

**Notice of Meeting:**

I hereby give notice that an ordinary Meeting of the Council will be held on:

**Date:** Thursday 6 July 2023  
**Time:** 9.30am  
**Meeting Room:** Council Chamber and Audio Visual Link  
**Venue:** Municipal Building, Garden Place, Hamilton

Lance Vervoort  
Chief Executive

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## **Council Kaunihera OPEN AGENDA**

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**Membership**

**Chairperson** Mayor Paula Southgate  
*Heamana*

**Deputy Chairperson** Deputy Mayor Angela O'Leary  
*Heamana Tuarua*

<b>Members</b>	Cr Ryan Hamilton	Cr Geoff Taylor
	Cr Maxine van Oosten	Cr Sarah Thomson
	Cr Moko Tauariki	Cr Emma Pike
	Cr Ewan Wilson	Cr Melaina Huaki
	Cr Mark Donovan	Cr Anna Casey-Cox
	Cr Louise Hutt	Cr Kesh Naidoo-Rauf
	Cr Andrew Bydder	

**Quorum:** A majority of members (including vacancies)

**Meeting Frequency:** Monthly – or as required

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Amy Viggers  
Mana Whakahaere  
Governance Lead

**28 June 2023**

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## Purpose

The Council is responsible for:

1. Providing leadership to, and advocacy on behalf of, the people of Hamilton.
2. Ensuring that all functions and powers required of a local authority under legislation, and all decisions required by legislation to be made by local authority resolution, are carried out effectively and efficiently, either by the Council or through delegation.

## Terms of Reference

1. To exercise those powers and responsibilities which cannot legally be delegated by Council<sup>1</sup>:
  - a) The power to make a rate.
  - b) The power to make a bylaw.
  - c) The power to borrow money, or purchase or dispose of assets, other than in accordance with the Long Term Plan.
  - d) The power to adopt a Long Term Plan or 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 Council's Governance Statement.
  - g) The power to adopt a remuneration and employment policy.
  - h) The power to approve or change the District Plan, or any part of that Plan, in accordance with the Resource Management Act 1991.
  - i) The power to approve or amend the Council's Standing Orders.
  - j) The power to approve or amend the Code of Conduct for Elected Members.
  - k) The power to appoint and discharge members of committees.
  - l) The power to establish a joint committee with another local authority or other public body.
  - m) The power to make the final decision on a recommendation from the Parliamentary Ombudsman, where it is proposed that Council does not accept the recommendation.
  - n) The power to amend or replace the delegations in Council's *Delegations to Positions Policy*.
2. To exercise the following powers and responsibilities of Council, which the Council chooses to retain:
  - a) Resolutions required to be made by a local authority under the Local Electoral Act 2001, including the appointment of an electoral officer and reviewing representation arrangements.
  - b) Approval of any changes to Council's vision, and oversight of that vision by providing direction on strategic priorities and receiving regular reports on its overall achievement.
  - c) Approval of any changes to city boundaries under the Resource Management Act 1991.
  - d) Adoption of governance level strategies plans and policies which advance Council's vision and strategic goals.

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<sup>1</sup> [Clause 32, Schedule 7, Local Government Act 2002](#)

- e) Approval of the Triennial Agreement.
- f) Approval of the local governance statement required under the Local Government Act 2002.
- g) Approval of a proposal to the Remuneration Authority for the remuneration of Elected Members.
- h) Approval of any changes to the nature and delegations of the Committees.
- i) Approval or otherwise of any proposal to establish, wind-up or dispose of any holding in, a CCO, CCTO or CO.
- j) Approval of city boundary changes, including in respect of Strategic Boundary Land Use Agreements.
- k) Approval of Activity Management Plans.
- l) Sister City relationships.

**Oversight of Strategies, Plans and Reports:**

- Long Term Plan
- Annual Plan
- Annual Report
- Shaping Hamilton Kirikiriroa Together
- Our Climate Future
- He Pou Manawa Ora

**Oversight of Policies and Bylaws:**

- *Corporate Hospitality and Entertainment Policy*
- *Delegations to officers specific to the Resource Management Act 1991*
- *Delegations to Positions Policy*
- *Elected Members Support Policy*
- *Significance and Engagement Policy*
- *Climate Change Policy*
- *Any Community Engagement Policies*

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**1 Apologies – *Tono aroha***

**2 Confirmation of Agenda – *Whakatau raarangi take***

The Council to confirm the agenda.

**3 Declaration of Interest – *Tauaakii whaipanga***

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as an elected representative and any private or other external interest they might have.

**4 Public Forum – *Aatea koorero***

As per Hamilton City Council's Standing Orders, a period of up to 30 minutes has been set aside for a public forum. Each speaker during the public forum section of this meeting may speak for five minutes or longer at the discretion of the Mayor.

Please note that the public forum is to be confined to those items falling within the terms of the reference of this meeting.

Speakers will be put on a Public Forum speaking list on a first come first served basis in the Council Chamber prior to the start of the Meeting. A member of the Governance Team will be available to co-ordinate this. As many speakers as possible will be heard within the allocated time.

If you have any questions regarding Public Forum please contact Governance by telephoning 07 838 6727.

# Council Report

**Committee:** Council

**Date:** 06 July 2023

**Author:** Nicholas Hawtin

**Authoriser:** Michelle Hawthorne

**Position:** Governance Advisor

**Position:** Governance and Assurance  
Manager

**Report Name:** Confirmation of the Council Open Minutes - 15 June 2023

<b>Report Status</b>	<i>Open</i>
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## Staff Recommendation - *Tuutohu-aa-kaimahi*

That the Council confirm the Open Minutes of the Council Meeting held on 15 June 2023 as a true and correct record.

## Attachments - *Ngaa taapirihanga*

Attachment 1 - Council Open Unconfirmed Minutes - 15 June 2023

## Council Kaunihera OPEN MINUTES

Minutes of a meeting of the Council held in the Council Chamber and via Audio-Visual Link, Municipal Building, Garden Place, Hamilton on Thursday 15 June 2023 at 9.31am.

### PRESENT

**Chairperson** Mayor Paula Southgate (Via Audio-visual link)  
**Heamana**

**Deputy Chairperson** Deputy Mayor Angela O'Leary  
**Heamana Tuarua**

**Members:** Cr Ryan Hamilton  
Cr Maxine van Oosten (Via Audio-visual link)  
Cr Moko Tauariki  
Cr Ewan Wilson  
Cr Mark Donovan  
Cr Louise Hutt (Via Audio-visual link)  
Cr Andrew Bydder  
Cr Geoff Taylor  
Cr Sarah Thomson  
Cr Emma Pike  
Cr Melaina Huaki  
Cr Anna Casey-Cox  
Cr Kesh Naidoo-Rauf

**In Attendance:** Lance Vervoort – Chief Executive  
David Bryant - General Manager People and Organisation Performance  
Blair Bowcott - General Manager Growth  
Sean Murray – General Manager Venues, Tourism and Major Events  
Chris Allen – General Manager Development  
Helen Paki – General Manager Community  
Murray Heke – General Manager Customer, Technology and Transformation  
Julie Clausen – Acting General Manager Strategy and Communications  
Maria Barrier – Unit Director, Parks & Recreation  
Anna Hildyard – Legal Services Lead

**Governance Staff:** Amy Viggers – Governance Lead  
Nicholas Hawtin and Arnold Andrews – Governance Advisors

*Tame Pokaia opened the meeting with a karakia.*

### 1. Apologies – Tono aroha

**Resolved:** (Deputy Mayor O'Leary/Cr Hamilton)  
That the apologies for lateness from Cr Huaki and Cr Donovan are accepted.

Council 15 JUNE 2023 - OPEN

2. **Confirmation of Agenda – *Whakatau raarangi take***  
**Resolved:** (Deputy Mayor O’Leary/Cr Taylor)  
 That the agenda is confirmed noting the debate time for Item 10 (TOTI Founders Theatre Site Proposal) be increased from 2 minutes to 3 minutes.
  
3. **Declarations of Interest – *Tauaakii whaipanga***  
 No members of the Council declared a Conflict of Interest.
  
4. **Public Forum – *Aatea korero***  
**Jujhar Singh Randhawa** (Indian Cultural Society Waikato Inc) spoke to Item 10 (TOTI Founders Theatre Site Proposal) noting the Indian cultural society Waikato Inc were interested in access to Founders Theatre as a potential venue. They responded to questions from Elected Members regarding renting the venue.  
  
**Gus Sharp** (Waikato Regional Theatre) spoke to Item 10 (TOTI Founders Theatre Site Proposal) in relation to the development of the new Theatre. They responded to questions from Elected Members regarding the requirements for space of the theatre community in Hamilton, impacts of removing Founders Theatre, and timeframe for completing the Theatre.  
  
**Shona Hammond Boys** (NZ Children’s Art House Foundation) spoke to Item 10 (TOTI Founders Theatre Site Proposal) in support of the redevelopment of the site for a multi-purpose community hub with room for an art centre for children. They responded to questions from Elected Members regarding their opinion of a new build that could incorporate community space for children’s art.  
  
**Peter Wilson** spoke to Item 11 (Submission to the Climate Change Commission on the 2023 Draft Advice to Inform the Strategic Direction of the Governments Second Emissions Reduction Plan) and his concerns with the submission.  
  
 Written submissions received prior to the meeting were circulated to Elected Members and are attached as **appendix 1**.

*Cr Donovan joined the meeting (9:36am) during the above item.*

5. **Confirmation of the Council Open Minutes - 4 May 2023**  
**Resolved:** (Cr Wilson/Cr Donovan)  
 That the Council confirm the Open Minutes of the Council Meeting held on 4 May 2023 as a true and correct record.
  
6. **Confirmation of the Elected Member Open Briefing Notes - 3 May 2023**  
**Resolved:** (Cr Wilson/Cr Donovan)  
 That the Council confirm the Open Briefing Notes of the Elected Member Briefing held on 3 May 2023 as a true and correct record.
  
7. **Confirmation of the Elected Member Open Briefing Notes - 17 May 2023**  
**Resolved:** (Cr Wilson/Cr Donovan)  
 That the Council confirm the Open Briefing Notes of the Elected Member Briefing held on 17 May 2023 as a true and correct record.

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**8. Confirmation of the Elected Member Open Briefing Notes - 31 May 2023**

**Resolved:** (Cr Wilson/Cr Donovan)

That the Council confirm the Open Briefing Notes of the Elected Member Briefing held on 31 May 2023 as a true and correct record.

**9. Chair's Report 15 June 2023**

The Deputy Mayor took the Chair's Report as read.

**Resolved:** (Cr Wilson/Cr Thomson)

That the Council receives the report.

**10. TOTI Founders Theatre Site Proposal**

Margaret Evans and Robyn Ratcliff spoke on behalf of TOTI and their proposal for the development of Founders Theatre. They responded to questions from Members regarding financial feasibility, the condition assessment of the building, the impact of failing to meet deadlines, securing long-term operational costs, timeframe for completion, new purpose built facility, underwriting, project management, maintenance costs, potential future grants, and risks to Council.

The Unit Director, Parks & Recreation and Development Engineering Unit Manager took the staff report as read. Staff responded to questions from Members concerning the Conditional Assessment Report, community spaces in Hamilton, timeframes of the TOTI proposal, the reason for the closure of Founders Theatre in 2016, the Strategic Property Group Report, a community hub, financial feasibility and funding, leasing options, the user needs analysis, underwriting pledges and risks to Council and accessibility to community services.

**Motion:** (Cr Taylor/Cr Hamilton)

That the Council:

- a) receives the report;
- b) thanks TOTI for their proposal and supporting information and their passion for community initiatives;
- c) declines the TOTI proposal for the repurposing of Founders Theatre site on the basis that the Proposal presented did not meet the Community Committee Resolution of 18 April 2023; and
- d) notes that the existing resolution of 12 May 2022 to demolish the Founders Theatre building will be implemented.

**Amendment:** (Cr Bydder/Cr Wilson)

That the Council:

- a) receives the report;
- b) thanks TOTI for their proposal and supporting information and their passion for community initiatives;
- c) approves in principle the TOTI proposal for the repurposing of Founders Theatre site and appoints two councillor representatives to work with TOTI to finalise a draft agreement that addresses the below matters:
  - i. the redevelopment will not include a permanent stage, theatre style seating;

- ii. the auditorium will not be used for theatre events that could be hosted at any existing theatre;
  - iii. all regulatory, Reserves Act requirements and the construction must be completed, in full, within 2 years of the completed agreement;
  - iv. in the case that the redevelopment is not completed within the agreed timeframe, the building will be demolished;
  - v. a credible underwriter be obtained by TOTI to address all financial risks;
  - vi. that HCC retains the parking revenue generated from the site;
- d) requests staff report back to the Council at the September 2023 Council meeting with the draft agreement for approval and a recommendation that addresses the existing resolution of 12 May 2022 regarding the demolish the Founders Theatre building; and
- e) requests that TOTI explore further partnerships opportunities such as in kind donations to community centres as ongoing philanthropy.

**The Amendment was Put.**

**Those for the Amendment:** Councillors Bydder, Pike, Casey-Cox, Huaki and Tauariki.

**Those against the Amendment:** Mayor Southgate, Deputy Mayor O'Leary, Councillors Hutt, Taylor, Hamilton, Naidoo-Rauf, van Oosten, Thomson, Donovan and Wilson.

**The Amendment was declared LOST.**

**The Motion was then put and declared CARRIED.**

**Resolved:** (Cr Taylor/Cr Hamilton)

That the Council:

- a) receives the report;
- b) thanks TOTI for their proposal and supporting information and their passion for community initiatives;
- c) declines the TOTI proposal for the repurposing of Founders Theatre site on the basis that the Proposal presented did not meet the Community Committee Resolution of 18 April 2023; and
- d) notes that the existing resolution of 12 May 2022 to demolish the Founders Theatre building will be implemented.

**Deputy Mayor O'Leary, Councillors Bydder, Huaki and Wilson Dissenting.**

**The meeting was adjourned from 11:01am to 11:20am during the discussion of the above.**

**The meeting was adjourned from 12:09pm to 12:22pm during the discussion of the above.**

**The meeting was adjourned from 1:00pm to 1:46pm.**

*Mayor Southgate retired from the meeting (1:00pm) during the above adjournment.*

**11. Submission to the Climate Change Commission on the 2023 Draft Advice to Inform the Strategic Direction of the Government's Second Emissions Reduction Plan**

The Acting General Manager Strategy and the Communications, Sustainability and Climate Change Manager took the report as read. Staff responded to questions from Members concerning the economic strategy for climate change.

**Resolved:** (Cr Thomson/Cr Wilson)

That the Council:

- a) approves the submission 2023 Draft Advice to Inform the Strategic Direction of the Government's Second Emissions Reduction Plan (Attachment 1).
- b) notes that the submission will be lodged by the closing date of 20 June 2023.
- c) notes that the draft submission on the 2023 Draft Advice to Inform the Strategic Direction of the Government's Second Emissions Reduction Plan (Draft 1) was circulated to all Elected Members for feedback on 23 May 2023.

**Councillors Taylor, Bydder and Hamilton Dissenting.**

**12. Delegations to Positions Policy update**

The Legal Services Lead introduced the report and highlighted the proposed amendments to the financial delegations were based on previous Elected Member feedback

**Resolved:** (Cr Wilson /Cr Taylor)

That the Council:

- a) receives the report; and
- b) approves the proposed changes to the *Delegations to Positions Policy* (**Attachment 1** – clean copy; **Attachment 2** – tracked changes).

**13. Recommendations from Open Committee Meetings**

**Resolved:** (Cr Wilson /Cr Donovan)

**Policy Review – Sale and Disposal of Council Land Policy 2023**

That the Council approves the Sale and Disposal of Council Land Policy.

**Policy Review - Business Improvement District (BID) Policy**

That the Council approves the amended Business Improvement District Policy effective from 1 July 2023.

**Trade Waste and Wastewater Bylaw - Deliberations Report**

That the Council:

- a) adopts the revised Trade Waste and Wastewater Bylaw (2023), effective from 1 July 2023;
- b) notes that:
  - i. as part of this review, Council determined on 8 June 2021 that a Trade Waste and Wastewater Bylaw is the most appropriate mechanism for addressing issues relating to Trade Waste and Wastewater management in Hamilton;
  - ii. the Hamilton Trade Waste and Wastewater Bylaw 2016 has been reviewed and consulted on as per the requirements of the Local Government Act 2002;
  - iii. the revised Trade Waste and Wastewater Bylaw 2023 is the most appropriate form of the Bylaw, having regard to the issues identified in the review and consultation feedback; and
  - iv. the revised Hamilton Trade Waste and Wastewater Bylaw 2023 does not give rise to any implications under the New Zealand Bill of Rights Act 1990.

**14. Resolution to Exclude the Public**

**Resolved:** (Deputy Mayor O’Leary/Cr Pike)

**Section 48, Local Government Official Information and Meetings Act 1987**

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

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

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Confirmation of the Elected Member Briefing Closed Notes - 3 May 2023	) Good reason to withhold information exists under Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)
C2. Confirmation of the Elected Member Briefing Closed Notes - 31 May 2023	)	
C3. Alteration to the Resolution of the Economic Development Committee		
C4. Recommendations from Public Excluded Committee Meetings		
C6. Confirmation of the Council (Recommendation from the CE Review Committee) Public Excluded Minutes 9 March 2023		
C7. Recommendation from the CE Review Committee meeting 23 May 2023		

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

Item C1.	to enable Council to carry out negotiations to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (i) Section 7 (2) (j)
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Item C2.	to enable Council to carry out negotiations to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (i) Section 7 (2) (j)
Item C3.	to enable Council to carry out commercial activities without disadvantage to enable Council to carry out negotiations to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (h) Section 7 (2) (i) Section 7 (2) (j)
Item C4.	to protect the privacy of natural persons	Section 7 (2) (a)
Item C6.	to protect the privacy of natural persons	Section 7 (2) (a)
Item C7.	to protect the privacy of natural persons	Section 7 (2) (a)

**The meeting moved into a public excluded session at 1:58pm.**

**The meeting was declared closed at 2.23pm.**

# Council Report

**Committee:** Council

**Date:** 06 July 2023

**Author:** Arnold Andrews

**Authoriser:** Michelle Hawthorne

**Position:** Governance Advisor

**Position:** Governance and Assurance  
Manager

**Report Name:** Confirmation of the Elected Member Open Briefing Notes - 8 June 2023

<b>Report Status</b>	<i>Open</i>
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## Staff Recommendation - *Tuutohu-aa-kaimahi*

That the Council confirm the Open Briefing Notes of the Elected Member Briefing held on 8 June 2023 as a true and correct record.

## Attachments - *Ngaa taapirihanga*

Attachment 1 - Elected Member Open Briefing Notes - 8 June 2023

**Time and date:** 11.57am, 8 June 2023

**Venue:** Committee Room 1, Hamilton City Council

**1. Community bylaw reviews (Cemeteries and Crematorium / Cultural and Recreational Facilities)**

The Strategy and Policy Advisor and Team Leader - Planning & Policy introduced the topic and explained that the purpose of the presentation was to discuss and receive feedback on both on the Community Bylaws that were under review. Elected Members asked questions in relation to the following matters:

***Cemeteries and Crematorium Bylaw Review***

- central government priorities
- mortuary waste
- natural vs other burials

***Cultural and recreational Bylaw***

- communication challenges
- social license
- the bylaw review process
- each of the options outlined by staff in particular the legal implications
- public consultation

**2. Class 4 Gambling Policy**

The Policy and Bylaw Advisor, General Manager Community, and City Investment Director introduced the topic and explained that the purpose of the presentation was to discuss the Class 4 Gambling Policy which was due for review and Gaming Trust Funding. Elected Members asked questions in relation to the following matters:

***Class 4 Gambling Policy***

- zone identification and criteria to identify these zones
- venues in areas of deprivation (venue density in areas)
- options
- the current sinking lid policy
- feedback from key organisations such as TAB, Ministry of Health, and K'aute Pasifika
- customer management in particular problem gamblers

***Gaming Trust Funding for Community Infrastructure***

- Councils' current policy
- options for the Council to consider
- consultation
- geography of spent
- views of various community groups

# Council Report

**Committee:** Council **Date:** 06 July 2023  
**Author:** Carmen Fookes **Authoriser:** David Bryant  
**Position:** Policy and Bylaw Advisor **Position:** General Manager People and Organisational Performance  
**Report Name:** 2023 LGNZ Remits for Consideration

<b>Report Status</b>	<i>Open</i>
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## Purpose – *Take*

- To seek confirmation of the remits the Council wishes to support at the 2023 Local Government New Zealand (LGNZ) Annual General Meeting (AGM) to be held Wednesday 26 July 2023 in Christchurch.

