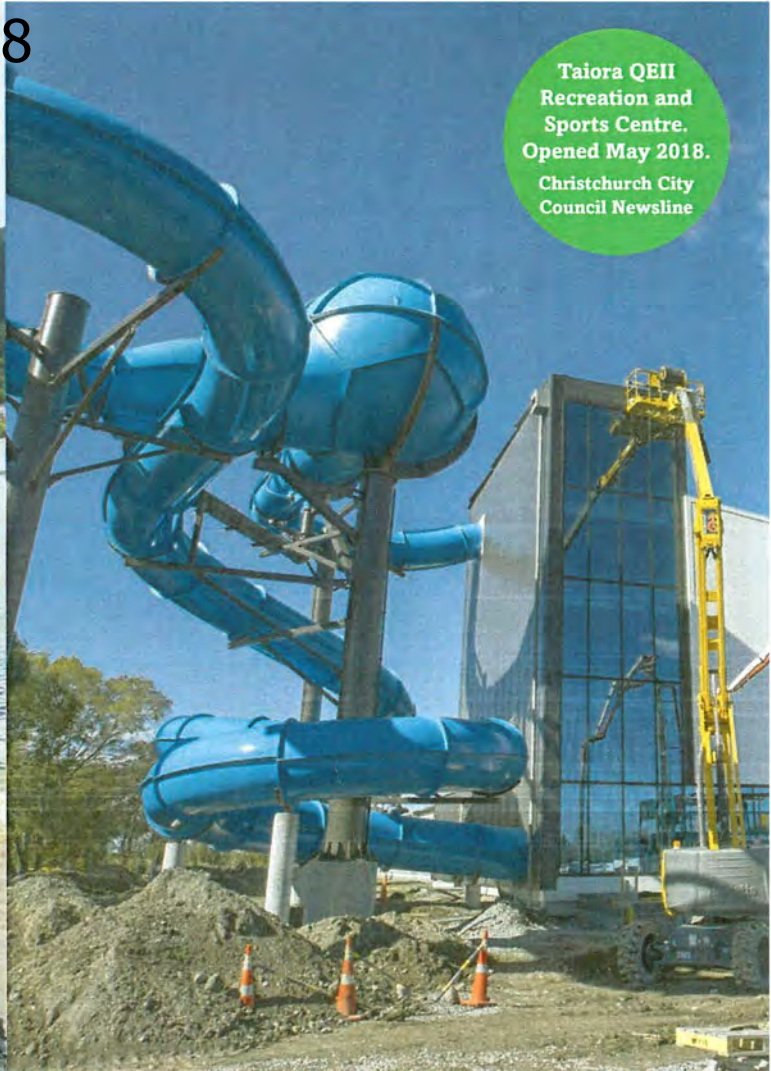
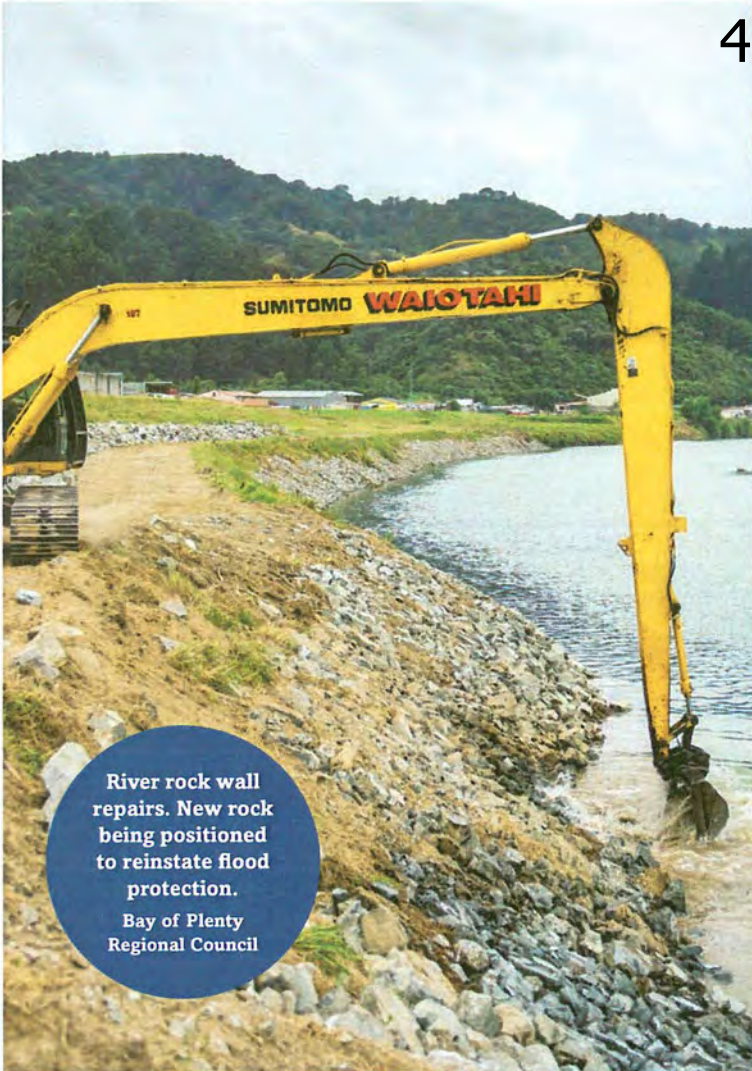
The underlying credit quality of the sector continues to remain very strong with all member councils remaining compliant with the LGFA lending covenants.

Acknowledgments

On behalf of my fellow directors I am pleased to be part of the continued success of this organisation and wish to thank our shareholders, guarantors and borrowers as well as our financial intermediaries, investors and staff for their continued support.

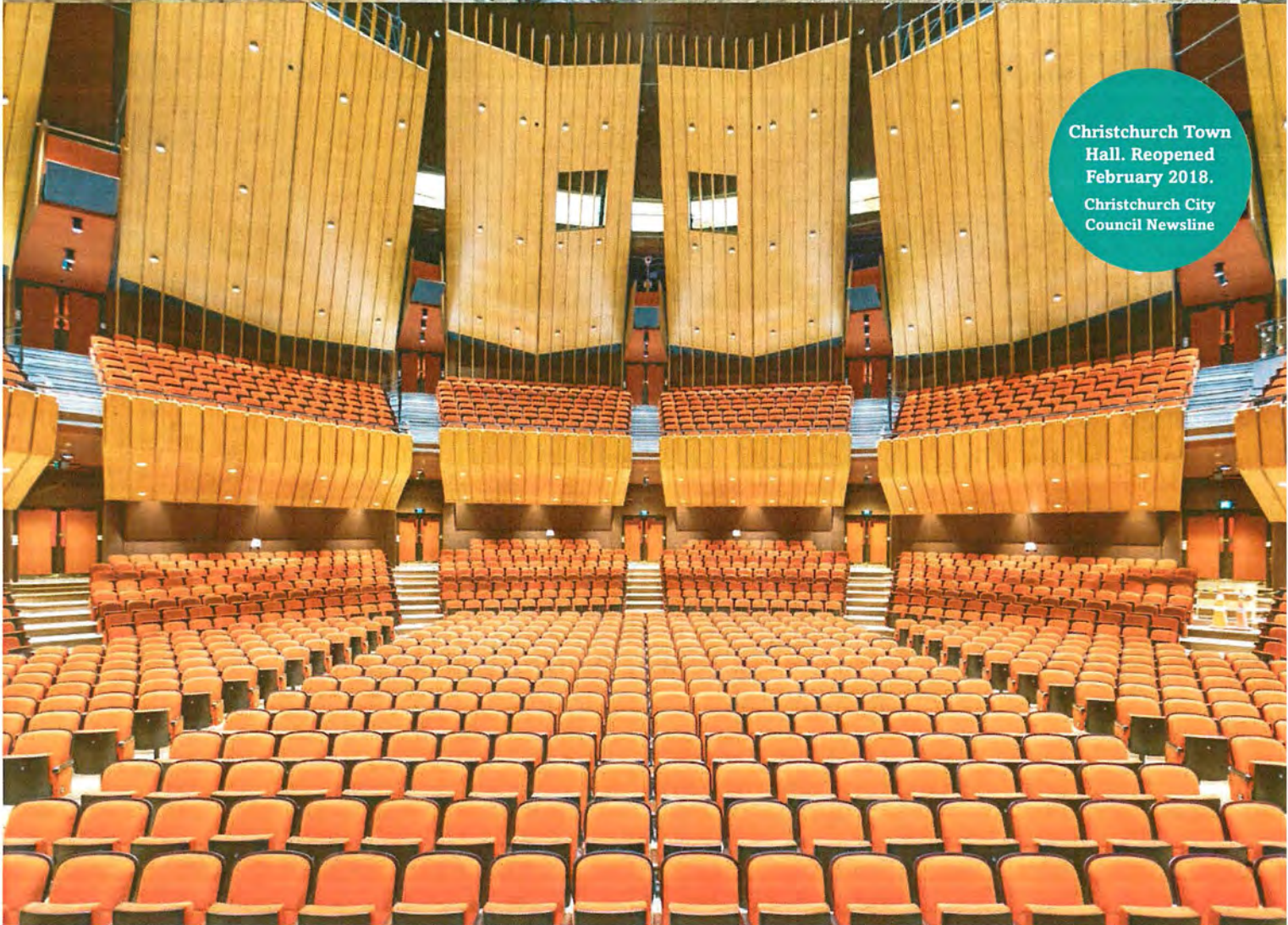


Craig Stobo
Chair, LGFA Board



Taiora QEII
Recreation and
Sports Centre.
Opened May 2018.
Christchurch City
Council Newsline

River rock wall
repairs. New rock
being positioned
to reinstate flood
protection.
Bay of Plenty
Regional Council



Christchurch Town
Hall. Reopened
February 2018.
Christchurch City
Council Newsline

Performance against objectives

Tutukinga mahi ki ōna whāinga

The statement of service performance details LGFA's performance against the objectives and targets set out in the LGFA Statement of Intent 2018-19 (SOI).

Performance against primary objectives

This section sets out LGFA's performance for the six-month period ended 31 December 2018 against the two primary objectives set out in the 2018-19 SOI.

- 1 **LGFA will operate with the primary objective of optimising the debt funding terms and conditions for Participating Local Authorities. Among other things this includes:**

- i. **Providing savings in annual interest costs for all Participating Local Authorities on a relative basis to other sources of financing;**

LGFA aims to minimise its issuance margin over swap rates to provide cost effective funding to councils. The LGFA margin to swap will depend upon several factors including the relative demand and supply of high-grade bonds, general credit market conditions, performance of New Zealand Government bonds (NZGB) and swap rates, investor perceptions of LGFA and the issuance volume and tenor of LGFA bonds.

2018-19 performance objectives

The SOI set out two primary performance objectives and eight additional objectives for LGFA for the year ended 30 June 2019:

Primary objectives

1. LGFA will operate with the primary objective of optimising the debt funding terms and conditions for Participating Local Authorities. Among other things this includes:
 - i. Providing savings in annual interest costs for all Participating Local Authorities on a relative basis to other sources of financing;
 - ii. Making longer-term borrowings available to Participating Local Authorities;
 - iii. Enhancing the certainty of access to debt markets for Participating Local Authorities, subject always to operating in accordance with sound business practice; and
 - iv. Offering more flexible lending terms to Participating Local Authorities.
2. LGFA will monitor the quality of the asset book so that it remains of a high standard by ensuring it understands each Participating Local Authority's financial position and the general issues confronting the Local Government sector. This includes:
 - i. LGFA will review each Participating Local Authority's financial position, its financial headroom under LGFA policies and endeavour to visit each Participating Local Authority on an annual basis;
 - ii. LGFA will analyse finances at the Council group level where appropriate;
 - iii. LGFA will review its debt covenant methodology and assessment of council financial position at group vs parent.

LGFA will present its findings to councils at the LGFA Shareholder-Borrower Day, including a comparison of LGFA methodology to that of the credit rating agencies;

- iv. LGFA will work closely with the Department of Internal Affairs (DIA), Office of the Auditor General (OAG) and Local Government New Zealand (LGNZ) on sector and individual council issues; and
- v. LGFA will take a proactive role to enhance the financial strength and depth of the local government debt market.

Additional objectives

1. Operate with a view to making a profit sufficient to pay a dividend in accordance with its stated Dividend Policy set out in section 6;
2. Provide at least 50% of aggregate long-term debt funding to the Local Government sector;
3. Ensure its products and services are delivered at a cost that does not exceed the forecast for issuance and operating expenses set out in section 4;
4. Take appropriate steps to ensure compliance with the Health and Safety at Work Act 2015;
5. Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency;
6. Achieve the Financial Forecasts (excluding the impact of AIL) set out in section 4;
7. Meet or exceed the Performance Targets outlined in section 5; and
8. Comply with its Treasury Policy, as approved by the Board.

There will be periods within the interest rate and credit market cycles when LGFA bonds will outperform its benchmarks (spread narrowing) and there will be periods of time when LGFA bonds underperform (spreads widening).

LGFA spreads to swap have consistently narrowed since it first began issuing bonds in February 2012, and over the past six months, spreads to swap as measured by secondary market levels have narrowed on the mid-curve maturities (2023s and 2025s) but widened on the LGFA bond maturities at the two end points of the curve.

LGFA bond margin to swap	As at 31 December 2018 basis points (bps)	As at 30 June 2018 (bps)	Spread movement (bps)
15 March 2019	6	4	2
15 April 2020	10	5	5
15 May 2021	17	11	6
14 April 2022	26	20	6
15 April 2023	31	34	(3)
15 April 2025	47	53	(6)
15 April 2027	59	54	5
14 April 2033	86	79	7

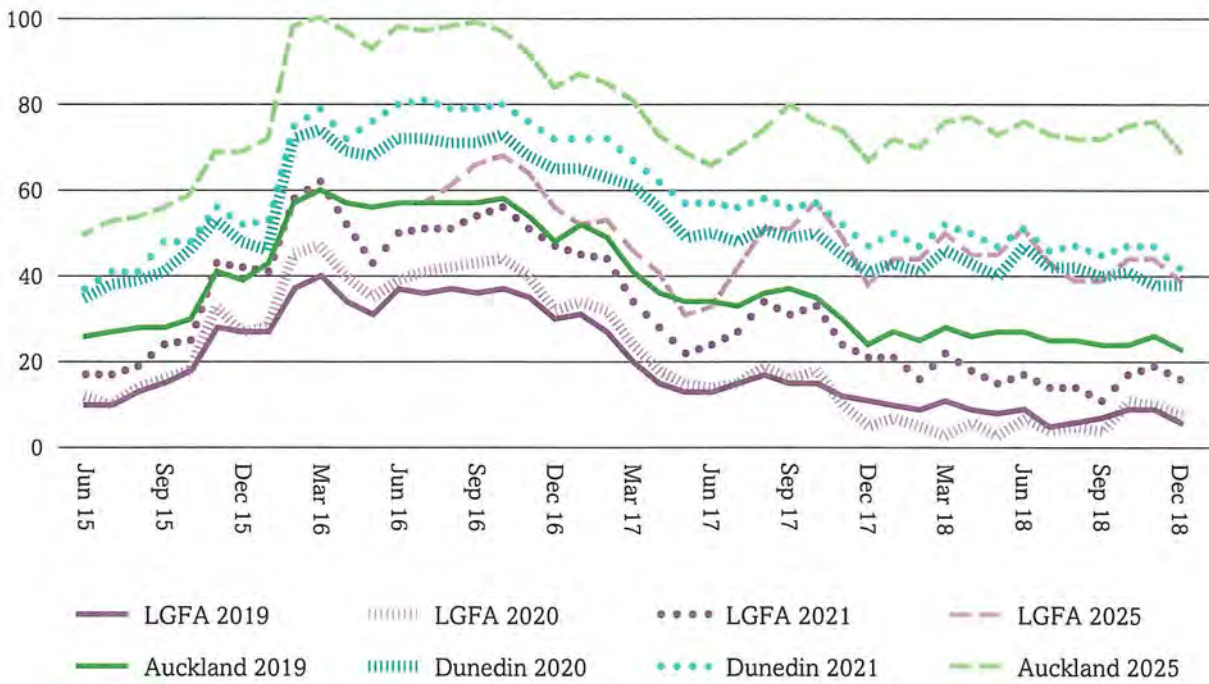
A similar pattern is evident over the same period with the LGFA spreads to NZGB narrowing in the mid curve maturities only.

LGFA bond margin to NZGB	As at 31 December 2018 (bps)	As at 30 June 2018 (bps)	Spread movement (bps)
15 March 2019	30	30	-
15 April 2020	38	37	1
15 May 2021	46	44	2
14 April 2022	54	53	1
15 April 2023	60	69	(9)
15 April 2025	78	83	(5)
15 April 2027	91	83	8
14 April 2033	123	104	19

The spread widening in the back end of the yield curve is due to the increased issuance of LGFA 2033 bonds, the larger than normal amount of LGFA bond issuance over the six-month period and the improvement in Central Government's fiscal position leading to expectations of a reduction in the supply of NZGBs.

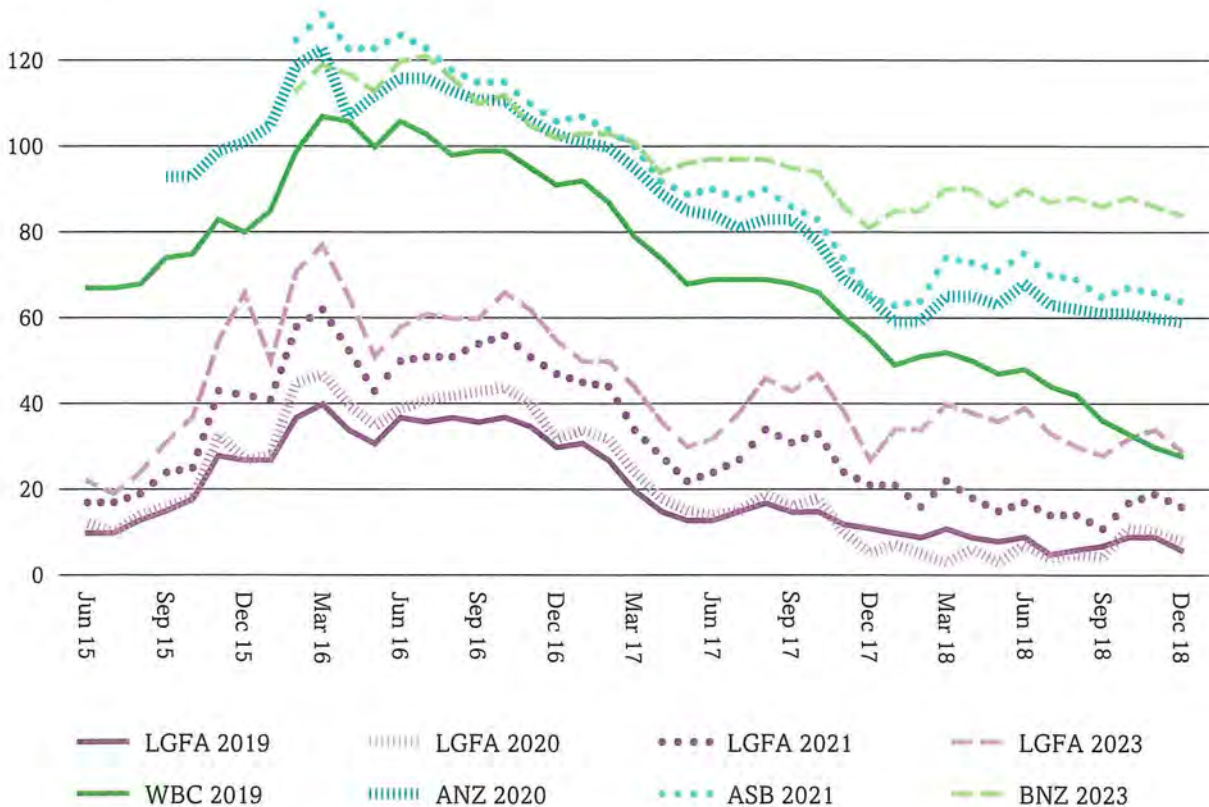
LGFA continues to provide savings in borrowing costs for councils relative to other sources of borrowing. We compare our secondary market spreads on LGFA bonds to those of Auckland Council and Dunedin City Treasury (as a proxy for councils borrowing in their own name) and a mix of banks (as a proxy for general market conditions).

Secondary market credit spread to swap for LGFA and council bonds
(basis points)



Source: Bloomberg, LGFA

Secondary market credit spread to swap for LGFA and bank bonds
(basis points)



Source: Bloomberg, LGFA

From the table below, we estimate that based upon secondary market spread data as at 31 December 2018, LGFA was saving AA-rated councils between 2 bps and 17 bps depending upon the term of maturity. This compares to savings of between 10 bps and 22 bps a year ago, but one would expect savings to diminish naturally over time as the bonds approach their maturity date and shorten their duration.

31 December 2018	Savings to AA-rated councils (bps)				
	Auckland 2019	Dunedin 2020	Dunedin 2021	Auckland 2022	Auckland 2025
AA rated councils margin to swap (bps)	18	37	44	46	72
Less LGFA margin to swap (bps)	(6)	(10)	(17)	(26)	(47)
LGFA gross funding advantage (bps)	12	27	27	20	25
Less LGFA base margin (bps)	(10)	(10)	(10)	(10)	(10)
Total saving (bps) *	2	17	17	10	15

* Note that from June 2017 we have excluded from the estimated savings any positive impact from the 'LGFA effect' that was equivalent to 10 bps of savings evident when LGFA first commenced lending in February 2012.

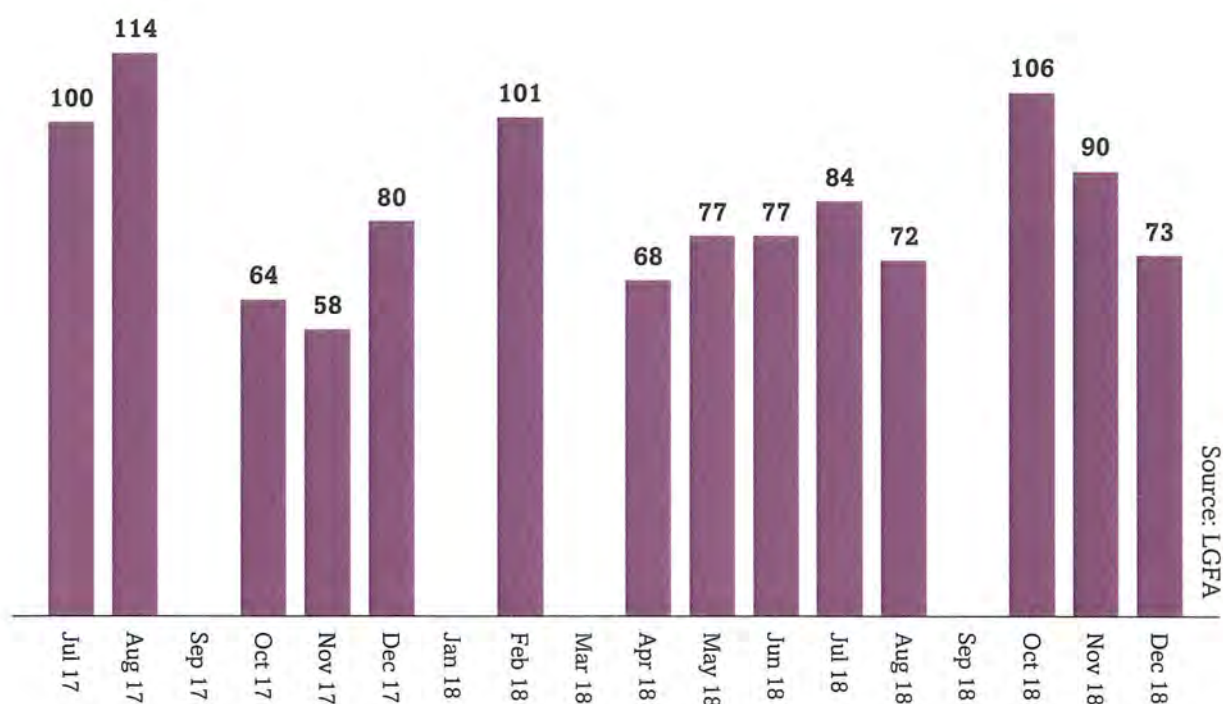
ii. Making longer-term borrowings available to Participating Local Authorities;

Councils borrowed a record \$1.05 billion of long-term loans from LGFA over the six-month period. The average borrowing term (excluding short-dated borrowing) for the six-month period to December

2018 by council members was 6.5 years and this was longer than the average borrowing term of 4.5 years for the 12 months to June 2018. However, the average term of borrowing in 2017-18 was very short compared to the 2016-17 average term of 7.8 years, so the prior year comparison does not provide a useful benchmark.