## Staff Recommendation - *Tuutohu-aa-kaimahi*

- That the Council:
  - receives the report; and
  - notes that the Council has indicated to **support/not support** the following remits, to be voted on by the presiding HCC Delegate at the 2023 Local Government NZ AGM, and that the presiding delegate may duly take into consideration additional information received on the day to inform the final vote on behalf of the Council:
    - Allocation of risk and liability in the building sector;
    - Rates rebate;
    - Roading/transport maintenance funding;
    - Local election accessibility;
    - Ability for co-chairs at formal meetings;
    - Parking infringement penalties;
    - Rural and regional public transport;
    - Establishing resolution service;
    - Earthquake prone buildings;
    - Kiwisaver contributions for elected members; and
    - Audit NZ fees.

## Executive Summary – *Whakaraapopototanga matu*

- Member authorities of LGNZ (member councils) have been asked to consider 11 remits submitted from zones, sector groups, or member authorities ahead of the 2023 LGNZ AGM.

4. If supported at the AGM by the majority of member councils present, remits will be actioned by LGNZ.
5. Representation at the AGM and the voting entitlement of each member council is determined by their LGNZ subscription levels. Hamilton City Council's appointed representatives at the AGM are determined by the Mayor.
6. Mayor Southgate is the Council's presiding delegate and will vote on behalf of Hamilton City Council in accordance with the resolutions made by the Council at this meeting.
7. It is requested that the presiding delegate may have some flexibility to duly take into consideration additional information received on the day to inform the final vote on behalf of the Council.
8. The list of 2023 remits for consideration below were received by the Mayor on 13 June 2023 and are detailed in **Attachment 1** of this report.
9. The LGNZ Remit Policy can be found [here](#).
10. In 2022 the Local Government New Zealand's (LGNZ) member councils passed six remits. More information on the 2022 LGNZ remits can be found [here](#).
11. Staff consider the matters in this report to have a low level of significance and that the recommendations comply with the Council's legal requirements.

## Discussion - *Matapaki*

### Summary of 2023 Remits for Consideration:

#### Allocation of risk and liability in the building sector

12. That LGNZ:
  - a) engages directly with the Minister for Building and Construction to advocate for a change to the current joint and several liability framework, including examination of the MBIE policy position statement Risk, Liability and Insurance in the Building Sector.
  - b) makes the case for alternatives and changes to joint and several liability through updating policy advice and engaging with industry groups.

#### Rates rebate

13. That LGNZ advocates to Central Government to:
  - a) raise the income threshold for rates rebate eligibility to enable more low and fixed income property owners access to the rebate;
  - b) adjust the rebate amount in line with inflation and the cost of living;
  - c) Investigate options to make rates rebates more accessible for residents by implementing an income data sharing process similar to that of Horowhenua District Council and Levin MSD office. This will enable Councils to obtain benefit income on behalf of the ratepayer and make it easier to apply for the rates rebate;
  - d) Investigate options for data sharing between Councils, Internal Affairs and Ministry of Social Development to proactively identify households that qualify for a rates rebate rather than waiting for people to apply.

Roading/transport maintenance funding

14. That LGNZ:
- a) Publicly lobby all political parties to increase Crown funding for state highway and local road maintenance budgets; and
  - b) considers and pursues other avenues including the Office of the Auditor General to seek resolution of the issues facing the country in relation to the systemic rundown of our national roading infrastructure.

Local election accessibility

15. That LGNZ ensures Local Government Elections are fully accessible by advocating to central government to make local government candidates eligible for the Election Access Fund.

Ability for co-chairs at formal meetings

16. That LGNZ explores and promotes options that enable councils to make greater use of cochair arrangements for standing committees, joint committees and sub committees.

Parking infringement penalties

17. That LGNZ advocates to central government to enable councils to determine penalties for parking infringements.

Rural and regional public transport

18. That LGNZ:
- a) acknowledges the Government stated support for a major uplift in all urban bus networks nationwide under New Zealand's first emission reduction plan; and
  - b) calls on the Government and opposition parties to commit to increasing investment in public transport for rural and regional communities to support access to essential services and amenities, vibrant rural communities and just transition to a low emission transport system.

Establishing resolution service

19. That LGNZ:
- a) Investigates the creation of an LGNZ independent, national process to handle complaints or concerns, ensuring fairness, protection, and accountability in local government.; and
  - b) Works with the Local Government Commission<sup>4</sup> to implement findings from its September 2021 Report – Local Government Codes of Conduct.

Earthquake prone building

20. That LGNZ investigate and report to members on ways to help councils and communities that are struggling with the time frames in the Earthquake Prone Building (EPB) sections of the Building Act and council policies pertaining to Priority Thoroughfares.

KiwiSaver contributions for Elected Members

21. That LGNZ ask the Government to amend the law to enable councils to make contributions to an elected members' KiwiSaver scheme.

### Audit NZ Fees

22. That LGNZ calls on Central Government to take action to reduce Council audit fees by:
  - a) revisiting the scope and requirement of reporting and auditing on Councils; and
  - b) Conducting a review on the practice of audit in Councils and work on best practice guidance to streamline this process.
23. This review should examine whether the reporting and audit requirements of councils are consistent with the level of reporting and audit that is required of other public entities.

### **Financial Considerations – *Whaiwhakaaro Puutea***

24. There are no financial or budget impacts related to the decisions required in this report.

### **Legal and Policy Considerations – *Whaiwhakaaro-aa-ture***

25. Staff confirm that the recommendations in this report comply with the Council's legal and policy requirements.
26. Staff confirm that the recommendations in this report comply with the LGNZ Remit Policy which can be found [here](#).

### **Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga***

27. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
28. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report.
29. The recommendations set out in this report are consistent with that purpose.

### **Risks - *Tuuraru***

30. There are no known risks associated with the decisions required for this matter.

### **Significance**

31. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendation(s) in this report has/have a low level of significance.

### **Engagement**

32. Given the low level of significance determined, the engagement level is low. No engagement is required.

### **Attachments - *Ngaa taapirihanga***

Attachment 1 - 2023 LGNZ AGM Remits



# REMITs

// 2023 Annual General Meeting





Please note that this document is not the full set of papers for this year's AGM. It just includes the remits going forward to the AGM so members can decide how they will vote on them. The full set of AGM papers will be shared no later than 10 working days before the AGM.

## // 01

**Allocation of risk and liability in the building sector**

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**Remit:** *That LGNZ:*

- *Engage directly with the Minister for Building and Construction to advocate for a change to the current joint and several liability framework, including examination of the MBIE policy position statement Risk, Liability and Insurance in the Building Sector.*
- *Make the case for alternatives and changes to joint and several liability through updating policy advice and engaging with industry groups.*

**Proposed by:** Queenstown-Lakes District Council

**Supported by:** LGNZ Metro Sector

**Why is this remit important?**

This remit is important because the current joint and several liability approach to building defects sees councils/Building Consent Authorities (BCAs) often being the only party left to compensate homeowners, known as the 'last party standing'.

Ratepayers are therefore bearing a disproportionate burden, affecting the ability of councils throughout Aotearoa New Zealand to carry out core services. Councils are having to borrow money to pay for significant claims to cover the failures of other parties because they are the last party standing, reducing their ability to invest in other council services (e.g. infrastructure, community services etc). There is a presumption in the current system that ratepayers are able to bear these costs that is not tenable.

**Background and Context**What has caused this issue?

When there are claims by property owners relating to weather tightness and other building defects, the existing joint and several liability rule places the risk of insolvency or lack of insurance of one party onto other parties. This arbitrarily increases the liability of remaining parties (defendants) above their proportionate responsibility.

It is Queenstown Lakes District Council's (QLDC) position that requiring ratepayers to pay compensation where defendants are missing is unjust. QLDC is not unsympathetic to the need for losses to be recovered, but risk management is a shared responsibility. It is important that all participants in the system have clear accountabilities and not be able to escape their share of responsibility by ceasing to operate or liquidating.

Weather tightness and other building defect claims are a national problem.

The joint and several liability system has significant impacts including:

1. Rates increases. The settlement of large defective building claims has led to higher borrowing and interest costs for QLDC. The annual cost of the borrowing required to fund the settlements made in the past two years is \$5.3M and the increase in interest costs for

2. 2023-24 is \$4.4M, which has a rates effect of 4.03% for the year. The legal and financial challenges facing councils from these claims are ongoing and more costs can be anticipated in the future; it is not an issue that is diminishing.
3. Reduced ability to invest in community development. The subsequent effects of funding legal claims through the joint and several liability system include a loss in borrowing capacity, that could result in the reduction of investment in community assets such as parks, libraries, performing arts and recreation facilities.
4. A more cautious and demanding building consent function. The risk of being left liable has a negative impact on BCA performance and also creates higher compliance costs for the building sector. It also reduces willingness to consider non-standard solutions which potentially have a higher chance of failure. This negatively affects market performance and innovation that is vital in an era of climate adaptation.

#### Proposed changes

It is recommended that the liability framework should change to one of proportionate liability. This would reflect the roles and responsibilities of the parties involved and encourage those best placed to manage the risk (building practitioners) to actively manage it. This should be accompanied by a system of compulsory home warranty guarantee (that is effective) and/or insurance products. The homeowner interest would then be protected and there would no longer be an impediment to moving to proportional liability.

In the alternative, if the joint and several approach to liability remains, it is recommended that there should be a cap on BCA liability. A limit of 20% would be proportionate to the supervisory role BCAs perform under the Building Act 2004 and current apportionments underpinned by meaningful warranties and insurance (with a government underwrite if necessary) for residential properties and significant alterations.

#### What QLDC has already done to address this issue and bring about the proposed change

Alongside a vigorous defense of claims, QLDC is also advocating for a change to the process to address the inequitable outcomes of the current system for rate payers. It is doing this by advocating to central government, partnering with LGNZ in drafting submissions and discussion via the Metro Sector Mayors forum.

MBIE are currently reviewing the building consent process. They have refused to consider or address the impacts of the current liability settings. LGNZ (and QLDC reps in particular) have lobbied to broaden this scope, and the wider industry also seems sympathetic. It is time to escalate the issue with central government beyond officials.

#### **How does this remit relate to LGNZ's current work programme?**

LGNZ is engaged in the MBIE Review of the Building Consent System through submissions and participation on the Sector Reference Group but does not have a broader advocacy work programme of its own beyond this. And to date, LGNZ's advocacy to political leaders on the issue has been minimal.

Adopting this remit will give LGNZ a stronger and more specific mandate to progress this issue, particularly at the political level, which may assist with achieving greater traction given MBIE officials

have taken the position that the joint and several liability regime is outside the scope of building consent sector reform programmes.

**How will the proposing council help LGNZ to make progress on this remit?**

This is an acute issue for QLDC, but it affects any council that has a BCA function. QLDC is committed to advocating for a change to the current regime, and continuing to work alongside LGNZ, providing policy and strategy support and expertise where needed.

**Is the remit relevant to local government as a whole?**

Yes. This remit is about the BCA function of councils, which includes all unitary and territorial authorities.

**Is the remit of a major policy nature?**

Yes. This remit deals with joint and several liability within the building sector.

## // 02

**Rates Rebate**

**Remit:** *That LGNZ advocate to Central Government to:*

- *Raise the income threshold for rates rebate eligibility to enable more low and fixed income property owners access to the rebate*
- *Adjust the rebate amount in line with inflation and the cost of living*
- *Investigate options to make rates rebates more accessible for residents by implementing an income data sharing process similar to that of Horowhenua District Council and Levin MSD office. This will enable Councils to obtain benefit income on behalf of the ratepayer and make it easier to apply for the rates rebate*
- *Investigate options for data sharing between Councils, Internal Affairs and Ministry of Social Development to proactively identify households that qualify for a rates rebate rather than waiting for people to apply.*

**Proposed by:** Horowhenua District Council

**Supported by:** LGNZ Zone Three

**Why is this remit important?**

Rates rebates are an important mechanism to assist low- and fixed-income ratepayers to pay their annual rates. In this cost of living crisis we are experiencing, more low and fixed income people are experiencing poverty and extreme hard times.

To support and assist all eligible ratepayers, the process should not be onerous, it should be streamlined, accessible and able to be carried out in a way where applicants' dignity is upheld.

**Background and Context**

Available from the Department of Internal Affairs, a rates rebate is a partial rebate for eligible, low-income ratepayers who pay rates on their home to a Council.

The Rates Rebates Scheme provides a rebate for eligible applicants who need to apply each year and:

- Provide the total household income, before tax;
- Complete the rates rebate application form;
- If applicable, complete the retirement village or company-share declaration form; and
- Return their application to the relevant Council by 30 June each year.

To apply for the rebate, applicants must be:

- Living in their own home on 1 July of the current rating year
- Listed as the ratepayer in the Council's Rating Information Database (RID).

Looking to streamline the application process for a rates rebate, in 2022, Horowhenua District Council worked with the Levin Ministry of Social Development (MSD) office to implement a 'Rates Rebate MSD Wavier Form'. This form was designed to provide Council with customer income details to assist with the rates rebate application process. Once the form was signed by the property owner, it was lodged with MSD who then confirmed income details with Council. This removed the need for the applicant to travel to the MSD, as well Council, to provide proof of income, which can be a burden to the process and it made the process smarter and less time consuming.

As this is currently a process unique to the Horowhenua District Council and Levin MSD, it is proposed that this process and any income/data sharing initiatives be implemented into the application process country-wide.

It is also proposed that enhancements to data sharing between Councils, the Department of Internal Affairs and MSD be investigated with the aim of streamlining the process and ensuring that those who are eligible, receive the rebate, through using available incomes and rates information.

Further, it is proposed that the threshold for eligibility is lowered to enable more low- and fixed-income property owners access to the rebate. With high inflation and household costs rising over the past two years, more households are struggling including those on low and fixed incomes. An increase in the eligibility for a rates rebate, by lowering the income threshold would assist those who are potentially most vulnerable in our community.

### **How does this remit relate to LGNZ's current work programme?**

This remit is aimed at advancing a similar remit passed at the 2020 AGM:

*"That LGNZ works with the Government to lift the level of rates rebates available for low- and fixed-income property owners – with yearly increases taking into account the cost for inputs into local government services."*

LGNZ is still to make substantial progress on the 2020 remit.

### **How will the proposing council help LGNZ to make progress on this remit?**

A member of the Horowhenua District Council Executive Leadership Team and members of the Finance Team with rates rebates expertise are open to working with LGNZ to progress this work for the benefit of New Zealand's low-income ratepayers.

### **Is the remit relevant to local government as a whole?**

Yes.

### **Is the remit of a major policy nature?**

Yes: rates rebates are an important mechanism to assist low- and fixed-income ratepayers to pay their annual rates. Due to the cost-of-living crisis, more low- and fixed-income ratepayers are experiencing financial difficulty.

## // 03

**Roading/Transport Maintenance Funding**

**Remit:** *That LGNZ:*

- *Publicly lobby all political parties to increase Crown funding for state highway and local road maintenance budgets.*
- *Consider and pursue other avenues including the Office of the Auditor General to seek resolution of the issues facing the country in relation to the systemic rundown of our national roading infrastructure.*

**Proposed by:** New Plymouth District Council

**Supported by:** Kāpiti Coast District Council, Whanganui District Council, Palmerston North City Council, Grey District Council, Waipā District Council, Matamata-Piako District Council, Rotorua Lakes Council, Thames-Coromandel District Council, Masterton District Council, Whakātane District Council, Far North District Council, South Taranaki District Council, Rangitīkei District Council, Tasman District Council, Wairoa District Council, Waimakariri District Council, South Waikato District Council, Kaikōura District Council, Waikato District Council, Hamilton City Council, Mackenzie District Council, Central Hawke's Bay District Council

**Why is this remit important?**

The current state of national highways is unacceptable. Sufficient increase in funding is required to achieve a national average for remaining seal life of no less than 3.6 years (pre-2010 levels) across the state highway network. This needs to be done within the next 10 years, in partnership with councils, and with corresponding asset health improvements on local roads, to ensure the safety of all New Zealanders. Other avenues to seek resolution from include the Auditor-General, relevant Ministers and the Transport and Infrastructure Select Committee.

**Background and Context**

Waka Kotahi's maintenance and renewal programme has clearly been insufficient to maintain asset health measured via the average remaining seal life. There are numerous media reports about the issues being faced across New Zealand.

Graph 1 (attached in Appendix #) shows the average remaining seal life of state highways by region. This information was obtained under the Official Information Act 1982 from Waka Kotahi. It shows the significant decline in the average seal life of state highways. Nationally, the average remaining life in 2010 was 3.6 years. In 2018 this declined to around 1.8 years and remains steady. However, at a regional level there are large discrepancies.

In 2010 every region had an average remaining life of between 2.9 and 4.4 years (a range of 1.5 years difference). By 2023 the range was from -0.6 to 3.3 years (a range of 3.9 years) with four regions having a seal age of less than one year, including Hawke's Bay which recorded its seventh year with an average of less than zero.

The issue nationally is predominantly with chipseal roads rather than asphalt mix, with some exceptions. In 2023, across chipseal roads, five regions have an average remaining life of less than one year, with Hawke's Bay's roads again below zero. Within asphalt roads, Southland set an unfortunate record with an average remaining life of -2.5 years. Graph 2 (attached) shows the average remaining life of different surface types by region today.

Last year LGNZ commissioned Infometrics to undertake a report into trends in road transport funding<sup>1</sup>. That report noted that funding for roads per kilometre travelled only increased by 0.8% p/a in the five years to 2021, whilst construction costs increased 1.1% p/a in the same five years. That report ended its analysis in 2021. With considerable cost inflation over the past two years and decreased land transport revenue due to Covid, it is almost certain that the funding gap has grown even further. Inflation for Heavy and Civil Engineering Construction peaked at 15.1% pa in the September 2022 quarter<sup>2</sup>.

That increased funding gap to roads is likely to result in even further pressure on state highway maintenance and lifespans. The national stabilisation of the average remaining life of state highways may falter in the coming years, seeing further downward movement. Such a decrease will see more parts of the state highway network fail.

This year the Government is developing its next Government Policy Statement on Land Transport (the GPS). The GPS sets the funding buckets for Waka Kotahi. Influencing the development of the next GPS is one key way in which to ensure regional state highways do not continue to deteriorate. The Land Transport Management Act specifically states the Minister must regard the views of LGNZ. This remit therefore proposes a position for LGNZ.

### **How does this remit relate to LGNZ's current work programme?**

Following the commissioning of the Infometrics report, there is further work to be done to ensure New Zealand's roading infrastructure reaches an acceptable quality level. LGNZ need to have input into the development of the next GPS and undertake a much wider advocacy role by:

- Seeking further investigations from the Auditor-General on state highway maintenance and asset management practices. This will build on the 2020 investigation into the Network Outcomes Contracts<sup>3</sup> which highlighted poor performance measures for network performance.
- Meeting with relevant Ministers (including Transport, Infrastructure and Finance) on issues with the funding, renewals and asset management of state highways, to highlight the outlined issues.
- Meeting with the Transport and Infrastructure Select Committee and its members at appropriate times to highlight these issues, such as during the annual review of Waka Kotahi.

Progressing this remit would form part of LGNZ's existing, broader advocacy work on transport.

<sup>1</sup> <https://www.lgnz.co.nz/assets/PDFs/Analysing-trends-in-road-transport-funding-November-2022.pdf?vid=3>

<sup>2</sup> <https://www.stats.govt.nz/information-releases/business-price-indexes-december-2022-quarter/>

<sup>3</sup> <https://oag.parliament.nz/2020/nzta-contracts>



**How will the proposing council help LGNZ to make progress on this remit?**

New Plymouth District Council would be available in an advocacy/committee member capacity to provide input and feedback as LGNZ undertake the tasks outlined in this remit.

**Is the remit relevant to local government as a whole?**

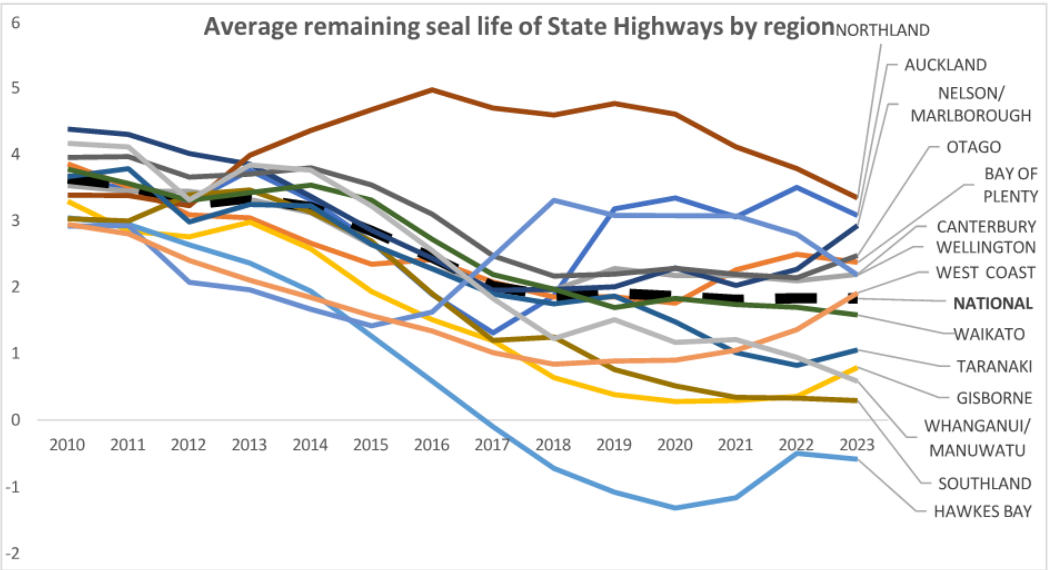
Yes. This remit is about addressing the rundown of our national roading infrastructure and increasing the funding available for the network as a whole. The 23 councils that supported it represent five out of six LGNZ zones, showing it's an issue across local government.