Average total months to maturity – Long-term lending to councils

Last 18 months



While LGFA can provide councils with the ability to borrow from LGFA for terms from one month to 14 years, it is up to the councils to determine their preferred term of borrowing.

We introduced a new four-year bond (April 2022) in April 2018 and we expect to issue another new maturity in the first half of the 2019 calendar year. However, with the issuance of the April 2033 LGFA bond in 2017, councils can borrow on a bespoke

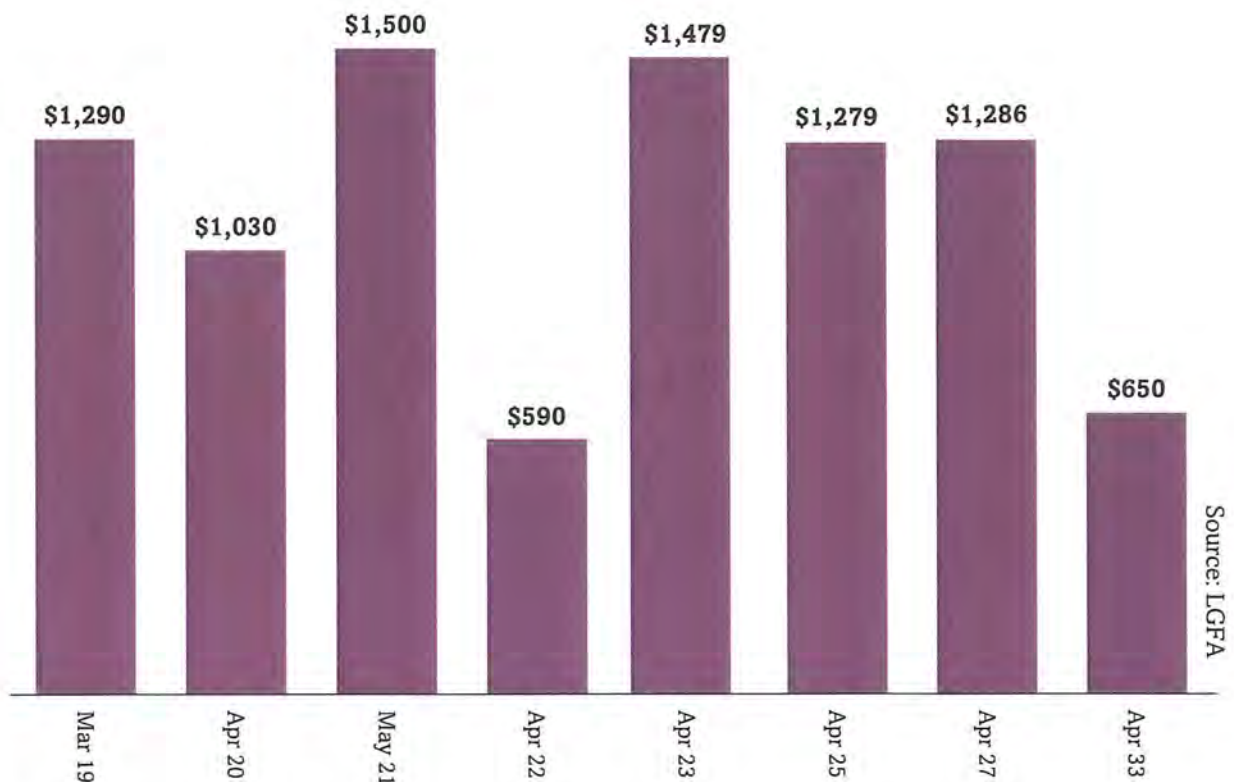
basis (for any preferred maturity date, at any time) out to 14 years.

LGFA funds its lending to councils by issuing bonds to banks, institutional and retail investors – both in New Zealand and offshore. The following chart shows the total LGFA bond outstanding, including treasury stock, by maturity as at 31 December 2018.

LGFA bonds on issue (NZ\$ million, face value)

As at 31 December 2018 : NZ\$9,104 million

Includes NZ\$400 million treasury stock



iii. Enhancing the certainty of access to debt markets for Participating Local Authorities, subject always to operating in accordance with sound business practices;

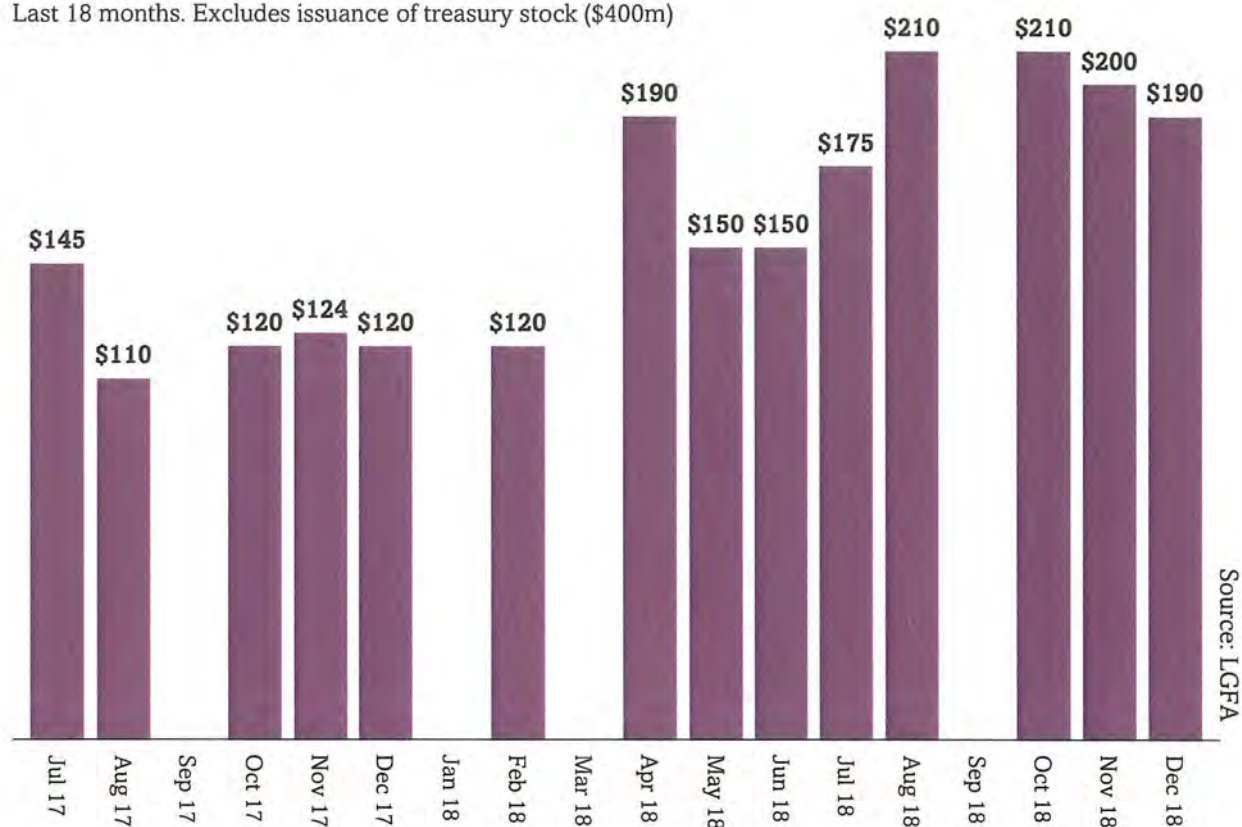
LGFA listed its bonds on the NZX Debt Market in November 2015 and this has led to greater awareness and participation in LGFA bonds by domestic retail and offshore investors. Average turnover of LGFA bonds on the NZX Debt Market since listing has been \$12 million per month or 8.1% of the total turnover of the NZX Debt Market. Turnover has reduced over the past six months as retail investors are more attracted to higher term deposit rates.

LGFA commenced the issuance of LGFA Bills for terms of three months and six months in late 2015. Because of this issuance, LGFA has offered short-term loans of less than one year to councils since 2015. As at 31 December 2018, LGFA has short-term loans outstanding to 31 councils of \$527 million. This is a record amount of loans and an increase of \$283 million over the past six months.

LGFA also issued a record amount of bonds in the six-month period with \$985 million issued across five bond tenders with an average tender volume of \$197 million and a range of \$175 million to \$210 million in size.

LGFA bond issuance by tender (NZ\$ million)

Last 18 months. Excludes issuance of treasury stock (\$400m)



All tenders were successful and fully subscribed. The average bid-coverage ratio across the five bond tenders was 2.3 times and this compared to the average of 3.1 times for the 61 bond tenders held since LGFA first commenced issuance in February 2012.

LGFA bond tender results by maturity	2018-19 ytd issuance amount	LGFA tender average bid coverage ratio	LGFA tender average successful bid range
15 March 2019	Nil	n/a	n/a
15 April 2020	Nil	n/a	n/a
15 May 2021	\$30 m	3.2 x	0 bps
14 April 2022	\$270 m	2.4 x	2 bps
15 April 2023	Nil	n/a	n/a
15 April 2025	\$260 m	2.7 x	3 bps
15 April 2027	\$180 m	2.1 x	4 bps
14 April 2033	\$245 m	1.8 x	4 bps
Across all LGFA maturities	\$985 m	2.3 x	n/a

The successful bid range (difference between the highest and lowest successful bid yield) for each maturity at each tender averaged between 0 bps and 4 bps with the largest range being on the longer-dated maturities.

LGFA established an Australian Medium-Term Notes Programme in November 2017 to provide the ability to issue in currencies other than the New Zealand dollar (NZD). It is not our intention to use this programme but instead to provide some flexibility in case of the unlikely scenario of a significant market disrupting event in the future.

iv. Offering more flexible lending terms to Participating Local Authorities.

Councils can access flexible lending conditions by using the short-term lending and bespoke lending products. Short-term lending is for loans between 30 days and 364 days while bespoke lending is where councils can borrow for any term between one year and the longest dated LGFA bond maturity (currently 14 April 2033) on any drawdown date. Therefore, council members can borrow for terms ranging from 30 days to 14 years at any time they wish to drawdown.

Bespoke lending (either into non-LGFA bond maturity dates or into LGFA bond maturity dates but outside of tenders) for council members continues to grow in popularity. During the six-month period to 31 December 2018 we lent \$800 million on a bespoke basis to 37 councils. This was 76% of total term lending to our council members over that period.

Short-term borrowing by councils as at 31 December 2018 was a record \$526.7 million comprising borrowing from 31 councils.

2 LGFA will monitor the quality of the asset book so that it remains of a high standard by ensuring it understands each Participating Local Authority's financial position and the general issues confronting the Local Government sector. This includes:

i LGFA will review each Participating Local Authority's financial position, its financial headroom under LGFA policies and endeavour to visit each Participating Local Authority on an annual basis;

LGFA undertakes a detailed financial assessment on each of its borrowers and endeavours to meet with all member councils on an annual basis while monitoring council performance throughout the year. LGFA reviews the annual and long-term plans for each council and the annual financial statements. All councils were compliant with LGFA financial covenants as at 30 June 2018 and a copy of each council's borrowing position and compliance with LGFA covenants was provided to LGFA shareholders and non-shareholder guarantors in January 2019. LGFA assigns an internal credit rating to each of its council members as part of the review exercise.

LGFA management met with 31 councils over the six-month period to 31 December 2018.

ii LGFA will analyse finances at the Council group level where appropriate;

LGFA reviews the financial position of each council on a parent basis except for Auckland Council where LGFA analyses the financial statements at both parent and group level. This is because Auckland Council is the only council to deliver a wide range of its essential services on a group basis.

iii LGFA will work closely with the Department of Internal Affairs (DIA), Office of the Auditor General (OAG) and Local Government New Zealand (LGNZ) on sector and individual council issues.

LGFA staff and directors have met with Treasury, New Zealand Debt Management, DIA, Trustees Executors, Productivity Commission, Standard & Poor's, Fitch and Infrastructure New Zealand during the past six months to discuss LGFA and sector issues. LGFA attended the Infrastructure New Zealand annual conference and the NZX issuer forum.

iv LGFA will take a proactive role to enhance the financial strength and depth of the local government debt market.

LGFA management meet regularly with the management team of each council. We also presented to elected officials at councils prior to them joining LGFA to remind them of their obligations.

We presented at various capital market conferences and meet with banks and investors on a regular basis. We present each quarter on sector finances at the LGNZ media briefing.

Performance against additional objectives

In addition to the two primary performance objectives, LGFA has eight additional performance objectives which complement the primary objectives. This section sets out LGFA's performance for the six-months ended 31 December 2018 against the additional objectives set out in the 2018-19 Statement of Intent.

2.1 Operate with a view to making a profit sufficient to pay a dividend in accordance with its stated Dividend Policy set out in section 6 of the SOI.

The LGFA Board has the sole discretion to set the dividend, and the policy is to pay a dividend that provides an annual rate of return to shareholders equal to LGFA cost of funds plus 2%.

On 28 August 2018, the directors of LGFA declared a dividend for the year to 30 June 2018 of \$1,285,000 (\$0.0514 per share). This was calculated on LGFA's cost of funds for the 2017-18 year of 3.14% plus a 2% margin. This was a similar dividend to the previous year dividend of \$0.0556 per share.

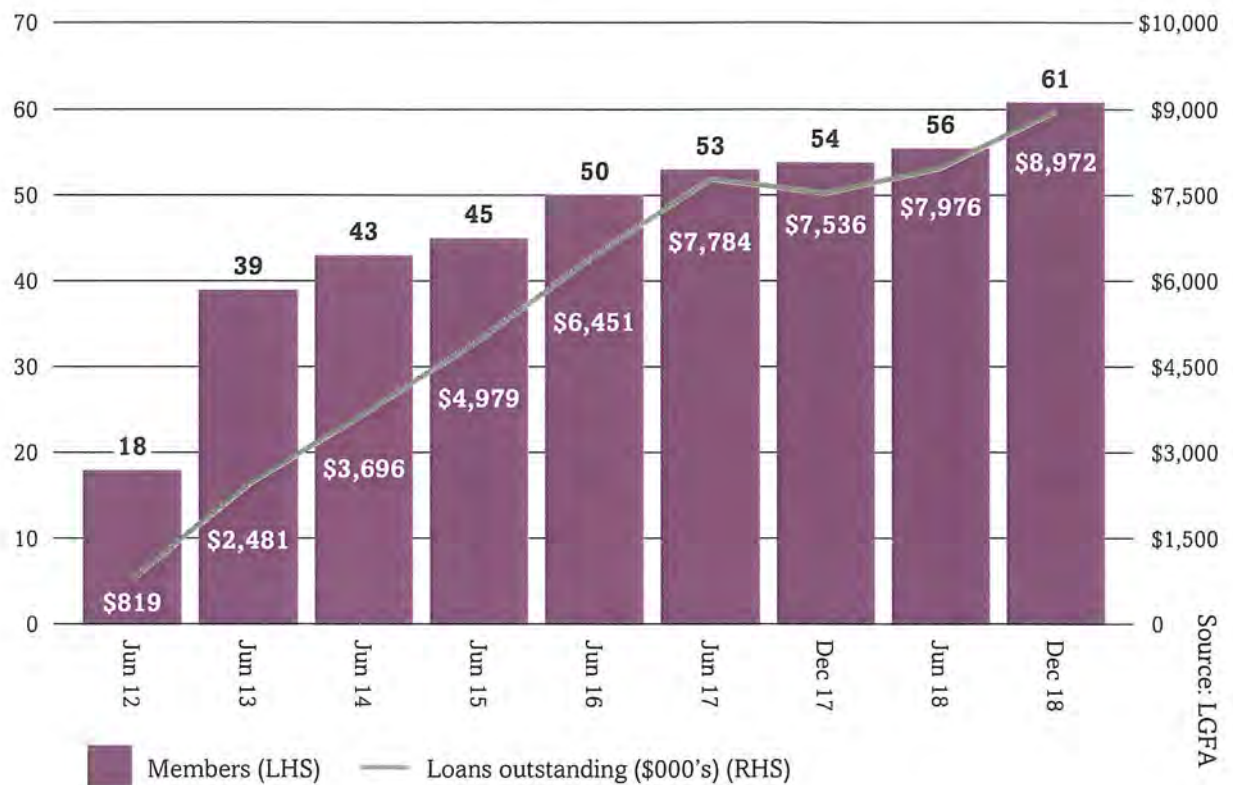
The impact from the current low interest rate environment is that LGFA has a lower cost of funds. While council borrowers benefit from lower borrowing costs, the dividend payment calculated on the above guidance is lower than it would otherwise be in an environment of higher interest rates.

2.2 Provide at least 50% of aggregate long-term debt funding for Participating Local Authorities.

Five councils joined LGFA in the six-month period to December 2018, bringing the total number of council members to 61. Ruapehu District and Waikato Regional Council joined as guarantors and Wairoa, Clutha and Mackenzie District Councils joined as non-guarantor borrowers. Gore District Council moved from being a non-guarantor to a guarantor in September 2018.

Councils have strongly supported LGFA by joining as members and borrowing from LGFA. As at 31 December 2018, 58 of the 61 participating councils have borrowed from LGFA.

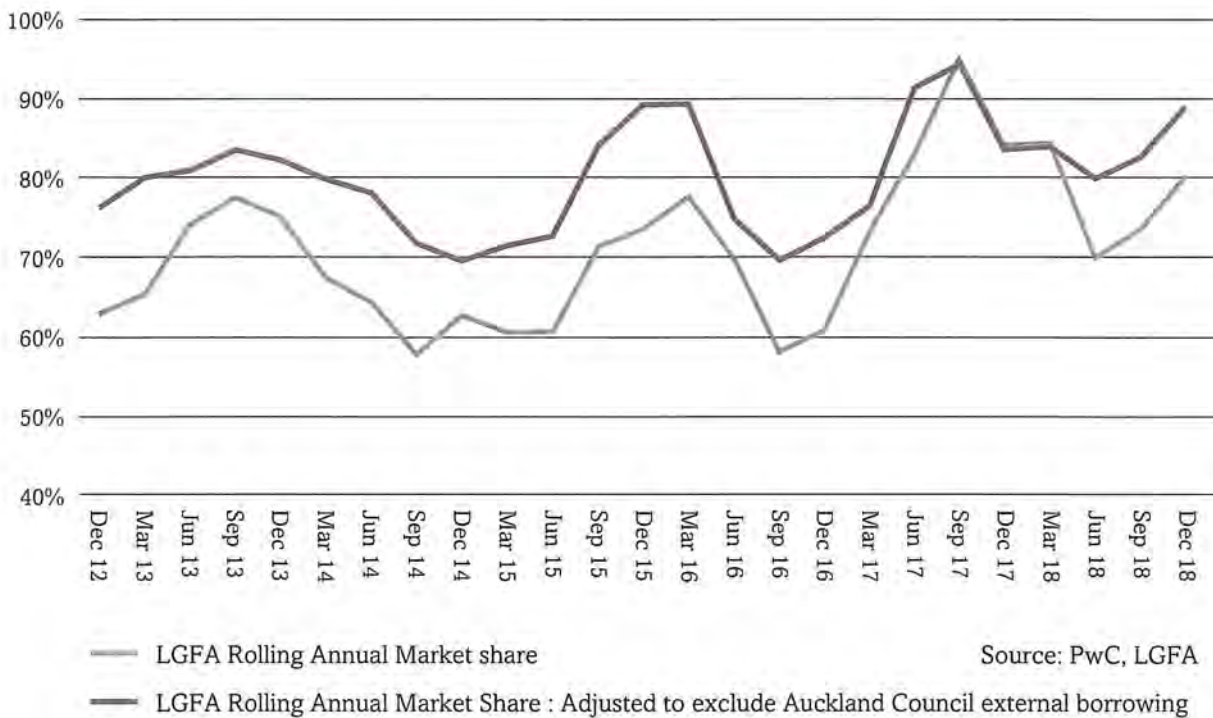
LGFA council members and nominal loans outstanding



The following chart shows LGFA's share of new local government long-term debt issuance and is derived from survey data provided by PwC. While the latest PwC report is yet to be finalised, our provisional share of long-term borrowing by the sector including non-members of LGFA was 80.2% for the 12-month period to 31 December 2018. The market share is influenced by the amount of debt issued by the sector's largest borrower, Auckland Council,

in its own name in the domestic market. Auckland Council is required to issue debt under its own name as LGFA is restricted by its foundation policies to a maximum of 40% of total loans outstanding to Auckland. If Auckland Council's external borrowing is excluded from the data, then LGFA estimated market share for the 12-month period to 31 December 2018 was 89.0%.

LGFA council members and LGFA loans outstanding



2.3 Ensure its products and services are delivered at a cost that does not exceed the forecast for issuance and operating expenses set out in section 4 of the SOI.

Issuance and operating expenses for the six-month period to 31 December 2018 were \$3.698 million which is \$130k below SOI forecast.

This variance is the consequence of:

- Issuance and on-lending costs (excluding AIL) at \$1.161 million were \$15k below budget. There were lower fees than budgeted relating to the NZDMO facility offset by higher NZX costs and legal costs than forecast. The larger amount of bond issuance and short-term lending has increased legal costs compared to budget.
- Operating costs at \$1.644 million were \$26k above budget due to timing of personnel and travel costs. There were also additional legal costs relating to considering whether LGFA should lend to Council Controlled Organisations and to also test financial covenant compliance of councils at the group or parent level.
- Approved Issuer Levy payments of \$893k were less than our forecast of \$1.035 million by \$141k due to lower levels of LGFA bonds holdings by offshore investors relative to budget.

2.4 Take appropriate steps to ensure compliance with the Health and Safety at Work Act 2015.

LGFA has a Health and Safety Staff Committee and reporting on health and safety issues are made to the LGFA Board on a regular basis by the Risk and Compliance Manager. There were no health and safety incidents during the six-month period to 31 December 2018.

2.5 Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency.

LGFA has credit ratings from Standard and Poor's (S&P) and Fitch Ratings (Fitch) and meets with both agencies each year. Meetings were held in 2018 with both agencies and S&P affirmed the long-term rating of LGFA at AA+ (stable outlook)

on 12 July 2018 and Fitch affirmed the rating at AA+ (stable outlook) on 19 November 2018.¹

Both the S&P and Fitch ratings reports are available on our website (www.lgfa.co.nz/for-investors/ratings).

Both the S&P and Fitch ratings are the same as, and are capped by, New Zealand's sovereign credit rating. Fitch has defined LGFA as a credit linked Public Sector Entity and our credit rating is explicitly linked to the New Zealand Sovereign credit rating.

2.6 Achieve the Financial Forecasts (excluding the impact of AIL) set out in section 4 of the SOI.

LGFA's financial results for key items set out in Section 4 of the SOI for the six-month period to 31 December 2018 are:

In \$ million	31 December 2018 Actual	31 December 2018 SOI Forecast
Net interest revenue	9.77	9.60
Issuance and operating expenses excluding Approved Issuer Levy (AIL)	2.81	2.79
Approved Issuer Levy (AIL)	0.89	1.04
Net Operating Gain	6.08	5.77

LGFA net operating gain exceeded forecast as net interest revenue was greater than forecast and expenses below forecast.

1. Subsequent to 31 December 2018. On 31 January 2019, S&P placed the issuer credit ratings of LGFA on positive outlook. The LGFA Foreign Currency credit rating of AA/A-1+ and Local Currency rating of AA+/A-1+ were affirmed by S&P and are now both on positive outlook.