**Is the remit of a major policy nature?**

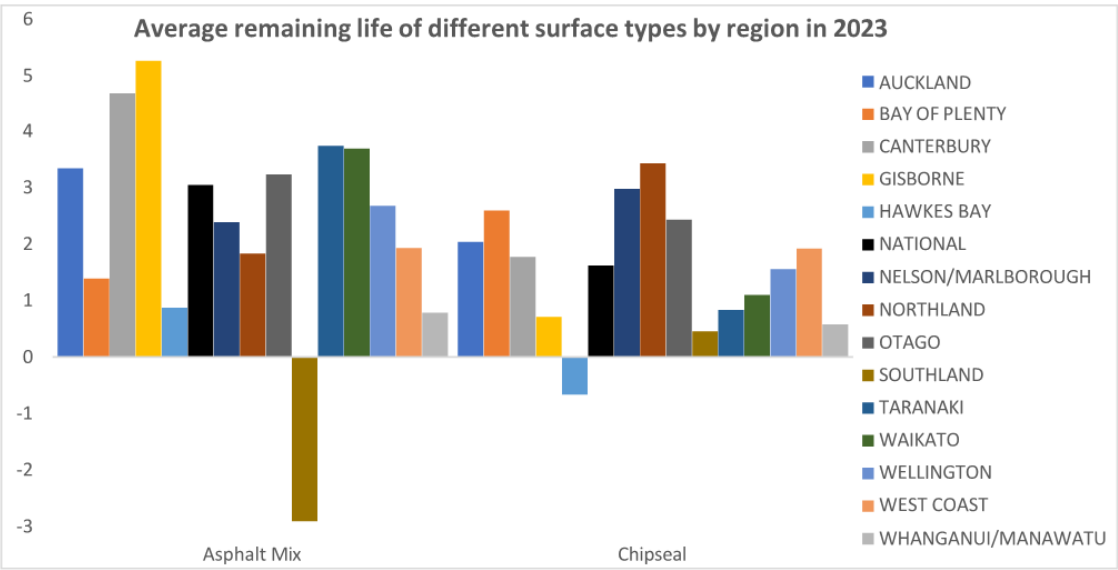
Yes. This remit deals with national funding and a large, system-wide issue that affects the safety of our roads for all New Zealanders.

Supporting Document

Graph 1



Graph 2



## // 04

Local election accessibility

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**Remit:** *That LGNZ ensure Local Government Elections are fully accessible by advocating to central government to make local government candidates eligible for the Election Access Fund.*

**Proposed by:** Whangārei District Council

**Supported by:** LGNZ Zone 1

**Why is this remit important?**

This remit aims to ensure Local Government Elections are fully accessible to disabled people who decide to stand as a candidate.

This requires action as disabled people make up 25% of New Zealand's population, which makes it the largest minority group. Yet there is almost no representation of people with disabilities in both central and local government.

**Background and Context**

Local government elections have been inaccessible to candidates with disabilities.

The Election Access Fund (the Fund) currently operates for disabled people who are standing for parliament in the general elections. At present, the Fund does not extend to disabled people standing for local elections.

The disability community tend to have lower disposable incomes than the rest of the population. This makes access to council positions extremely difficult. It is a non-accessible environment, and the general cost of campaigning and other council-associated expenses are prohibitive.

The Fund can be used to pay for disability related costs during selection or campaigning, such as, accessible transport to events or meetings, or New Zealand Sign Language Interpreters.

At the time of the establishment of the Fund, while there was extensive consultation with disability organisations, the disability community expressed deep disappointment that the fund was limited to general elections. The rationale for the exclusion is unclear.

There is no good reason for such exclusion, and it diminishes the principle of enabling disabled people to stand for political roles and undermines New Zealand's commitment to Article 29 of the United Nations' Convention on the Rights of Persons with Disabilities.

We know that representation is critical for creating change for any group of people. As the largest minority in New Zealand and in the world, disabled people lack political representation, which leads to poor outcomes.

Having a voice in local government provides a different lens on various issues and has the potential to make a significant difference to disabled people and the wider community.

Whangārei District Council feel that this remit is an obvious extension of a provision that is already in place at central government level.

**How does this remit relate to LGNZ's current work programme?**

LGNZ's vision is to create the most active and inclusive local democracy in the world. Therefore this proposed remit fits squarely in the space of ensuring inclusive participation in local government. Progressing this work could form part of the work LGNZ is already doing to promote greater diversity, equity and inclusion in local government.

**How will the proposing council help LGNZ to make progress on this remit?**

Whangārei District Council will support the implementation of the remit to ensure that local accessibility issues are addressed, to enable inclusivity throughout the local government election cycle.

**Is the remit relevant to local government as a whole?**

Yes.

**Is the remit of a major policy nature?**

Yes.

Supporting Document

## LGNZ Remit – Election Access Fund for Local Elections

**Submission:** The Disability Advisory Group request that Whangarei District Council (alongside other Northland councils) supports and submits a remit to LGNZ for the Election Access Fund to be extended to local body elections.

Disabled people make up 25% of New Zealand's population, which makes it the largest minority group. Yet there is almost no representation in both central and local government.

It is important that people with lived experience of disability receive the support they need to run in both general and local body elections. Disabled people have a different lens to many issues and lack representation.

There is no reason why this access fund should not be applicable to local government elections. New Zealand ratified the United Nation Convention on the Rights of Persons with Disability (UNCRPD), in 2008. Article 29 of the Convention is Participation in political and public life. The fund is a direct response to that Article.

**Background:** The Election Access Fund currently operates for disabled people who are standing for parliament in the general elections. At present, this fund excludes disabled people standing for local elections.

*"The purpose of the Fund is to reduce cost barriers faced by disabled people by covering disability-related costs which non-disabled candidates do not face. The Fund covers both seeking selection to be a candidate, and campaigning as a candidate. The Fund will enable the Commission to pay for additional costs that candidates incur because of their disability when organising and preparing to stand for Parliamentary elections.*

*The Fund does not cover local body elections."*

Retrieved from the Electoral Commission website: [elections.nz](https://www.elections.nz)

The disability community tend to have lower disposable incomes than the rest of the population. This makes access to council positions extremely difficult. It is a non-accessible environment, and the general cost of campaigning and other council-associated expenses are prohibitive.

The Fund can be used to pay for disability related costs during selection or campaigning. For example, accessible transport to events or meetings, or New Zealand Sign Language Interpreters.

At the time of the establishment of the fund, while there was extensive consultation with disability organisations, the disability community expressed deep disappointment that the fund was limited to general elections. The rationale for the exclusion is unclear.

There is no good reason for such exclusion, and it diminishes the principle of enabling disabled people to stand for political roles and undermines NZ's commitment to Article 29 of the UNCRPD.

We know that representation is critical for creating change for any group of people. As the largest minority in NZ and in the world, disabled people lack political representation, which leads to poor outcomes. Northland elected members should also note that their region has the second highest rate of disability at 29% according to the 2013 Disability Stats (which is being conducted again this year).

Having a voice in local government provides a different lens on various issues and has the potential to make a significant difference to disabled people and the wider community.



## // 05

**Ability for co-chairs at formal meetings**

**Remit:** *That LGNZ explores and promotes options that enable councils to make greater use of co-chair arrangements for standing committees, joint committees and sub committees.*

**Proposed by:** Northland Regional Council

**Supported by:** LGNZ Zone 1

**Why is this remit important?**

There is currently a lack of clarity around what arrangements councils can adopt to enable co-chairs for standing committees, joint committees and sub-committees. This is despite growing emphasis on increasing diversity in our governing arrangements, including by the Future for Local Government Review. Enabling councils to easily appoint co-chairs is one way to increase diversity and inclusion by providing opportunities for under-represented groups, including Māori, to take a more active role in local governance. More clarity is needed for councils on how to adopt effective co-chairing arrangements.

**Background and Context**

The Northland Regional Council (NRC), like many councils in New Zealand, has been continually looking at the different ways it can work effectively with its Te Tiriti o Waitangi partners. To deliver on that commitment it has established a number of joint committees and working parties, for example a Joint Climate Change Adaptation Committee. This committee was established in 2021 by the four Northland councils to ensure an effective, efficient, and equitable response to the impacts of climate change. The joint committee has 50/50 membership with each council appointing an elected member and an iwi/hapu representative. It believes that this committee would benefit from a co-chairing arrangement.

There is currently a lack of clarity around whether joint committees, standing committees and sub-committees can have co-chairs. Making it easier for councils to adopt co-chair arrangements would help to increase diversity and inclusion in local government decision-making.

Co-chair arrangements can also be a helpful way of building knowledge and skills amongst new elected members who may have little experience of local government – especially representatives from sectors of communities who are often under-represented, such as youth and migrant communities. Working alongside existing chairs can help to de-mystify council processes and support councils and communities to develop a more diverse and inclusive group of future leaders.

This remit would give LGNZ scope to explore current barriers to co-chair arrangements, find ways to overcome those barriers, and undertake work to support councils to make greater use of co-chair arrangements, for example providing guidance and/or sharing best practice examples.

**How does this remit relate to LGNZ's current work programme?**

The particular issue the remit raises is not currently part of LGNZ's work programme. However, it aligns with two of LGNZ's goals: that more people value and participate in local government, and stronger Te Tiriti-based partnerships between local government and Māori. The remit also aligns with LGNZ's focus on increasing diversity and inclusion in local government, and the Future for Local Government Review's focus on increasing participation in local government. This remit proposes taking action that would enhance that existing work.

**How will the proposing council help LGNZ to make progress on this remit?**

NRC would be advocates, alongside LGNZ, for any necessary changes in legislation required to provide the ability for Co-Chairs on council standing committees, joint committees and sub committees.

**Is the remit relevant to local government as a whole?**

Yes

**Is the remit of a major policy nature?**

Yes: the remit provides an option for increasing diverse and inclusive participation in council decision-making processes. This would also help to ensure local governance practice reflects the content and spirit of Te Tiriti o Waitangi.

## // 06

**Parking infringement penalties**

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**Remit:** *That LGNZ advocate to central government to enable councils to determine penalties for parking infringements.*

**Proposed by:** Whangārei District Council

**Supported by:** LGNZ Zone 1

**Why is this remit important?**

Currently penalties for parking infringements are set by legislation and are not appropriate for the cost of resourcing the infringements, nor set at a level that is appropriate for the infringement.

**Background and Context**

Currently the Land Transport (Offences and Penalties) Regulations 1999, Schedule 1B Part 1 sets the amount for parking infringements and the Transport (Towage fees) Notice 20204 sets the towage fees.

Whangārei District Council is currently charging the allowable amounts under this legislation but is unable to recover actual public land towing costs from the vehicle owner.

This remit advocates for penalties to be able to be set at a local level so that they are appropriate to the costs, with particular focus on:

- ensuring that clearway towing fees allow councils to recover full costs associated with towing on clear ways, and
- allowing councils to consider increases to infringement fees for misuse of disability parking spaces.

**How does this remit relate to LGNZ's current work programme?**

LGNZ is not currently working on this particular issue. However, this remit aligns with LGNZ's priority to campaign for greater local decision-making and localism, in that it advocates for councils setting parking infringement penalties at a local level that resonate with the local community - to ensure rate payers are not subsidising these activities and that those misusing services are contributing appropriately.

**How will the proposing council help LGNZ to make progress on this remit?**

Whangārei District Council will support any proposed changes to the legislation that will allow for parking infringements to be set at a local level, and will also provide support if the preferred approach is to update legislation to ensure parking infringements are in line with current resourcing costs for these infringements.

**Is the remit relevant to local government as a whole?**

Yes. This remit calls for legislative change to the Land Transport (Offences and Penalties) Regulations 1999 to allow all councils to determine penalties for parking infringements and towage fees appropriate to their local area.

**Is the remit of a major policy nature?**

In part. This remit is calling for legislative change, but it is a relatively narrow request and we need to test members' level of interest further.

## // 07

**Rural and regional public transport**

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**Remit:** *That LGNZ:*

- *Acknowledges the Government stated support for a major uplift in all urban bus networks nationwide under New Zealand's first emission reduction plan.*
- *Calls on the Government and opposition parties to commit to increasing investment in public transport for rural and regional communities to support access to essential services and amenities, vibrant rural communities and just transition to a low emission transport system.*

**Proposed by:** Waikato Regional Council

**Supported by:** Zone 2 Meeting May 2023. Remit discussed and received unanimous support.

**Why is this remit important?**

Improving public transport is both an opportunity to reduce transport emissions and support a just transition to a low emission economy by providing a cheap alternative to increasing costs of owning and running a conventionally fuelled car.

A lack of explicit support for rural and regional public transport services means these communities will be exposed to the wider suite of policy shifts supporting a transition to a low emission transport system, without any meaningful alternative transport options.

Many of New Zealand's rural and regional communities have high proportions of people on low and fixed incomes and for whom the financial or practical barriers to owning an electric vehicle will be too great.

Sustainable funding for these rural and regional public transport solutions will be important to provide rural and regional communities the confidence that they will not be left behind as New Zealand transitions to a low emission transport system.

**Background and Context**

The Government's emission reduction plan (2022) and subsequent policy and transport funding opportunities including Climate Emission Reduction Fund opportunities, are targeted at optimising investment in terms of carbon emission reductions.

Meanwhile several policies that were specifically intended to support a just transition have been recently abandoned and investment signals for rural and regional public transport have been muted.

Investing in rural and regional public transport is a strategic and sustainable way to improve the quality of life and economic opportunities for people living outside urban areas. Rural and regional public transport can provide multiple benefits, such as:

- Access for people on fixed incomes: Many rural residents, especially the elderly, disabled, and low-income groups, do not have access to private vehicles or cannot afford to use them frequently. Public transport can offer them a more affordable and reliable way to access essential services, such as health care, education, shopping, and social activities. Public transport can also reduce their isolation and enhance their well-being.
- A just transition to a low carbon transport system: Public transport can help reduce greenhouse gas emissions and air pollution by shifting people away from using private cars. Public transport can also support the development of renewable energy sources, such as biofuels, solar, geothermal, and wind power, by providing the infrastructure and demand for them. Public transport can also contribute to climate change adaptation by improving the resilience of rural communities to extreme weather events and natural disasters.
- Support for local economies: Public transport can link people with essential services such as healthcare. Public transport can also be an important force in supporting local economies by connecting residents (especially non-drivers) with local businesses and job opportunities. Public transport can also attract tourists and visitors to rural areas, creating more income and employment opportunities.

It is important to note public transport does not just mean a 30-seater bus. Public transport authorities like the Waikato Regional Council are becoming increasingly innovative with the services they provide and support – be they community transport services or on-demand mini-bus services, the solutions being increasingly tailored to needs of local communities.

### **How does this remit relate to LGNZ's current work programme?**

Transport affordability and accessibility is already a part of LGNZ's policy and advocacy work programme, but there's no current work to gain cross-party support for better public transport for rural and regional communities. Work to progress this remit could be integrated into LGNZ's broader transport advocacy work programme.

### **How will the proposing council help LGNZ to make progress on this remit?**

Waikato Regional Council did not specifically outline how it might work with LGNZ on progressing this remit in its application form but noted:

Many public transport authorities such as the Waikato Regional Council are already providing some rural and regional public transport services in the form of Total Mobility (subsidised taxi fares), support for community transport service providers, and some more traditional bus-based public transport.

These have been highly valued by those communities, providing many people with affordable access to essential services and amenities.

Demand for these services is growing, however the ability to afford the council or National Land Transport Fund shares is increasingly constrained.

**Is the remit relevant to local government as a whole?**

Yes. This remit is most relevant to rural and regional councils but aims to reduce New Zealand's transport emissions overall. Improved regional public transport will also benefit provincial and metropolitan councils.

**Is the remit of a major policy nature?**

Yes. This remit is dealing with public transport investment and a just transition to a low carbon transport system.

## // 08

## Establishing resolution service

**Remit:** *That LGNZ:*

- *Investigates the creation of an LGNZ independent, national process to handle complaints or concerns, ensuring fairness, protection, and accountability in local government.*
- *Works with the Local Government Commission<sup>4</sup> to implement findings from its September 2021 Report – Local Government Codes of Conduct<sup>5</sup>*

**Proposed by:** Hutt City Council & YEM

**Supported by:** Invercargill City Council, Far North District Council, Hauraki District Council, Central Otago District Council, Hutt City Council, Selwyn District Council, Porirua District Council

**Why is this remit important?**

This remit is critically important as it addresses the pressing issue of a lack of a proportionate, flexible, responsive, and independent process/service for handling complaints and concerns in councils and escalating issues within local government.

**Background and Context**

The proposing and support councils and the Young Elected Members' Committee acknowledge that issues arise across local government that require a range of interventions – from education, mentoring, support, facilitation, mediation, inquiry, investigation, or review.

The absence of a national, standardised and independent process that triages complaints and concerns provides the right intervention for the issue, and managing escalation for complaints within local government has led to the pressing need for action. Currently, councils oversee their own problems on an ad-hoc basis, leaving many complaints unanswered and individuals hesitant to come forward. This lack of a clear and impartial process undermines transparency, accountability, and public trust in local government. It also fails to provide legal protection for complainants and increases the risk of defamation. The Code of Conduct inquiry is often very expensive and results in sanctions (if approved by a majority of Councillors in some cases) in what can only be called the “wet bus ticket”.

The intense scrutiny placed on local body governance by the community emphasises the need for regular external support to drive positive change. Without such support, unresolved issues can

<sup>4</sup> Referred to as LCG for the balance of this remit

<sup>5</sup> *Local Government Codes of Conduct/ Ngā tikanga whanonga Kāwanatanga ā-Rohe, Report to the Minister of Local Government, September 2021, Wellington [report found here](#).*



ultimately lead to the involvement of the DIA and the appointment of a commissioner, representing a worst-case scenario.

Relevant legislation, policy, or practice has not adequately addressed this issue, resulting in gaps and inconsistencies in handling complaints. Code of Conduct process enables the issue to be escalated to the Chief Executive. Informal conduct complaints are to be escalated to the Mayor, however if the Mayor is part of the problem this doesn't provide for a safe environment.

If a councillor is to escalate to a Code of Conduct complaint, often this results in a very public fight which also generally results in a public apology that doesn't really resolve anything.

It appears that where there is no national process or independent forum in which to take these issues, issues have been left to escalate or fester leading to governance breakdowns.

The absence of legal protection for complainants further exacerbates the problem, discouraging individuals from raising legitimate concerns.

We acknowledge that the process of investigation opens local government up to media scrutiny and often fails to protect the complainants coming forward. While this is keenly felt by the communities in which it is occurring, it also does a disservice to local democracy and local government generally.

Given the degree of intense community scrutiny on local body governance, regular and external support is often necessary to shift the dial.

Many terms of reference used to investigate complaints often fail to address the core issues comprehensively. Consequently, the necessary outcomes required to restore confidence in councils or individuals are not adequately addressed, resulting in slow progress and ongoing dissatisfaction.

By establishing a comprehensive framework that includes a complaints/issues/support/mediation forum and a tiered escalation process, this remit aims to promote fairness, protect complainants, restore public confidence, strengthen local democracy, and ensure timely and effective issue resolution as well as being cost effective for councils.

Taking action is crucial to uphold good governance, address grievances, and maintain the integrity of local government institutions.

### **How does this remit relate to LGNZ's current work programme?**

While there have been some conversations about the need for a national service for addressing complaints about member conduct (including with central government), and LGNZ does provide support to councils, including on an "as requested" basis and by providing a model Code of Conduct at the start of each triennium, work to develop a national, independent process/service is not one of LGNZ's current work priorities.

Work on this remit would align with LGNZ's vision of New Zealand being the most active and inclusive local democracy in the world, and LGNZ's goal that more people value and participate in local government.

**How will the proposing council help LGNZ to make progress on this remit?**

The proposing and supporting councils and Young Elected Members' Committee have all expressed a willingness to support LGNZ with work to progress this remit, including sharing relevant experience and assisting with engaging with Ministers, officials and the Local Government Commission.