2.7 Meet or exceed the Performance Targets outlined in section 5 of the SOI.

As at 31 December 2018, LGFA is on track to meet three out of its four performance targets for the 12-month period to 30 June 2019

2018-19 performance targets	Target	Result for six-month period to 31 December 2018	Outcome
Average margin above LGFA's cost of funds charged to the highest rated Participating Local Authorities for the period	<= 0.10%	0.095%	✓ On track to be met
Annualised annual issuance and operating expenses (excluding AIL)	<= \$5.67 million	\$2.81 million	✓ On track to be met
Lending to Participating Local Authorities	>= \$8.105 billion (full year target)	\$9.268 billion as at December 2018	✓ On track to be met noting that \$1.195 billion of loans due to be repaid in March 2019
Savings on borrowing costs for council borrowers relative to other sources of financing and compared to previous years	Improvement since prior year end relative to borrowing by councils directly. As at June 2018: 2019s 11 bps, 2021s 19 bps and 2025s 10 bps	As at December 2018: 2019s 2 bps, 2021s 17 bps and 2025s 15 bps	✗ Not met due to lack of single name issuance by councils and shortening of comparable maturity dates. This reduced supply has tightened comparable spreads for Auckland Council and Dunedin City Council bonds

2.8 Comply with its Treasury Policy, as approved by the Board.

LGFA was compliant with the Treasury Policy during the six-month period ending 31 December 2018.

Financial statements

Taukī pūtea

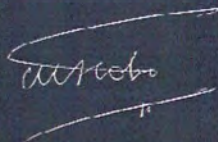
In the opinion of the directors of the New Zealand Local Government Funding Agency Limited, the financial statements and notes on pages 21 to 37:

- Comply with New Zealand generally accepted accounting practice and give a true and fair view of the financial position of the Company as at 31 December 2018, and
- Have been prepared using appropriate accounting policies, which have been consistently applied and supported by reasonable judgements and estimates.

- The directors believe that proper accounting records have been kept which enables, with reasonable accuracy, the determination of the financial position of the Company and facilitates the compliance of the financial statements with the Financial Reporting Act 1993.

The directors consider that they have taken adequate steps to safeguard the assets of the Company, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial statements.

For and on behalf of the Board of Directors



Craig Stobo, Director
Chair, LGFA Board
27 February 2019



Linda Robertson, Director
Chair, LGFA Audit and Risk Committee
27 February 2019

Statement of comprehensive income

For the six months ended 31 December 2018 in \$000s

	Note	Unaudited six months ended 31 December 2018	Unaudited six months ended 31 December 2017
Interest income			
Cash and cash equivalents		226	291
Loans to local government		124,053	118,416
Marketable securities		1,229	1,434
Deposits		2,251	2,424
Derivatives		53,131	55,580
Fair value hedge ineffectiveness	2	-	-
Total interest income		180,890	178,145
Interest expense			
Bills		4,610	3,671
Bonds		164,513	163,057
Borrower notes		1,769	1,699
Bond repurchase transactions		225	100
Total interest expense		171,117	168,527
Net interest income		9,773	9,618
Operating expenses			
Issuance and on-lending expenses	3	2,054	2,107
Operating expenses	4	1,644	1,475
Total expenses		3,698	3,582
Net operating profit		6,075	6,036
Total comprehensive income		6,075	6,036

These statements are to be read in conjunction with the notes to the financial statements

Statement of changes in equity

For the six months ended 31 December 2018 (unaudited) in \$000s

	Note	Share capital	Retained earnings	Total equity
Equity as at 30 June 2018		25,000	39,290	64,290
Adjustment on adoption of NZ IFRS 9	1c		(35)	
Equity as at 1 July 2018		25,000	39,255	64,255
Net operating profit			6,075	6,075
Total comprehensive income for the year			6,075	6,075
Transactions with owners			-	-
Dividend paid on 7 September 2018			(1,285)	(1,285)
Equity as at 31 December 2018	12	25,000	44,045	69,045

For the six months ended 31 December 2017 (unaudited) in \$000s

	Note	Share capital	Retained earnings	Total equity
Equity as at 30 June 2017		25,000	28,878	53,878
Net operating profit			6,036	6,036
Total comprehensive income for the year			6,036	6,036
Transactions with owners			-	-
Dividend paid on 20 September 2017			(1,390)	(1,390)
Equity as at 31 December 2017		25,000	33,524	58,524

These statements are to be read in conjunction with the notes to the financial statements

Statement of financial position

As at 31 December 2018 in \$000s

	Note	Unaudited as at 31 December 2018	Audited as at 30 June 2018
Assets			
Financial assets			
Cash and bank balances		22,393	50,280
Marketable securities		69,284	231,420
Deposits		70,482	201,114
Borrower note receivable	13	144	-
Loans to local government	5	9,325,431	7,975,728
Derivatives in gain		412,759	375,371
Non-financial assets			
Prepayments		869	561
Other assets	10	533	609
Total assets		9,901,895	8,835,084
Equity			
Share capital		25,000	25,000
Retained earnings		37,970	39,290
Total comprehensive income for the period		6,075	
Total equity		69,045	64,290
Liabilities			
Financial liabilities			
Payables and provisions		260	444
Bills	6	482,875	473,421
Bond repurchases	9	5,660	6,183
Loans to local government not yet advanced	13	9,000	-
Bonds	7	9,158,425	8,101,004
Borrower notes	8	153,821	135,108
Derivatives in loss		22,633	54,286
Non-financial liabilities			
Accrued expenses		176	348
Total liabilities		9,832,850	8,770,794
Total equity and liabilities		9,901,895	8,835,084

These statements are to be read in conjunction with the notes to the financial statements

Statement of cash flows

For the six months ended 31 December 2018 in \$000s

	Note	Unaudited six months ended 31 December 2018	Unaudited six months ended 31 December 2017
Cash flow from operating activities			
Cash applied to loans to local government	14	(1,338,445)	247,203
Interest paid on bonds issued		(180,956)	(188,895)
Interest paid on bills issued		(4,610)	(3,671)
Interest paid on bond repurchases		(226)	(102)
Interest paid on borrower notes		-	(2,621)
Interest received from loans to local government		121,772	119,534
Interest received from cash and cash equivalents		226	291
Interest received from marketable securities		1,627	1,567
Interest received from deposits		2,884	3,413
Net interest on derivatives		73,024	80,406
Payments to suppliers and employees		(4,299)	(4,274)
Net cash flow from operating activities	11	(1,329,003)	252,851
Cashflow from investing activities			
Change in marketable securities		161,738	91,195
Change in deposits		130,000	30,000
Change in plant and equipment		-	76
Net cashflow from investing activities		291,738	121,271
Cashflow from financing activities			
Cash proceeds from bonds issued	14	994,187	(382,465)
Cash proceeds from bills issued		9,455	20,422
Cash proceeds from bond repurchases		(523)	(11,957)
Cash proceeds from borrower notes		16,800	(5,770)
Dividends paid		(1,285)	(1,390)
Cash applied to derivatives		(9,256)	(13,403)
Net cashflow from financing activities		1,009,378	(394,563)
Net (decrease) / increase in cash		(27,887)	(20,441)
Cash, cash equivalents and bank overdraft at beginning of year		50,280	49,919
Cash, cash equivalents and bank overdraft at end of year		22,393	29,478

These statements are to be read in conjunction with the notes to the financial statements

1 Statement of accounting policies

a. Reporting entity

The New Zealand Local Government Funding Agency Limited (LGFA) is a company registered under the Companies Act 1993 and is subject to the requirements of the Local Government Act 2002.

LGFA is controlled by participating local authorities and is a council-controlled organisation as defined under section 6 of the Local Government Act 2002. LGFA is a limited liability company incorporated and domiciled in New Zealand.

The primary objective of LGFA is to optimise the debt funding terms and conditions for participating local authorities.

The registered address of LGFA is Level 8, City Chambers, 142 Featherston Street, Wellington Central, Wellington 6011.

These interim financial statements were authorised for issue by the Directors on 27 February 2019.

b. Statement of compliance

These interim financial statements are for the six-months ended 31 December 2018 and are to be read in conjunction with the annual report for the year ended 30 June 2018. They have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and they comply with NZ IAS 34 Interim Financial Reporting. The financial results for the six-month period ended 31 December 2018 are unaudited.

c. Basis of preparation

Accounting judgments, estimates and assumptions

The judgements, estimates and assumptions used to prepare these interim financial statements are consistent with those used at 30 June 2018.

Measurement base

The financial statements have been prepared on a historical cost basis modified by the revaluation of certain assets and liabilities.

The financial statements are prepared on an accrual basis.

Functional and presentation currency

The financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless separately identified. The functional currency of LGFA is New Zealand dollars.

Foreign currency conversions

Transactions denominated in foreign currency are translated into New Zealand dollars using exchange rates applied on the trade date of the transaction.

Changes in accounting policies

New Zealand Equivalent to International Financial Reporting Standard 9 Financial Instruments (NZ IFRS 9)

NZ IFRS 9 (2014) is effective for the fiscal year commencing 1 July 2018.

NZ IFRS 9 replaces NZ IAS 39 Financial Instruments: Recognition and Measurement and sets out the requirements for hedge accounting and impairment for financial assets and liabilities. LGFA early adopted NZ IFRS 9 (2010) for the classification and measurement of financial instruments at commencement of business in 2012.

Hedge accounting

There has been no change to accounting policy for hedge accounting as LGFA's current fair value hedge accounting meets the requirements of NZ IFRS 9.

Impairment

NZ IFRS 9 prescribes an expected credit loss impairment model which replaces the incurred loss impairment model in NZ IAS 39. The expected credit loss model requires LGFA to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition.

LGFA has not previously incurred any credit losses under the incurred loss impairment model (NZ IAS 39) and the introduction of the expected credit loss model (NZ IFRS 9) has not had a material impact on the measurement of LGFA's financial assets. Accordingly, the cumulative impact of the change has been adjusted through opening retained earnings in the statement of changes in equity. There has been no restatement of comparative financial information or the opening balance sheet as at 1 July 2018.

The changes in to LGFA's accounting policies for expected credit losses on financial assets are set out below.

Methodology to determine expected credit losses

As at 31 December 2018, LGFA deemed that there had been no significant increase in credit risk

since initial recognition for any financial asset and calculated the loss allowance for these instruments at an amount equal to 12-month expected credit losses, using the estimated probability of default multiplied by the estimated recovery rate.

The estimated probability of default is based on the Standard & Poor's' (S&P) Annual Global Default Study. Individual securities were assigned a probability of default over the 12-month period year based on their S&P, Fitch or Moody's credit rating. Unrated local authorities were assigned a shadow credit rating of A+, based on all being in compliance with LGFA's financial covenants at 31 December 2018, and S&P rating methodology where all New Zealand local authorities who have a credit rating from S&P are rated between AA and A+.

The estimated recovery rate is assigned using the S&P recovery rating scale. All local authorities were assigned a category of 1+, based on LGFA holding security over a council's rates which, in the event of a default, would give a statutory manager the legal right to impose a targeted rate to recover the principal and interest owing. All other financial assets were assigned a recovery rate based on the industry category and average S&P recovery rates for the security type.

The Treasury (New Zealand Debt Management) was assigned a category of 1+ for derivatives.

Early adoption standards and interpretations

LGFA has not early adopted any standards.

Standards not yet adopted

LGFA does not consider any standards or interpretations in issue but not yet effective to have a significant impact on its financial statements.

Change in presentation. Statement of financial position

LGFA has changed the order of presentation of assets and liabilities in the Statement of financial position to reflect the order of liquidity for financial assets and liabilities. The change in presentation has been applied to both the current reporting period as well as associated comparatives.

d. Financial instruments

Financial assets

Financial assets, other than derivatives, are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents include cash on hand; cash in transit, bank accounts and deposits with an

original maturity of no more than three months.

Purchases and sales of all financial assets are accounted for at trade date.

At each balance date, an expected credit loss assessment is performed for all financial assets and is calculated as either:

- Credit losses that may arise from default events that are possible within the next 12 months, where no significant increase in credit risk has arisen since acquisition of the asset, or
- Credit losses that may arise from default events that are possible over the expected life of the financial asset, where a significant increase in credit risk has arisen since acquisition of the asset.

Impairment losses on financial assets will ordinarily be recognised on initial recognition as a 12-month expected loss allowance and move to a lifetime expected loss allowance if there is a significant deterioration in credit risk since acquisition.

Financial liabilities

Financial liabilities, other than derivatives, are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Derivatives

Derivative financial instruments are recognised both initially and subsequently at fair value. They are reported as either assets or liabilities depending on whether the derivative is in a net gain or net loss position respectively.

Fair value hedge

Where a derivative qualifies as a hedge of the exposure to changes in fair value of an asset or liability (fair value hedge) any gain or loss on the derivative is recognised in profit and loss together with any changes in the fair value of the hedged asset or liability.

The carrying amount of the hedged item is adjusted by the fair value gain or loss on the hedged item in respect of the risk being hedged. Effective parts of the hedge are recognised in the same area of profit and loss as the hedged item.

e. Other assets

Property, plant and equipment (PPE)

Items of property, plant and equipment are initially recorded at cost.

Depreciation is charged on a straight-line basis at rates calculated to allocate the cost or valuation of

an item of property, plant and equipment, less any estimated residual value, over its remaining useful life.

Intangible Assets

Intangible assets comprise software and project costs incurred for the implementation of the treasury management system. Capitalised computer software costs are amortised on a straight-line basis over the estimated useful life of the software (three to seven years). Costs associated with maintaining computer software are recognised as expenses.

f. Other liabilities

Employee entitlements

Employee entitlements to salaries and wages, annual leave and other similar benefits are recognised in the profit and loss when they accrue to employees.

g. Revenue and expenses

Revenue

Interest income

Interest income is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this rate to the principal outstanding to determine interest income each period.

Expenses

Expenses are recognised in the period to which they relate.

Interest expense

Interest expense is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to determine interest expense each period.

Income tax

LGFA is exempt from income tax under Section 14 of the Local Government Borrowing Act 2011.

Goods and services tax

All items in the financial statements are presented exclusive of goods and service tax (GST), except for receivables and payables, which are presented on a

GST-inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

h. Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

i. Segment reporting

LGFA operates in one segment being funding of participating local authorities in New Zealand.

j. Judgements and estimations

The preparation of these financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and income and expenses. For example, the present value of large cash flows that are predicted to occur a long time into the future depends critically on judgements regarding future cash flows, including inflation assumptions and the risk-free discount rate used to calculate present values.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Where these judgements significantly affect the amounts recognised in the financial statements they are described below and in the following notes.

2 Hedge accounting

LGFA is exposed to interest rate risk from fixed rate borrowing and variable rate lending to councils. LGFA uses interest rate swaps to manage this interest rate risk. For hedge accounting purposes, LGFA has designated these swaps in fair value relationships to its fixed rate borrowing and council loans.

The gain or loss on the hedging instrument and the hedged item attributable to the hedged risk for fair value hedge relationships is shown in the table below.

in \$000s	Gain/(loss) unaudited six months ended 31 December 2018	Gain/(loss) unaudited six months ended 31 December 2017
Hedging instruments – interest rate swaps	301,917	202,007
Hedged items attributable to the hedged risk – fixed rate bonds / loans	(301,917)	(202,007)
Ineffectiveness recognised in profit or loss from fair value hedges	-	-

The gains or losses on the hedging instrument (interest rate swaps) and the hedged item (bonds) are mapped to the same fair value account. For this reason, the statement of comprehensive income will only report any ineffectiveness arising from the fair value hedge.

3 Issuance and on-lending expenses

Issuance and on-lending expenses are those costs that are incurred as a necessary expense to facilitate the ongoing issuance of LGFA debt securities.

in \$000s	Unaudited six months ended 31 December 2018	Unaudited six months ended 31 December 2017
NZDMO facility fee	303	375
NZX	200	164
Rating agency fees	297	282
Legal fees for issuance	164	93
Regulatory, registry, other fees	68	45
Trustee fees	50	50
Approved issuer levy ¹	893	1,019
Information Services	79	79
	2,054	2,107

1. The amount of Approved Issuer Levy is a function of the number of the offshore holders of LGFA bonds.

4 Operating expenses

Operating expenses are all other expenses that are not classified as 'Issuance and on-lending expenses'.

in \$000s	Unaudited six months ended 31 December 2018	Unaudited six months ended 31 December 2017
Consultants ¹	105	68
Directors' fees	189	189
Insurance	31	30
Legal fees	35	53
Other expenses	390	364
Auditors' remuneration		
Statutory audit	48	44
Advisory services	-	-
Personnel	846	727
	1,644	1,475

1. Consultants includes \$66 for Treasury Systems Consultant (\$63, December 2017). Previously, this cost was reported within Other expenses (with associated treasury systems costs).

5 Loans to local government

in \$000s	Unaudited as at 31 December 2018		Audited as at 30 June 2018	
	Short-term loans	Loans	Short-term loans	Loans
Ashburton District Council	25,041	27,541	5,015	25,603
Auckland Council	-	2,099,757	-	2,101,357
Bay of Plenty Regional Council	140,719		-	-
Buller District Council	-	20,013	-	20,014
Canterbury Regional Council	3,004	30,103	-	30,103
Central Hawkes Bay District Council	-	2,027	-	2,027
Christchurch City Council	85,264	1,872,128	85,273	1,573,566
Far North District Council	20,015	40,157	-	40,130
Gisborne District Council	-	47,827	-	37,275
Gore District Council	6,014	11,063	6,014	11,064
Greater Wellington Regional Council	-	376,454	-	306,302
Grey District Council	-	20,393	-	20,446
Hamilton City Council	-	401,787	-	366,483
Hastings District Council	1,980	121,992	1,957	75,280
Hauraki District Council	-	49,215	-	38,156
Horizons Regional Council	-	28,095	-	20,035
Horowhenua District Council	15,022	94,879	6,008	72,868
Hurunui District Council	-	32,133	-	23,098
Hutt City Council	10,987	176,930	4,996	152,802
Kaipara District Council	5,970	44,185	4,925	40,174
Kapiti Coast District Council	2,491	220,816	-	205,754
Manawatu District Council	-	68,212	-	61,180
Marlborough District Council	27,138	73,301	17,297	63,237
Masterton District Council	-	60,257	-	52,234
Matamata-Piako District Council	2,518	27,603	-	27,599
Nelson City Council	-	70,268	-	60,239
New Plymouth District Council	-	106,534	-	74,324
Northland Regional Council	-	8,698	-	8,634
Opotiki District Council	-	5,148	-	5,163
Otorohanga District Council	-	6,104	-	6,120
Palmerston North City Council	10,028	112,403	10,028	82,317
Porirua City Council	-	61,782	-	61,754
Queenstown Lakes District Council	10,081	85,890	10,096	75,954

in \$000s	Unaudited as at 31 December 2018		Audited as at 30 June 2018	
	Short-term loans	Loans	Short-term loans	Loans
Rotorua District Council	2,812	180,355	-	150,266
Ruapehu District Council	3,027	9,041	-	-
Selwyn District Council	5,040	25,075	-	15,021
South Taranaki District Council	-	82,382	-	62,278
South Wairarapa District Council	2,001	17,631	-	17,629
Stratford District Council	-	14,572	-	4,513
Tararua District Council	2,014	17,084	2,011	15,064
Tasman District Council	25,105	151,104	10,007	109,006
Taupo District Council	-	145,520	-	125,430
Tauranga City Council	9,965	442,532	-	362,308
Thames-Coromandel District Council	15,086	45,170	-	45,175
Timaru District Council	17,573	67,343	12,524	67,331
Upper Hutt City Council	4,989	38,172	4,976	31,638
Waikato District Council	-	90,430	-	80,382
Waikato Regional Council	-	22,100	-	-
Waimakariri District Council	10,012	135,898	20,024	105,818
Waipa District Council	34,207	13,015	-	13,016
Wairoa District Council	1,506	3,519	-	-
Waitomo District Council	10,057	30,111	10,066	25,086
Wellington City Council	-	465,913	-	395,384
Western Bay Of Plenty District Council	-	115,522	-	105,426
Westland District Council	-	17,383	2,998	14,361
Whakatane District Council	4,008	53,237	6,011	48,220
Whanganui District Council	-	82,434	5,005	73,367
Whangarei District Council	9,972	132,543	9,971	132,516
	523,647	8,801,784	235,202	7,740,526
		9,325,431		7,975,728

6 Bills on issue

Unaudited as at 31 December 2018 in \$000's	Face value	Unamortised premium	Accrued interest	Total
9 January 2019	50,000	-	(22)	49,978
29 January 2019	25,000	-	(37)	24,963
1 February 2019	40,000	-	(67)	39,933
5 February 2019	25,000	-	(47)	24,953
13 February 2019	50,000	-	(116)	49,884
22 February 2019	25,000	-	(72)	24,928
13 March 2019	50,000	-	(191)	49,809
20 March 2019	75,000	-	(321)	74,679
10 April 2019	25,000	-	(132)	24,868
13 May 2019	20,000	-	(149)	19,851
15 May 2019	25,000	-	(190)	24,810
12 June 2019	25,000	-	(231)	24,769
10 July 2019	25,000	-	(270)	24,730
17 July 2019	25,000	-	(280)	24,720
	485,000	-	(2,124)	482,875

Audited as at 30 June 2018 in \$000's	Face value	Unamortised premium	Accrued interest	Total
11 July 2018	50,000	-	(27)	49,973
27 July 2018	25,000	-	(36)	24,964
2 August 2018	125,000	-	(210)	124,790
6 August 2018	25,000	-	(47)	24,953
15 August 2018	50,000	-	(121)	49,879
23 August 2018	25,000	-	(72)	24,928
12 September 2018	50,000	-	(199)	49,801
26 September 2018	25,000	-	(121)	24,879
10 October 2018	25,000	-	(146)	24,854
31 October 2018	25,000	-	(177)	24,823
14 November 2018	25,000	-	(192)	24,808
12 December 2018	25,000	-	(232)	24,768
	475,000	-	-1,579	473,421

7 Bonds on issue

Bonds on issue do not include \$400 million face value of issued LGFA bonds subscribed by LGFA and held as treasury stock. Refer Note 9: Treasury stock and bond repurchase transactions.

Unaudited as at 31 December 2018 in \$000's	Face value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
15 March 2019	1,240,000	2,579	18,497		
15 April 2020	980,000	(4,299)	6,300		
15 May 2021	1,450,000	50,874	11,296		
14 April 2022	540,000	2,219	3,223		
15 April 2023	1,429,000	60,662	16,842		
15 April 2025	1,229,000	(45,638)	7,242		
15 April 2027	1,236,000	49,043	11,919		
14 April 2033	600,000	(42,810)	4,558		
Total	8,704,000	72,632	79,876	301,917	9,158,425

Audited as at 30 June 2018 in \$000's	Face value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
15 March 2019	1,240,000	8,990	18,196		
15 April 2020	980,000	(5,904)	6,185		
15 May 2021	1,420,000	57,960	10,882		
14 April 2022	270,000	(223)	1,582		
15 April 2023	1,429,000	67,183	16,535		
15 April 2025	969,000	(44,090)	5,606		
15 April 2027	1,056,000	35,890	9,997		
14 April 2033	355,000	(31,672)	2,648		
Total	7,719,000	88,134	71,631	222,239	8,101,004

8 Borrower notes

Borrower notes are subordinated debt instruments which are required to be held by each local authority that borrows from LGFA in an amount equal to 1.6% of the aggregate borrowings by that local authority.

LGFA may convert borrower notes into redeemable shares if it has made calls for all unpaid capital to be paid in full and the LGFA Board determines it is still at risk of imminent default.

9 Treasury stock and bond repurchase transactions

Periodically, LGFA subscribes for LGFA bonds as part of its tender process and holds these bonds as treasury stock. LGFA bonds held by LGFA as treasury stock are derecognised at the time of issue and no liability is recognised in the statement of financial position.

LGFA makes these treasury stock bonds available to banks authorised as its tender counterparties to borrow under short-term repurchase transactions. The objective of the bond lending facility is to assist with improving secondary market liquidity in LGFA bonds. Bonds lent to counterparties are disclosed as a separate stock lending liability on the face of the statement of financial position.

Each month, LGFA notifies the market the amount of outstanding repurchase transactions and LGFA bonds held as treasury stock.

Bond repurchase transactions:

Maturity date		Unaudited as at 31 December 2018	Audited as at 30 June 2018
15 March 2019	5% coupon	-	1,035
15 April 2020	3% coupon	-	4,076
15 May 2021	6% coupon	-	-
14 April 2022	2.75% coupon	-	-
15 April 2023	5.5% coupon	5,660	-
15 April 2025	2.75% coupon	-	-
15 April 2027	4.5% coupon	-	1,072
14 April 2033	3.5% coupon	-	-
		5,660	6,183

10 Other assets

	Unaudited as at 31 December 2018	Audited as at 30 June 2018
Intangible assets ¹	533	609
Total	533	609

1. Intangible assets comprise acquired and internally developed software costs incurred on the implementation of LGFA's treasury management system.

11 Reconciliation of net profit/(loss) to net cash flow from operating activities

in \$000s	Unaudited six months ended 31 December 2018	Unaudited six months ended 31 December 2017
Net profit/(loss) for the period	6,075	6,036
Cash applied to loans to local government	(1,338,445)	247,203
Non-cash adjustments		
Amortisation and depreciation	4,043	304
Working capital movements		
Net change in trade debtors and receivables	(196)	(207)
Net change in prepayments	(308)	(343)
Net change in accruals	(172)	(142)
Net Cash From operating activities	(1,329,003)	252,851

12 Share Capital

As at 31 December 2018, LGFA had 45 million ordinary shares on issue, 20 million of which remain uncalled. All ordinary shares rank equally with one vote attached to each ordinary share. Ordinary shares have a face value of \$1 per share.

Shareholder Information

	31 December 2018		30 June 2018	
New Zealand Government	5,000,000	11.1%	5,000,000	11.1%
Auckland Council	3,731,960	8.3%	3,731,960	8.3%
Christchurch City Council	3,731,960	8.3%	3,731,960	8.3%
Hamilton City Council	3,731,960	8.3%	3,731,960	8.3%
Bay of Plenty Regional Council	3,731,958	8.3%	3,731,958	8.3%
Greater Wellington Regional Council	3,731,958	8.3%	3,731,958	8.3%
Tasman District Council	3,731,958	8.3%	3,731,958	8.3%
Tauranga City Council	3,731,958	8.3%	3,731,958	8.3%
Wellington City Council	3,731,958	8.3%	3,731,958	8.3%
Western Bay of Plenty District Council	3,731,958	8.3%	3,731,958	8.3%
Whangarei District Council	1,492,784	3.3%	1,492,784	3.3%
Hastings District Council	746,392	1.7%	746,392	1.7%
Marlborough District Council	400,000	0.9%	400,000	0.9%
Selwyn District Council	373,196	0.8%	373,196	0.8%
Gisborne District Council	200,000	0.4%	200,000	0.4%
Hauraki District Council	200,000	0.4%	200,000	0.4%
Horowhenua District Council	200,000	0.4%	200,000	0.4%
Hutt City Council	200,000	0.4%	200,000	0.4%
Kapiti Coast District Council	200,000	0.4%	200,000	0.4%
Manawatu District Council	200,000	0.4%	200,000	0.4%
Masterton District Council	200,000	0.4%	200,000	0.4%
New Plymouth District Council	200,000	0.4%	200,000	0.4%
Otorohanga District Council	200,000	0.4%	200,000	0.4%
Palmerston North District Council	200,000	0.4%	200,000	0.4%
South Taranaki District Council	200,000	0.4%	200,000	0.4%
Taupo District Council	200,000	0.4%	200,000	0.4%
Thames-Coromandel District Council	200,000	0.4%	200,000	0.4%
Waimakariri District Council	200,000	0.4%	200,000	0.4%
Waipa District Council	200,000	0.4%	200,000	0.4%
Whakatane District Council	200,000	0.4%	200,000	0.4%
Whanganui District Council	200,000	0.4%	200,000	0.4%
	45,000,000	100%	45,000,000	100%

13 Loans to local government not yet advanced

As at 31 December 2018, loans to local government totaling \$9 million, and associated borrower notes for \$0.144 million, had been contractually agreed for forward settlement in March 2019

14 LGFA December 2017 bond maturity

The nominal value of the 15 December 2017 6% coupon bond maturity was \$1,015 million. Loans to councils with nominal values totalling \$879 million, and associated nominal borrower notes totalling \$14 million, also matured on 15 December 2017.

15 Related parties

Identity of related parties

The Company is related to the local authorities set out in the Shareholder Information in note 12.

The Company operates under an annual Statement of Intent with the respective local authorities that sets out the intentions and expectations for LGFA's operations and lending to participating local authorities.

Shareholding local authorities, and non-shareholder local authorities who borrow more than \$20 million, are required to enter into a guarantee when they join or participate in LGFA. The guarantee is in respect of the payment obligations of other guaranteeing local authorities to the LGFA (cross guarantee) and of the LGFA itself.

Related party transactions

LGFA was established for the purpose of raising funds from the market to lend to participating councils. The lending to individual councils is disclosed in note 5, and interest income recognised on this lending is shown in the statement of comprehensive income.

The purchase of LGFA borrower notes by participating councils. Refer note 8.

NZDMO provides LGFA with a committed credit facility and is LGFA's derivatives counterparty.

16 Subsequent events

Subsequent to balance date:

LGFA has issued \$190 million in bonds through a tender on 12 February 2019.

On 31 January 2019, Standard and Poor's (S&P) placed the New Zealand Government issuer credit rating on Positive Outlook. The ratings outlook

change applied to the Foreign Currency credit rating of "AA/A-1+" and Local Currency credit rating of "AA+/A-1+".

Following the change to the New Zealand Government outlook, S&P placed the issuer credit ratings of LGFA on positive outlook. The LGFA Foreign Currency credit rating of "AA/A-1+" and Local Currency rating of "AA+/A-1+" have been affirmed by S&P and are now both on positive outlook.

Other disclosures

Whākitanga

Waivers from NZX Limited (NZX)

LGFA's fixed rate bonds are quoted on the NZX Debt Market (LGFA Bonds). NZX has granted LGFA a number of waivers from the NZX Listing Rules.

Waiver from Rule 3.2.1

NZX has granted LGFA a waiver from NZX Listing Rule 3.2.1(a) to the extent that this requires the trust deed under which the LGFA Bonds are issued (Trust Deed) to provide that the appointment of a new trustee is to be approved by an extraordinary resolution of the holders of the Securities to which the Trust Deed relates. Effective from 10 May 2016, LGFA ceased to rely on this waiver as the Trust Deed was amended to comply with NZX Listing Rule 3.2.1(a).

Waiver from Rule 5.2.3

NZX has granted LGFA a waiver from NZX Listing Rule 5.2.3 to the extent that this requires the LGFA Bonds to be held by at least 100 members of the public holding at least 25% of the number of securities of that class issued.

The waiver from NZX Listing Rule 5.2.3 was provided on the conditions that:

- a. LGFA clearly and prominently disclose the waiver, its conditions and its implications in its annual reports and in each profile or Offering Document for the LGFA Bonds;
- b. LGFA will disclose market liquidity as a risk in each offering document (excluding any offering document referred to in paragraph (f) of the definition of "Offering Document" under NZX Listing Rule 1.6.1) for the LGFA Bonds; and
- c. the nature of LGFA's business and operations do not materially change from its business and operations as at the date of the waiver decision.

The effect of the waiver is that the LGFA Bonds may not be widely held and there may be reduced market liquidity in the LGFA Bonds.

Waiver from Rule 6.3.2

NZX has granted LGFA a waiver from NZX Listing Rule 6.3.2 so that the deemed date of receipt of notices for a holder of LGFA Bonds who has supplied LGFA with an address outside of New Zealand, will be five working days after that notice is posted to that physical address.

Net Tangible Assets

Net tangible assets per \$1,000 of listed bonds as at 31 December 2018 is \$7.58 (30 June 2018: \$7.92).

Directory

Rārangi tauwaea



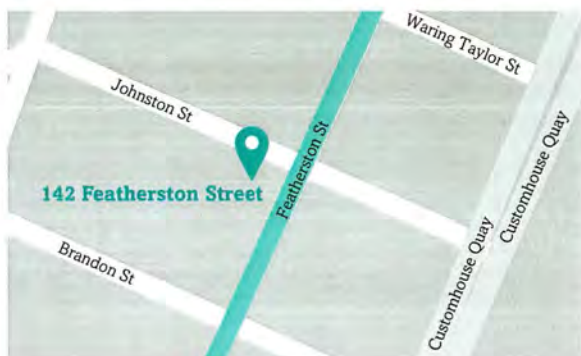
Postal address

PO Box 5704
Lambton Quay
Wellington 6145

Office hours

Monday through Friday,
09.00-17.30 hrs
Except Public Holidays

Street address



WELLINGTON

Level 8
City Chambers
142 Featherston Street
Wellington 6011



Phone

+64 4 974 6530



Personnel e-mail addresses

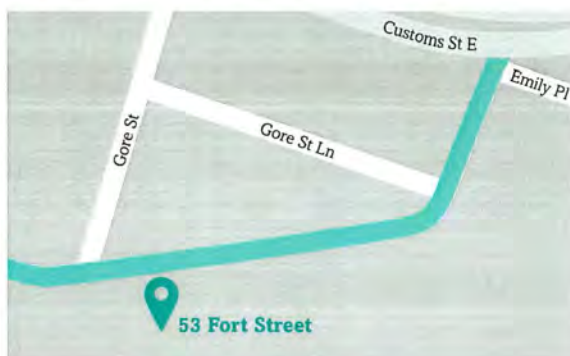
firstname.lastname@lgfa.co.nz

Website

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General enquiries

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NEW ZEALAND LOCAL
GOVERNMENT FUNDING AGENCY
TE PŪTEA KĀWANATANGA Ā-ROHE

www.lgfa.co.nz

Western Bay of Plenty District Council

Council

2019 Triennial Elections and Order of Candidate Names

Purpose

The 2019 triennial Council elections will occur on Saturday 12 October 2019. An update on preliminary matters relating to the election is provided to Council, including consideration of the order of candidate names to appear on the voting documents.

The outcome of the Local Government Commission's determination on representation arrangements (received 8 April 2019) applies to the 2019 Western Bay of Plenty District Council elections (following the representation review undertaken by Council in 2018).

A copy of the Local Government Commission determination and media release is attached (**Attachment A**).

Recommendation

- 1. THAT the Governance Manager's report dated 8 April 2019 and titled 2019 Triennial Elections and Order of Candidate Names be received.**
- 2. THAT the report relates to an issue that is considered to be of low significance in terms of Council's Significance and Engagement Policy.**
- 3. THAT Council resolves for the 2019 triennial elections to adopt either:**
 - the alphabetical order of candidate names;**
 - or**
 - the pseudo-random order of candidate names;**
 - or**
 - the random order of candidate names**
as permitted under regulation 31 of the Local Electoral Regulations 2001.



Kirstie Elder
Governance Manager

1. Background

The 2019 triennial local authority elections are due to occur on Saturday 12 October 2019 and are required to be undertaken according to the Local Electoral Act 2001, the Local Electoral Regulations 2001, the New Zealand Public Health & Disability Act 2000 and, to a limited extent, the Local Government Act 2002.

Certain pre-election information and tasks are outlined in this report for Council's information and attention.

The Local Electoral Regulations 2001 provides for Council to resolve the order of candidate names to appear on the voting documents (alphabetical, pseudo-random or random order). If no decision is made, the order of names defaults to alphabetical.

2019 Elections

Elections will be required for the following positions:

- Mayor (elected 'at large')
- 11 Councillors (elected from 3 wards)
- 20 Community Board Members (elected to represent 5 community board areas)
- 1 or 2 Bay of Plenty Regional Council Members (either 2 members elected from the WBOPDC General Constituency or 1 member from the Mauāo Māori constituency)
- 7 Bay of Plenty District Health Board Members (elected 'at large').

2019 Election Timetable

With an election date of **Saturday 12 October 2019**, the following key functions and dates will apply:

Nominations open/roll open

Friday 19 July 2019

Nominations close/roll closes

Noon Friday 16 August 2019

Delivery of voting documents

From Friday 20 September 2019

Close of voting

Noon Saturday 12 October 2019

A more detailed timetable is attached **Appendix 1** and has been placed on Council's website.

2019 Election Fact Sheet

A 2019 Election Fact Sheet summarising the key functions of the election (**Appendix 2**) is attached and has also been placed on Council's website.

Compilation of non-resident Ratepayer Roll

The compilation of the 2019 non-resident Ratepayer Roll is required to commence early-mid 2019. This will include:

- an insert detailing the qualifications and procedures for enrolment as a ratepayer elector which was included with the February 2019 rates instalment notice (**Appendix 3**);
- a national Ratepayer Roll inquiry hotline operating between 15 April and 30 August 2019;
- a confirmation letter issued to all current ratepayer electors in April 2019;
- a national advertising campaign on the qualifications and procedures for enrolment as a ratepayer elector during May 2019.

Council is able to undertake additional promotion of the Ratepayer Roll if it wishes - such as contacting (letter/email etc) all current or potential ratepayer electors encouraging their enrolment and participation in the electoral process.

Local Government Regulatory System Amendment Act

The Local Government Regulatory Systems Amendment Act 2019 amended section 42 of the Local Government Act 2002 (effective 21 March 2019). The amendment states that the chief executive of a local authority has a duty to facilitate and foster representative and substantial elector participation.

Council is therefore required to promote the election process and particularly to encourage greater participation.

Order of Candidate Names

Regulation 31 of the Local Electoral Regulations 2001 provides the opportunity for Council to choose the order of candidate names appearing on the voting documents from three options – alphabetical, pseudo-random (names drawn out of a hat in random with all voting documents printed in this order) or random order (names randomly drawn by computer with each voting document different).

Council may determine which order the names of candidates are to appear on the voting documents, but if no decision is made, the order of names defaults to alphabetical order.

Council resolved to adopt the pseudo-random order for the 2016 triennial elections.

For Council's information, following a recent analysis undertaken by Auckland Council, research showed there was no compelling evidence that candidates being listed first were more likely to be elected.

Alphabetical Order

Alphabetical order is simply listing candidate surnames alphabetically and is the order traditionally used in local and Parliamentary elections.

Comments regarding alphabetical order are:

- voters are easily able to find names of candidates for whom they wish to vote. Some candidates and voters over the years have argued that alphabetical order may tend to favour candidates with names in the first part of the alphabet, but in practice this is generally not the case most voters tend to look for name recognition, regardless of where in the alphabet the surname lies;
- the order of candidate names on the voting document matches the order listed in the candidate directory (candidate profile statements).

Pseudo-Random Order

Pseudo-random order is where candidate surnames are randomly selected, and the same order is used on all voting documents for that position. The names are randomly selected by a method such as drawing names out of a hat.

Comments regarding pseudo-random order are:

- possible voter criticism/confusion as specific candidate names are not easily found, particularly where there are many candidates;
- the order of candidate names on the voting document does not match the order in the candidate directory (candidate profile statements).

Random Order

Random order is where all candidate surnames are randomly selected and are listed in a different order on every voting document. The names are randomly selected by computer so that the order is different.

Random order enables names to be listed in a completely unique order on each voting document.

Comments regarding random order are:

- the candidate names appear in mixed order (not alphabetical) on the voting document;
- possible voter criticism/confusion as specific candidate names are not easily found, particularly where there are many candidates;
- the order of candidate names on the voting document does not match the order listed in the candidate directory (candidate profile statements).

There is no price differential in printing costs between the three orders of candidate names.

Number of Electors

The number of electors for the 2019 triennial elections is expected to be in the order of 37,000 (as at January 2019 this was 36,895). This compares to 34,177 electors for the 2016 triennial election or +8.3% growth.

Pre-Election Report

Section 99A of the Local Government Act 2002 requires each local authority to prepare a pre-election report. The purpose of the report is to provide information to promote public discussion about the issues facing the local authority. The pre-election report is prepared by the Chief Executive, must contain financial and major project information and is to be completed by 2 August 2019.

Online Voting Trials

Following a strong push by a number of local authorities (led by Auckland Council) in 2018 to trial online voting alongside postal voting for the 2019 local elections, the proposed trial was unfortunately halted due to costs. All security and delivery requirements for the online voting provider were met, but the cost involved forced the decision.

Work on a collaborative approach with relevant government sectors is continuing so as to deliver online voting for the 2022 local elections.

2. Significance and Engagement

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

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

In terms of the Significance and Engagement Policy this decision is considered to be of low significance because it is a legislative requirement.

3. Communication

Interested/Affected Parties	Communication
General Public	The order of candidates' names will be incorporated on statutory voting documents.

4. Issues and Options Assessment

Insert précis of resolution required	
Reasons why no options are available	Legislative or other reference
Council is required to decide the order of names on voting documents in the Local Electoral Regulations 2001.	Local Electoral Act 2001

5. Statutory Compliance

This report meets statutory compliance for elections.

6. Funding/Budget Implications

Budget Funding Information	Relevant Detail
Elections are budgeted	Contained in LTP documentation

ATTACHMENTS

Attachment A Local Government Commission Determination and Media Release

Appendix 1 2019 Election Timetable

Appendix 2 2019 Election Fact Sheet

Appendix 3 Compilation of non-resident Ratepayer Roll



Local Government Commission
Mana Kāwanatanga ā Rohe

Determination

of representation arrangements to apply for
the election of Western Bay of Plenty District Council
to be held on 12 October 2019

Background

1. All territorial authorities are required under sections 19H and 19J of the Local Electoral Act 2001 (the Act) to review their representation arrangements at least every six years. These reviews are to determine the number of councillors to be elected, the basis of election for councillors and, if this includes wards, the boundaries and names of those wards. Reviews also include whether there are to be community boards and, if so, membership arrangements for those boards. Representation arrangements are to be determined so as to provide fair and effective representation for individuals and communities.
2. The Western Bay of Plenty District Council (the council) last reviewed its representation arrangements prior to the 2013 local authority elections. Therefore, it was required to undertake a review prior to the next elections in October 2019.
3. At the time of the last review, the council's initial proposal was for a council comprising the mayor and eight councillors, reduced from the existing 12, elected from three wards. The number of councillors was increased to 11 in the council's final proposal still elected from three wards. The council also proposed to retain the existing five community boards with each comprising four elected and two appointed members. A total of 97 appeals/objections (including 77 form letters) were received.
4. After considering the appeals/objections, the Commission endorsed the council's proposal for 11 councillors elected from three wards. As a result, the ward arrangements for the 2013 and subsequent 2016 elections were as set out in the following table.

Ward	Population*	Number of councillors per ward	Population per councillor	Deviation from district average population per councillor	% deviation from district average population per councillor
Katikati-Waihi Beach	12,165	3	4,055	-110	-2.64
Kaimai	16,375	4	4,094	-71	-1.70
Maketu-Te Puke	17,270	4	4,318	+153	+3.67
Total	45,810	11	4,165		

*Based on Statistics NZ 2011 population estimates

5. The Commission also endorsed the council's proposals for the existing five community boards (Katikati, Waihi Beach, Omokoroa, Maketu and Te Puke).

6. For its current review, the council undertook some informal consultation with the community, using a variety of communication and engagement channels, between 12 March and 6 April 2018. This was with a view to gaining community views on where residents and ratepayers identified their communities of interest and how they viewed the current representation model in terms of this identification and the meeting of their needs for fair representation.
7. From this work the council “identified that the current five community board model no longer reflected the different communities which had changed since the boards were established in 1989, through growth and development in different areas across the district”.
8. “To address the changing face of the district and to achieve a fairer representation model, council has formulated initial representation arrangements which propose:
 - the number of wards across the district remain at the current three wards of Katikati-Waihi Beach, Kaimai and Maketu-Te Puke with one minor boundary adjustment between the Katikati-Waihi Beach and Kaimai wards ...
 - councillor numbers remain at 11 to achieve fair and effective representation within a three-ward model ...
 - the current five community boards be disestablished and replaced post-election with three ward committees with appointed community representation from identified communities of interest within the relevant districts.”
9. At a meeting on 10 July 2018, the council adopted the above model as its initial representation proposal.
10. This resulted in the following proposed ward arrangements.

Ward	Population*	Number of councillors per ward	Population per councillor	Deviation from district average population per councillor	% deviation from district average population per councillor
Katikati-Waihi Beach	13,500	3	4,500	+50	+1.12
Kaimai	17,850	4	4,463	+13	+0.29
Maketu-Te Puke	17,600	4	4,400	-50	-1.12
Total	48,950	11	4,450		

*Based on Statistics NZ 2017 population estimates

11. The council notified its initial proposal on 24 July 2018 and received 460 submissions.
12. In notifying its final proposal, the council analysed the submissions as follows:
 - a) the proposal to disestablish community boards and replace them with community committees:
 - i. 377 opposed with 189 wanting community boards retained and 62 opposed to the proposed community committee appointment process
 - ii. 48 supported
 - b) the proposed minor ward boundary alteration:
 - i. 65 opposed

- ii. 60 supported
 - c) the proposed number of councillors (11) and wards (3):
 - i. 4 opposed.
- 13. At a meeting on 20 September 2018, the council, after considering the submissions, resolved to adopt its final representation proposal as follows:
 - a) the number of councillors, number of wards and minor boundary alteration between two wards as proposed in the council's initial proposal
 - b) retention of four of the five current community boards with their current membership, including one small boundary alteration to the Katikati community
 - c) disestablishment of Omokoroa Community Board
 - d) establishment of a ward councillor committee consisting of the respective ward councillors for each of the following areas:
 - i. whole of Kaimai Ward
 - ii. eastern end of Maketu-Te Puke Ward i.e. all areas not included in the Te Puke and Maketu community boards
 - iii. Matakana Island and Rangiwaea Island of Katikati-Waihi Beach Ward i.e. all the areas not included in the Waihi Beach and Katikati community boards.
- 14. In notifying its final proposal, the council gave the following reasons for its decisions:
 - a) The council is of the view that the current three-ward structure, subject to the proposed ward boundary change, satisfactorily represents the district's communities of interest. It also believes that membership of 11 councillors (plus the mayor) is sufficient to ensure effective representation is provided to constituents.
 - b) The reason for the minor ward boundary adjustment between Kaimai Ward and Katikati-Waihi Beach Ward (and an extension of the Katikati Community Board area) is to better align communities of interest (as identified in the preliminary consultation process).
 - c) The reason for retaining four of the five community boards is the overwhelming number of submissions received supporting the retention of community boards in their area. The reason for disestablishing Omokoroa Community Board is to achieve better representation by establishing a ward councillor committee for all Kaimai Ward.
 - d) To better represent constituents where there are no community boards, ward councillor committees are to be established. Council is of the view that ward councillor committees enable different communities (urban and rural) within the same ward to better address their own interests; and to provide direct contact for Kaimai Ward, the eastern end of Maketu-Te Puke Ward and Matakana Island and Rangiwaea Island residents with their ward councillors.
- 15. The final representation proposal was notified on 4 October 2018 and appeals/objections invited by 5 November 2018. Eleven appeals/objections against the council's final proposal were received.

Appeals/objections against the council's final proposal

16. Appeals/objections against the council's final proposal were received from:
- Karen Summerhays – appealed against the decision not to adopt a mixed system of representation.
 - Anthony Te Uruhi Wihapi on behalf of Ngati Moko Marae Committee – objected to the proposal given the absence of Māori representation and on this basis sought a reduction in the number of members; and did not support the retention of four community boards or establishment of ward councillor committees.
 - Jo Gravit – appealed against the ward and community representation proposals and sought a reduction in the number of councillors and establishment of three democratically elected ward-based community committees.
 - Josephne Burrell – appealed against “wider boundaries and fewer councils” and also provisions for the appointment of committee members.
 - Norman Mayo – appealed against the reduction in wards from five to three; non-inclusion of Matakana Island in Kaimai Ward; disestablishment of Omokoroa Community Board.
 - Western Ward Residents & Ratepayers Assn. – appealed against non-inclusion of Matakana Island in Kaimai Ward; establishment of ward councillor committees; disestablishment of Omokoroa Community Board and non-establishment of two new community boards; non-establishment of separate Waihi Beach Ward.
 - Keith Hay – appealed against the non-inclusion of Matakana Island in Kaimai Ward; disestablishment of Omokoroa Community Board; non-establishment of two new community boards; non-establishment of separate Waihi Beach Ward.
 - Peter & Dianne Dudfield – appealed against the provisions for representation for the Waihi Beach/Bowentown area; and the lack of clarity regarding the constitution of ward councillor committees.
 - George van Dyke – appealed against the proposal to establish ward councillor committees rather than new community boards.
 - Murray Grainger – objected to the proposed ward councillor committee arrangements.
 - Michael Kingston – appealed against the proposed community board and ward councillor committee arrangements.