**Is the remit relevant to local government as a whole?**

Yes.

**Is the remit of a major policy nature?**

Yes: At some stage, virtually all councils will have faced the issue of member misconduct. The tools currently available for dealing with such issues are widely seen as inadequate. There is a need for a proportionate, flexible, responsive, and independent process/service for handling complaints and concerns in councils and an approach that is consistent across all councils.

## // 09

**Earthquake prone buildings**

**Remit:** *That LGNZ investigate and report to members on ways to help councils and communities that are struggling with the time frames in the Earthquake Prone Building (EPB) sections of the Building Act and council policies pertaining to Priority Thoroughfares.*

**Proposed by:** Manawatū District Council

**Supported by:** LGNZ Zone 3

**Why is this remit important?**

Timeframes to strengthen or demolish earthquake prone buildings (EPBs) range from 50 years in low earthquake risk zones in New Zealand to 7.5 years in high-risk zones where councils have implemented Priority Thoroughfares. As the clock has been ticking for a while, that 7.5 years is already down to less than 5 years. These building owners have been issued notices under the Building Act to strengthen or demolish by a certain date.

While some strengthening has, and is taking place, it is clear that many EPBs will not be strengthened or redeveloped within the required short timeframes. These communities face the prospect of vacant sites, and worse still, abandoned buildings.

In many cases these EPBs have stood through many earthquakes for 70 – 140 years and they have considerable heritage value, but not necessarily with any real heritage protection, and they add positively to the character and aesthetic quality of towns and cities.

EPB owners have major concerns about what will happen in March 2028 when their 7.5 years is up, and other dates in other communities. In many cases they either can't afford to strengthen in the timeframe, or it is not currently financially viable to do so in the current commercial real estate marketplace. There are many cases where the property value is Land Value only, or Land Value less the cost of demolition. The buildings currently provide no added value to the value of the land.

This remit aims to address the timeframes of Priority Thoroughfares in particular, which were imposed as policy by councils, and which triggered the issuing of Building Act notices to strengthen or demolish by a certain date. The issuing of these notices seems to be more difficult to change than amending Priority Thoroughfare policies.

Manawatū District Council is concerned that town and city centres may be destroyed by legislative and policy decisions, rather than by an actual earthquake.

**Background and Context**

Some towns and cities with low commercial rents and low commercial property values are struggling with the financial viability and affordability of either earthquake strengthening or redeveloping within the short timeframes. These towns and cities have lower pedestrian counts, and therefore earthquakes are of lower risk to human life than in larger cities with higher rents and values, and where both strengthening and redeveloping is more viable.

The legislation gave no criteria in terms of pedestrian or traffic count for Priority Thoroughfares. It was left for councils to decide, and some councils implemented Priority Thoroughfares and some with similar town centres did not. Communities have building owners who are prepared to make progress with strengthening if a longer timeframe existed but are not prepared to commence strengthening knowing that they can't complete all of the work required within the short timeframe required. This is an unforeseen consequence of the short timeframes of the legislation and Priority Thoroughfare policies. Instead of the buildings becoming safer over time, the short timeframe has meant that no safety improvements are taking place in many cases.

An example of this is a prominent two-storey Hotel in Feilding, being a reasonably large Edwardian building built using unreinforced masonry, as are many of Feilding's EPBs. This is a most attractive building voted by the Manawātū community to be their favourite Feilding town centre building. The rent is circa \$70,000 P/A, and the cost to strengthen is circa \$2,000,000 with likely another \$2,000,000 required for renovation. The current use and rental doesn't justify the investment within 5 years. Another use or uses will be required to justify the investment and this will likely happen in the future, but such changes take time.

This remit hopes that compromise solutions, that remove the risk to human life in a timely manner, but in affordable and viable ways will be explored, such as extending the timeframe for strengthening lower-risk parts of buildings. The proposing council recognises that a range of options may be appropriate – including legislative and policy options – and so is keen that these are looked at.

Manawātū District Council has done a lot to help get EPBs strengthened. It has organised subsidised engineering reports through Heritage Equip, held seminars, sought advice, found a strengthening company that offers a fixed price package deal at a good price and without the need for occupants to vacate the building. Along with a few other councils Manawātū District Council has achieved a change in the regulations that lifted the financial threshold for relatively minor work before the full provisions of the Building Act are triggered. It has advocated to MPs from all political parties.

### **How does this remit relate to LGNZ's current work programme?**

LGNZ is not currently actively working on this issue but has done work around EPB legislative and policy settings in the past. LGNZ has access to political parties, central government officials and other national stakeholder organisations that could help local government to make progress on this issue.

### **How will the proposing council help LGNZ to make progress on this remit?**

Several members of Manawātū District Council will assist in any way possible (including participating in working groups, providing case studies and practical examples and experience when engaging with political parties) and will continue with their own efforts and share any useful information.

### **Is the remit relevant to local government as a whole?**

The problem of EPBs affects many councils and communities throughout New Zealand, and particularly those in high- and medium-risk earthquake zones. With less than five years to go for some councils, there is an urgent need to find a compromise solution.

**Is the remit of a major policy nature?**

Yes

## // 10

**KiwiSaver contributions for elected members**

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**Remit:** *That LGNZ ask the Government to amend the law to enable councils to make contributions to an elected members' KiwiSaver scheme.*

**Proposed by:** Hamilton City Council & promoted by CBEC

**Supported by:** Queenstown Lakes District Council, Palmerston North City Council, New Plymouth District Council, Kāpiti Coast District Council. Far North District Council

**Why is this remit important?**

Currently, elected members are treated as independent contractors, with no entitlement to employer KiwiSaver contributions, or KiwiSaver deductions. This could be viewed as a disadvantage and a barrier to people standing for election, as the loss in KiwiSaver employer contributions can be in the tens of thousands by the time someone retires from public politics. This leaves elected members without employer contribution support for their retirements, which is provided to most other New Zealanders.

**Background and Context**

Currently, elected members are considered independent contractors, rather than employees of Council. As such, they are expected to set aside their own KiwiSaver contributions and do not receive any employer contribution.

Members of Parliament became eligible for KiwiSaver, but local government elected members are not. The Remuneration Authority Report on Members of Parliament Remuneration (July 2021) states ' MPs elected after 1992 are entitled to a superannuation subsidy contribution. The scheme can be KiwiSaver or registered retirement savings...'

Hamilton City Council is advocating for changes to the Employment Relations Act 2002 to allow KiwiSaver deductions to be taken from elected members' remuneration, and for employer contributions to be allocated.

The topic of elected member remuneration has been addressed in the draft report *He mata whāriki, he matawhanui*, prepared as part of the Review into the Future for Local Government, resulting in the key recommendations 17 and 18 as set out below:

- 17 - That central and local government, in conjunction with the Remuneration Authority, review the criteria for setting elected member remuneration to recognise the increasing complexity of the role and enable a more diverse range of people to consider standing for election.
- 18 - That local government develops a mandatory professional development and support programme for elected members; and local and central government develop a

shared executive professional development and secondment programme to achieve greater integration across the two sectors.

Hamilton City Council strongly believe that as a sector we should continue to advocate for changes to remuneration (such as those outlined above) to ensure local governance roles remain attractive.

### **How does this remit relate to LGNZ's current work programme?**

This proposed remit aligns with LGNZ's strategy and policy priorities, including its vision that New Zealand is the most active and inclusive local democracy in the world, and its goal that more people value and participate in local government.

While the issue of KiwiSaver deductions and employer contributions has been highlighted in various submissions LGNZ has made in the past, there has been no official communication to the Minister of Local Government about the implications of elected members not being eligible for KiwiSaver deductions or employer contributions from councils.

### **How will the proposing council help LGNZ to make progress on this remit?**

Hamilton City Council will continue to advocate for these changes.

### **Is the remit relevant to local government as a whole?**

Yes.

### **Is the remit of a major policy nature?**

Yes: remuneration is a critical factor that citizens consider when deciding to stand or not for election.

## // 11

## Audit NZ Fees

**Remit:** *That LGNZ calls on central government to take action to reduce council audit fees by:*

- *revisiting the scope and requirements of reporting and auditing on councils*
- *conducting a review on the practice of audit in councils and work on best practice guidance to streamline this process*

*This review should examine whether the reporting and audit requirements of councils are consistent with the level of reporting and audit that is required of other public entities.*

**Proposed by:** Whanganui District Council

**Supported by:** New Plymouth District Council, Horizons Regional Council, Palmerston North City Council, Stratford District Council, Selwyn District Council

### Why is this remit important?

While reporting and audit requirements are important for transparency and accountability, the scope of them are constantly inflating as council work programmes and rates intakes increase over time. These costs are then passed back to the ratepayer during a cost-of-living crisis and with food and housing insecurity steadily increasing. The scale and content of reporting and auditing needs to be reviewed to ensure that they are being conducted efficiently, relate to information that is relevant to the community and to council fulfilling its statutory duties, and is not overly onerous on under-resourced councils.

### Background and Context

Local authorities have significant reporting requirements under the Local Government Act 2002 (LGA). These include annual reports, which review financial and service performance for the preceding financial year, and Council-Controlled Organisation (CCO) reports, and audits of Long-Term Plans and Long-Term Plan amendments. In the interests of transparency and accuracy, these reports are required to be audited under the LGA.

The Auditor General is the auditor of all public entities and they determine who will audit specific organisations. Council audits are conducted by Audit New Zealand. We understand that some councils' CCOs have permission to seek other audit providers, but for the vast majority of councils Audit New Zealand is the only allowable provider.

Councils are legally required to conduct an audit but do not have the ability to choose between multiple organisations to conduct it, which prevents competition on cost. Further, there are barriers to the timing and efficiency of the annual audit due to only being able to use one provider. While Whanganui District Council (Council) agrees that the audit is a critical function that provides assurance on information contained within our reports, it questions whether the financial and staffing costs of audits are now exceeding the benefit provided to our communities.

Reporting and auditing are a key part of local democracy. Reporting is a necessary factor for transparency and accountability both to central government and to the communities that councils



serve. Audits ensure that the information being reported is full, accurate, and meets all its requirements under legislation.

Whanganui District Council is also aware of the technical difficulty of conducting audits. Even when conducted by organisations with extensive experience, auditing council financial reports involves working through a significant amount of financial information and highly technical analysis and close familiarity with the accounting standards financial reports are held to.

The amount of work needed to complete an audit also increases over time in line with the amount and complexity of information going into council reports. Councils have increasing expenditure and increasing workloads over time, both internally as a result of work undertaken on behalf of their communities, and externally as outside pressures such as economic conditions, legislation and pressing issues like housing require more direct local investment and management.

### **How does this remit relate to LGNZ's current work programme?**

This is an issue for the entire sector, with many councils expressing concern over the extent of fees required for obligatory audits of our reporting. It aligns with responsiveness to the needs of local government by taking action on a mandatory cost that local government bodies have no control over.

Advocacy on this issue aligns with LGNZ's commitment to localism and championing local voice on issues that are having significant impact at the local level.

LGNZ is aware of members' concerns about audit fees and has been having a number of conversations with Audit New Zealand, the Minister and central government officials. However, this remit would add further weight to the importance of the issue.

### **How will the proposing council help LGNZ to make progress on this remit?**

Whanganui District Council will submit on consultations run by either central government or LGNZ.

### **Is the remit relevant to local government as a whole?**

Yes: all councils are currently required to pay audit fees.

### **Is the remit of a major policy nature?**

Yes.

# Council Report

**Committee:** Council **Date:** 06 July 2023

**Author:** Michelle Hawthorne **Authoriser:** David Bryant

**Position:** Governance and Assurance Manager **Position:** General Manager People and Organisational Performance

**Report Name:** Request for a leave of absence - Cr Ryan Hamilton

<b>Report Status</b>	Open
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## Purpose - *Take*

1. To seek the Councils approval for a Leave of Absence for Cr. Ryan Hamilton from Wednesday 12 July 2023 to Saturday 14 October 2023 (inclusive of these dates).

## Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Council:
  - a) receives the report; and
  - b) approves a formal, extended Leave of Absence without pay for Cr. Ryan Hamilton from Wednesday 12 July 2023 to Saturday 14 October 2023 (inclusive of these dates) as provided for under Section 13.3 of Council's Standing Orders and the rules of the Remuneration Authority.

## Executive Summary - *Whakaraapopototanga matua*

3. Cr. Ryan Hamilton has sought approval from Council for a formal leave of absence from Wednesday 12 July 2023 to Saturday 14 October 2023 (inclusive of these dates).
4. A leave of absence is provided for in Council's Standing Orders and by the Remuneration Authority.
5. Staff recommend the leave of absence be granted as requested by Cr. Ryan Hamilton.
6. Staff consider the decision in this report is of low significance and that the recommendations comply with the Council's legal requirements.

## Background - *Koorero whaimaarama*

### Leave of absence without pay

7. It is the responsibility of individual local authorities to resolve and adopt their own rules for granting an extended leave of absence without pay to an elected member. Elected members, unlike paid employees, do not have entitlements to prescribed holiday or sick leave.
8. An extended leave of absence without pay is a situation anticipated by the Remuneration Authority and is typically for personal reasons such as family/parental leave, prolonged holiday, illness or when standing for another public office.

9. Eligibility for extended leave of absence without pay, cessation of remuneration allowances, and expenses are rules prescribed by the Remuneration Authority under schedule 7, section 6(3)(b)(ii) of the Local Government Act 2002 (the Act).

## **Discussion - *Matapaki***

### Eligibility for extended leave of absence without pay

10. A leave of absence without pay can may be granted for a period by formal resolution of the council. The period of leave must involve total absence. The period must be longer than a single cycle of council meetings, whether that be monthly, six weekly or whatever meeting cycle is set by the council.
11. The elected member cannot undertake any duties either formal or informal – this includes council meetings, meetings with external parties and constituent work. Nor can the elected member speak publicly on behalf of the council or represent it on any issues.
12. While on a formal extended leave of absence without pay the payment of remuneration, allowances, and the reimbursement of expenses to an elected member must cease during the whole period for which formal leave of absence is granted.
13. All other benefits will also be unavailable to the elected member during the whole of period for which formal leave of absence is granted.

### Standing Orders

14. Section 13.3 of the Council's Standing Orders provides that the Council may grant a member leave of absence following an application from that member. In addition, the Council may delegate the power to grant a leave of absence to the Chairperson in order to protect a member's privacy. The Chairperson will advise all members of the council, local board, or community board whenever a member has been granted leave of absence under delegated authority. Meeting minutes will record that a member has leave of absence as an apology for that meeting.

## **Options**

15. The Council can either approval or decline the request for a Leave of Absence.
16. Staff recommend the leave of absence be granted as requested to Cr Hamilton.

## **Financial Considerations - *Whaiwhakaaro Puutea***

17. This is a regular operating activity funded through the Long Term Plan.

## **Legal and Policy Considerations - *Whaiwhakaaro-aa-ture***

18. Staff confirm that the staff recommendation complies with the Council's legal and policy requirements.

## **Climate Change Impact Statement**

19. Staff have assessed this option and determined No adaptation assessment is required.

## **Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga***

20. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
21. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report.

22. The recommendations set out in this report are consistent with that purpose.

**Risks - *Tuuraru***

23. There are no known risks associated with the decisions required for this matter.

**Significance & Engagement Policy - *Kaupapa here whakahira/anganui***

**Significance**

24. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the matter(s) in this report has/have a low level of significance.

**Engagement**

25. Given the low level of significance determined, the engagement level is low. No engagement is required.

**Attachments - *Ngaa taapirihanga***

There are no attachments for this report.

# Council Report

Item 9

**Committee:** Council

**Date:** 06 July 2023

**Author:** Dan Finn

**Authoriser:** David Bryant

**Position:** People, Safety & Wellness Manager

**Position:** General Manager People and Organisational Performance

**Report Name:** Report from the Strategic Risk and Assurance Committee - Safety and Wellbeing

<b>Report Status</b>	<i>Open</i>
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1. To inform the Council on safety and wellness strategic progress, performance, and activities for the period covering 1 of February to 31 of April 2023.
2. The Safety and Wellbeing Report – 1 February 2023 to 31 April 2023 as presented to the Strategic Risk and Assurance Committee of 21 June 2023 is provided as **Attachment 1**.

## **Staff Recommendation - *Tuutahu-aa-kaimahi***

3. That the Council receives the report.

## **Attachments - *Ngaa taapirihanga***

Attachment 1 - Strategic Risk and Assurance Committee - Safety and Wellbeing Report - 21 June 2023

# Council Report

**Committee:** Strategic Risk and Assurance Committee  
**Date:** 21 June 2023  
**Author:** Dan Finn  
**Authoriser:** David Bryant  
**Position:** People, Safety & Wellness Manager  
**Position:** General Manager People and Organisational Performance  
**Report Name:** Safety and Wellbeing Report - 1 February 2023 to 31 April 2023

<b>Report Status</b>	<i>Open</i>
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## Purpose – Take

1. To inform the Strategic Risk and Assurance Committee on safety and wellness strategic progress, performance, and activities for the period covering 1 of February to 31 of April 2023.

## Staff Recommendation - *Tuutohu-aa-kaimahi* (Recommendation to the Council)

2. That the Strategic Risk and Assurance Committee:
  - a) receives this report; and
  - b) recommends that the Council receives the report.

## Executive Summary - *Whakaraapopototanga matua*

3. This report is focussed on our continued progress on our key strategic activities that are aligned to risks, relationships, and resources. To provide the Committee with a more comprehensive overview of our progress, we have included supplementary updates on wider activities, assurance, and successes.
4. Alignment of our Safety Management System (SMS) to the ISO45001 international standard continues to direct key projects currently being undertaken to ensure we are meeting our legislative obligations. The Safety & Wellbeing Team will complete an inhouse audit across the organisation towards the end of 2023 in readiness for an external audit in 2024 for ISO45001 accreditation.
5. Our Contractor Management Framework is now in place with further work progressing to improve the contractor induction process. Leveraging our 'Who's on Location' platform, the Safety and Wellbeing Team are working with the software provider to utilise the contractor induction module. This will help to improve us meeting our legislative requirements in the contractor space.
6. The bowtie risk assessments for our critical risks are progressing, with project teams tasked with verifying the controls we understand are in place. We have created a critical risk inspection template in Ora to assist teams in collating important information that will be

gathered and centralised by the Safety and Wellbeing Team. This will assist to improve more robust reporting and connections with our key and relevant stakeholders.

7. Our Safety Governance Committee (chaired by an independent chair), which meets every three months, continues to focus effort on better understanding our critical risks. A relevant site-based health and safety representative is invited to give insights about working in an area where a particular critical risk is prominent, alongside the risks ELT sponsor.
8. Phase 2 of Ora continues to progress well with scoping requirements being finalised for the remaining modules selected. UAT testing for this phase will commence from the 12<sup>th</sup> of June and consideration is now being given to those who need to participate in this.
9. Staff consider the matters in this report to have low significance and that the recommendations comply with Council's legal requirements.

### Discussion - *Matapaki*

#### Strategic Progress - *Te ahunga whakamua rautaki*

10. The following workstreams outline Council's progress on our 'safety reset' activities previously communicated. They are designed to strengthen and support our wider safety and wellbeing strategy.

Workstream	Status	Next milestone	Comment
SafePlus review recommendations	100%	Recommendations completed	Outstanding recommendations have now been completed through the introduction of our finalised SMS and Ora
SMS development and implementation	100%	The Communications Team have finalised the design of the SMS.	The SMS has been uploaded under the Safety & Wellbeing Tile on Velocity
Technology and communication (Ora)	100%	The new incident management system (Ora) was launched on the 6 <sup>th</sup> of July 2022 replacing Vault.	Ongoing training and support will be provided by the H&S Team and IS as required
Critical risk management	70%	Organisational critical risks have been confirmed. Risk sponsors have been identified, and Risk Teams have been formed.	Workshops scheduled for 15 <sup>th</sup> of March to verify the bowties. The S&W Team will have the bowtie software and be in a position to update.
Contractor management	95%	Finalisation of documentation and formulating process on Promapp. Investigating software to support contractor induction process	A pilot workshop has occurred with members of the Facilities Team. The Safety & Wellbeing Team continue to work with the software provider and HCC Transformation Team to roll out on other sites.
Resourcing and structure review	100%	The Safety & Wellbeing Team have a full complement of people now on board.	The current Business Partnering Model is working extremely well. Giving advice, support and working collaboratively is assisting in fostering the culture of care we desire.
<i>Table 1 Key workstreams</i>			

### Risks and Incidents - *Ngaa Tuuraru me ngaa Paanga*

11. Incidents profiled for this reporting period are summarised below.
12. There was a total of **80** injuries reported, compared to **92** in the previous period. We continue to provide education and support to ensure events are being correctly reported. Of those injured, **8** resulted in lost time and **15** required medical treatment. Near hit reporting has decreased slightly from the previous period with **42** near hits recorded.