Hearing of appeals/objections

17. The Commission met with the council and seven of the appellants/objectors who wished to be heard, at a hearing held in Tauranga on 20 February 2019.
18. The council was represented by mayor Garry Webber and chief executive Miriam Taris.

Matters raised at hearing and in appeals/objections

Western Bay of Plenty District Council

19. The mayor gave a presentation outlining the process the council had undertaken during the review and the decisions reached. This included preliminary consultation which attracted 970 responses with mixed feedback on representation options.
20. The mayor referred to the commitment made by the council at the time of the last representation review in 2013 to comprehensively review community board effectiveness. This was in light of the fact the existing community boards covered only 40 per cent of the district. He said the council had now undertaken a review, beginning by seeking residents' views on the communities of interest making up the district.
21. As a result of this review, the council had identified 11 communities of interest. It considered these were reflected in the current three-ward structure with one minor alteration in the boundary between two wards. This was the basis of the council's initial proposal including disestablishment of the existing five community boards and their replacement with three ward committees. He said it was the council's intention that the membership of these committees would be determined through a democratic process though this may not have been made clear by the council.
22. In light of the opposition to disestablishment of the community boards in submissions received on the council's initial proposal, the council was now proposing retention of four of the existing community boards. In relation to the fifth board, Omokoroa, the council considered it would be more equitable and effective to have a ward committee covering all Kaimai Ward. It was also the intention to have ward committees, including ward councillors, in the other two wards for the areas outside the existing community board areas. This would result in district-wide representation at this level.

Karen Summerhays

23. Ms Summerhays said she was concerned the process for consideration of submissions on the council's initial proposal had been truncated with the mayor and four councillors hearing those submissions. She thought her submission, seeking a mixed system of representation with two councillors elected at large, had not been considered in its entirety.
24. She believed the community of interest of the district as a whole needed to be acknowledged and represented. With the growth in the north of the district, current arrangements were not fair for areas like Te Puke, and at large councillors would be able to support the ward councillors. At large representation could also incorporate representation for tangata whenua.

Jo Gravit

25. Ms Gravit read a prepared submission which covered the review process including the reliance placed on online communication and council decision-making on the options. She said she supported establishment of three ward-based community boards, with more consultation on the boundaries for these boards. If these boards were well resourced and had clear delegated powers, then a total of just seven councillors would be necessary.

Anthony Te Uruhi Wihapi

26. Mr Wihapi, on behalf of Ngati Moko Marae Committee, read a submission in support of a formal objection against the council's final representation proposal. This submission was that 60 percent of eligible electors did not vote in the poll on the decision of the council to establish a Maori ward, with only 30 percent voting against that proposal. The result of the poll was, therefore, not the resounding result promoted. The submission was for the Commission to take this into account in making its final determination.
27. The objection to the council's proposal was that the community is seriously over represented on the council by one culture to the detriment of the Treaty partner and that this over-representation requires the council to be reduced. In relation to the final proposal, the submission was the council be reduced to 8 members, including the mayor, from the present three wards and that the four community boards be disestablished. The proposed ward councillor committees are also an unnecessary over duplication.

Norman Mayo

28. Mr Mayo said the 'proof of the pudding' of the final proposal, particularly in relation to the ward councillor committees, will be in the council making it work. He said the nature of the district was such that particular areas could easily be forgotten and he still favoured five wards rather than three for this reason. This was also why residents' and ratepayers' associations were set up such as in Katikati. Mr Mayo said he did not think communities of interest in the district were properly identified and recognised. He tabled a diagram of the Smart Growth initiative as a model for involvement by Maori.

Keith Hay/Western Ward Residents & Ratepayers Association

29. Keith Hay read a submission also on behalf of the Western Ward Residents & Ratepayers Association, which had recently changed its name to Katikati-Waihi Beach Residents & Ratepayers Association to better reflect its area of interest. The submission stated that the association was not convinced the boundary change was necessary to better align communities of interest.
30. The submission sought, in particular, that Matakana Island be moved to Kaimai Ward, the proposed boundary change be abandoned and that the council take population growth projections into account instead of proposing unnecessary boundary changes in future. The association also supported Waihi Beach having its own ward as previously, the retention of all community boards, including Omokoroa, with further boards established in the parts of Kaimai and Maketu-Te Puke wards without community boards.

George van Dyke

31. Mr van Dyke spoke in support of the retention of existing community boards and the establishment of new boards for those areas within Kaimai and Maketu-Te Puke wards currently without boards. He said the current boards worked well and members generally knew each other and what the boards were doing. There had also been a lack of communication by the council about the role of boards.

Murray Grainger

32. Mr Grainger, who is also chairperson of the Omokoroa Community Board, appeared at the hearing in a personal capacity. He said he wished to focus on the unequal representation that would occur from the proposed ward councillor committees with one committee of three councillors proposed for Matakana and Rangiwaea islands with a population of less than 300 (one representative per 100 residents) compared to one committee of four councillors for the whole Kaimai Ward (one representative per 4,100 people).
33. Mr Grainger also said he believed the proposed boundary change was flawed and he suggested an amended boundary adjustment based on what he considered to be the community of interest in the area. He said if community boards were to be retained, he believed there should be one each for the eastern and western areas of Kaimai Ward.

Matters for determination by the Commission

34. Section 19R of the Act makes it clear that the Commission, in addition to consideration of the appeals and objections against a council's final representation proposal, is required to determine, in the case of a territorial authority, all the matters set out in sections 19H and 19J which relate to the representation arrangements for territorial authorities. This interpretation was reinforced by a 2004 High Court decision which found that the Commission's role is not merely supervisory of a local authority's representation arrangements decision. The Commission is required to form its own view on all the matters which are in scope of the review.
35. Given this requirement, any concerns expressed by appellants/objectors relating to the council's review process are not matters that the Commission needs to address. We may, however, comment on a council's process if we believe it would be of assistance to the council in a future review.
36. The matters in scope of the review are:
 - whether the council is to be elected from wards, the district as a whole, or a mix of the two
 - the number of councillors
 - if there are to be wards, the area, boundaries and names of wards and the number of councillors to be elected from each ward
 - whether there are to be community boards
 - if there are to be community boards, the area, boundaries and names of their communities, and the membership arrangements for each board.

Key considerations

37. Based on legislative requirements, the Commission's *Guidelines for local authorities undertaking representation reviews* identify the following three key factors when considering representation proposals:
 - communities of interest
 - effective representation of communities of interest
 - fair representation for electors.

Communities of interest

38. The Guidelines identify three dimensions for recognising communities of interest:
- *perceptual*: a sense of identity and belonging to a defined area or locality as a result of factors such as distinctive geographical features, local history, demographics, economic and social activities
 - *functional*: ability of the area to meet the needs of communities for services such as local schools, shopping areas, community and recreational facilities, employment, transport and communication links
 - *political*: ability to represent the interests of local communities which includes non-council structures such as for local iwi and hapū, residents and ratepayer associations and the range of special interest groups.
39. We note that in many cases councils, communities and individuals tend to focus on the perceptual dimension of communities of interest. That is, they focus on what intuitively they 'feel' are existing communities of interest. While this is a legitimate view, more evidence may be required to back this up. It needs to be appreciated that the other dimensions, particularly the functional one, are important and that they can also reinforce the 'sense' of identity with an area. In other words, all three dimensions are important but should not be seen as independent of each other.
40. In addition to evidence demonstrating existing communities of interest, evidence also needs to be provided of *differences* between neighbouring communities i.e. that they may have "few commonalities". This could include the demographic characteristics of an area (e.g. age, ethnicity, deprivation profiles) and how these differ between areas, and evidence of how different communities rely on different services and facilities.
41. In the case of Western Bay of Plenty, the district is a mix of coastal, urban and rural areas circling Tauranga City and stretching from Waihi Beach in the west to Otamarakau in the east. Communities of interest in the district were recognised at the time of its constitution in 1989, with establishment of five wards for Waihi Beach, Katikati, Kaimai, Maketu and Te Puke. Both Waihi Beach and Katikati, and also Maketu and Te Puke were seen to have sufficient commonalities for these areas to be combined into new wards in 2013 thereby reducing the number of wards to three.

Effective representation of communities of interest

42. Section 19T of the Act requires the Commission to ensure that:
- the election of members of the council, in one of the ways specified in section 19H (i.e. at large, wards, or a mix of both) will provide effective representation of communities of interest within the city
 - ward boundaries coincide with the boundaries of the current statistical meshblock areas determined by Statistics New Zealand and used for parliamentary electoral purposes
 - so far as is practicable, ward boundaries coincide with community boundaries (where they exist).
43. 'Effective representation' is not defined in the Act, but the Commission sees this as requiring consideration of factors including the appropriate total number of elected members and the appropriate basis of election of members for the district concerned (at large, wards, or a mix of both).

44. We note the council comprised 12 councillors from its constitution in 1989 until the 2013 elections when this number was reduced to 11. Two appellants/objectors sought a reduction in the current number of councillors.
45. One appellant sought a reduction on the basis that three “democratically elected ward-based committees” are established. We address the issue of local community representation later in this determination.
46. One objector sought a reduction given what he saw as an absence of representation of one Treaty of Waitangi partner and over-representation of the other. His concern arose from the council’s proposal for the establishment of Māori wards in the district being defeated at a poll of electors.
47. While closely related, the issue of Māori representation by way of Māori wards, is a separate process from the representation review process now being determined. The statutory criteria we are required to apply at this stage in the process are for the fair representation of electors and effective representation of communities of interest. This determination sets out our findings and conclusions on the application of these criteria.
48. The Commission’s Guidelines note the following factors need to be considered when determining effective representation:
 - avoiding arrangements that may create barriers to participation, such as at elections by not recognising residents’ familiarity and identity with an area
 - not splitting recognised communities of interest between electoral subdivisions
 - not grouping together two or more communities of interest that share few commonalities of interest
 - accessibility, size and configuration of an area including access to elected members and vice versa.
49. As noted, Western Bay of Plenty District has been divided into wards since its constitution in 1989, with initially five and now three wards. At least some element of ward representation does seem to us to be appropriate, given the size and geography of the district.
50. We note one appellant sought the introduction of a mixed at large-wards system of representation. She believed this was necessary to reflect the community of interest at the district level and it would help balance representation given high growth in the north-west part of the district.
51. We note firstly, there are pros and cons to each of the options for the basis of election. Secondly, a council is generally in the best position to assess these pros and cons in relation to its own district, as it will know the area better than the Commission. This view, however, is subject to the council going through a good process in assessing the pros and cons, and carefully considering community views throughout the process. In such a case, we see it as appropriate for the Commission to endorse a council’s decision on options such as the basis of election.
52. We heard from the appellant that she was not satisfied the council had seriously considered the mixed system as the basis of election for Western Bay of Plenty District. However, the council later assured us that this option had been the subject of consultation. On this basis, and given just one appellant raised this matter, we are

- sufficiently satisfied to endorse the council's proposal to retain the ward system of representation.
53. The council also proposed to retain the current three wards subject to a boundary alteration between the Katikati-Waihi Beach and Kaimai wards. One objector suggested an adjustment to this based on what he considered to be community of interest grounds. We asked the council to comment on this suggestion and subsequently received its advice.
 54. The council outlined the process it had gone through in reaching its decision to propose the altered boundary. This began with preliminary consultation in March – April 2018 from which the council received 970 items of feedback including the identification of 34 communities of interest. These were subsequently grouped, based on commonalities, into 11 wider communities of interest using councillors' knowledge of the areas concerned. We were advised that the proposed boundary alteration between Katikati-Waihi Beach and Kaimai wards arose from this work "based on Pahoia residents sharing common links with Katikati e.g. educational (including High School), shopping, social link connections".
 55. The council noted that of 422 submissions received on its initial proposal, 297 did not have an opinion on the proposed boundary alteration while 60 supported it and 65 did not. It also noted that most of those who did not support the alteration were residents of Waihi Beach who were possibly concerned at the impact on representation for that area by adding the proposed additional area in the east of the ward.
 56. While some debate on the exact most appropriate location of this ward boundary may still be possible, we see this as a matter for the council to resolve. In the meantime, we are satisfied that the council has considered the matter sufficiently for us to endorse the council's proposal in relation to the boundary alteration.
 57. A further matter that was raised in the appeals/objections and also arose during the hearing was the suggestion that Matakana and Rangiwaea islands would be more appropriately located in Kaimai Ward rather than in Katikati-Waihi Beach Ward as they are at present. We have undertaken some further consultation on this matter with local iwi and raised it specifically with the council. As a result, we have decided not to make any change. This reflects the advice we received that it was a deliberate decision to locate Matakana and Rangiwaea islands in Katikati-Waihi Beach Ward based on whakapapa connections to Tamawhariua at Katikati. While local iwi on the islands currently have concerns about their representation, the location of the islands in Katikati-Waihi Beach Ward is not one of these concerns.
 58. In summary, we have decided to endorse the council's proposal for the retention of the existing three wards subject to the boundary alteration between the Katikati-Waihi Beach and Kaimai wards as proposed by the council, electing a total of 11 councillors. We believe this will achieve effective representation for the communities of interest making up Western Bay of Plenty District.
 59. We note the Commission has received an application for a boundary alteration between Western Bay of Plenty District and Tauranga City seeking the transfer of an area from the district to the city, which it now needs to address. The nature of the statutory reorganisation process, including a requirement to invite alternative applications, means the exact outcome of this process cannot be predicted at this time. In the event that a boundary alteration is made, this may have an impact on the

communities of interest of the district and their future effective representation. This would need to be taken into account in the council's next representation review.

Fair representation for electors

60. For the purposes of fair representation for the electors of a district, section 19V(2) of the Act requires that the population of each ward divided by the number of members to be elected by that ward must produce a figure no more than 10 per cent greater or smaller than the population of the district divided by the total number of members (the '+/-10% rule').
61. The council's proposal for a council comprising the mayor and 11 councillors elected from three wards, complies with the rule.

Communities and community boards

62. Section 19J of the Act requires every territorial authority, as part of its review of representation arrangements, to determine whether there should be community boards in the district and, if so, the nature of those communities and the structure of the community boards. The territorial authority must make this determination in light of the principle in section 4 of the Act relating to fair and effective representation for individuals and communities.
63. The particular matters the territorial authority, and where appropriate the Commission, must determine include the number of boards to be constituted, their names and boundaries, the number of elected and appointed members, and whether the boards are to be subdivided for electoral purposes. Section 19W also requires regard to be given to such of the criteria as apply to reorganisation proposals under the Local Government Act 2002 as is considered appropriate. The Commission sees two of these criteria as particularly relevant for the consideration of proposals relating to community boards as part of a representation review:
 - Will a community board have an area that is appropriate for the efficient and effective performance of its role?
 - Will the community contain a sufficiently distinct community or communities of interest?
64. There have been five community boards (Waihi Beach, Katikati, Omokoroa, Maketu and Te Puke) in Western Bay of Plenty District since 1989.
65. The council initially proposed to disestablish all five boards as part of the current review and replace these with "three ward committees with appointed community representation from identified communities of interest within the relevant districts". However, in light of "the overwhelming number of submissions received supporting the retention of community boards in their area" the council is now proposing to retain four boards and disestablish the fifth, the Omokoroa Community Board. It considers it will achieve "better representation" for the latter area by establishing a ward councillor committee for all the Kaimai Ward.
66. We note a minor boundary alteration to the area of Katikati Community Board is proposed in order that the board's boundary coincides with the altered boundary between Katikati-Waihi Beach Ward and Kaimai Ward. As noted, the altered ward boundary arises from the council's consideration of communities of interest in the area. The alteration to the community board boundary is therefore appropriate and in line with the provisions of section 19U(c) of the Act that ward and community board

boundaries, so far as is practicable, coincide. Accordingly, we endorse this proposed community board boundary alteration.

67. The council is proposing that Omokoroa Community Board be disestablished on the basis that a ward councillors committee for all Kaimai Ward would achieve “better representation”.
68. We note that eight of the 11 appellants/objectors expressed concerns about the council’s proposals for ward councillor committees. These concerns included a lack of clarity about their role and purpose, the appointment process for non-councillor members and, as initially proposed, the committees as replacements for the democratically elected community boards.
69. The establishment of ward/community committees of any form, unlike community boards, is not a matter that comes within the scope of a representation review. Accordingly, we are not able to make any determination in respect of the council’s proposed ward councillor committees. These are matters for the council to consider further and on which to make recommendations to the incoming council following the October elections.
70. However, we note the appellants’ concerns about the committees and, while with one exception they are no longer proposed as replacements for the existing community boards, we are also unclear about their comparative status and role vis-à-vis the current community boards. We did seek some more information about the proposed committees from the council including such matters as proposed delegations. We remain unclear and, in the case of the proposed replacement of Omokoroa Community Board, unconvinced an all of Kaimai Ward committee would provide effective representation for the Omokoroa community.
71. Accordingly we have determined that the Omokoroa Community Board will be retained, with its current membership, alongside the other four existing community boards which will also retain their current membership.
72. We suggest the council gives further consideration to the matter of local community representation across Western Bay of Plenty District and what objectives it is wishing to achieve. We note the council has gone to considerable effort to identify 11 groupings of communities of interest across the district and it appears to us that this is the appropriate starting point for this consideration. These groupings, or further combinations of the groupings, could then be a good base for effective local community representation structures. Depending on the role intended for these structures, the council would then be in a position to consider the relative merits of community boards, community committees or other forms of structure across the district.

Commission’s determination

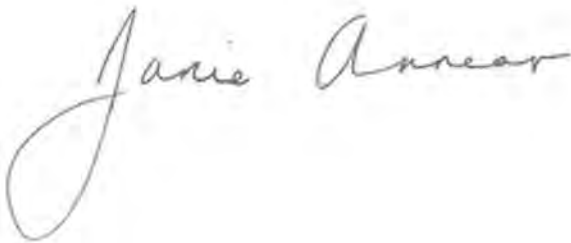
73. Under section 19R of the Local Electoral Act 2001, the Commission determines that for the general election of Western Bay of Plenty District Council to be held on 12 October 2019, the following representation arrangements will apply:
 1. Western Bay of Plenty District, as delineated on Plan LG-022-2019-W-1 deposited with the Local Government Commission, will be divided into three wards.

2. Those three wards will be:
 - a) Katikati-Waihi Beach Ward, comprising the area delineated on Plan LG-022-2019-W-2 deposited with the Local Government Commission
 - b) Kaimai Ward, comprising the area delineated on Plan LG-022-2019-W-2 deposited with the Local Government Commission
 - c) Maketu-Te Puke Ward, comprising the area delineated on Plan LG-022-2013-W-4 deposited with the Local Government Commission
3. The council will comprise the mayor and 11 councillors elected as follows:
 - a) 3 councillors elected by the electors of Katikati-Waihi Beach Ward
 - b) 4 councillors elected by the electors of Kaimai Ward
 - c) 4 councillors elected by the electors of Maketu-Te Puke Ward
4. There will be five communities as follows:
 - a) Katikati Community, comprising the area delineated on Plan LG-022-2019-Com-1 deposited with the Local Government Commission
 - b) Waihi Beach Community, comprising the area delineated on SO Plan 58078 deposited with Land Information New Zealand
 - c) Omokoroa Community, comprising the area delineated on SO Plan 382062 deposited with Land Information New Zealand
 - d) Maketu Community, comprising the area delineated on SO Plan 58102 deposited with Land Information New Zealand
 - e) Te Puke Community, comprising the area delineated on SO Plan 58076 deposited with Land Information New Zealand.
5. The membership of each community board will be as follows:
 - a) Katikati Community Board will comprise four elected members and two members appointed to the community board by the council representing Katikati-Waihi Beach Ward
 - b) Waihi Beach Community Board will comprise four elected members and two members appointed to the community board by the council representing Katikati-Waihi Beach Ward
 - c) Omokoroa Community Board will comprise four elected members and two members appointed to the community board by the council representing Kaimai Ward
 - d) Maketu Community Board will comprise four elected members and two members appointed to the community board by the council representing Maketu-Te Puke Ward
 - e) Te Puke Community Board will comprise four elected members and two members appointed to the community board by the council representing Maketu-Te Puke Ward.
74. As required by sections 19T(b) and 19W(c) of the Local Electoral Act 2001, the boundaries of the above wards and communities coincide with the boundaries of current statistical meshblock areas determined by Statistics New Zealand and used for parliamentary electoral purposes.

LOCAL GOVERNMENT COMMISSION

A handwritten signature in black ink, appearing to read 'P. Paraone', with a large, stylized initial 'P'.

Commissioner Pita Paraone (Chairperson)

A handwritten signature in black ink, appearing to read 'Janie Annear', with a large, stylized initial 'J'.

Commissioner Janie Annear

A handwritten signature in black ink, appearing to read 'B. J. Duffy', with a large, stylized initial 'B'.

Commissioner Brendan Duffy

8 April 2019



Media release

8 April 2019

Commission announces decision on representation arrangements for Western Bay of Plenty District Council

The Local Government Commission today announced its decision that largely existing representation arrangements for Western Bay of Plenty District Council will apply for the 2019 local authority elections.

The Commission has endorsed the decision of Western Bay of Plenty District Council that the existing arrangements of 11 councillors elected from three wards, with one boundary alteration, will apply for the October elections.

The decision means that for the 2019 local authority elections, Western Bay of Plenty District councillors will continue be elected as follows:

Ward	Councillors
Katikati-Waihi Beach	3
Kaimai	4
Maketu-Te Puke	4

In a change from arrangements proposed by the council, the Commission has determined that the Omokoroa Community Board will be retained with its existing area and membership. The Commission endorsed the council's proposal to retain the four other community boards – Katikati, Waihi Beach, Maketu and Te Puke.

There were eleven appeals/objections against the council's proposal.

The determination is available on the Commission's website: www.lgc.govt.nz

Ends

Media contact:

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donald.riezebos@lgc.govt.nz



TIMETABLE Triennial election

Western Bay of Plenty District Council

12 OCTOBER 2019

SATURDAY 12 OCTOBER 2019

Saturday 2 March - Tuesday 30 April 2019	Ratepayer roll enrolment confirmation forms sent [Reg 16, LER]
Saturday 2 March - Saturday 6 July 2019	Preparation of ratepayer roll [Reg 10, LER]
May 2019	National ratepayer roll qualifications and procedures campaign [Sec 39, LEA]
Monday 1 July 2019	Electoral Commission's enrolment update campaign commences
Wednesday 17 July 2019	Public notice of election, calling for nominations, rolls open for inspection [Sec 42, 52, 53, LEA]
Friday 19 July 2019	Nominations open / roll open for inspection [Sec 42, LEA]
Friday 16 August 2019	Nominations close (12 noon) / roll closes [Sec 5, 42, 55 LEA, Reg 21, LER]
Wednesday 21 August 2019	Public notice of day of election, candidates' names [Sec 65, LEA]
by Monday 16 September 2019	Electoral officer certifies final electoral roll [Sec 51, LEA, Reg 22, LER]
Friday 20 September - Wednesday 25 September 2019	Delivery of voting documents [Reg 51, LER]
Friday 20 September - Saturday 12 October 2019	Progressive roll scrutiny [Sec 83, LEA] Special voting period [Sec 5 LEA, Reg 35, LER] Early processing period [Sec 80, LEA]
by Friday 11 October 2019	Appointment of scrutineers (12 noon) [Sec 68, LEA]
Saturday 12 October 2019	Election day [Sec 10, LEA] Close of voting (12 noon) [Sec 84, LEA] Progress and preliminary results available as soon as practicable after close of voting [Sec 85, LEA]
Saturday 12 October (pm) - Thursday 17 October 2019	Official count [Sec 84, LEA]
Thursday 17 October - Wednesday 23 October 2019	Declaration of result/public notice of declaration [Sec 86, LEA]
mid-December 2019	Return of electoral donations & expenses form [Sec 112A, LEA]

LEA = Local Electoral Act 2001

LER = Local Electoral Regulations 2001



FACT SHEET

Triennial election

Western Bay of Plenty District Council

12 OCTOBER 2019

GENERAL

Triennial elections for elected members of most local authorities throughout New Zealand are to be conducted, by postal vote, on Saturday 12 October 2019.