### Council WorkSafe Notifiable Events

13. There was 1 event that was notified through to WorkSafe by Council. This event occurred while an employee was using a bandsaw to cut plywood and caught their thumb on the rotating blade. Further details of this notifiable event can be found in **Attachment 1**. The work site was frozen as a precaution for WorkSafe to visit. WorkSafe did not visit the site and responded with 'no action' to be taken.

### Contractor WorkSafe Notifiable Events

14. There were 2 events that were notified through to WorkSafe by external contractors, who were performing work on our behalf. Further details of these notifiable events can be found in **Attachments 2 and 3**. Both events were service strikes; 1) striking a live underground electrical mains cable and 2) a strike to a gas pipe.

### Relationships – *Whanaungatanga*

15. With a now fully resourced Safety & Wellbeing Team we have been able to better align our internal expertise (skills, knowledge and capability) to support key areas across various business units, including our 'Community Group', which is one of our largest areas accounting for more than half of our entire workforce, including many front line workers.
16. The wellbeing of our staff at Council is always at the forefront of what we do. During this reporting period the level of onsite support provided through our partner company Vitae, has increased across business units. We have also supported nine Good Yarn Mental Health Workshops, with a total of 176 staff participating. Annual health checks were also completed with 158 of our people taking up this offer.
17. Hamilton City Council successfully met the criteria for Work Well Silver Standard Accreditation. This was achieved following an on-site assessment on 26 April 2023. It was confirmed that there was a comprehensive twelve-month action and evaluation plan in place that included a



portfolio of evidence that addressed the priority wellbeing areas selected by our people. This is a tremendous achievement.

18. The Safety Governance Committee (SGC) met on the 20<sup>th</sup> of March 2023. The next meeting is scheduled for the 29<sup>th</sup> of May 2023 and the meeting minutes are provided as **Attachment 4**.

#### **Resources – Rauemi**

19. We are pleased to advise that an appointment has been made for the vacant Safety & Wellbeing Business Analyst position. Michelle Becker joins the team on 24<sup>th</sup> April. We are looking forward to the continuous improvement of data capture, trend analysis and reporting with her extensive knowledge of ecoPortal which is the software that drives Ora.

#### **Assurance - Kii Taurangi**

20. With the exception of one recommendation in the Parks Operational Planning area, all recommendations made in the Council's 'State of Safety' review have now been completed. Designed to measure the level of safety maturity across Council, the updated heatmap (**Attachment 5**) provides visibility on the progress of corrective actions assigned to each business unit. A tremendous amount of work has been done within this reporting period to complete these recommendations.
21. With regards to the last outstanding action, a recommendation to increase the regularity of inspections, monitoring and maintenance of street trees through logged works via IPS has been implemented. Our park trees however remain on reactive maintenance schedules due to the levels of resourcing. A proposal is planned to be put forward for the 2025-35 Long Term Plan (LTP), which will start with data collection, mapping, and condition assessments, and if funded, will enable scheduled park tree maintenance that will reduce the risk profile further in this area.

#### **Success and Recognition - Angituutanga me ngaa Mihi**

22. Worker participation is a crucial part of the legislative requirements under the Health & Safety at Work Act 2015. The Health & Safety Representatives from across Council were invited to join the Safety & Wellbeing Team on the 28<sup>th</sup> of March so they could be given oversight of the key projects for 2023. The Safety & Wellbeing Business Partners play an important role in supporting our safety reps via the Health & Safety Committee Meetings they attend.



### **Financial Considerations - *Whaiwhakaaro Puutea***

23. This is a regular operating activity funded through the Long-Term Plan.

### **Legal and Policy Considerations - *Whaiwhakaaro-aa-ture***

24. Staff confirm that any recommendations in this report comply with Council's legal and policy requirements.
25. Staff have also considered the key considerations under the Climate Change Policy and have determined that an adaptation assessment and emissions assessment is not required for the matter(s) in this report.

### **Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga***

26. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental, and cultural wellbeing of communities in the present and for the future ('the 4 well-beings').
27. The subject matter of this report has been evaluated in terms of the 4 well-being's during the process of developing this report and these are outlined below:

#### **Social**

28. The matters and risks highlighted in this report may have the capacity to affect social wellbeing should they materialise. Social wellbeing continues to be prioritised and is considered alongside Council's risk management processes.

#### **Economic**

29. The matters and risks highlighted in this report may have the capacity to affect economic wellbeing should they materialise. Identifying and measuring the economic costs of accidents, the relationship between operational requirements and safety and determining the inter-relationship between safety and other organisational goals and priorities. Economic wellbeing continues to be prioritised and is considered alongside Council's risk management processes.

#### **Environmental**

30. The matters and risks highlighted in this report may have the capacity to affect environmental wellbeing should they materialise. Environmental protection includes programmes to reduce risks to the environment from contaminants like hazardous materials and waste. Environmental wellbeing continues to be prioritised and is considered alongside Council's risk management processes.

#### **Cultural**

31. Staff consider the matters and risks highlighted in this report to not have a direct impact on the cultural wellbeing.

### **Risks - *Tuuraru***

35. There are no risks associated with the recommendations in this report.

### **Significance & Engagement Policy - *Kaupapa here whakahira/anganui***

#### **Significance**

36. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendation(s) in this report has/have a low level of significance.

**Engagement**

37. Given the low level of significance determined, the engagement level is low. No engagement is required.

**Attachments - *Ngaa taapirihanga***

Attachment 1 - WorkSafe Notifiable Event H3 17022023

Attachment 2 - WorkSafe Notifiable Event Hamilton Zoo Service Strike 060423

Attachment 3 - WorkSafe Notifiable Gas Strike Johnson Street Waipa Civil

Attachment 4 - Safety Governance Committee Meeting - Minutes 20 March 2023

Attachment 5 - Risk Assurance report\_State of Safety update\_May 2023(2) .

# WorkSafe Notifiable Event

<b>DATE OF EVENT:</b>	Friday, 17 <sup>th</sup> February 2023
<b>LOCATION:</b>	The Operations Workshop 800 Heapthy Terrace, Claudelands, Hamilton
<b>BUSINESS GROUP INVOLVED:</b>	H3
<b>WHAT HAPPENED?</b>	An employee was using the bandsaw to cut plywood. They turned the bandsaw off, and while the blade was slowing down the employee went to grab the piece of wood that they were cutting and caught their right thumb on the blade. As a result, flesh was removed from the top area of their thumb.
<b>WHAT IMMEDIATE ACTION HAS BEEN TAKEN:</b>	The employee was taken to Anglesea Street Clinic immediately and then the employee was sent to Waikato Hospital. The employee was admitted to hospital whereby the flesh on the top of their right thumb was stitched back on. The employee was kept in hospital and discharged on Sunday. The length of stay in hospital was due to no availability of a doctor to discharge them on Saturday.
<b>NEXT STEPS:</b>	<ul style="list-style-type: none"> <li>• The Safety &amp; Wellbeing Lead has notified WorkSafe this morning once all the facts were established.</li> <li>• We have asked the employee to go back to their doctor today because the hospital medical certificate stated they could do sedentary duties and contradicted itself by also saying they should be off work.</li> <li>• Given the nature of the injury and the requirement to use their hands to work it is important that the employee does not compromise the injury and healing time.</li> <li>• An in-house investigation will now get underway.</li> </ul>

# WorkSafe Notifiable Event

Item 9

Attachment 1

<b>DATE OF EVENT:</b>	06 April 2023 9.00am
<b>LOCATION:</b>	Hamilton Zoo – Bagust Road Entrance – New Manure Bunker
<b>BUSINESS GROUP INVOLVED:</b>	C&M Earthworks - Visitor Destinations
<b>WHAT HAPPENED?</b>	<p>While C&amp;M Earthworks (Contractors) were auguring retaining wall holes for a new manure bunker, a live underground electrical mains cable was struck shutting off power to the chimp house.</p> <p>The area had been scanned by Civtec for underground services. The cable had been located and spray paint markings were made.</p> <p>Digger augured to approximately 200mm then hole hand dug. However, the augur hit the cable.</p>
<b>WHAT IMMEDIATE ACTION HAS BEEN TAKEN:</b>	<p>When the strike occurred, smoke came from the hole. The excavator operator knew this was a sign of cable strike and exited the machine, removed everyone from the area and contacted the Zoo team and Tom Billington from HCC Facilities Unit.</p> <p>WEL Network services were on site in Bagust Rd disconnecting power. The augur was then removed from the hole. WEL repaired the cable and were able to reinstate power supply around 5:30pm.</p> <p>Worksafe were advised of the notifiable incident at approximately 3.00pm by the C&amp;M Earthworks.</p>
<b>NEXT STEPS:</b>	<ol style="list-style-type: none"> <li>1. Engineer to redesign pole spacing and depth</li> <li>2. Worksafe to visit site</li> </ol>

# WorkSafe Notifiable Event

<b>DATE OF EVENT:</b>	Monday, 17th April 2023 at 10:10am
<b>LOCATION:</b>	Johnson Street, Dinsdale, Hamilton 3204, New Zealand
<b>BUSINESS GROUP INVOLVED:</b>	Development <b>Contractor: Waipa Civil Ltd</b>
<b>WHAT HAPPENED?</b>	Gas strike - 32mm PE road crossing. The crew had walked over the services in the morning and had confused another service marked on the road with the gas in question. The Operator was digging the trench with a Spotter in place. The Spotter briefly turned around to turn on the flexi and as they did so, the Operator dug one more bucket which ripped through the gas line.
<b>WHAT IMMEDIATE ACTION HAS BEEN TAKEN:</b>	All construction machinery was shut down while waiting for the repair. The repair was completed within an hour of reporting. WorkSafe was notified and Development GM Chris Allen.
<b>NEXT STEPS:</b>	<ol style="list-style-type: none"> <li>1. Waipa Civil will provide updates as to notification to WorkSafe and their own investigation.</li> <li>2. HCC to complete Ora event entry and update with information supplied by Waipa Civil with assessment and investigation sections completed.</li> </ol>

# Meeting Minutes

Item 9

## Safety Governance Committee

Time and date:	2:00pm, Monday 20 March 2023
Venue:	Rotoroa Room, Level 3
In Attendance:	Greg Dearsly (Independent Chair), Lance Vervoort (Chief Executive), Dan Finn (People, Safety & Wellness Manager), David Bryant (GM POP), Jo Keall (Group Business Manager, Community), Marie Snowball (Safety & Wellbeing Lead), Claire Toko (H3), Eeva-Liisa Wright (GM – Infrastructure Operations), Ewan Wilson (Elected Member), Amanda Barlow (Minutes)
Guests:	Deane Balsom (Operations TL, H3), Nick Gibson (Operations Assistant, H3), Chris Allen (GM Development) Andre Pieterse (WorksSafe Senior Investigator)
Apologies:	Helen Paki (GM Community), Dion Liddell (AWUNZ) Olly Te Ua (Māori Rep) Virginie Maene (Executive Assistant)

### 1. Welcome

- Around the room welcome and introductions
- Re-cap from Greg on the purpose of the group

### 2. Confirmation of previous minutes and review of the Action Register

The minutes of the Safety Governance Committee Meeting held Tuesday 6 December 2023 have been confirmed.

Moved by: Marie Snowball (Seconded by Lance Vervoort)

The previous meetings action register was reviewed and amended as follows.

Action	Assigned To	Due Date	Comments	Status
Review regulations for Plant, Structures and Working at heights and consider how these will apply to HCC.	Marie	Next meeting	Considered approach using the hierarchy of control MBIE is quiet, Q1 should have a draft, main difference is written requirements. Toward end of 2023 introduction of the law.	Ongoing – due to the pending election later this year

Attachment 1

# Meeting Minutes

Lance to confirm with Ewan and Olly if they would like to stay on the Committee	Marie	Next Meeting	Confirmed that Ewan and Ollie will continue on the committee	Closed
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# Meeting Minutes

## 3. Case Study and Key Learnings – Notifiable Event H3

- Overview from Nick Gibson who was involved in cutting off the top of his thumb in the circular saw incident.
- Overview from Deane Balsom from his perspective on the event, and the learnings he found through the investigation. Deane highlighted what needs to be improved and what actions the operations team are doing following the event taking place
- Concerns raised for risk assessments completed in the business or SOPs being completed
  - Induction Ora Phase Two – allowance in the new induction module to have a plan in place to ensure the machinery workers are required to use is recorded
  - Assurance to work towards ISO-45001 will provide an overview of the current state for risk assessments and SOPs
- Question the need for plant like this to be put on assets register. **ACTION:** Claire Toko to look at Ungerbok and review if plant and other similar plant is on the register for H3 as unsure this is currently happening.

## 4. Critical Risk Review – ‘Working with Plant and Machinery’

- Review and explanation of the Bowties developed by the Project Teams. Two critical risks related to plant and machinery:
  - Operating mobile plant and machinery
  - Working with fixed plant and machinery
- A GM sponsor has been allocated for each Bow Tie. Chris Allen spoke to the Bowtie he has been allocated, working with fixed plant and machinery.
- Discussion around the wording of the “top event”, recommendation by governance committee to have the Bowtie Risk assessment groups simplify the language.
- Template is going to be made available in Ora for the Project Teams to complete the verification process. There will be a need for the Project Teams to have conversations with the people on the ground at business units where the critical risks are present.
- Brief discussion of questioning the need to have an independent person to review the critical risks, particularly plant and machinery to have a specialist in the field to review. No outcome decided.

## 5. Importance of good risk management from a regulatory perspective

- Andre Pieterse, a WorkSafe Senior Inspector was invited to attend this meeting to give his viewpoint on how WorkSafe see management of risk. He was impressed with the conversations held during the meeting based on the incident that happened at H3.
- The old hazard management system under the old ACT didn’t work so have changed it to the risk management system under the new HSWA – implementation of hierarchy of controls, high and low levels of controls.
- There is a need for workers to be competent however, there needs to be assurance that the worker deeming the other worker competent is competent themselves.
- HSWA Section 36 (3) primary duty of care – a PCBU must ensure as far as is reasonably practicable provision of safe plant, safe systems of work and worksite. There is also the need for adequate supervision for a task.
- Discussion of competency and what it does or could look like at Council.
- Duty of workers under the HSWA – take reasonable care for their own safety and others while conducting their tasks at work. They must comply with reasonable instruction given by the PCBU and co-operate with any policy or procedure supplied by the PCBU.
- Discussion on an example of when a worker from another company lost three of his fingers. He was not prosecuted and nor was the company. There is certain criteria that must be met to show a failing to prosecute the company.

# Meeting Minutes

## 6. Review Terms of Reference – Committee make-up, purpose and outcomes

- Purpose – updated to fit with our current purpose
- Objectives – checked in with our Māori liaison and he is happy with the wording. Some wording in red as wanted to question the objective of this committee in conjunction with the roles and responsibilities and if they are in line with what this committee is wanting to achieve.
- Viewpoint of the leaders of the organisation is to exercise their due diligence despite if they are not officers but allows for the members of this committee to understand the risks.
- Opportunity to listen and learn from others in the committee. This committee allows for the group to get a sense of what is happening and collate expertise from across a number of areas– a vehicle to listen and find out how we are doing rather than speaking.
- This committee takes responsibilities for their duties and filters the information up to ELT and other avenues as appropriate.
- Part of ELT's role is being informed through this committee. Adapt the wording of the roles and responsibilities to align with this **(ACTION – Marie)**
- Under the section: amend wording to "advice, provide assurance and recommendations to the strategic leadership team" **(ACTION – Marie)**
- Suggestion was to have the Chair of this committee to report into the SRAC.
- Amend job titles of the members to correct them **(ACTION – Marie)**
- Suggestion to share the role of decentralised team members to attend, another member to be suggested and attend interchangeably with Claire Toko **(ACTION – Marie)**
- Need for the learnings and outcomes of this meeting. Lance to discuss with Dan. Share with HSR's **(ACTION – Marie)**
- Amend wording of "Safety First" to reflect wellbeing of workers first.

## 7. General Discussion – around the table

- There has been an increase in the number of people in the Community where customer facing roles are being exposed to aggressive and abusive behavior. Actions have been put in place to manage this by having training available to staff and other similar measures.
- There is a lot of aggression towards people in an HCC uniform when out in the community .
- Risk to people working at night (on roads) with people driving through worksites, a road cone is not going to stop someone from driving through a road sign. May look to stop working at night if these risks cannot be managed.
- Governance project in place – 17 recommendations to recommend governance in organisations.

## 8. Completed Actions Register

Action	Assigned To	Due Date	Comments	Status
Plant, Structures and Working at heights – New regulations	S&W Team	Next meeting	Amanda Barlow presented on this item during this meeting	Completed

# Meeting Minutes

Looking at make-up of committee.	Dan	Next meeting	Eeva-Liisa should be here from Infrastructure Operations. Their group has a lot of critical risks areas. Let's review annually, we might swap areas around, so all the exec team gets some exposure.	Completed
It was agreed more time was required to digest the Monitoring What Matters survey results and discuss at next meeting.	Dan Finn	Next meeting		Completed
Further follow up from Governance to confirm Safety and Wellness updates to be included at full Council Meetings.	Dan Finn		Dan to discuss with Becca, more discussion on that.  Minutes and reports will go to full council and SRA - quarterly	Completed
Ensure presentations and documents relating to the next meeting are sent out in advance	Marie/Dan	Next meeting	To provide members with time to review and consider questions as part of the discussion	Completed
Investigate if the Chaplain/Counsellor service could be rolled out across the whole Organisation.	Marie Snowball	Next meeting	Service can be scaled up if require, based on interest and operational need	Completed
Speak to Lee-Ann Jordan and Kelvin Powell on setting up interdepartmental learning with Mark's team/leadership.	Helen Paki	Next meeting	A new role has been created which will pick this up	Completed

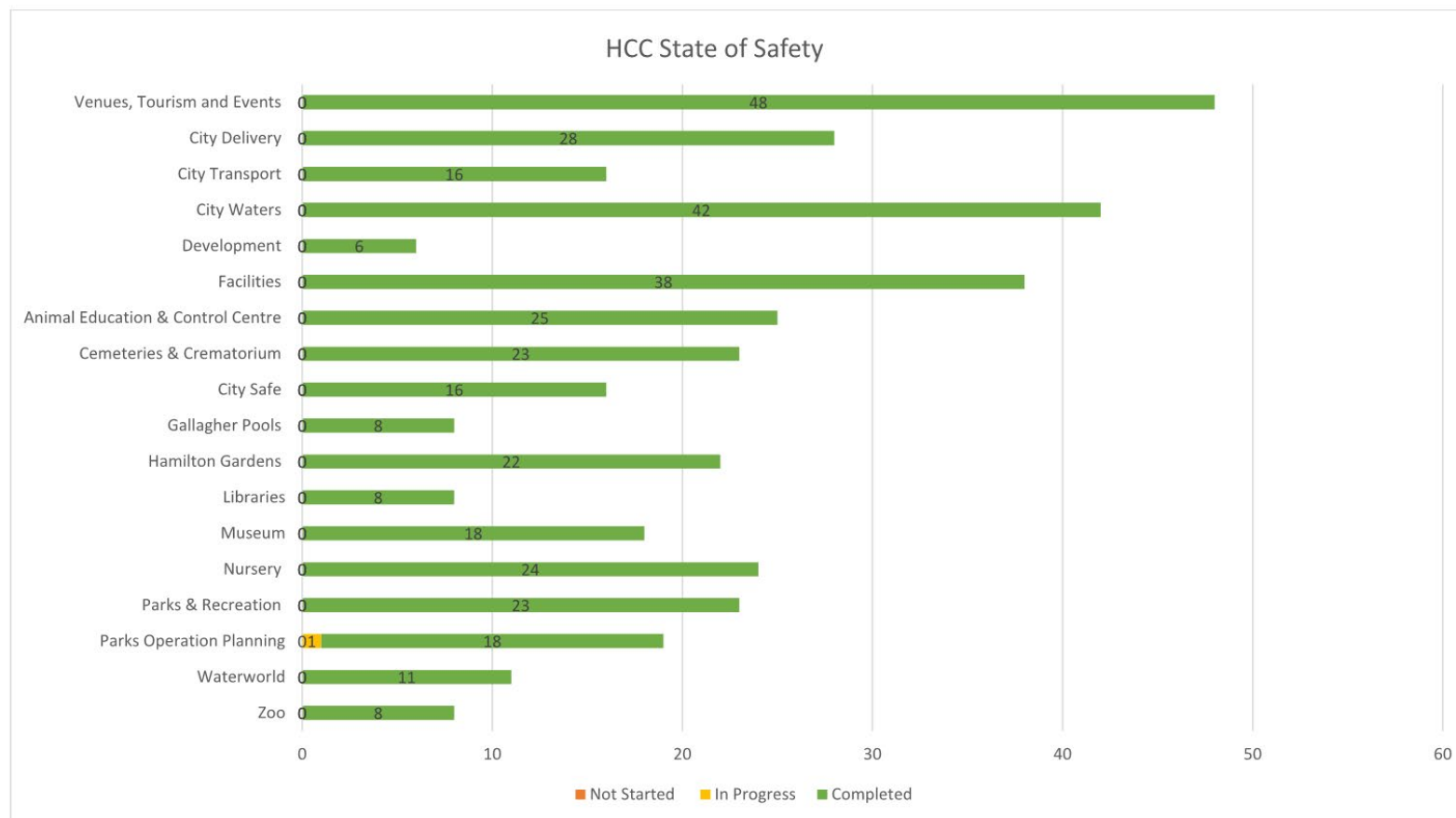
The meeting was declared closed at 4:28pm

## Next Meeting:

Meeting Minutes

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# State of Safety Review — Progress update 1 February 2023 – 31 April 2023



# Council Report

Item 10

**Committee:** Council

**Date:** 06 July 2023

**Author:** Nicholas Whittaker

**Authoriser:** David Bryant

**Position:** Senior Risk and Resilience  
Advisor

**Position:** General Manager People and  
Organisational Performance

**Report Name:** Report from the Strategic Risk and Assurance Committee - Risk  
Management Report

<b>Report Status</b>	Open
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## **Purpose - *Take***

1. To inform the Council on the status of Hamilton City Council's nine strategic risks, three organisational risks and any potentially significant emerging risks.
2. The Risk Management Report as presented to the Strategic Risk and Assurance Committee of 21 June 2023 is provided as **Attachment 1**.

## **Staff Recommendation - *Tuutohu-aa-kaimahi***

3. That the Council receives the report.

## **Attachments - *Ngaa taapirihanga***

Attachment 1 - Strategic Risk and Assurance Committee - Risk Management Report - 21 June 2023

# Council Report

**Committee:** Strategic Risk and Assurance Committee  
**Date:** 21 June 2023  
**Author:** Nicholas Whittaker  
**Authoriser:** David Bryant  
**Position:** Senior Risk and Resilience Advisor  
**Position:** General Manager People and Organisational Performance  
**Report Name:** Risk Management Report

<b>Report Status</b>	<i>Open</i>
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## Purpose - *Take*

- To inform the Strategic Risk and Assurance Committee on the status of Hamilton City Council's nine strategic risks, three organisational risks and any potentially significant emerging risks.

## Staff Recommendation - *Tuutohu-aa-kaimahi* (Recommendation to the Council)

- That the Strategic Risk and Assurance Committee recommends that the Council receives the report.

## Executive Summary - *Whakaraapopototanga matua*

- Hamilton City Council's strategic and organisational risks have been reviewed over the last quarter and where relevant, have been updated to reflect the changing risk environment.
- While there has been no movement in residual risk ratings for all strategic and organisational risks this quarter, the impact of rising interest rates, and inflation (Strategic Risk 2) are front of mind with the impacts being felt in Council's Annual Plan decisions. Decisions to defer some of the capital programme to address some areas of budget constraints may lower risk under Strategic Risk 7 - Failure to deliver our Work Programmes, which is still adversely impacted by material and labour shortages.
- The macro-economic landscape and the impact of a potential recession have been identified as an ongoing challenge in Strategic Risk 5 – Failure to Deliver Growth Outcomes.
- Crime and safety remain a high-profile challenge for the city (Refer Operational Risk 2). Council has secured better off funding which enables an increase in City Safe officers across three areas. An additional five officers will be deployed across our three high risk sites (Waterworld, Hamilton Gardens, Te Kaaroro), five officers in the city centre and two officers focusing on river safety.
- In terms of future work, staff will be looking to understand the policy positions of Parties as the national elections draws closer. In particular the impact of any changes in policy and/or government to Strategic Risk 6 – Political Changes Negatively Impact Strategic Direction.
- Staff consider the matters in this report have medium significance and that the recommendations comply with Council's legal requirements.

### Background - *Koorero whaimaarama*

9. The Strategic Risk and Assurance Committee meeting of 16 May 2019 approved, for monitoring purposes, eight strategic risks and three organisational risks (as set out below). At subsequent meetings, staff reported on the status of each risk and associated treatment plans. A ninth strategic risk relating to climate change was added in 2020.
10. The purpose of this report is to highlight significant activity over the last quarter for each risk. Where a risk has no significant update this quarter it has not been included in this report. The attached Risk Register sets out more detail on all strategic and organisational risks including treatment plans.
11. A review of Council's strategic risks with the Executive Leadership Team took place in May 2022. The outcome of this review included proposed changes to risk names and descriptions which were taken to the Strategic Risk and Assurance Committee Workshop on 8 June 2022. Changes to risk names and descriptions were discussed by the Committee and approved.
12. Risk names and descriptions for organisational risks have since been reviewed and updated with risk owners and responsible managers using the same approach applied to strategic risks.

### Discussion - *Matapaki*

#### Strategic Risk 1 – Failure to Respond to a Disaster

13. This risk description is 'A lack of preparedness leads to **a failure to respond or an ineffective response to a natural or human induced disaster event** resulting in compromised community resilience.' This risk links to Strategic Risk 4 – Loss of information or access to systems, Strategic Risk 8 – Failure to respond to a crisis or emergency and Strategic Risk 9 – Failure to respond to climate change.
14. There is no change to the residual risk rating for this risk – it remains at very high.
15. The CDEM contract is due to expire on 30 June. We have commenced negotiations with the Waikato Regional Council however they are not yet in a position to conclude those negotiations as they are yet to conclude conversations with the building owner and financial impacts are not known. In the meantime, an agreement has been reached between the Waikato Regional Council and Hamilton City Council to roll over the current contract until negotiations can be completed.
16. A review has been completed of the learnings identified from the Auckland weather events and 7 recommendations are considered relevant to Hamilton. ELT were briefed on these and the items have been added to our work plan requiring urgent action. To date, two of these recommendations have been completed.

#### Strategic Risk 2 – Significant Negative Impact on Financial Strategy

17. This risk description is 'A major economic or financial shock event **negatively impacts Council's financial strategy, fiscal and monetary position** resulting in significant financial pressure on Council.' This risk links to Strategic Risk 7 – Failure to deliver our work programmes.
18. There is no change to the residual risk rating for this risk – it remains at medium.
19. Inflation eased in the March 2023 quarter but remains historically high. Domestic inflation in particular was persistently high due to a range of factors while international inflation eased.
20. The RBNZ has increased the official cash rate to 5.5%. The RBNZ has indicated that this last change may be the end of increases. The future direction of monetary policy (i.e., whether the OCR will go up, down or hold) will depend on the extent to which domestic demand and core inflation ease.



21. The forecast remains for any recession to be shallow (around 1% of GDP) but it could last through to the end of 2024. However, higher than expected migration and the rebuild needed from Cyclone Gabrielle will increase demand and subsequently act as a counterbalance to this.
22. The macro-economic environment has had an impact on Council's Financial Strategy. At the 23 March Council meeting, staff advised that the balancing the books deficit for 2023-24 had increased from \$2 million in Year Three of the 2021-31 Long-Term Plan, to \$12 million in the 2022-23 Annual Plan, and subsequently to \$35 million, due to inflation, rising interest costs, increased depreciation due to increases in asset costs, and other cost increases. Tranche One of the Better Off fund reduced the balancing the books deficit to \$24 million. The report also detailed the proposed capital expenditure budget for 2023-24, which has been further reduced by a further \$37 million from \$375 million (as at the 2 March Council meeting) to \$338 million. This reduction in capital expenditure is one of the corrective controls for this risk.
23. Reflective of the controls for strategic risk 2 the pressures on Council's budget are being closely managed through forecasting to the end of 2023/24, and the Annual Plan process for the 2023/24 financial year. This work will continue through to the Long-Term Plan process, in particular as part of the development of the significant assumptions for the Long-Term Plan.
24. The full impact of macro-economic factors on the community's ability to pay is yet to be seen. In February 2023 fixed rate mortgages were at a record high and the impact of interest rate increase on mortgages will flow through to homeowners in the remainder of 2023 and in to 2024 as more mortgages roll on to higher rates.

#### Strategic Risk 3 – Failure to Meet Compliance Standards

25. This risk description is 'Compliance requirements from Central Government and regional council or changes in community expectations leads to a **failure to meet compliance standards** resulting in increased exposure to litigation.' This risk links to Strategic Risk 6 – Political changes negatively impact strategic direction.
26. There is no change to the residual risk rating for this risk – it remains at high.
27. There are no significant updates this quarter.

#### Strategic Risk 4 – Loss of Information or Access to Systems and Services

28. This risk description is 'In the event of a cyber-attack, IT service or technology asset failure there is a risk that **confidential information and / or Council services are compromised or fail and / or there is a loss of information** resulting in ongoing reputational, legal, and financial consequences.' This risk links to Strategic Risk 1 – Failure to respond to a disaster and Strategic Risk 8 – Failure to respond to a crisis or emergency. The above means:
  - i. We have taken all necessary measures to protect ourselves from credible cyber threats;
  - ii. We have created resilience and redundancy in our environment to support continuation of our services and information.
  - iii. Our business continuity and disaster recovery activities support rapid recovery of our services and prevent or minimise data loss and service disruption.
29. There is no change to the residual risk rating for this risk.
30. Commentary and treatment plans relating to this risk contains confidential and commercially sensitive information and are covered in the Loss of Information or Access to Systems Report presented to the Committee in the public excluded part of this meeting.

#### Strategic Risk 5 – Failure to Deliver Growth Outcomes

31. This risk description is 'Step-changes in growth requirements or demand or consequences of growth means Council can't deliver expected growth outcomes resulting in increased costs and the perception that growth delivers negative outcomes for the community.'



32. There is no change to the residual risk rating for this risk – it remains at high.
33. The Strategic Growth and District Plan Committee adopted the Hamilton Urban Growth Strategy (HUGS) on 20 April 2023. The strategy sets out where, when, and how growth will occur over the next 50 years to support community wellbeing. The three outcomes are growing up and out from the central city, growing along transport corridors and supporting the development of quality greenfield communities.
34. The housing market has softened since the beginning of 2022. House sales have fallen as have prices as interest rates reach decade long highs and bank credit tightens. The new-build market is experiencing a significant drop off, with greenfield more impacted than brownfield - where enquiry and activity remains constant. We expect demand to be lower in the next 18 months but will come back from 2024. We continue to monitor consenting at every stage as well as monitoring house prices and other economic indicators.
35. Plan Change 5 (Peacocke) is at the appeals stage, Industrial Land Supply Analysis has been completed to inform up-coming HBA analysis, expert conferencing sessions for Three Waters for PC12 have been held with the other topics to be held in June with hearings scheduled for September 2023.
36. The Long-Term Plan includes projected income of \$36.6 million from Developer Contributions in 2023-24. We are expecting the current constrained economic environment and its flow on effect on the development and construction sectors to remain through 2023-24, which may mean that Developer Contribution revenue is materially short of that level. We will advise Council of any adjustments that need to be made through the Finance Committee as per the usual process.

#### Strategic Risk 6 – Political Changes Negatively Impact Strategic Direction

37. This risk description is 'Political stakeholders make unanticipated changes or decisions or take actions that **negatively impact Council's strategic direction** resulting in significant changes to Council's form or function, resourcing and work programme.' This risk links to SR3 – Failure to meet compliance standards.
38. There is no change to the residual risk rating for this risk – it remains at very high.
39. The Central Government programme of legislative reform continues to progress and brings with it a high level of uncertainty for local government. The Future Fit work programme now incorporates the central government reform programme and is looking at the potential impacts on Council's form and function. Any structural or functional changes will be considered holistically and will be communicated to the wider organisation as information becomes available. Smaller teams have been established to focus on each of the individual reform work programmes; Three Waters, Resource Management, and the Future for Local Government. Visibility of Central Government's reform programme is provided to Council through regular reports.
40. Council continues to raise its significant concerns with aspects of the reforms and is opposed to many of the changes proposed. In particular, the move to regional planning through the Resource Management Reform will remove many of the functions that district, and city councils currently carry out to plan and deliver their communities.
41. In the lead up to the general election, Council staff are taking every opportunity to highlight their concerns regarding the suite of reforms with Central Government Ministers and MPs, opposition MPs, and other political stakeholders. Council continues to raise the profile of urban and high-growth metro issues and opportunities, and the need to ensure the correct legislative settings to realise their potential.

#### Strategic Risk 7 – Failure to deliver our Work Programmes

42. This risk description is 'An ongoing shortage of necessary resources (people and materials) means we are unable to deliver our work programmes resulting in constrained growth and negative long-term outcomes for the community.' This risk links to Strategic Risk 2 – Significant negative impact on financial strategy. There is no change to the residual risk rating for this risk – it remains at very high.
43. Due to ongoing conflict in the Ukraine and the ongoing fall out of the Covid-19 pandemic, supply chain issues remain, impacting on delivery of our work programmes. Previous commentary has referred to cost escalation impacting on the delivery of our work programmes, which it continues to do. For commentary relating to cost escalation and the additional impacts of Cyclone Gabrielle, refer SR2 Significant negative impact on financial strategy.
44. Consistent poor weather over the traditional summer months has had an impact on the progress and cost of some projects and the national workload following the cyclone will likely have a serious impact on external resource availability. This poor weather has continued through into May 2023 and the impacts on cost and programme have been significant, particularly some of the larger infrastructure projects like Peacocke and Borman Road. Any cost and time implications need to be worked through contractually.
45. Internal resourcing requirements continue to be reviewed as part of each long-term or annual plan process, supply chain insights are routinely obtained through close relationships with the construction industry and ongoing collaboration with the NZ Infrastructure Commission, Construction Accord, and the Waikato Branch of Civil Contractors NZ (CCNZ) and provision of pipeline of work opportunities to CCNZ.
46. Through the 2023/24 Annual Plan deliverability has been a major consideration when developing the capital works programme. For this reason, it is expected that for the 2023/24 financial year the likelihood of this risk occurring will be reduced.
47. While there is no change to the residual risk rating for this risk, it continues to be closely monitored as our ability to deliver our work programmes continues to be impacted by external factors (such as those mentioned above) even though we have been successful in obtaining Central Government funding – project deferrals reflect this.

#### Strategic Risk 8 – Failure to Respond to a Crisis or Emergency

48. This risk description is 'A lack of Council's preparedness leads to a **failure to respond or an ineffective response to a crisis (e.g., pandemic) or emergency (e.g. security attack)** resulting in compromised business resilience.' This risk links to Strategic Risk 1 – Failure to respond to a disaster and Strategic Risk 4 – Loss of information or access to systems.
49. There is no change to the residual risk rating for this risk – it remains at very high.
50. Following the organisational Business Impact Analysis (BIA) completed last year, the operational BIA workshops are now underway. These workshops will focus on critical business units and activities and is expected to be completed over the next 6 months as part of the ongoing business continuity management work programme.
51. The focus over the next two quarters is reviewing the foundations of and operationalising the crisis, emergency, and incident management work programme.

#### Strategic Risk 9 – Failure to Respond to Climate Change

52. This risk description is 'Climate change causes **changes to our community and City we have not anticipated or planned for** which will negatively impact on the wellbeing of our community.' This risk links to Strategic Risk 1 – Failure to respond to a disaster.

53. There is no change to the residual risk rating for this risk – it remains at very high.
54. Hamilton Urban Growth Strategy and Access Hamilton – our transport strategy have been added to the risk controls as they both provide direction on the way our growth and transport network needs to change if we are to be a low carbon, resilient city.
55. Over the next year, funded from the Better Off Funding, we will have an increased focus on community and business engagement and corporate sustainability. These two programmes of work will be included in the treatment plan once the scope of the work has been defined.
56. The emissions trajectory modelling has been shared with the City Transport Unit, Executive Leadership Team and the Elected Member Climate Strategy Advisory Group. It highlights the gap between our projected emissions trajectory and the emissions targets set in Our Climate Future: Te Pae Tawhiti o Kirikiriroa.
57. The Council Climate Change Risk Assessment process has been completed and the final assessments have been provided to the operational teams to integrate into the Asset Management Plans for the 2024-2034 Long Term Plan.

#### **Organisational Risk 1 – Failure to Provide a Safe and Healthy Work Environment**

58. This risk description is 'Ineffective or inadequate health, safety and wellbeing management at our work sites leads to a **failure to provide a safe and healthy work environment for Council staff or workers** (inc. contracted or volunteer workers) resulting in a serious injury incident or fatality and increased exposure to litigation.'
59. There is no change to the residual risk rating for this risk – it remains at HIGH.

#### **Organisational Risk 2 – Failure to Provide a Safe Environment for the Community**

60. This risk description is 'Ineffective or inadequate safety and security management at our community attractions and facilities might mean **we fail to provide and maintain a safe environment for the community** resulting in a serious injury incident or fatality and increased exposure to litigation.'
61. There is no change to the residual risk rating for this risk – it remains at high.
62. We have been successful in securing better off funding which enables an increase in City Safe officers across three areas. An additional five officers will be deployed across our three high risk sites (Waterworld, Hamilton Gardens, Te Kaaroro), five officers in the city centre and two officers focusing on river safety.

#### **Organisational Risk 3 – Failure of Critical Assets**

63. This risk description is 'Incorrect investment (timing and/or amounts) results in the unexpected **failure of critical assets** (loss of levels of service).
64. There is no change to the residual risk rating for this risk – it remains at very high.
65. The Asset Criticality Framework (excluding asset groups of Waters and Transport who have existing frameworks) has been developed and workshopped. As part of the update of AMPs, Identification and management of critical assets will be updated.
66. Council has current projects to undertake significant upgrades of our existing water and wastewater treatment plants to meet water supply and wastewater treatment needs for our growing city. A public excluded report was last provided to the Infrastructure Operations Committee on 9 August 2022 on the Treatment Plant Upgrade programme which consists of upgrades to the Waiora Water Treatment Plant and the Pukete Wastewater Treatment Plant. Phase 2 of the Pukete Wastewater Treatment Plant capacity upgrade project has commenced with the contract award being presented to the 30 May 2023 Infrastructure and Transport Committee Meeting.

### Emerging Risks

67. There are no emerging strategic or organisational risks to report this quarter.

### Global Risk Landscape

68. As reported to the March 2023 Strategic Risk and Assurance Committee, in January, the World Economic Forum released [The Global Risks Report 2023](#) which presents the results of the latest Global Risks Perception Survey. Below are key risks identified in the report. This remains the latest report by a major global organisation.



### Financial Considerations - *Whaiwhakaaro Puutea*

69. This is a regular operating activity funded through the Long-Term Plan and there are no financial implications in relation to receiving this report.

### Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

70. Staff confirm that this Risk Management Report complies with Council's legal and policy requirements.

### Climate Change Impact Statement

71. Staff have assessed this option and determined that no adaption assessment is required.

### Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

72. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental, and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
73. The subject matter of this report has been evaluated in terms of the 4 wellbeings' during the process of developing this report as outlined below.

74. The recommendations set out in this report are consistent with that purpose.

#### **Social**

75. The risks highlighted in this report have the capacity to affect social wellbeing should they materialise. Social wellbeing continues to be prioritised through Council's management of the risks and opportunities arising from the risks outlined in this report.

#### **Economic**

76. The risks highlighted in this report have the capacity to affect economic wellbeing should they materialise. Threats and opportunities relating to external material and human resources could impact on economic wellbeing locally, regionally, nationally, and globally with the continued active resurgence of Covid-19. Council's management of the risks and opportunities in this report continues to reflect the impact on economic wellbeing.

#### **Environmental**

77. Council continues to manage its response to the impact on the environment by establishing services that are safe and sustainable and embedding climate change considerations into priority projects across Council. Finding opportunities such as this means that environmental wellbeing continues to be prioritised.

#### **Cultural**

78. Staff consider the matters set out in this report do not have a direct impact on cultural wellbeing.

#### **Risks - *Tuuraru***

79. The Strategic & Organisational Risk Register (**Attachment 1**) identifies the risks discussed in this report.

### **Significance & Engagement Policy - *Kaupapa here whakahira/anganui***

#### **Significance**

80. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the matter(s) in this report has/have a medium level of significance.

#### **Engagement**

81. Community views and preferences are already known to the Council.
82. Given the medium level of significance determined, the engagement level is medium. No engagement is required.

### **Attachments - *Ngaa taapirihanga***

Attachment 1 - Strategic and Organisational Risk Register - June 2023 .



# Strategic & Organisational Risk Register

Q4 2022/23

## How to read this document

Strategic risks are defined as 'the risk of an event or impact that is external to Council and could impact the organisation's strategies, including Council's Financial Strategy, Long Term Plan and 30 Year Infrastructure Strategy'.