The elections will be conducted under the provisions of the Local Electoral Act 2001 and the Local Electoral Regulations 2001 and will be undertaken by Election Services, under contract to Western Bay of Plenty District Council.

POSITIONS

During 2018, Western Bay of Plenty District Council undertook a representation arrangements review (review of number of elected members, wards, community boards, etc). The final proposal retains the current number of councillors and wards with minor ward boundary changes and some changes to community boards.

The final proposal, subject to a Local Government Commission determination, will require elections for the following positions:

- Mayor (elected 'at large')
- Councillors (11)
 - Kaimai Ward (4)
 - Katikati-Waihi Beach Ward (3)
 - Maketu-Te Puke Ward (4)
- Community Board Members (16)
 - Katikati Community (4)
 - Maketu Community (4)
 - Te Puke Community (4)
 - Waihi Beach Community (4)
- Bay of Plenty Regional Council Members (either 2 members from the Western Bay of Plenty General Constituency, or 1 member from the Mauāo Māori Constituency)
- Bay of Plenty District Health Board Members (7 members elected 'at large').

NOMINATIONS

Nominations for the above positions will open on **Friday 19 July 2019** and close at **noon** on **Friday 16 August 2019**.

Nomination papers will be available during this period from:

- Council's Main Office, Barkes Corner, 1484 Cameron Road, Greerton, Tauranga
- The Centre - Pātuki Manawa, 21 Main Road, Katikati

- Omokoroa Library & Service Centre, McDonnell Street, Omokoroa
- Te Puke Library & Information Service Centre, 130 Jellicoe Street, Te Puke
- Waihi Beach Library & Service Centre, Waihi Beach Road, Waihi Beach
- by accessing www.westernbay.govt.nz;
- by telephoning the electoral office on 0800 922 822.

To be eligible to stand for election, a candidate **must** be:

- a New Zealand citizen (by birth or naturalisation ceremony); **and**
- enrolled as a Parliamentary elector (anywhere in New Zealand); **and**
- nominated by two electors whose names appear on the electoral roll within the respective area that a candidate is standing for.

Detailed candidate information handbooks will be available from the electoral office from May 2019.

ELECTORAL ROLL

Those eligible to vote in the election are all resident electors and non-resident ratepayer electors whose names appear on the electoral roll when it closes on Friday 16 August 2019. The Preliminary Electoral Roll will be available for public inspection from **Friday 19 July 2019** to **Friday 16 August 2019** at the above locations.

Resident Roll: All parliamentary electors, including those on the Māori Electoral Roll, are automatically enrolled on the Resident Roll, at the address where they live.

Any alterations to the Resident Roll (eg change of address details, including new postal addresses) should be made by:

- completing the appropriate form at any post shop;
- phoning 0800 ENROLNOW (0800 367 656)
- accessing the Electoral Commission website on www.elections.org.nz

Ratepayer Roll: If a person is on the parliamentary roll in one area and pays rates on a property in another area, this person may be eligible to be enrolled on the non-resident ratepayer roll. A firm, company, corporation or society paying rates on a property may nominate one of its members or officers as a ratepayer elector (provided the nominated person resides outside the area). Ratepayer Roll enrolment forms are available at all Council offices, by accessing www.westernbay.govt.nz or by phoning the electoral office on 0800 922 822.

ELECTORAL SYSTEM

The first past the post (FPP) electoral system will be used for all elections except for the Bay of Plenty District Health Board which will use the single transferable voting (STV) electoral system.

VOTING PERIOD

Voting documents will be sent to all eligible electors, by post, from **Friday 20 September 2019**.

The voting period is three weeks (**Friday 20 September 2019 to noon Saturday 12 October 2019**). Electors may post their completed voting documents back to the electoral officer using the orange pre-paid envelope sent with their voting document. Polling places for the issuing of special voting documents and for the receiving of completed voting documents will be available from Friday 20 September 2019 to noon Saturday 12 October 2019 at all Council offices.

To be counted, all completed voting documents must be in the hands of the electoral officer or an electoral official by **noon Saturday 12 October 2019**.

Progress results will be known early afternoon, and preliminary results will be known early on Sunday morning, 13 October 2019. These will be accessible on Council's website www.westernbay.govt.nz

CONTACT US

For further information regarding this election, please contact the electoral office:



Dale Ofsoske, Electoral Officer
Western Bay of Plenty District Council
C/o PO Box 5135, Wellesley Street, Auckland 1141
Email: info@electionservices.co.nz
Phone: **0800 922 822**





WHEREVER YOU
PAY RATES IT PAYS
TO VOTE

DO YOU LIVE IN ONE AREA AND PAY RATES ON A PROPERTY IN ANOTHER?

Then you may qualify to vote more than once at the local authority elections on 12 October 2019

- If you live and vote in one council district, but also pay rates on a property in another district, you may be eligible to enrol as a non-resident ratepayer elector in that other council district.
- If your council district has community or local board established, and you are a residential elector in one community or local board area and pay rates on a property in another community or local board area, you may be eligible to enrol as a ratepayer elector in that other community or local board area.
- A firm, company, trust, corporation or society which pays rates on a property may nominate one of its members or officers as a non-resident ratepayer elector, provided that the nominator and the person nominated are both registered as Parliamentary electors at addresses which are outside the council district within which the property is situated.
- In the case of partners, joint tenants and tenants in common, who collectively pay rates on a property, one of the group may be nominated to be entered on the ratepayer electoral roll. Again, the nominated person and the nominator must be registered as Parliamentary electors at addresses which are outside the council district within which the property is situated.

Note: The term 'council district' includes a city, district and regional council area.

Eligibility to enrol or be nominated will depend on individual circumstances

In each case only one ratepayer elector can be nominated, irrespective of the number of properties owned by the firm, company, society, trust, partnership or ratepayer in a council district.

New Ratepayer Electors

If you think you may be eligible to enrol or to nominate a person for the ratepayer electoral roll, you will need to obtain an Enrolment Form for Ratepayer Electors from the city or district council to which you pay your rates.

If you are on the Parliamentary electoral roll you will automatically be on the local authority residential electoral roll

If you want further information please phone toll free

0800 54 8683

0800 LG VOTE

(from 15 April 2019 to 30 August 2019)



Western Bay of Plenty District Council**Council****Conflict of Interest Policy (Revised)**

Purpose

The purpose of this report is to request Elected Members review Council's Conflict of Interest Policy (Revised) and approve any amendments accordingly.

Recommendation

- 1. THAT the Group Manager, Finance and Technology Services report dated 9 April 2019 and titled "Conflict of Interest Policy (Revised)" be received.**
- 2. THAT the report relates to an issue that is considered to be of low significance in terms of Council's Significance and Engagement Policy.**
- 3. THAT Council note the revised Policy has been reviewed and approved for submission to Council by the Operational Management Team on 9th April 2019.**
- 4. THAT Council approve the revised Conflict of Interest Policy (Revised) with the following amendments....**



Kumaren Perumal
Group Manager, Finance and Technology Services

1. Background

As part of Councils interim audit carried out by Audit New Zealand for the year ending 30 June 2018, a number of recommendations were made to improve Councils existing Conflicts of Interest Policy.

As part of their review, Audit New Zealand compared the Policy to the Office of the Auditor-General's good practice guide "*Managing conflicts of interest: guidance for public entities*". Based on this, a revised and improved Conflicts of Interest Policy (Revised) is submitted to Council for approval (**Appendix A**).

2. Significance and Engagement

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

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

In terms of the Significance and Engagement Policy this decision is considered to be of low significance because:

- It is a legislative requirement for councils to hold/adhere to a Conflicts of Interest Policy.

3. Engagement, Consultation and Communication

Interested/Affected Parties	Completed/Planned Engagement/Consultation/Communication
All Staff	All staff to be notified accordingly and the updated Policy to be uploaded to the Policy library on the intranet.
General Public	The approved Conflicts of Interest Policy be uploaded to Council's website.

4. Issues and Options Assessment

<i>THAT Council approve the revised Conflicts of Interest Policy with the following amendments.....</i>	
Reasons why no options are available	Legislative or other reference
<p>The Conflicts of Interest Policy was last reviewed by the Policy Committee in February 2018 and has been updated to reflect recommendations made by Audit New Zealand as part of the interim audit for the year ending 30 June 2018.</p> <p>Council is requested to approve the Policy and amend accordingly.</p>	<ul style="list-style-type: none"> - Local Government Act 2002, sections 100 and 101 (financial prudence) - Local Authorities (Members' Interests) Act 1968 - The Protected Disclosures Act 2000 - The Secret Commissions Act 1910 - The Crimes Act 1961, sections 99, 105 and 105A.

5. Statutory Compliance

The recommendations comply with legislation and Council's associated policies as noted above.

6. Funding/Budget Implications

Budget Funding Information	Relevant Detail
	Not applicable.



Management Policy

Conflict of Interest Policy

Relevant Legislation

Local Government Act 2002
Local Authorities (Members' Interests) Act 1968

Purpose

The purpose of this policy is to:

- promote integrity and to preserve public trust in Western Bay of Plenty District Council by avoiding perceived or actual bias
- protect Elected Members, Members of Community Boards and Council officers and staff.

In accordance with relevant legislation and guidance from the Office of the Auditor-General, this Policy defines a range of circumstances that may constitute conflicts of interest along with procedures for identifying and managing these.

1. Policy

- 1.1 Each individual council officer, elected member and member of a community board is responsible for identifying and declaring conflicts of interest.
- 1.2 A conflict of interest can arise where two different interests overlap, i.e. in any situation where a person has a financial interest, a private or personal interest or business interest sufficient to influence or appear to influence the impartial exercise of their official duties or professional judgement.
- 1.3 The existence of a conflict of interest may not necessarily mean that the officer or elected member concerned has done anything wrong or that the interests of Council or the public have been compromised. For a council officer or elected member a conflict of interest that creates risks may be where their duties or responsibilities to Council could be affected by some other interest or duty they may have. For example, other interests or duties might exist for an officer or elected member because of their own financial affairs; a relationship (private or personal interest) or other role (e.g. a business or community interest) that the officer or elected member has; or something the officer or elected member has said or done.

2. Principles

- 2.1 Council officers and elected members are to conduct themselves at all times under the following principles, ensuring:
 - self-interest or personal factors are not permitted to influence their decision making
 - every precaution is taken to avoid a situation where a conflict of interest, or any perception of a conflict of interest could arise in carrying out their duties

Conflict of Interest Policy

- that financial, familial, personal or business relationships or interests do not in fact, nor appear to, unfairly advantage or disadvantage other Council officers, elected members or other individuals or organisations
 - staff must inform their manager as soon as practicable if an actual, perceived or potential conflict of interest arises. Their manager is responsible for taking appropriate steps to resolve the situation
 - If a conflict of interest arises between colleagues working in the same area, or who are in a supervisory relationship with each other and the conflict cannot be resolved, it may be necessary for one or more parties to the conflict to be placed in another reporting context within Council
 - Council officers and elected members must not be involved in the appointment process of people with whom they have a close personal or familial relationship
- the highest standards of behaviour in accepting gifts or rewards. Any gift that might attract the suspicion of improper motive, or which obligates the individual should not be accepted. In any event all gifts offered (received or not) are to be declared in the appropriate gifts register
- Council's name, resources, information and time are not used for private or personal benefit without prior written consent of an authorised person
- If an elected member is in any doubt as to whether they should declare an interest and stand aside from decision making (including a decision to take no action), then they should inform the Mayor immediately and seek advice from the Office of the Auditor-General (as to whether there is a financial interest) or from their own legal advisor.
- If a Council officer is in any doubt as to whether they should declare an interest and stand aside from decision making (including a decision to take no action), then they should inform and seek guidance from the Governance Manager.

3. Consequence of breach of this Policy

3.1 Elected Members:

If an Elected Member has a financial interest in a matter and participates in discussion and voting on it, they will have committed an offence under the LAMIA. In the event of a conviction, an elected member can be removed from office.

An elected member's bias (whether actual or perceived) has the potential to invalidate the particular decision made, or the action taken, by Council (if successfully challenged by way of judicial review). If an Elected Member's conduct has contributed to Council incurring a loss; that conduct could also result in personal financial liability under section 46 of the Local Government Act (2002).

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- 3.2 Under the Local Authorities (Members' Interests) Act 1968 (LAMIA) an elected member will be disqualified from office, or from election to office, if that member is concerned or interested in contracts or subcontracts (either directly or indirectly) under which payments made by (or on behalf of) Council exceed \$25,000 in any financial year (unless there is an exemption granted by the Office of the Controller and Auditor-General).
- 3.3 The \$25,000 payment limit includes GST. The limit relates to the value of all payments made for all contracts in which a member is interested during the financial year. It does not apply separately to each contract, nor is it just the amount of the profit the contractor expects to make or the portion of the payments to be personally received by the member.
- 3.4 Council Officers:
For Council officers, breach of this policy may be considered a material breach of Council's Policies and Procedures and may be subject to Council's disciplinary process.

4. Responsibilities

- 4.1 Council officers and elected members are responsible for identifying and disclosing conflicts of interest. The occurrence of an actual, potential or perceived conflict of interest is not in itself an indication of misconduct, however failure by a council officer to declare a conflict of interest could result in disciplinary action up to and including dismissal. Elected members may be removed from office for certain breaches of the LAMIA and are required to exercise their roles and duties in accordance with established principles of fairness and judicial responsibility. Elected members' obligations of conduct are set out in the Western Bay of Plenty District Council's Code of Conduct.
- 4.2 Conflicts of interest must always be declared as they constitute potential risks to Council, which must be managed. Such risks may not be limited to pecuniary interests but may include damaging Council's reputation with regard to the integrity of decision-making processes and public trust.
- 4.3 Council officers and elected members, including community board members and committee appointees should acquaint themselves with the Associated Policies and Procedures.
- 4.4 All senior Council officers are responsible for applying this policy and ensuring that their staff adhere to it. If Council officers are unclear about the application of this policy to specific circumstances or situations they should seek clarification from their manager who may seek clarification or advice from their Group Manager.
- 4.5 All senior Council officers (third tier managers and above) and all elected members including members of community boards must disclose at least annually in writing, any significant interests they may have in other organisations.

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Disclosure provides transparency and protects those concerned from allegations of duplicity and enables the avoidance of being unwittingly placed in situations that may lead to a conflict of interests. Council staff declarations will be held in the Council Officers' Interests Register, and the elected members' and community board members' declarations will be held in the Elected Members' Interests Register, with both registers being maintained by the Governance Manager.

- 4.6 It is important that Council officers and elected members have access to good information and training that is regularly reviewed and updated so they are clear about what to do if they think they have a conflict of interest at any stage, and fully understand their responsibility to identify and disclose it.
- 4.7 Training includes receiving and dealing with disclosures of conflicts of interest, knowing how and when to access professional advice and support, and handling complaints or breaches of the policy.
- 4.8 The process for investigation and determination of complaints is outlined in Appendix One.

5. Definitions

- 5.1 A conflict of interest is any situation when a person has a financial interest, a private or personal interest or business interest sufficient to influence or appear to influence the impartial exercise of their official duties or professional judgement. The potential actual or perceived conflicts of interests detailed below, do not constitute an exhaustive list. It is not possible to anticipate every situation and some situations will require Council and management to exercise judgement on a case by case basis.

See (Appendix 3) for definition descriptions.

- 5.2 **Financial Interest**
The term financial interest means anything of monetary value, including but not limited to:
- Salary or payments for service, e.g. consulting fees and honoraria
 - Equity interests, e.g. stocks, stock options and other ownership interests
 - Koha gifts and hospitality
 - Allowances, forgiveness or debts, interests in real estate or personal property, dividends, rents, capital gains; and
 - Intellectual property rights, e.g. patents, copyrights and royalties from these rights.

The term financial interest does not include salary or other remuneration received from or approved by Council.

- 5.3 **Personal Interest**
A Council officer or elected member has a personal interest in a matter if their spouse or partner, or other person in their family with whom there is a close friendship, could be advantaged or disadvantaged by any decision that the

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officer or elected member either can make, or does make, or is in a position to influence.

5.4 Business Interest

A Council officer or elected member will have a business interest in an enterprise seeking to do business with the Council if they:

- are a director of the enterprise
- are an owner of or partner in the enterprise
- have a significant shareholding (equal to or greater than 20% shareholding) in the enterprise
- have a close personal or familial relationship with a person who is an owner or partner or significant shareholder in the enterprise.

6. Identifying and Managing Conflicts of Interest

6.1 Council officers and elected members are responsible for identifying and managing conflicts of interest. Guidelines to assist with this are provided in **Appendix 1**.

Refer to **Appendix 2** for the Process for the investigation and determination of conflicts of interest and/or complaints relating to this Policy.

Associated Policies and Guidelines

Fraud and Corruption Prevention Policy
Sensitive Expenditure Policy
Human Resource Policies and Procedures

Codes of Conduct

Code of Conduct (Elected Members)
Code of Conduct (Community Board Members)

Associated Procedures

Payments to Related Parties
Declaration of Interests (Elected Members)
Declaration of Interests (Community Board Members)
Declaration of Interests (Management Staff)
Declaration of Gifts received/offered (Elected Members)
Declaration of Gifts received/offered (Community Board Members)
Declaration of Gifts given/offered (Elected Members)
Declaration of Gifts given/offered (Community Board Members)
Declaration of Gifts received/offered] (Employees)
Declaration of Gifts given/offered (Employees)

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1. Guidelines for Identifying and Managing Conflicts of Interests

1.1 What is a conflict of interest?

A conflict of interest is any situation where a person has a financial interest, a private or personal interest or business interest sufficient to influence or appear to influence the impartial exercise of their official duties or professional judgement.

Conflicts of interest may be actual or perceived to exist or potentially exist at some time in the future.

Perception of a conflict of interest is important to consider because public confidence in the integrity of the Council is paramount.

1.2 Is it wrong to have a conflict of interest?

A conflict of interest in itself is not necessarily detrimental or unethical. However, it is unethical and may be detrimental to fail to disclose and appropriately manage a conflict of interest.

It is impossible to eliminate all situations that may lead to a conflict of interest but such situations can be managed to avoid the adverse effects that could result. This Policy is not intended to regulate or eliminate all occurrences of conflicts of interest but enables officers and elected members to recognise situations that may be subject to scrutiny and ensure those situations are dealt with properly.

1.3 Recognising an actual or potential conflict of interest

Being aware of the most common types of conflict of interest and the areas of Council where they are most likely to arise will assist in recognising actual, potential and perceived conflicts of interest.

The most common types of conflict of interest arise from financial, personal and/or business interests as detailed above in 5.2, 5.3, 5.4 of Council's Conflict of Interest Policy.

Every area of Council has the potential for incidences of conflicts of interest however, the most sensitive areas are expected to be:

- tenders and contracts
- procurement
- allocation of grants
- gifts, benefits and hospitality
- sponsorship
- recruitment, selection and appointment
- secondary employment.

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1.4 Identifying and determining conflicts of interest

Mindful of the types of conflict of interest (financial, personal, business) and most likely areas (as above), ask yourself the following questions:

- **Public duty versus private interest**
Do I have personal or private interests that may conflict or be perceived to conflict with my duties for Council, my public duties?
- **Potential conflicts**
Could there be benefits for me now or in the future that could cast doubt on my objectivity?
- **Perception**
Perception is paramount. How will my involvement in this decision/action be viewed by others? Are there any risks associated for Council or me?
- **Proportionality**
Does my involvement in the decision appear fair and reasonable in all the circumstances?
- **Presence of mind**
What are the consequences if I ignore or fail to declare a conflict of interest? What if my involvement is questioned publicly?
- **Promises**
Have I made any promises or commitments in relation to the matter? Do I stand to gain or lose from the proposed action/decision?

1.5 Managing Conflicts of interest

Ways in which conflicts can be managed include:

- **Record/register**
Maintaining a register of declared interests is unlikely to resolve actual or perceived potential conflicts of interest but presents opportunities for managing conflicts of interest. The following strategies, if appropriately employed, may be sufficient to remove, isolate or mitigate any risk.
- **Restrict**
It may be appropriate to restrict involvement in the matter, e.g. refrain from taking part in debate about a specific issue; abstain from voting on decisions, and/or restrict access to information relating to the conflict of interest. If this situation occurs frequently, an ongoing conflict of interest is likely, and consideration should be given to other options.

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- **Recruit**
If it is impractical to restrict involvement, an independent third party may be engaged to participate in, oversee or review the integrity of the decision-making process.
 - **Remove**
Removal from involvement in the matter altogether is the best option when ad hoc or recruitment strategies are not feasible or are inappropriate.
 - **Relinquish**
Relinquishing the personal or private interests may be a valid strategy for ensuring there is no conflict with public duty. This may include relinquishing shares or membership of a club or association.
 - **Resign**
Resignation may be an option if the conflict of interest cannot be resolved in any other way, particularly where conflicting private interests cannot be relinquished.
- 1.6 Council officers and elected members have an obligation to serve the best interests of the Western Bay of Plenty District Council. Secondary employment could potentially lead to a conflict of interest. Council Officers must seek management approval prior to being engaged in secondary employment. Elected members and Community Board Members are required to declare any potential, actual or perceived conflict or interest, including employment and business interests, when they arise.
- 1.7 Council officers and elected members are personally responsible for identifying and declaring conflicts of interest and must take every precaution to avoid situations where a conflict of interest may arise, or be perceived to arise, in carrying out their duties.
- 1.8 Each individual situation arising must be managed in consideration of its unique circumstances. Case studies provided by the Office of the Auditor-General in the good practice guide, *Managing conflicts of interest: Guidance for public entities*, June 2007, should be used for reference only.

Process for the investigation and determination of conflicts of interest and/or complaints relating to this Policy

Summary

There is a five-stage process for dealing with the investigation and determination of conflicts of interest and/or complaints under this Policy:

Stage 1: Acknowledgement of the complaint and the respondent is informed.	Employees and Elected Members
Stage 2: Preliminary assessment of the complaint – led by either the CEO or an independent investigator.	
Stage 3: Informal resolution of complaint (where alleged breach is considered non-material).	Elected Members
Stage 4: Independent investigator assessment where: <ul style="list-style-type: none"> • the alleged breach is considered material; • the complaint has not been able to be resolved informally; or • the complaint is otherwise referred to an independent investigator by the CEO. 	
Stage 5: The Council's consideration of the investigator's report.	

Note:

The Policy applies to the identification and management of conflicts of interest that arise in relation to the role and duties of council officers and elected members. Elected members are required to comply with the provisions of the Code of Conduct for Elected Members, which sets out further detail regarding disclosure and the receipt of complaints regarding conflicts of interest.

Stage 1: Acknowledgment of complaint

1. Within two working days of receipt of a complaint, the CEO will:
 - a. acknowledge receipt and refer the complainant to the process for dealing with the complaint under this Policy.
 - b. inform the respondent that a complaint has been made against them and refer them to the process for dealing with the complaint under this Policy.

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Stage 2: Preliminary assessment of complaint

2. Where a complaint relates to an employee, the assessment process set out below will be carried out by the CEO and thereafter Council's Human Resources Policies and procedures will be followed.
3. In the case of an elected member the following procedure applies, however the assessment will be managed by the CEO and the Mayor (or Deputy Mayor where the complaint relates to a conflict of interest in respect of the Mayor).

Complaints relating to Elected Member conduct will be made to the persons specified on page 15 of the Code of Conduct for Elected Members, being the CEO, Mayor or Deputy Mayor, as applicable. The exact nature of the action taken by Council will depend on the nature of the breach and whether there are statutory provisions dealing with the breach.