Organisational risks are defined as 'the risk of an event or impact that is internal or external to Council and could impact the whole organisation'.

Pages 3 provide a summary of strategic and organisational risks. Movement from the previous quarter is shown by the following indicators:


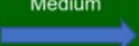






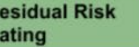



Indicator	Description	Indicator	Description
	No change from previous		Increase in residual risk rating from previous
	New risk		Decrease in residual risk rating from previous

Pages 4 onwards provides additional detail, including risk causes and existing controls and treatment plan updates, for each strategic and organisational risk.

The residual risk rating is determined following assessment of likelihood and consequence for each risk category using the following matrix. The maximum residual risk rating from this process is then reported on:

		CONSEQUENCE				
		Minor	Moderate	Serious	Major	Catastrophic
LIKELIHOOD	Almost Certain	H	H	VH	E	E
	Likely	M	H	VH	VH	E
	Possible	L	M	H	VH	VH
	Unlikely	L	M	M	H	VH
	Rare	L	L	L	M	H



Strategic Risk Name	Risk Description	Risk Owner	Residual Risk Rating
SR1 Failure to respond to a disaster	A lack of preparedness leads to a failure to respond or an ineffective response to a natural or human induced disaster event resulting in compromised community resilience. Links to SR4 and SR8	Helen Paki	Very High 
SR2 Significant negative impact on financial strategy	A major economic or financial shock event negatively impacts Council's financial strategy, fiscal and monetary position resulting in significant financial pressure on Council. Links to SR7	David Bryant	Medium 
SR3 Failure to meet compliance standards	Compliance requirements from central government and regional council or changes in community expectations leads to a failure to meet compliance standards resulting in increased exposure to litigation. Links to SR6	David Bryant	High 
SR4 Loss of information or access to systems and services	In the event of a cyber attack, IT service or technology asset failure there is a risk that confidential information and / or Council services are compromised or fail and / or there is a loss of information resulting in ongoing reputational, legal, and financial consequences. SR4 links to SR1 and SR8	Murray Heke	High 
SR5 Failure to deliver growth outcomes	Step-changes in growth requirements or demand or consequences of growth means Council can't deliver expected growth outcomes resulting in increased costs and the perception that growth delivers negative outcomes for the community.	Blair Bowcott	High 
SR6 Political changes negatively impact strategic direction	Political stakeholders make unanticipated changes or decisions or take actions that negatively impact Council's strategic direction resulting in significant changes to Council's form or function, resourcing and work programme. Links to SR3	Blair Bowcott	Very High 
SR7 Failure to deliver our work programmes	An ongoing shortage of necessary resources (people and materials) means we are unable to deliver our work programmes resulting in constrained growth and negative long-term outcomes for the community. Links to SR2	Chris Allen	Very High 
SR8 Failure to respond to a crisis or emergency	A lack of Council's preparedness leads to a failure to respond or an ineffective response to a crisis (e.g. pandemic) or emergency (e.g. security attack) resulting in compromised business resilience. Links to SR1 and SR4.	David Bryant	Very High 
SR9 Failure to respond to climate change	Climate change causes changes to our community and City we have not anticipated or planned for which will negatively impact on the wellbeing of our community.	Julie Clausen	Very High 
Organisational Risk Name	Risk Description	Risk Owner	Residual Risk Rating
OR1 Failure to provide a safe and healthy work environment	Ineffective or inadequate health, safety and wellbeing management at our work sites leads to a failure to provide a safe and healthy work environment for Council staff or workers (including contracted or volunteer workers) resulting in a serious injury incident or fatality and increased exposure to litigation.	David Bryant	High 
OR2 Failure to provide a safe environment for the community	Ineffective or inadequate safety and security management at our community attractions and facilities might mean we fail to provide and maintain a safe environment for the community resulting in a serious injury incident or fatality and increased exposure to litigation.	Helen Paki	High 
OR3 Failure of critical assets	Incorrect investment (timing and/or amounts) results the unexpected failure of critical assets (loss of levels of service). Resulting in loss of service delivery, financial impact, environmental damage.	Eeva-Liisa Wright	Very High 

Item 8

Attachment 1



Strategic Risk 1		
<b>SR1 Failure to respond to a disaster</b>		
A lack of preparedness leads to a failure to respond or an ineffective response to a natural or human induced disaster event resulting in compromised community resilience. Links to SR4 Loss of information or access to systems and SR8 Failure to respond to a crisis or emergency.		
<b>Risk Owner</b>	Helen Paki	<b>Category</b> Disaster Recovery/Business Continuity Strategic
<b>Risk Cause</b>		
<ol style="list-style-type: none"> <li>1. Natural disaster event without warning or build up</li> <li>2. Severe weather events that increase in intensity, including those events that are a result of climate change</li> <li>3. Critical asset failure that impacts the safety of Hamiltonians – water, energy, telecommunications, financial, transportation</li> <li>4. Disaster caused by failure of human-made structure</li> <li>5. Pandemics</li> </ol>		
<b>Inherent Risk Rating</b>	4 - Very High - Possible x Catastrophic	
<b>Existing Controls</b>		
<ol style="list-style-type: none"> <li>1. Annual external (NEMA) capability assessments</li> <li>2. Collaboration on emergency management response approach</li> <li>3. Co-located EOC in a dedicated leading-edge centre</li> <li>4. Early warning processes are in place at a national and regional level</li> <li>5. Emergency Management Framework</li> <li>6. Emergency management training program</li> <li>7. Robust emergency exercise schedule in place</li> <li>8. Council has established an Incident Management Team</li> <li>9. Availability of technical expertise</li> <li>10. Regional and national emergency services relationship management</li> <li>11. Council has responsibility for climate change response</li> <li>12. District Plan</li> <li>13. Asset Management. 2021-2051 Infrastructure Strategy is in place.</li> <li>14. Asset Management. 2021-31 Activity Management Plans int. ext. reviewed</li> <li>15. Asset Management. Manage, monitor, operate and maintain critical assets</li> <li>16. Asset Management. Plan policy in place to set standards</li> </ol>		
<b>Residual Risk Rating</b>	4 - Very High - Possible x Major	
<b>Responsible Manager(s)</b>	Kelvin Powell Helen Schlegel	<b>Risk Treatment Option</b> Mitigate
<b>Treatment Plans</b>		
<b>Treatment Plan</b>	<b>Previous Update</b>	<b>Update – June 2023</b>
Implement workplan to address findings raised in Capability Assessment by December 2023	<b>December 2022</b> An external monitoring and evaluation assessment of Council's emergency management capacity and capability to perform the required emergency management roles and responsibilities was undertaken. A workplan has been developed to	<b>June 2023</b> Seven recommendations from the Auckland Flood Response Review assessed as having direct relevance to Hamilton and have been added to the workplan for addressing with urgency. Workplan is on track but extra added work will make it a challenge to achieve

	<p>incrementally address the specifics identified as areas for improvement</p> <p><b>March 2023</b></p> <p>Major weather events - Auckland Weather Bomb, Cyclone Gabrielle. HCC CDEM staff deployed to affected areas across North Island to support the response and recovery efforts in affected areas of the North Island. To date 40 staff (1,240 hours) have been deployed to Auckland, Thames, Hawkes Bay and to the Waikato Regional Operations Centre. Half of the staff had not previously been deployed.</p>	
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Strategic Risk 2			
<b>SR2 Significant negative impact on financial strategy</b>			
A major economic or financial shock event negatively impacts Council's financial strategy, fiscal and monetary position resulting in significant financial pressure on Council. Links to SR7 Failure to deliver our work programmes.			
<b>Risk Owner</b>	David Bryant	<b>Category</b>	Financial
<b>Risk Cause</b>			
1. Global financial or pandemic crisis 2. Rapid increases in inflation, **finance sector credit contraction,** interest rates, oil prices, or a rapid decline in NZD leading to significantly higher construction input costs, debt costs, and significant pressure on household rates affordability 3. Critical infrastructure failure 4. Major construction industry failure 5. Major government policy changes negatively impact Council's income streams or cost base 6. Natural or manmade disaster (including deliberate attacks on critical infrastructure or pandemic) has an impact on the economy (e.g. affects national imports/exports, which has a flow on effect) 7. **Recession (two successive quarters of negative GDP growth)**			
<b>Inherent Risk Rating</b>	4 - Very High - Likely x Major		
<b>Existing Controls</b>			
1. PwC, as Council's treasury partner 2. Financial forecasting cycles at the Finance & Monitoring Committee 3. Monitoring of macro trends 4. Additional \$100M bank facility 5. Financial scenario modelling 6. Council's ability to urgently reprioritise and reduce capital spending 7. Ability to urgently reprioritise and reduce community LOS spending 8. Financial Policies			
<b>Residual Risk Rating</b>	2 - Medium - Possible x Moderate		
<b>Responsible Manager(s)</b>	Greg Carstens Tracey Musty Virginie Maene	<b>Risk Treatment Option</b>	Accept

Strategic Risk 3			
<b>SR3 Failure to meet compliance standards</b>			
Compliance requirements from central government and regional council or changes in community expectations leads to a failure to meet compliance standards resulting in increased exposure to litigation. Links to SR6 Political changes negatively impact on strategic direction.			
<b>Risk Owner</b>	David Bryant	<b>Category</b>	Compliance and Regulatory Environmental Political Reputation
<b>Risk Cause</b>			
<ol style="list-style-type: none"> <li>1. Central government changes the regulatory standards for compliance: including resource management, environmental (including climate change and pollutant management), corporate (including health and safety, human resources and financial), growth, consultation requirements, health and infrastructural (including traffic and transport) compliance. This might also include changes to the required frequency of Council actions (such as the 10 Year Plan). This also includes wide-ranging regulatory changes in response to an incident such as a pandemic or natural disaster</li> <li>2. Continued or serious breaches leading to increased compliance requirements and regulation</li> <li>3. Community service-level expectations in management of water quality, recycling, climate change and other services not being met</li> <li>4. Failure to plan long term for consenting requirements (both as a regulator and a regulated entity)</li> <li>5. Regional Council changes its policies to ensure legislative compliance (e.g. Healthy Rivers policy)</li> <li>6. External audit identifying major non-compliance within HCC operations (e.g. by IANZ)</li> <li>7. Legal challenge to HCC policy or practice resulting in findings of non-compliant practices</li> <li>8. Change in stakeholder partner expectations for environmental performance</li> <li>9. Changes to our own District Plan impacting other parts of the business (e.g. changes to resource consents affect consented Three Waters activities)</li> <li>10. Increased cost of compliance</li> <li>11. Compliance standards at odds with each other</li> </ol>			
<b>Inherent Risk Rating</b>	3 - High - Possible x Serious		
<b>Existing Controls</b>			
<ol style="list-style-type: none"> <li>1. Advice available from external legal service providers - ad hoc basis</li> <li>2. Central oversight of bylaw and Council policy programme at HCC</li> <li>3. Competency assessments and training in place for staff</li> <li>4. Council has access to a legal database</li> <li>5. Council has established an Incident Management Team</li> <li>6. External experts – for example advice on HR, taxation matters.</li> <li>7. Internal legal advisor resource</li> <li>8. Internal programme for continuous improvement in place</li> <li>9. Internal resource allocated for specific compliance changes</li> <li>10. Key stakeholders engaged for central government submissions</li> <li>11. Local and regional council relationships established</li> <li>12. Notification protocols in place for unforeseen events</li> <li>13. Regular legal services advice and input from other specialist experts</li> <li>14. Regular reporting, accreditation and auditing by independent providers</li> </ol>			
<b>Residual Risk Rating</b>	3 - High - Possible x Serious		
<b>Responsible Manager(s)</b>	Anna Hildyard Mish Hawthorne	<b>Risk Treatment Option</b>	Mitigate
<b>Treatment Plans</b>			

Treatment Plan	Previous Update	Update – June 2023
Legislative Compliance - Implement organisational monitoring and reporting by August 2023	<b>December 2022</b> No update - ongoing treatment plan <b>March 2023</b> No update - ongoing treatment plan	<b>June 2023</b> No update - ongoing treatment plan
Develop additional Compliance Training modules by August 2023	<b>December 2022</b> Similar to Privacy training on line modules, the legal team will look at training on a regular basis and developing on line learning modules for a range of 'core' competencies - LGOIMA, Protected Disclosures, Conflict of Interest, Fraud, bribery and corruption, insurance (in conjunction with the insurance team) as well as adhoc training on issues as they arise.  <b>March 2023</b> LGOIMA training has been created and is currently awaiting final approval before roll-out. No other updates - ongoing treatment plan	<b>June 2023</b> Fraud and Corruption Policy is currently under review. Once the policy has been approved by BSLT this will form the basis of the Fraud and Corruption online module.



## Strategic Risk 4

### SR4 Loss of information or access to systems and services

In the event of a cyber attack, IT service or technology asset failure there is a risk that confidential information and / or Council services are compromised or fail and / or there is a loss of information resulting in ongoing reputational, legal, and financial consequences. What does the above mean to us? We have taken all necessary measures to protect ourselves from credible Cyber threats. We have created resilience and redundancy in our environment to support continuation of our services and information. Our Business Continuity and Disaster Recovery activities support rapid recovery of our services and prevent / minimize data loss and service disruption. SR4 links to SR1 (Failure to respond to a disaster) and SR8 (Failure to respond to a crisis or emergency).

<b>Risk Owner</b>	Murray Heke	<b>Category</b>	Disaster Recovery/Business Continuity Technology
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#### Risk Cause

1. IT/OT technology advances – positive and negative
2. Inadequate identification of IT security threats, trends, themes, detection and responses
3. Poor IT/OT Security awareness / culture /behaviours
4. Poor IT/OT security operational practices
5. Release and change management processes lacking a security focus – not “secure by design”
6. Privacy Breach
7. Poor asset and service lifecycle management leading to asset and service failure
8. Inadequate architecture
9. A supplier being breached
10. Inadequate competency at organisational level
11. Specific targeting and malicious exploitation of security vulnerabilities across Council IT asset infrastructure, or Operational Technology
12. International trends and attacks not being considered in NZ
13. Malicious activity (e.g. cyber attack, phishing etc.) targeting central and local government entities.
14. Inadequate access control to key systems
15. Zero-day attacks

**Inherent Risk Rating** 4 - Very High - Possible x Catastrophic

#### Existing Controls

A separate public excluded report is taken to the Strategic Risk and Assurance Committee which provides further details about the Organisation's Cyber Security and Risk

**Residual Risk Rating** 3 - High - Unlikely x Major

<b>Responsible Manager(s)</b>	Karl Bout Liz Pearson Monjur Ahmed DJ Jordan Allan Lightbourne Tony Oxley	<b>Risk Treatment Option</b>	Mitigate
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#### Treatment Plans

A separate public excluded report is taken to the Strategic Risk and Assurance Committee which provides further details about the Organisation's Cyber Security and Risk Improvement Schedule

Strategic Risk 5

SR5 Failure to deliver growth outcomes

Step-changes in growth requirements or demand or consequences of growth means Council can't deliver expected growth outcomes resulting in increased costs and the perception that growth delivers negative outcomes for the community.

Risk Owner

Blair Bowcott

Category

Community and Wellbeing  
Service Delivery  
Strategic

Risk Cause

1. Wider economic downturn

2. Significant change in the market – either demand or supply side, due to e.g. construction cost inflation and restrictions on credit

3. Population growth rates change (either natural change or through internal or international migration rates)

4. Changes in growth projections as a result of climate change impacts on population spread in New Zealand and overseas

5. Inadequate skills, data or modelling and scenario planning

6. Council's decisions that impact desired growth outcomes e.g. growth opened on too many fronts, lack of funding for desired levels of outcome etc

7. Changes in Government Policy or legislation impact on desired growth outcomes or our ability to effectively respond to growth

8. Central Government funding and financing initiatives such as Housing Infrastructure Fund, Infrastructure Funding (IFF) and Financing and the Infrastructure Acceleration Fund (IAF)

9. Inadequate provisions in of application of the District Plan to deliver positive outcomes for people / environment

10. Neighbouring councils make growth decisions around Hamilton's border that are not aligned with Hamilton's desired growth strategy

11. Requests from developers for unplanned, out of boundary and/or out of sequence developments

12. Groups within Council planning and budgeting for growth separately versus in a joined-up way

13. Significant change in public perception of growth or growth outcomes

14. Tougher environmental standards (links to SR3) placing constraints on growth to the extent it makes it unaffordable

15. Misaligned understanding of growth strategies resulting in different levels of advice from different developers which could delay development or create perceived barriers

16. Investment misalignment between key external funding agencies as a result of reforms e.g. RM Reform, Affordable Waters Reform etc.

17. Infrastructure capacity and constraints, particularly three waters

Inherent Risk Rating

4 - Very High - Possible x Major

Existing Controls

1. Numerous strategies and plans in place to manage growth outcomes

2. Hamilton Urban Growth Strategy

3. Future Proof Partnership and work programmes

4. Engagement with Central Government

5. Engagement with neighbouring Councils on strategic growth planning

6. Preparation of growth programme business cases

7. Growth Programmes team

8. Strategic Development Forum

9. Communications and engagement strategies for Growth

10. National Policy Statement Urban Development

11. Changes to District Plan (plan changes) where required

12. Zoning Decision Process

13. Submissions on any neighbouring councils plan changes.

14. Management of Resource Consent applications

15. Out of Boundary Principles

16. Private Developer Agreements

17. Monitoring the broader environment

## 18. HCC Growth and Development Contributions model

Residual Risk Rating		3 - High - Possible x Serious	
Responsible Manager(s)	Karen Saunders Greg Carstens Mark Davey Hannah Windle Nicky Swan Tunde Balvanyos	Risk Treatment Option	Mitigate
Treatment Plans			
Treatment Plan	Previous Update	Update – June 2023	
Deliver revised Hamilton Urban Growth Strategy, by April 2023	<p><b>December 2022</b> Final draft of HUGS adopted and approved for consultation from 18 October to 20 November 2022. Submissions hearings planned for 5 December 2022, with final strategy to be adopted at the Strategic Growth &amp; District Plan Committee in early 2023.</p> <p><b>March 2023</b> Deliberations held at the Strategic Growth &amp; District Plan Committee on 23 Feb 2023. Final changes are now being made. The strategy is scheduled to be adopted at the 20 April 2023 Strategic Growth &amp; District Plan Committee.</p>	<p><b>May 2023</b> Strategy was adopted 20 April 2023 Strategic Growth &amp; District Plan Committee</p>	
Actively respond to opportunities to secure growth funding to enable growth (e.g. IAF, IFF), ONGOING	<p><b>December 2022</b> On 17 November, Minister of Housing Hon Dr Megan Woods announced Hamilton City Council will receive a \$150.6 million grant to fund infrastructure to support new housing in the central city. The grant will fund a new water reservoir and pump station, pedestrian and cycling bridge, and investigations into other strategic three waters and transport infrastructure. This will enable up to 4000 homes in the central city and surrounds between now and 2034.</p> <p><b>December 2023</b> Handed over from GF&amp;A to team established to deliver and report on IAF grant programme, led by Growth Programmes and City Development</p>	<p><b>June 2023</b> Continuing to pursue new funding opportunities e.g. IFF in parallel with the LTP</p>	
Progress and notify District Plan Change Programme in response to Government Direction from NPS-UD and RMA Bill, by late 2023	<p><b>December 2022</b> Plan change 12 has been notified, submissions received and is due to open for further submissions on 28th Nov. Hearings are due to commence 14th Feb 2023.</p> <p><b>March 2023</b> Plan Change 12 hearings commenced. Next tranche of hearings due September 2023.</p>	<p><b>June 2023</b> Plan Change 5 (Peacocke) is at the appeals stage, Industrial Land Supply Analysis has been completed to inform up-coming HBA analysis, expert conferencing sessions for Three Waters for PC12 have been held with the other topics to be held in June with hearings scheduled for September 2023.</p>	