The CEO will assess whether:

- a. the complaint is frivolous or without substance and should be dismissed;
 - b. the complaint is outside the scope of this Policy and should be redirected to another agency or process;
 - c. the subject of the complaint has previously been assessed and actions have been completed in accordance with this Policy to address the complaint;
 - d. the complaint is not material and should progress to informal resolution (refer to Stage 3); or
 - e. the complaint is material and a full investigation is required by an independent investigator.
4. The CEO may request further information/evidence from the complainant in support of the complaint and, if considered appropriate, may also request a preliminary statement in response from the respondent.
 5. Where the CEO determines the complaint falls under paragraphs 2(a) or (c) above, the CEO will inform the complainant and the respondent directly. The CEO will also inform other elected members of the decision, unless there are grounds for the matter to remain confidential.
 6. If it is determined that the complaint involves a potential legislative breach and is outside the scope of this Policy, the CEO will forward the complaint to the relevant agency and inform both the complainant and respondent of the action.
 7. Where the CEO (and in the case of an elected member, the Mayor or Deputy Mayor) determine the complaint is material, the matter must immediately be referred to an individual investigator for assessment (Stage 4).
 8. The CEO has full discretion to refer any complaint to an independent investigator at any stage, even if it is considered not material.

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9. The preliminary assessment of a complaint under Stage 2 will be completed within seven working days of receipt of the complaint. If additional time is required to complete the assessment, the CEO must notify the complainant and respondent with the date when the preliminary assessment is expected to be completed.

Stage 3: Informal Resolution

10. Where the CEO (and in the case of an elected member, the Mayor or Deputy Mayor) determine the complaint falls under paragraph 2(d) (refer to Stage 2), they will endeavor to settle the matter informally between the parties within 10 working days from the completion of Stage 2. The process for informal resolution must be fair to, and include, the affected parties.
11. The outcome of this initial process may be that the parties reach an informal agreement to resolve the complaint, in which case no further action is required. A written record of the informal agreement must be kept by the CEO's office.
12. If agreement is not possible between the parties under Stage 3, the CEO will refer the complaint to an independent investigator for full investigation.
13. For clarity, Stage 3 is not available if the complaint has been assessed as material under Stage 2 or referred to an independent investigator under paragraph 7 above.

Stage 4: Independent Investigator Assessment

14. Where the CEO (and in the case of an elected member, the Mayor or Deputy Mayor) determines the complaint falls under paragraph 2(e) in Stage 2, or the complaint is not otherwise resolved, the CEO will refer the complaint to an independent investigator selected from the approved Panel of Independent Investigators.
15. On receipt of a complaint the investigator will, if appropriate, assess whether:
 - a. the complaint is frivolous or without substance and should be dismissed;
 - b. the complaint is outside the scope of this Policy and should be redirected to another agency or process;
 - c. the subject of the complaint has previously been assessed and actions have been completed in accordance with this Policy to address the complaint;
 - d. the complaint is non-material; or
 - e. the complaint is material and a full investigation is required.

Principles

16. The following principles will guide any processes for investigating and determining whether a breach under this Policy has occurred:
 - a. that the approach for investigating and assessing a complaint will be proportionate to the apparent seriousness of the breach complained about;

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- b. that the roles of complaint, investigation, advice and decision making will be kept separate as appropriate to the nature and complexity of the alleged breach; and
 - c. that the concepts of natural justice and fairness will apply in the determination of any complaints made under this Policy. This requires, conditional on the nature of an alleged breach, that affected parties:
 - have a right to know that an investigation process is underway;
 - are given due notice and are provided with an opportunity to be heard;
 - have a right to seek appropriate advice and be represented;
 - have their privacy respected.
17. The investigator must carry out their assessment in accordance with the principles and within the terms of engagement provided by the CEO. The assessment must be completed and sent to the CEO as soon as possible, no later than 20 working days from the date the complaint is referred to the investigator (unless otherwise agreed with the CEO).
18. In making the assessment, the investigator may make whatever initial inquiry is necessary to determine the materiality of an alleged breach and to recommend the appropriate course of action. The investigator has full discretion to recommend any complaint is dismissed which, in their view, fails to meet the test of materiality.
19. On receiving the investigator's assessment, the CEO will:
- a. where an investigator determines that a complaint is frivolous or without substance or previously been assessed and actioned under the Policy, inform the complainant and the respondent directly and inform other elected members (if there are no grounds for confidentiality) of the investigator's decision; or
 - b. in cases where the investigator finds that the complaint involves a potential legislative breach and is outside the scope of this Policy, forward the complaint to the relevant agency and inform both the complainant and respondent of the action.

Stage 4A: Actions where a breach is found to be non-material – Elected Members

20. The investigator will inform the CEO if they find the breach is non-material as part of their assessment (under Stage 4), and, if they choose, recommend a course of action appropriate to the breach, such as the respondent:
- a. receiving direction from the CEO and the Mayor (or Deputy Mayor as appropriate) regarding behaviour or conduct expected from elected members (as applicable);
 - b. attending appropriate training or counselling to better understand the behaviour or conduct that is expected from elected members (as applicable) in circumstances that led to the complaint.
21. The CEO in consultation with the Mayor (or Deputy Mayor, as appropriate) may determine which recommendation, if any, from the independent investigator's assessment should be actioned. The CEO will advise both the complainant and the respondent of the investigator's findings, which are not open to challenge, and any recommendations to be actioned. The CEO will also notify other elected members, unless there are grounds of confidentiality.

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A written record must be kept by the CEO's office.

22. If the CEO and the Mayor (or Deputy Mayor) do not agree on the investigator's recommendations to be actioned, the CEO must report the investigator's assessment to Council for determination (refer to Stage 5).

Stage 4B: Actions where a breach is found to be material – Elected Members

23. The investigator will inform the CEO if they find that the breach is material as part of their assessment (Stage 4). The CEO will then inform the complainant and respondent. The investigator will then prepare a report for the Council on the seriousness of the breach.
24. In preparing the report the investigator must:
- consult with the complainant, respondent and any affected parties; and
 - refer to any relevant documents or information provided by the CEO, and may undertake a hearing with relevant parties.
25. On receipt of the investigator's report, the CEO will prepare a report for the Council which will meet within a month of the CEO receiving the investigator's report, to:
- consider the findings of the investigator's report; and
 - determine whether a penalty, or some other form of action, will be imposed.

The CEO's report will include the full report prepared by the investigator, including any recommendations.

26. The CEO will share the investigator's report with the complainant and respondent under strict confidentiality inviting them to reply in writing as to whether they agree to the findings and whether they wish to make a written submission for consideration by Council. The complainant and respondent must not disclose or discuss the investigator's report with any person other than the CEO (and/or the Mayor or Deputy Mayor, as appropriate) prior to the Council meeting being held to determine the complaint.

Stage 5: The Council's consideration of an investigator's report – Elected Members

27. The CEO's report (with the investigator's full report or assessment, and any submissions from the complainant or respondent, attached) will be considered by full Council, excluding any interested members (including the complainant (if relevant) and respondent), only if:
- the CEO and Mayor do not agree on which recommendations from the investigator, if any, are to be actioned for a non-material breach (refer Stage 4A); or
 - the breach is found to be material (refer Stage 4B).

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28. The Council will consider the CEO's report in an open meeting except where the alleged breach concerns matters that justify the exclusion of the public, such as the misuse of confidential information or a matter that would otherwise be exempt from public disclosure under section 48 of the Local Government Official Information and Meetings Act 1987, in which case it will be considered in a Public Excluded meeting.
29. Before making any decision in respect of the investigator's report Council will provide the respondent an opportunity to appear and speak in their own defense. Members with an interest in the proceedings may not otherwise take part in these proceedings.
30. The form of penalty that might be applied will depend on the nature of the breach and may include actions set out below:

Penalties and actions – Elected members

31. Where a complaint is determined to be a material breach of this policy and referred to Council for determination, the nature of any penalty or action will depend on the seriousness of the breach.
32. In the case of material breaches of this Policy the Council may require one or more of the following:
 - a letter of censure to the member
 - a request (made either privately or publicly) for an apology
 - a vote of no confidence in the member
 - removal of certain Council-funded privileges or Council appointments
 - restricted entry to Council offices, such as no access to staff areas (where restrictions may not previously have existed)
 - limitation on any dealings with Council staff so that they are confined to the CEO only
 - suspension or removal from Committees (including joint committees), task forces or other representative type bodies
 - an invitation for the member to consider resigning from the council
 - dismissal of the elected member from a position such as Deputy Mayor or Chairperson of a committee. A Mayor cannot be asked to resign.
33. The Council may decide that a penalty will not be imposed where the respondent agrees to one or more of the following:
 - attend a relevant training course
 - work with a mentor for a period
 - participate in voluntary mediation (if the complaint involves a conflict between two members)
 - tender an apology.

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34. The process is based on the presumption that the outcome of a complaints process will be made public unless there are grounds, such as those set out in the Local Government Official Information and Meetings Act 1987 (LGOIMA) for not doing so.

Breaches of Legislation

35. If there are statutory provisions dealing with the issue in question, the issue will not be dealt with as a breach of this Policy but may be addressed in accordance with the relevant statutory provisions:
- Issues relating to members' interests may render members liable for prosecution by the Auditor General under the Local Authorities (Member's Interests) Act 1968 and, if convicted, the Member can be removed from office;
 - Issues which result in Council suffering financial loss or damage may be reported on by the Auditor General under the LGA, which may result in the member having to make good the loss or damage;
 - Issues relating to the commission of a criminal offence may leave the Elected Member liable for criminal prosecution. Council may refer an issue to the relevant body, any member of the public may make a complaint to that body, or the Auditor- General or the Police may take action of their own initiative.

Breaches of Policy during meetings

36. It is expected that compliance with the provisions of this Policy during a meeting shall be dealt with by the Chairperson of that meeting, within Standing Orders, at the time the breach arises.
37. Elected members should raise alleged breaches of this Policy with the Chairperson at the time. If an elected member believes that an alleged breach of the Policy has not been dealt with adequately by the Chairperson at a meeting that elected member may initiate the procedures set out under the investigation and determination of complaints section of this Policy.

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Term	Definition
Bias	This is common legal description of some types of conflict of interest, especially those situations that involve predetermination. In this guidance, we use the term "conflict of interest" to include situations that may be labelled as bias or predetermination.
Gift	A gift is something given to a person willingly and without payment. Gifts given or received in relation to undertaking Western Bay of Plenty District Council business must be declared in compliance with Western Bay of Plenty District Council Policy HR200-205 Giving and Receiving Gifts.
Interest in a matter	This refers to a direct or indirect connection to another matter which is separate from but related to the matter in hand.
Hospitality	In the context of this policy, hospitality infers the expense involved in being generous and friendly when hosting guests or being hosted. The expense can relate to a variety of expenditure, including food, beverages, accommodation and entertainment. Hospitality whether given or received must be declared in compliance with Western Bay of Plenty District Council Conflicts of Interest Policy and Procedures.
Koha	A Koha is a present, offering, donation, contribution and when given or received as such must be declared in compliance with Western Bay of Plenty District Council Conflicts of Interest Policy and Procedures.
Elected Member or Official	Refers to any person who works for Western Bay of Plenty District Council. They could be a statutory office holder, Mayor, Councillor, Community Board member, or appointed committee member or employee. For the purposes of this policy we also regard someone who is a contractor or consultant to Western Bay of Plenty District Council as an official.
Non-pecuniary interest	This is where there is the potential or perceived potential for a benefit, that is not a financial gain. It could be a professional gain, or could involve close personal relationships.
Official role	Refers to the duties or responsibilities a member or official has to Western Bay of Plenty District Council.
Other interest	This refers to a staff member's or official's separate interest or duty, which comes into conflict with their official role. Usually, the "other interest" will be personal or private in nature, but sometimes it could relate to a duty as well. The other interest might also actually belong to someone else connected to the staff member or official.
Pecuniary interest	This refers to a potential actual or perceived financial gain.

Group	Corporate Services	Contact (3rd Tier Manager)	Finance Manager
Supersedes	HR205		
Creation Date	21 August 2009	Resolution Reference	FR714 1707011
Last Review Date	8 February 2018	Resolution Reference	PP10.3
Review Cycle	Three yearly/legislative revisions, not later than	Date	February 2021
Authorised by	Management Team		9 April 2019
	Council	Date	

Western Bay of Plenty District Council**Council****Fraud and Corruption Prevention Policy (Revised)**

Purpose

The purpose of this report is to request Elected Members review Council's Fraud and Corruption Prevention Policy (Revised) and approve any amendments accordingly.

Recommendation

- 1. THAT the Group Manager, Finance and Technology Services report dated 9 April 2019 and titled "Fraud and Corruption Prevention Policy (Revised)" be received.*
- 2. THAT the report relates to an issue that is considered to be of low significance in terms of Council's Significance and Engagement Policy.*
- 3. THAT Council note the revised Policy has been reviewed and approved for submission to Council by the Operational Management Team at their meeting held 8 April 2019.*
- 4. THAT Council approve the revised Fraud and Corruption Prevention Policy (Revised) with the following amendments....*



Kumaren Perumal
Group Manager, Finance and Technology Services

1. Background

As part of Councils interim audit carried out by Audit New Zealand for the year ending 30 June 2018, a number of recommendations were made to improve Councils existing Fraud Prevention Policy.

As part of their review, Audit New Zealand compared the Policy to the Ministry of Justice's framework for creating a Fraud and Corruption Policy. Based on this, a revised and improved Fraud and Corruption Prevention Policy is submitted to Council for approval (**Appendix A**).

2. Significance and Engagement

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

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

In terms of the Significance and Engagement Policy this decision is considered to be of low significance because:

- It is a legislative requirement for councils to hold/adhere to a Fraud and Corruption Prevention Policy.

3. Engagement, Consultation and Communication

Interested/Affected Parties	Completed/Planned Engagement/Consultation/Communication
All Staff	All staff to be notified accordingly and the updated Policy to be uploaded to the Policy library on the intranet.

4. Issues and Options Assessment

<i>THAT Council approve the revised Fraud and Corruption Prevention Policy with the following amendments.....</i>	
Reasons why no options are available	Legislative or other reference
The Fraud Prevention Policy was last reviewed in February 2018 and has been subsequently updated to reflect recommendations made by Audit New Zealand as part of the interim audit for the year ending 30 June 2018. Therefore,	<ul style="list-style-type: none"> - Local Government Act 2002, sections 100 and 101 (financial prudence) - Local Authorities

Council is requested to approve the Policy and amend accordingly.	(Members' Interests) Act 1968 - The Protected Disclosures Act 2000 - The Secret Commissions Act 1910 The Crimes Act 1961, sections 99, 105 and 105A.
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5. Statutory Compliance

The recommendations comply with legislation and Council's associated policies as noted above.

6. Funding/Budget Implications

Budget Funding Information	Relevant Detail
	Not applicable.

Council Policy Management Policy



Fraud and Corruption Prevention Policy

Relevant Legislation/Guidance

Local Government Act 2002, sections 100 and 101 (financial prudence)
 Local Authorities (Members' Interests) Act 1968
 The Protected Disclosures Act 2000
 The Secret Commissions Act 1910
 The Crimes Act 1961, sections 99, 105 and 105A
 Ministry of Justice framework for creating a Fraud and Corruption Policy

1. Purpose

- 1.1 Western Bay of Plenty District Council (Council), including its elected members and its staff or agents, is required to spend public funds subject to the standards of probity and financial prudence, such that all expenditure withstands public scrutiny.
- 1.2 Council recognises that all its assets are owned by the Community and there is an expectation and obligation that elected members and staff act efficiently, honestly and with integrity to safeguard public resources. Council is committed to protecting its revenue, property, information and other assets from any attempt, by members of the public, contractors, sub-contractors, agents, intermediaries or its own employees or elected members, to gain financial or other benefits from it by deceit.
- 1.3 Fraud and corruption are ever-present threats to Council and all employees should be mindful of this.
- 1.4 The purpose of the Fraud and Corruption Policy (this policy) is twofold:
 - a) Provide guidance to council staff and elected members who encounter or suspect fraud and corruption.
 - b) Raise awareness among council staff, elected members and where relevant, business partners about how to recognise fraud and corruption, as well as behaviours and circumstances known to be associated with it.
- 1.5 This policy sets out high level guidance for the prevention, detection and response to fraud and corruption incidents within or involving Council. The policy describes:
 - The objectives and scope of the policy
 - Council's response to the risk of fraud and corruption
 - Reporting of suspected fraud or corruption
 - How fraud and corruption are defined for the purposes of this policy and the Council
 - Investigation and reporting of suspected fraud or corruption
 - Responsibilities of Council employees with regard to fraud or corruption.

Fraud and Corruption Prevention Policy

2. Objectives

2.1 In order to reduce and deter the risk of fraud or corruption within Council, three key objectives must be met. These are:

- Prevention: Reducing the risk of fraud or corruption in the first place
- Detection: Uncovering fraud or corruption at the earliest opportunity if it occurs and providing effective options to report, manage and respond
- Response: Taking immediate corrective action and remedying the harm caused by fraud and corruption, including the preservation of crucial evidence to achieve a successful outcome.

3. Scope

3.1 Fraud and corruption may occur due to the actions of employees, suppliers or other people that Council has dealings with. This could be an individual or a group of individuals acting in collusion, companies, partnerships, trusts or any other entity.

3.2 Incidents this policy applies to

3.2.1 This policy applies to all fraud or corruption incidents, whether suspected or proven, including those that are:

- Committed against Council by any person (defined by section 2 of the Crimes Act 1961 and Section 29 of the Interpretation Act 1999)
- Committed by Council employees against any third party (including another Council employee in a private capacity).

3.3 People this policy applies to

3.3.1 This policy applies to all elected members of Council, the Chief Executive Officer, all employees and any person or organisation that has dealings with Council, including contractors, sub-contractors, agents, intermediaries and members of the public.

The following are also included the definition of 'any person':

- Former employees
- People seconded to Council
- Contractors (individuals, contractor staff, sub-contractors or affiliated persons with third parties)
- Volunteers who work for Council without reward.

Fraud and Corruption Prevention Policy

4. Council's response to the risk of fraud and corruption

4.1 Zero tolerance

4.1.1 Council does not tolerate fraudulent or corrupt behaviour and has a zero tolerance policy to identified behaviour or incidents involving fraud and corruption. Proven offences of fraud or corruption may be prosecuted under the Crimes Act 1961 or the Secret Commissions Act 1910. Maximum penalties range from fines to 14 years' imprisonment.

4.1.2 Zero tolerance within Council means:

- All instances of suspected fraud or corruption will be investigated thoroughly with appropriate action taken
- All confirmed fraudulent or corrupt activities will be treated as serious misconduct in accordance with Council's disciplinary processes and will be referred to the New Zealand Police, Serious Fraud Office or other appropriate enforcement agency where statutes may have been breached, or loss suffered, for prosecution consideration
- Council will take all appropriate measures to recover any loss or expenditure attributable to fraudulent or corrupt behaviour. This includes, but is not limited to recovery of, intellectual property, physical assets, money, third party expenses incurred and investigation costs.

5. What fraud and corruption is

5.1 Fraud and corruption are unacceptable behaviours that have elements of dishonesty or unlawful gain.

5.2 Fraud is deliberate deception to secure unfair or unlawful gain, or to deprive someone of a legal right.

5.3 Corruption is the lack of integrity or honesty (especially susceptibility to bribery) or the use of a position of trust for dishonest gain.

5.4 Examples of fraud are where someone:

- knowingly provides forged cheques, drafts, promissory notes, securities, incomplete or misleading information for unfair, unjustified or unlawful gain
- forges or alters any document or computer file or record belonging to Council
- who has a business involvement with the Council acts dishonestly or unfairly, or breaches public trust
- access without authority and misuses Council systems and information for unfair, unjustified or unlawful gain
- Any computer-related activity involving the alteration, destruction, forgery or manipulation of data for fraudulent purposes, or the misappropriation of Council owned software
- misuses or obtains insider knowledge of organisational or judicial activities without implied or expressed consent (this may also be considered corruption)
- misappropriates or irregularly handles funds, securities, supplies or any other assets

Council Policy Management Policy



Fraud and Corruption Prevention Policy

- irregularly handles or reports money transactions
- deliberately misuses Council resources (including work time, internet, cell phones photocopiers, fax machines, computers, vehicles, mail services, Council addresses and phone numbers) for unfair, unjustified or unlawful gain
- destroys, removes or inappropriately uses records, furniture, fixtures, or equipment for unfair, unjustified or unlawful gain
- misuses or makes unauthorised use of Council property, equipment, materials or records and intellectual property
- Any claims for reimbursement of expenses that are not made for the exclusive benefit of Council.

5.5 Examples of corrupt conduct include:

- bribery, coercion, destruction, removal or inappropriate use or disclosure of records, data, materials, intellectual property or assets, or any similar or related inappropriate conduct
- actual or attempted improper use of knowledge, power or resources of a person's position for personal gain or the advantage of others, for example, fabrication of business travel requirement to satisfy personal situations
- knowingly providing false, misleading, incomplete or fictitious information to circumvent Council's procurement processes and procedures to avoid further scrutiny or reporting (including assisting or validating the information)
- disclosing private, confidential or proprietary information to outside parties without implied or expressed consent for personal gain
- accepting or seeking anything of material value (see Giving and Receiving Gifts Policy) from vendors, consultants or contractors without prior consent of the Chief Executive Officer or Group Manager
- attempting to influence a public official, employee, contractor, person seconded to, or any other party that has a business involvement with Council to their position in a way that is dishonest, biased or breaches public trust.

5.6 Activities involving negotiations with external parties in the normal course of business that are within the parameters of legislation and Councils policy, procedures and delegations are not acts of corruption.

6. Distinction from the Code and Conduct and Privacy breaches

6.1 It is important to distinguish between the Fraud and Corruption Policy and other Council policies (e.g. Privacy) which involve or invoke Council's disciplinary processes. The difference is the element of dishonesty for an unfair, unjustified or unlawful gain. For example:

- Using Council systems to access private information for self-interest is a Code of Conduct breach captured by Council's disciplinary processes
- Using Council systems to access private information and providing that information to another person or using that information for illegitimate use, including an unfair, unjustified or unlawful gain is behaviour captured by the Fraud and Corruption Policy.

Fraud and Corruption Prevention Policy

- The two policies are closely aligned and often overlap and may operate concurrently.
- Where privacy breaches are the result of a fraudulent or corrupt act, the Fraud and Corruption Policy applies.

If you are unsure as to which policy applies contact the Group Manager People and Customer Service.

7. Distinguishing between errors and fraud or corruption

- 7.1 This policy distinguishes between fraud and error. Within this definition, 'error' refers to an unintentional misstatement of information (e.g. financial information), including the unintentional omission of an amount or a disclosure.
- 7.2 In order to assess whether a potential issue is an error, or should be investigated under this policy, contact the Group Manager People and Customer Services.

8. Preventing fraud and corruption

8.1 Recognising fraud and corruption risks

- 8.1.1 Generally, there are three particular conditions often associated with fraud and corruption:
- Incentives/pressures: Management, other employees or external parties have an incentive or are under pressure, which motivates them to commit fraud or wrongdoing (for example, personal financial trouble).
 - Opportunities: Circumstances exist that allow employees to commit fraud or corruption, such as an organisation not having appropriate fraud and corruption controls in place, or employees are able to get around or override ineffective controls (for example, managers being able to approve and authorise their own sensitive expenditure).
 - Attitudes: Employees are able to rationalise committing fraud (for example, holding attitudes or beliefs such as "everybody else is doing it nowadays" or "they made it so easy for me").

9. Responsibilities

- 9.1 The Chief Executive has overall responsibility and accountability for preventing fraud and corruption within Council.
- 9.2 Internal controls will be maintained and regularly reviewed to provide assurance for the prevention and detection of fraud, corruption, misappropriations and other irregularities. Transactions, activities and locations that may be susceptible to fraud or corruption will be regularly reviewed.
- 9.3 Specific reviews of internal controls will be undertaken by external auditors (via BOPLASS) as part of their internal audit programme, along with ad hoc internal audits, e.g. cash receipting.
- 9.4 Findings will be reported to Council.

Fraud and Corruption Prevention Policy

9.5 Group Managers

- 9.5.1 Group Managers are responsible for fostering effective management controls and processes within their areas of responsibility and for ensuring there is training and awareness of the risk of fraud and corruption.
- 9.5.2 Where required, Group Managers must seek support from and engage specialist resources (for example finance, legal, procurement or risk and assurance) to ensure the effective prevention, detection and response for fraud and corruption.

9.6 Group Manager Finance and Technology

- 9.6.1 The Group Manager Finance and Risk is responsible for ensuring that:
- All reported allegations of fraud or corruption are investigated appropriately on a timely basis. The Group Manager will authorise a Lead Investigator to carry out any required investigation as set out in the Suspected Fraud and Corruption, Reporting & Investigation Process
 - Where an allegation of suspected fraud or corruption involves an employee subject to the Council's disciplinary processes, the Group Manager Finance and Technology, must provide the Group Manager People and Customer Service with the opportunity to participate in the investigation
 - The fraud and corruption policy is reviewed on a biennial basis, updated and communicated
 - The fraud and corruption policy (Prevention, Detection and Response) is promoted within Council
 - Periodic fraud and corruption risk assessments are performed to identify potential areas of fraud and corruption weakness.

9.7 Group Manager People and Customer Service

- 9.7.1 The Group Manager, People and Customer Service is responsible for providing appropriate input and guidance into suspected fraud and corruption investigations to help ensure that employees are fairly treated and that the requirements of the Council's disciplinary processes are followed.

9.8 Managers

- 9.8.1 Managers are responsible for ensuring the consistent and correct application of management control processes in their area of responsibility.
- 9.8.2 Managers must ensure that, within their teams, people captured by this policy are made aware of their management control procedures, and that they conduct themselves in accordance with Council's values. Managers are also responsible for ensuring that a culture of honesty and openness exists in their work place so that employees are not discouraged from questioning events or processes, and reporting suspected fraud or corruption.

Fraud and Corruption Prevention Policy

9.8.3 Specifically, managers are responsible for:

- Ensuring all employees and contractors are aware of the Fraud and Corruption Policy and that they maintain an understanding of their obligations
- Ensuring all people who have dealings with Council, captured by the definitions included in this policy, are aware of the Fraud and Corruption Policy and that they maintain an understand of their obligations
- Identifying the risks (including but not limited to risk of fraud or corruption) to which Council's systems, operations and procedures are exposed
- Developing and maintaining effective controls to prevent and detect Council related fraud and corruption, within business as usual and/or programmes or projects of work
- Ensuring that controls and processes in place are actively complied with
- Facilitating an effective fraud and corruption awareness and detection culture
- Ensuring employees are supported when making allegations of fraud or corruption.

9.9 Employees

9.9.1 All employees, including managers, are responsible for:

- Being aware of, and complying with, this Policy
- Acting honestly, fairly and with integrity in undertaking Council tasks and activities
- Acting in a manner that is beyond reproach
- Being aware of, and complying with, their obligations under the Council's Code of Conduct (HR Policies)
- Reporting any suspected fraudulent or corrupt behaviour
- Reporting fraud or corruption control failures or breaches as soon as they become aware of them
- Reporting any incident where they suspect any person or employee is aiding and abetting some other person to defraud Council

10. Procedures for dealing with allegations of fraud or other irregularities

10.1 These procedures will be followed in dealing with fraud, corruption or other irregularities that have been observed or are suspected at Council.

10.2 Reporting suspected fraud or other irregularities

10.2.1 A person having knowledge of any irregularity or having reason to suspect that fraud or corruption has occurred must notify the Chief Executive Officer immediately. If you receive a report of suspected fraud, corruption or other irregularities advise the Chief Executive Officer immediately. Do not attempt to investigate the suspected fraud or corruption and do not discuss the matter with anyone other than the Chief Executive Officer or the Police when they are involved.

Council Policy Management Policy



Fraud and Corruption Prevention Policy

- 10.2.2 If suspicions relate to the Chief Executive Officer advise the Deputy Chief Executive Officer or your Group Manager in the presence of the Mayor in the first instance.
- 10.2.3 Sufficient information should be provided to enable investigation of the suspected fraud or corrupt act. This should include details about the events or acts constituting the suspected fraud or corrupt act, dates, times and persons alleged to be involved together with any documentary evidence or verifiable facts that support the allegation.
- 10.2.4 Employees must cooperate with and not impede any investigation of suspected fraud or corruption.
- 10.2.5 All information about suspected fraud or corruption is to be treated confidentially and in accordance with Council's Protected Disclosure – Whistleblowing policy.
- 10.2.6 Council will undertake a comprehensive investigation of any suspected acts of fraud, corruption, misappropriation or similar irregularity. Investigations will be fully documented.
- 10.2.7 The Chief Executive Officer has primary responsibility for the investigation of all cases of suspected fraud or corruption. Investigation may be delegated at the Chief Executive Officer's discretion.
- 10.2.8 The Chief Executive Officer will notify the Mayor of a reported allegation of fraudulent, corruption or irregular conduct and commence an investigation. Throughout the investigation these officials will be informed of pertinent findings.
- 10.2.9 The Chief Executive Officer will notify Audit New Zealand.
- 10.2.10 The Chief Executive Officer will contact the Police or Serious Fraud Office in every instance where there are reasonable grounds to indicate that a fraud or corrupt act may have occurred. The commencement of legal proceedings will be determined by Police.
- 10.2.11 At the end of an investigation, the results will be reported to the Mayor.
- 10.2.12 Council will pursue every reasonable effort, including court-ordered restitution, recover its losses from the offender(s) or other appropriate sources.

10.3 Media issues

- 10.3.1 Any staff or elected official contacted by the media with respect to an investigation of fraud or corruption, shall refer the media to the Chief Executive Officer.

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Fraud and Corruption Prevention Policy

10.3.2 The alleged fraud, corruption or investigation shall not be discussed with the media by any person other than through the Chief Executive Officer.

10.4 Preliminary investigation

10.4.1 The Chief Executive Officer (or in the event the allegations refer to the Chief Executive Officer, the Deputy Chief Executive Officer, Mayor and Group Manager or other Senior Manager) is primarily responsible for preliminary investigations which shall be undertaken to establish whether the allegations may be founded. The nature of preliminary investigations will be determined on a case-by-case basis in consideration of the suspicions raised. The Chief Executive Officer may delegate preliminary investigations at their discretion.

10.4.2 In undertaking a preliminary investigation care must be taken to secure and preserve the integrity of any evidence; take immediate action to prevent theft, alteration or destruction of relevant records. Such actions include, but are not limited to:

- Removing the records and placing them in a secure location
- Limiting access to the location where the records are currently held, and
- Preventing the individual suspected of committing the fraud from having access to the records. The records must be adequately secured until the Senior Manager obtains the records to begin the audit investigation.

10.4.3 At the conclusion of the preliminary investigation, the results must be fully documented. Council's appointed internal auditor will carry out the investigation under authority from the Chief Executive Officer, the investigation is to be fully documented in a confidential memorandum to the Chief Executive Officer. If the report concludes that the allegations are founded the writer should include recommendations for the appropriate manager to assist in the prevention of similar occurrences in the future.

10.4.4 If the report concludes that the allegations are founded the Chief Executive Officer shall inform the Police and a full investigation shall be co-ordinated with them.

10.4.5 The Chief Executive Officer shall advise the Mayor.

10.4.6 The Chief Executive Officer shall advise Council's nominated Audit New Zealand auditor/audit director and/or the Office of the Auditor General.

10.5 Disciplinary action

10.5.1 Where fraud is suspected from preliminary investigation, disciplinary action shall be taken, up to and including dismissal, in accordance with Council's disciplinary procedures.

Council Policy Management Policy



Fraud and Corruption Prevention Policy

10.5.2 After investigation and before taking final disciplinary action, the person(s) under investigation for fraud shall be given written notice of the essential particulars of the allegations, unless exceptional circumstances exist. This step is subject to any collective employment agreement provisions respecting the rights of employees during disciplinary proceedings.

10.5.3 On completion of the investigation, including all legal and human resources actions, any records, documents and other evidentiary material shall be returned to the relevant department.

Associated Policies and Guidelines

Conflict of Interests Policy
Sensitive Expenditure Policy
Protected Disclosures (Whistle-blowing) Policy
Delegations Manual
Koha and Kuia-Kaumatua Payments Policy
Giving and Receiving Gifts Policy
Elected Members Code of Conduct
HR Policies and Procedures

Relevant resources:

Online anti-corruption training module developed by SFO and TINZ.
Serious Fraud Office: information for complainants.
Further information on protected disclosures/whistle-blowing.
State Services Commission Standards of Integrity and Conduct.
Association of Certified Fraud Examiners website.
OECD Convention on Combating Bribery of Foreign Public Officials; in International Business Transaction.
United Nations' Convention Against Corruption.

In addition to this policy, some Council staff belong to professional bodies, such as the Engineering New Zealand and the Chartered Accountants Australia and New Zealand, both of which bind their members to their profession's individual code of ethics for professional behaviour.

Group	Finance and Technology Services	Contact (3rd Tier Manager)	Finance Manager
Supersedes	Fraud Policy (2018)		
Creation Date	April 2014	Resolution Reference	
Last Review Date	April 2019	Resolution Reference	SMT17.12.19.5/PP10.02
Review Cycle	Three yearly/legislative revisions, not later than	Date	February 2021
Authorised by	Management Team Council	Date	8 April 2019 (MT)

Western Bay of Plenty District Council

Council

Chief Executive Officers Exception Report – April 2019

1. Chief Executive Officer and Group Managers' Update Report

1.1. Purpose

To provide the Mayor and Council with timely advice on current projects and issues via an information report.

The Mayor has requested this report be based on topics and that the Chief Executive and Group Managers speak to items. A similar report is included in the confidential section of the agenda for confidential items.

1.2. Report

The topics and issues are set out in areas of responsibility. Detail to these reports as the information is generally contained in the Committee reports where the topics are debated and direction provided.

1.3. Chief Executive Office

- NZTA Meeting 03 April 2019 update
- Provincial Growth Fund application
- Ministry of Social Development - Regional Employment Update

1.4. Infrastructure Services

- Tourism Fund applications

1.5. Finance and Technology Service

- Group Manager, Finance and Technology Services Exception Report
– Attachment A
- Ward and District Development Trends Statistics January-March 2019
– Attachment B

1.6. Policy, Planning and Regulatory Services

- Nothing to report

1.7. People and Customer

- Nothing to report

Recommendation

THAT the Chief Executive Officer's report dated 05 April 2019 and titled "Chief Executive Officers Report" be received.



Miriam Taris
Chief Executive Officer

Date 27 March 2019
Subject Group Manager, Finance and Technology Services
Exception Report Briefing – April 2019

Open Session

Western Bay of Plenty District Council

Council

Group Manager Finance and Technology Services Exception Report Briefing – April 2019

Purpose

This report is to inform Councillors on important issues relating to Council's finances. This report is prepared on an exception basis and includes both positive and negative variances to Council plans, projects and business operations.

Key Financial Performance Indicators for the Eight Months Ended 28 February 2019

Debt

Total external debt at 28 February 2019 remained unchanged from the January 2019 balance at \$135.0m. Council's net debt balance was \$83.48m at the end of the reporting period which represents a \$14.79m reduction from the June 2018 balance of \$98.27m. Council had a positive cash position of \$51.52m at 28 February 2019.

Interest Rate Swaps

Total debt covered by interest rate swaps remained unchanged from 31 January 2019 at 66%. This level of coverage is within the required policy range of 50%-95%. The value of interest rate swaps at 31 January 2019 was \$150.5m.

Council was in compliance with all of its key financial ratios for the quarter. A summary of the key financial performance indicators for the eight months ended 28 February 2019 along with copies of the treasury reports and accompanying graphs have been included in the information pack.

Key Financial Issues for the Eight Months Ended 28 February 2019

Operating Income

Total income for the eight months ended 28 February 2019 was \$74.85m against a year-to-date budget of \$63.46m. The \$10.76m higher income variance is largely due to favourable variances arising from the timing of receipt of financial contributions (\$6.92m), subsidies and grants income (\$1.23m) and other income (\$2.32m) against budget.

With the exception of the rate income stream actual revenue received for all categories of operating income were higher than year-to-date budget for the eight month period.

Date 27 March 2019
 Subject Group Manager, Finance and Technology Services
 Exception Report Briefing – April 2019

Open Session

Operating expenditure

Total expenditure of \$56.72m was \$140k lower than year-to-date budget of \$56.90m due to higher than budgeted additional level of service, depreciation and operating costs offset by lower interest costs.

Overall operating income and expenditure levels indicate Council's financial performance is on track at the end of the reporting period.

Capital Expenditure

Capital expenditure of \$21.61m for the period was \$2.80m higher than year-to-date budget. The expenditure variance is attributable to higher than budgeted spends in the corporate services and water supply activities offset by underspends in the transportation, communities and stormwater activities.

Financial Contributions

Financial contributions income received to date of \$12.77m is \$6.92m higher than the year-to-date budget of \$5.86m and is currently at 145% of full year budget. Further detail on the financial contribution income is tabulated in the Key Financial Issues report included in the information pack.

Ward and Development Trends Statistics

The Ward and Development Trends Statistics report (Attachment B) highlights strong levels of subdivision activity with 568 new lots created in the nine months to 31 March 2019 against a full year forecast of 287 new lots. The following census area units have either met or exceeded full year forecast for new lots:

Census Area Unit	Actual New Lots	2018/19 Forecast new Lots
Athenree	7	1
Aongatete	42	7
Omokoroa	337	120
Minden	20	15
Kaimai	20	15
Rangiuru	8	1
Pongakawa	12	5
Te Puke	85	40

The total number of residential and rural dwelling consents issued at 31 March 2019 is 289 against a full year forecast of 388. These indicators signal the positive levels of development activity during the 2017/18 year has continued its momentum into the second half of this financial year.


 Kumaren Perumal
 Group Manager Finance and Technology Services

WARD AND DISTRICT DEVELOPMENT TRENDS STATISTICS JANUARY – MARCH 2019

1. Purpose and Summary

The purpose of this report is to provide information to the elected members detailing ward and district level data from July 2016 – March 2019 regarding three indicators of development in the District.

2. Discussion on Issue

This report provides ward and district level data regarding three indicators of development in the District:

- **New dwelling consents issued** (*includes new dwellings*)
- **Additional lots created at Section 224 approval stage**
- **Additional lots proposed at subdivision application stage** (*please note the actual number of lots created may change during the consent process*)

These indicators are designed to reflect subdivision and dwelling consents issued and recorded on a quarterly basis in the District.

The report includes tables per Census Area Unit, ward and zone showing the comparison of the last three financial years between July 2016 - June 2018. The report also includes the comparison of the last three quarters from July 2018 – September 2018, October 2018 – December 2018 and January 2019 – March 2019 for dwelling consents issued, additional lots created and additional lots proposed. See **(Attachment C)** for further detail.

3. Internal and External Communication

No internal and/or external communication required.



Antoinette Denton

Research and Monitoring Analyst

Growth Monitoring Statistics as at 31 March 2019**DWELLING CONSENTS****Dwelling Consents over the last 3 Financial Years**

Census Area Unit	RESIDENTIAL		
	2016	2017	2018
Waihi Beach	30	31	35
Athenree	10	14	13
Island View-Pios Beach	3	3	11
Katikati Community	91	83	34
Tahawai	1	0	5
Maketu Community	2	1	3
Omokoroa	110	145	189
Te Puna	5	3	1
Pongakawa	0	3	25
Paengaroa	18	10	3
Te Puke	35	38	17
TOTAL	305	331	336

Census Area Unit	RURAL		
	2016	2017	2018
Waihi Beach	15	8	4
Matakana Island	0	0	0
Tahawai	4	7	7
Aongatete	52	58	28
Te Puna	3	2	7
Minden	44	43	48
Kaimai	49	47	36
Ohauti-Ngapeke	4	5	6
Upper Papamoa	16	10	10
Paengaroa	0	2	0
Rangiuru	7	6	6
Pongakawa	4	7	7
Te Puke	2	2	1
TOTAL	200	197	160

	2016	2017	2018
Total Residential and Rural	505	528	496

Dwelling Consents - Year to Date: July 2018 – March 2019

Census Area Unit	RESIDENTIAL			
	Jul 18 - Sep 18	Oct 18 - Dec 18	Jan 19 - Mar 19	Total Jul 18 - Mar 19
Waihi Beach	7	3	5	15
Athenree	4	2	0	6
Island View-Pios Beach	2	2	2	6
Katikati Community	11	7	15	33
Tahawai	0	0	0	0
Maketu Community	0	1	3	4
Omokoroa	21	26	69	116
Te Puna	1	0	0	1
Pongakawa	1	0	0	1
Paengaroa	0	3	0	3
Te Puke	7	8	5	20
TOTAL	54	52	99	205

	Jul 18 - Sep 18	Oct 18 - Dec 18	Jan 19 - Mar 19	Total Jul 18 - Mar 19
Total Residential and Rural	82	82	125	289

Census Area Unit	RURAL			
	Jul 18 - Sep 18	Oct 18 - Dec 18	Jan 19 - Mar 19	Total Jul 18 - Mar 19
Waihi Beach	0	0	0	0
Matakana Island	0	0	0	0
Tahawai	1	1	0	2
Aongatete	4	7	13	24
Te Puna	3	0	1	4
Minden	8	9	6	23
Kaimai	6	4	2	12
Ohauiti-Ngapeke	0	2	0	2
Upper Papamoa	3	3	1	7
Paengaroa	0	0	0	0
Rangiuru	2	2	2	6
Pongakawa	1	2	1	4
Te Puke	0	0	0	0
TOTAL	28	30	26	84

SUBDIVISION

S224 Lots Created over the last 3 Financial Years

Census Area Unit	2016	2017	2018
Waihi Beach	21	18	12
Athenree	0	3	17
Island View	0	1	1
Matakana Island	0	0	0
Katikati	64	26	57
Aongatete	20	11	12
Tahawai	13	5	7
Kaimai	24	24	25
Omokoroa	44	167	116
Te Puna	1	3	2
Minden	30	48	48
Ohauti-Ngapeke	4	1	1
Upper Papamoa	3	15	6
Maketu	1	0	1
Paengaroa	19	6	3
Rangiuru	4	7	3
Pongakawa	3	17	36
Te Puke	17	35	11
Total	268	387	358

WARD	2016	2017	2018
Western			
Residential	82	48	79
Industrial/ Commercial	-	1	5
Rural	36	15	22
Western Total	118	64	106
Central			
Residential	41	167	116
Industrial/ Commercial	-	-	-
Rural	62	76	76
Central Total	103	243	192
Eastern			
Residential	36	37	31
Industrial/ Commercial	-	-	1
Rural	11	43	28
Eastern Total	47	80	60
TOTAL	268	387	358

224 Lots Created - Year to Date: July 2018 – March 2019

Census Area Unit	Jul 18 - Sep 18	Oct 18 - Dec 18	Jan 19 - Mar 19	Total Jul 18 - Mar 19
Waihi Beach	1	3	1	5
Athenree	0	7	0	7
Island View	0	0	0	0
Matakana Island	0	0	0	0
Katikati	7	2	16	25
Aongatete	37	3	2	42
Tahawai	0	0	1	1
Kaimai	3	2	15	20
Omokoroa	123	116	98	337
Te Puna	3	0	0	3
Minden	7	8	5	20
Ohauti-Ngapeke	0	0	0	0
Upper Papamoa	0	0	3	3
Maketu	0	0	0	0
Paengaroa	0	0	0	0
Rangiuru	0	4	4	8
Pongakawa	3	4	5	12
Te Puke	17	2	66	85
Total	201	151	216	568

WARD	Jul 18 - Sep 18	Oct 18 - Dec 18	Jan 19 - Mar 19	Total Jul 18 - Mar 19
Western				
Residential	8	2	18	28
Industrial/ Commercial	0	0	0	0
Rural	37	4	2	43
Western Total	45	6	20	71
Central				
Residential	123	126	98	347
Industrial/ Commercial	0	0	1	1
Rural	13	10	19	42
Central Total	136	136	118	390
Eastern				
Residential	17	1	66	84
Industrial/ Commercial	0	0	0	0
Rural	3	8	12	23
Eastern Total	20	9	78	107
TOTAL	201	151	216	568

ADDITIONAL LOTS PROPOSED

S223 Lots Proposed over the last 3 Financial Years

Census Area Unit	2016	2017	2018
Waihi Beach	65	41	28
Athenree	3	23	6
Island View	0	2	2
Matakana Island	0	0	0
Katikati	44	34	74
Aongatete	37	0	6
Tahawai	1	1	0
Kaimai	8	0	15
Omokoroa	161	719	29
Te Puna	1	1	8
Minden	30	53	31
Ohauti-Ngapeke	1	0	0
Upper Papamoa	1	0	5
Maketu	0	0	5
Paengaroa	1	3	0
Rangiuru	11	4	3
Pongakawa	32	1	9
Te Puke	28	98	20
Total	424	980	241

WARD	2016	2017	2018
Western			
Residential	112	100	106
Industrial/ Commercial	0	0	3
Rural	38	1	7
Western Total	150	101	116
Central			
Residential	161	719	29
Industrial/ Commercial	0	0	0
Rural	40	54	54
Central Total	201	773	83
Eastern			
Residential	49	98	24
Industrial/ Commercial	0	0	0
Rural	24	8	18
Eastern Total	73	106	42
TOTAL	424	980	241

S223 Lots Proposed - Year to Date: July 2018 – March 2019

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Census Area Unit	Jul 18 - Sep 18	Oct 18 - Dec 18	Jan 19 - Mar 19	Total Jul 18 - Mar 19
Waihi Beach	6	1	4	11
Athenree	0	0	0	0
Island View	0	0	0	0
Matakana Island	0	0	0	0
Katikati	6	4	2	12
Aongatete	1	0	1	2
Tahawai	0	0	1	1
Kaimai	0	1	0	1
Omokoroa	0	20	32	52
Te Puna	15	1	0	16
Minden	0	0	12	12
Ohauti-Ngapeke	1	0	0	1
Upper Papamoa	0	0	1	1
Maketu	0	0	0	0
Paengaroa	0	0	0	0
Rangiuru	0	0	1	1
Pongakawa	0	5	0	5
Te Puke	0	1	21	22
Total	29	33	75	137

WARD	Jul 18 - Sep 18	Oct 18 - Dec 18	Jan 19 - Mar 19	Total Jul 18 - Mar 19
Western				
Residential	12	5	6	23
Industrial/ Commercial	0	0	0	0
Rural	1	0	2	3
Western Total	13	5	8	26
Central				
Residential	0	20	32	52
Industrial/ Commercial	0	0	0	0
Rural	16	2	12	30
Central Total	16	22	44	82
Eastern				
Residential	0	1	17	18
Industrial/ Commercial	0	0	0	0
Rural	0	5	6	11
Eastern Total	0	6	23	29
TOTAL	29	33	75	137

Western Bay of Plenty District Council

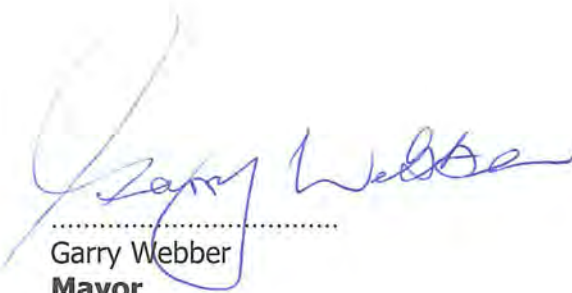
Council

Mayor's Report to Council – March 2019

1. SmartGrowth Update
2. NZTA Update
3. Have Your Say Meetings
4. Rural & Provincial Conference – Update from Deputy Mayor Williams
5. Feedback from Regional Triennial Meeting held on 12 April 2019

Recommendation:

THAT the Mayor's Report dated 5 April 2019 and titled Mayor's Report to Council – March 2019 be received.



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Garry Webber
Mayor