Strategic Risk 6			
<b>SR6 Political changes negatively impact strategic direction</b>			
Political stakeholders make unanticipated changes or decisions or take actions that negatively impact Council's strategic direction resulting in significant changes to Council's form or function, resourcing and work programme. Links to SR3 Failure to meet compliance standards.			
<b>Risk Owner</b>	Blair Bowcott	<b>Category</b>	Political Service Delivery Strategic
<b>Risk Cause</b>			
<ol style="list-style-type: none"> <li>1. Political changes including central government strategic direction and legislative changes creates risk or opportunities</li> <li>2. Local political changes, including potential misunderstanding of Council's intent</li> <li>3. Political personalities, trust and relationships and change of key personnel – positive &amp; negative</li> <li>4. Failure to manage stakeholder relationships, communication and engagement tactics, including due to a lack of resource or need to balance priorities</li> <li>5. Short term focus overshadows long term cost benefit outcomes</li> <li>6. Political sovereignty/patch protection, lack of alignment or willingness to compromise ie boundaryless approach vs localism</li> <li>7. Financial strategy misaligned with wider context</li> <li>8. International events, trends or decisions influence NZ</li> <li>9. Major projects or initiatives for the benefit of Hamilton accelerating or slowing down</li> <li>10. Relationships with neighbouring territorial authorities are ineffective or adversarial due to differences of opinion or priorities</li> </ol> <p>Note\* Political risk is essentially the probability that a political action/decision will significantly affect Council's strategic direction - whether positively or negatively.</p>			
<b>Inherent Risk Rating</b>	4 - Very High - Likely x Major		
<b>Existing Controls</b>			
<ol style="list-style-type: none"> <li>1. Collaborative governance group meetings</li> <li>2. Culture, expectation and policies of HCC organisation</li> <li>3. Monthly SLT discussion to ensure awareness of strategic initiatives</li> <li>4. Participation in national and regional advisory groups</li> <li>5. Participation in processes to influence government policy direction</li> <li>6. Proactive steps taken at the start of each local government triennium</li> <li>7. Regular Council briefings</li> <li>8. Regular engagement with stakeholders at political and executive level</li> <li>9. Regular meetings with Government Ministers and MPs</li> <li>10. Future Fit Programme Established</li> </ol>			
<b>Residual Risk Rating</b>	4 - Very High - Likely x Major		
<b>Responsible Manager(s)</b>	Hannah Windle Mish Hawthorne Nicky Swan	<b>Risk Treatment Option</b>	Mitigate
<b>Treatment Plans</b>			
Treatment Plan	Previous Update	Update – June 2023	
Feed the implications of Resource Management Reform into the Future Fit Programme by July 2024	New TP	<b>June 2023</b> Ensure that structural and staffing changes needed to deliver on RM reforms are accommodated and addressed in outcomes of the Future Fit programme	

Work with Future Proof Partners on the implications of RM reform to ensure sub-regional voice is championed by October 2023	<b>New TP</b>	<b>June 2023</b> Continue to advocate and collaborate at a sub-regional level to ensure metro interests are championed in new legislation, and in delivery models.
3 Waters Reform Treatment Plan	<b>New TP</b>	<b>June 2023</b> Established an internal council team to manage the impacts of the 3 Waters reform programme on council and the local government sector. Proactively engaging with the DIA on the reform implications. Collaborating with partner councils on the impacts of waters reform
Future for Local Government Treatment Plan	<b>New TP</b>	<b>June 2023</b> Established an internal council lead for managing input into the review, and to ensure that political stakeholders have opportunities to feed into the review process. In the process of advocating for Hamilton's interests to the Local Government Panel carrying out the review process

Strategic Risk 7		
<b>SR7 Failure to deliver our work programmes</b>		
An ongoing shortage of necessary resources (people and materials) means we are unable to deliver our work programmes resulting in constrained growth and negative long-term outcomes for the community. Links to SR2 Significant negative impact on financial strategy.		
<b>Risk Owner</b>	Chris Allen	<b>Category</b> Financial People Service Delivery
<b>Risk Cause</b>		
<ol style="list-style-type: none"> <li>1. Major construction sector skills/labour shortage - capacity and capability</li> <li>2. Political changes in the labour market (e.g. immigration policy changes)</li> <li>3. Regional or national investment decisions leading to increased demand for construction resources and market congestion – i.e. significant increase in capital portfolios nationally</li> <li>4. Supply chain company failures</li> <li>5. Supply chain investment confidence - i.e. forward work confidence to invest in people, plant and technology</li> <li>6. Key construction material shortages or delays - particularly pipes, bitumen, oil, steel, aggregate and concrete</li> <li>7. COVID-19 absenteeism</li> <li>8. Supply chain breakdown</li> <li>9. Increased work programmes driven by additional funding (i.e. central government investment)</li> <li>10. Third-party dependencies (utility companies, Waka Kotahi, developers)</li> <li>11. Significant Weather Events (e.g cyclone, unusually wet construction season)</li> </ol>		
<b>Inherent Risk Rating</b>	5 - Extreme - Almost Certain x Catastrophic	
<b>Existing Controls</b>		
<ol style="list-style-type: none"> <li>1. Adjustment of cost escalation provisions in the 2021/31 Long Term Plan</li> <li>2. Established procurement planning frameworks</li> <li>3. Forward works pipeline visibility and supply chain engagement</li> <li>4. Procurement optimisation</li> <li>5. Utilising panel arrangement for procurement and engagement</li> <li>6. Portfolio Framework in place</li> <li>7. Resource management tool for Project Management</li> <li>8. Annual Plan 23/24 Capital Portfolio</li> </ol>		
<b>Residual Risk Rating</b>	4 - Very High - Almost Certain x Serious	
<b>Responsible Manager(s)</b>	Sarah Seel Alexis Chavez Anita Oliver Kelly Stokes	<b>Risk Treatment Option</b> Mitigate
<b>Treatment Plans</b>		
Treatment Plan	Previous Update	Update – June 2023
Optimise procurement processes and contracts to enable HCC to be a construction industry client of choice.	<b>December 2022</b> Work is underway on the review of the Financial Delegations Policy. Training and upskilling of Project Management staff in procurement processes. <b>March 2023</b> Project Management staff have started the Clever Buying Course and benefits are evident in contracting processes. Workshops with Procurement to streamline processes.	<b>June 2023</b> No update this quarter

<p>Develop and implement a resource management tool measuring assessing availability of resources against demand for project management</p>	<p><b>December 2022</b> Pipeline of the projects are being measured against the project management resources available.</p> <p><b>March 2023</b> Resource Management Tool has been used to in the Development Group to assess future workload and request appropriate project management resources.</p>	<p><b>June 2023</b> The Resource Management Tool has now been implemented and is considered a control</p>
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Strategic Risk 8		
<b>SR8 Failure to respond to a crisis or emergency</b>		
A lack of Council's preparedness leads to a failure to respond or an ineffective response to a crisis (e.g. pandemic) or emergency (e.g. security attack) resulting in compromised business resilience. Links to SR1 and SR4.		
<b>Risk Owner</b>	David Bryant	<b>Category</b> Environmental People Service Delivery
<b>Risk Cause</b>		
<ol style="list-style-type: none"> <li>1. Large scale physical attack on people in public places (e.g. a terrorist attack)</li> <li>2. Physical attack on city critical infrastructure, e.g. Waste Water Treatment Plant, Water Treatment Plant, reservoirs designed to compromise integrity of service</li> <li>3. Civil unrest – political or social unrest resulting in a security or safety threat to people or assets</li> <li>4. Chemical or biochemical attack, contamination or similar event</li> <li>5. Fire or water damage within our premises or working environments</li> <li>6. Significant shortage of key staff in one or more areas</li> <li>7. Death or injury to staff, residents or customers</li> <li>8. Disruption to supply chains</li> <li>9. Denial of access to our facilities (e.g. a bomb threat)</li> <li>10. Power or water outages</li> <li>11. Natural or man-made hazards including those requiring us to evacuate staff from our facilities</li> <li>12. Pandemics</li> </ol>		
<b>Inherent Risk Rating</b>	4 - Very High - Possible x Catastrophic	
<b>Existing Controls</b>		
<ol style="list-style-type: none"> <li>1. Business Continuity Management Policy and plans</li> <li>2. Business continuity and disaster recovery (BCDR) processes</li> <li>3. Council has established an Incident Management Team</li> <li>4. Security Risk Assessments</li> </ol>		
<b>Residual Risk Rating</b>	4 - Very High - Possible x Catastrophic	
<b>Responsible Manager(s)</b>	Julie Ambury Nicholas Whittaker	<b>Risk Treatment Option</b> Mitigate
<b>Treatment Plans</b>		
Treatment Plan	Previous Update	Update – June 2023
Adopt and implement accepted recommendations from SRAs by 31 March 2023	<b>December 2022</b> Community Group continue to prioritise and deliver recommendations identified in their SRAs. SRA review pushed out to Q1 CY2023.  <b>March 2023</b> A review on progress of Community Group SRA recommendations is underway. This will feed into the organisation wide review of SRA recommendations for reporting back to the June 2023 SRAC meeting.	<b>June 2023</b> The review on progress of Community Group SRA recommendations is still being done. This will feed into the organisation wide review of SRA recommendations for reporting back to the SRAC at a later date
Review of Organisational Security Risk Assessment (OSRA) by 31 March 2023	<b>December 2022</b> Pushed out to Q1 CY2023.  <b>March 2023</b>	<b>June 2023</b> This has commenced (plan and terms of reference completed) and once



	Will be completed as part of broader organisation-wide review of SRAs for reporting back to the June 2023 SRAC meeting.	completed will be reported back to the SRAC at a later date.
Develop and deliver Crisis, Emergency & Incident Management guidelines and procedures by 23 December 2022	<p><b>December 2022</b> Second workshop held on 13 October with a focus on incident management in order to deliver an output (draft incident management guidelines) by end December.</p> <p><b>March 2023</b> Draft Incident Management Manual has been completed and reviewed by the working group and BSLT. Next steps are ELT approval, SRAC input (June) then finalise and implement.</p>	<p><b>June 2023</b> The templates contained in the Manual have been split out into separate documents. A proposed approach for finalising and operationalising the Manual will be presented to ELT then SRAC.</p>
Develop a Resilience Management Policy by 31 March 2023	<p><b>December 2022</b> New Treatment Action. Agreed action to address findings from BCM Internal Audit.</p> <p><b>March 2023</b> Development of a Resilience Management Policy is underway in preparation for the June SRAC workshop/meeting.</p>	<p><b>June 2023</b> Put on hold to align with review of Risk Management Policy.</p>
Refresh the BCP template by 31 March 2023	<p><b>December 2022</b> New Treatment Action. Agreed action to address findings from BCM Internal Audit.</p> <p><b>March 2023</b> First operational level BIA and BCP update is scheduled for April. An updated BCP template will be developed and used for this and subsequent operational level BIA and BCP updates.</p>	<p><b>June 2023</b> Updated BCP template will follow BIA workshops.</p>
Establish resilience working and governance groups by 30 June 2023	<p><b>December 2022</b> New Treatment Action. Agreed action to address findings from BCM Internal Audit.</p> <p><b>March 2023</b> Some thinking underway. Will update again in June.</p>	<p><b>June 2023</b> Deferred due to change in risk management team and resource constraints</p>
Align operational-level BIA with enterprise-level BIA as part of routine BCM reviews and updates by 31 July 2023	<p><b>December 2022</b> New Treatment Action. Agreed action to address findings from BCM Internal Audit.</p> <p><b>March 2023</b> Currently working with business units to develop a schedule for updating operational level BIAs and BCPs. Working toward end of June for Tier 1, Tier 2 and critical internal functions supporting Tier 1 and Tier 2, and end of September for all other business units.</p>	<p><b>June 2023</b> Workshops are underway to get operational BIAs completed. Updated BCP templated and BCPs will follow.</p>
Develop and implement a resilience training and testing programme by 28 June 2024	<p><b>December 2022</b> New Treatment Action. Agreed action to address findings from BCM Internal Audit.</p> <p><b>March 2023</b> Not yet started.</p>	<p><b>June 2023</b> No update.</p>



	assessment workshops are scheduled for March. The final report is due in early April. This will then be shared with staff to inform Activity and Asset Management Plans for the next long term plan.	
Establish an understanding of emission reduction pathway for the city by June 2023	<p><b>December 2022</b> Consultants have been appointed. Work to understand the current emissions reduction actions in the 2021-22 Long Term Plan and the impact of the Emissions Reduction Plan actions in Hamilton has commenced.</p> <p><b>March 2023</b> Consultants have delivered a draft model of the emissions trajectory for Hamilton. A workshop with key staff is scheduled for March to test the model and will be finalised in early April to support long term plan discussions.</p>	<p><b>June 2023</b> A finalised emissions trajectory has been provided and presented to the Executive Leadership Team and to the Climate Strategy Advisory Group. The trajectory will now be used as part of the 2024-34 Long Term Plan discussions.</p>
Climate Change Policy tools and guidance developed by March 2023	<p><b>December 2022</b> A contractor appointed to develop the guidance and update all relevant templates and processes. Draft guidance has been prepared and will be ready to roll out in early 2023.</p> <p><b>March 2023</b> Guidance and a workbook for staff to complete has been prepared. Training and information will be rolled out in March and April 2023 for staff to start completing the climate change impact statements.</p>	<p><b>June 2023</b> Roll out of the policy has been completed. 6 training sessions were held for staff on how to complete climate change impact statements. The Climate change team have been supporting staff to complete their impact statements.</p>



Organisational Risk 1			
<b>OR1 Failure to provide a safe and healthy work environment</b>			
Ineffective or inadequate health, safety and wellbeing management at our work sites leads to a failure to provide a safe and healthy work environment for Council staff or workers (including contracted or volunteer workers) resulting in a serious injury incident or fatality and increased exposure to litigation.			
<b>Risk Owner</b>	David Bryant	<b>Category</b>	Compliance and Regulatory People
<b>Risk Cause</b>			
1. Poor safety culture and/or behaviours across organisation 2. Failure to understand duties and accountability relating to health and safety 3. Critical health and safety risks not identified, assessed and mitigated adequately 4. Safety Management System (SMS) ineffective or inefficient or implementation failures 5. Inadequate contractor management frameworks, including procurement and assurance practices 6. Not sharing or acting on information and lessons learnt – internal and external to Council 7. Complacency leading to greater risks being taken 8. Failure to properly engage with and listen to staff 9. Staff under resourcing leading to identified risks not being mitigated appropriately 10. Time pressures and or complacency leading to acceptance of high levels of risk			
<b>Inherent Risk Rating</b>	5 - Extreme - Likely x Catastrophic		
<b>Existing Controls</b>			
1. Safety Management System (SMS) aligned to ISO45001 2. Appropriate resources available for Council capabilities 3. Assurance activities are carried out regularly int / ext 4. Council has an effective safety governance structure 5. Council safety software system that provides reporting 6. Council's critical safety risks are reviewed regularly. 7. Prequalification and Safety Standards for Contractors 8. Council undertakes an annual engagement survey 9. He waka eke noa - Our Way of Working			
<b>Residual Risk Rating</b>	3 - High - Rare x Catastrophic		
<b>Responsible Manager(s)</b>	Marie Snowball Dan Finn	<b>Risk Treatment Option</b>	Mitigate
<b>Treatment Plans</b>			
A separate report is taken to the Strategic Risk and Assurance Committee which provides further details about the Organisation's Health and Safety strategic direction and improvement schedule.			

Organisational Risk 2		
<b>OR2 Failure to provide a safe environment for the community</b>		
Ineffective or inadequate safety and security management at our community attractions and facilities might mean we fail to provide and maintain a safe environment for the community resulting in a serious injury incident or fatality and increased exposure to litigation.		
<b>Risk Owner</b>	Helen Paki	<b>Category</b> Community and Wellbeing
<b>Risk Cause</b>		
<ol style="list-style-type: none"> <li>1. Poor HCC understanding of the health and safety risks within the facilities and services provided and managed by Council</li> <li>2. Failures in safety-in-design planning for our amenities and services provided to the community</li> <li>3. Failures in asset maintenance</li> <li>4. Failure in due diligence on assets purchased for use by the community or staff</li> <li>5. Failure in due diligence on maintenance</li> <li>6. Human error / inappropriate behaviours / criminal behaviour or damage at Council assets</li> <li>7. Complacency leading to greater risks being taken by the community on public safety issues</li> <li>8. Failure to properly engage with and listen to the community</li> <li>9. Failure to act on staff and public information or lessons learned from near misses and incidents (including lessons from other industry experiences)</li> <li>10. Internal BCP and Pandemic Plans are not adhered to</li> <li>11. Failure to consider climate change impacts on the community safety and wellbeing</li> </ol>		
<b>Inherent Risk Rating</b>	4 - Very High - Possible x Catastrophic	
<b>Existing Controls</b>		
<ol style="list-style-type: none"> <li>1. Communication plans for new projects around safety requirements</li> <li>2. Community education support for ongoing Community safety</li> <li>3. Condition assessments for assets</li> <li>4. Emergency and safety response training drills</li> <li>5. Emergency response and Pandemic plans</li> <li>6. Incorporated risk assessments and safety in design planning</li> <li>7. Maintenance and monitoring plans – buildings</li> <li>8. Management drop-ins and Unit Audits</li> <li>9. Operational asset maintenance (trees and operational infrastructure)</li> <li>10. Specific staff training programmes in facilities &amp; service management</li> <li>11. Subject matter expert support – internal and external</li> <li>12. Traffic management plan adoption per requirements</li> <li>13. Mechanism for public to report issues that require action to us</li> <li>14. Activity Management Plans (AMPs)</li> </ol>		
<b>Residual Risk Rating</b>	3 - High - Unlikely x Major	
<b>Responsible Manager(s)</b>	Jo Keall Helen Schlegel Donna Burt	<b>Risk Treatment Option</b> Mitigate
<b>Treatment Plans</b>		
Treatment Plan	Previous Update	Update – June 2023
Design and implement an appropriate monitoring and reporting framework for risks relevant to OR2	<b>December 2022</b> The SRA dashboard and other reporting measures are being used and continue to be refined.  <b>March 2023</b>	<b>May 2023</b> The dashboard is still being refined and it will need to be updated following completion of the deep dive into the security risk assessments. Until that is completed this action needs to remain open.

	The insights from the dashboard are being shared at CLT on a quarterly basis. We need another three months to develop this further before we move this to a control.	
Deep dive into security risks by November 2023	<b>March 2023</b> Deep dive into security risks to ensure risks and areas requiring action are understood. Reporting of these risks needs to commence to ensure there is alignment across the organisation.	<b>May 2023</b> Review of outstanding risks is underway. Risks requiring funding to progress will be included as potential projects for the next LTP.
Updated Business Continuity Plans by December 2023	<b>March 2023</b> BCPs to be updated. Yearly review cycle to be established and business practices embedded to ensure that relevant staff refresh on their contents ahead of significant known events.	<b>May 2023</b> There has been a delay to starting these due to workload and resourcing pressures. The due date has been shifted out to 29 December 2023.

Organisational Risk 3	
<b>OR3 Failure of critical assets</b>	
Incorrect investment (timing and/or amounts) results the unexpected failure of critical assets (loss of levels of service). Resulting in loss of service delivery, financial impact, environmental damage.	
<b>Risk Owner</b>	Eeva-Liisa Wright
<b>Category</b>	Compliance and Regulatory Environmental Financial Reputation Service Delivery
<b>Risk Cause</b>	
<ol style="list-style-type: none"> <li>1. Failure to identify all critical assets</li> <li>2. Failure to accurately forecast capacity limits or inaccurate demand forecasting on critical assets</li> <li>3. Failure to accurately forecast useful life on critical assets</li> <li>4. Failure to future proof asset to allow for pending changes in requirements</li> <li>5. Failure to procure/renew the asset with an appropriate replacement</li> <li>6. Failure to install asset correctly (including poor procurement processes to begin with)</li> <li>7. Assets being operated outside of design scope or change in demand or that the operation of the asset exceeds design assumptions.</li> <li>8. Failure to carry out and prioritise planned maintenance and renewal of critical asset</li> <li>9. Failure to deliver renewal of the asset within scheduled timeframe</li> <li>10. Inadequate budget allocated for maintenance and renewal of critical assets</li> <li>11. Incorrect analysis in development of maintenance and renewal requirements</li> <li>12. Insufficient resources to deliver renewal of assets on time and within allocated budgets</li> <li>13. Failure to adequately consider climate change in critical asset investment</li> <li>14. Insufficient skilled, knowledgeable and experienced staff and low investment in the ongoing building of staff capability to ensure critical assets remain functional, resilient and levels of service remain</li> <li>15. Misalignment in the timing of investment with the required levels of service or that key deliverable dates not identified appropriately</li> <li>16. Poor or incomplete asset data</li> <li>17. Stakeholder specifications and expectation of asset increase making the asset no-longer fit for purpose</li> <li>18. Critical manufacture service agents unavailable to resolve major failure of critical assets</li> <li>19. Critical resources unavailable due to supply chain shortages</li> <li>20. Utility service and third-party critical impacts (stakeholder relationships)</li> <li>21. Limited anomaly detection capability and poor identification of vulnerabilities</li> <li>22. Failure to identify threat actors who wish to exploit technology vulnerabilities</li> </ol>	
<b>Inherent Risk Rating</b>	4 - Very High - Likely x Major
<b>Existing Controls</b>	
<b>Asset Management Controls</b>	
<ol style="list-style-type: none"> <li>1. 3 yearly Independent asset management maturity</li> <li>2. Regular monitoring and submission on industry change</li> <li>3. Resourcing for Activity Management Plan (AMP) funded</li> <li>4. 2021-2051 Infrastructure Strategy is in place.</li> <li>5. Modelling and master planning of strategic assets</li> <li>6. Plan policy in place to set standards</li> <li>7. 2021-31 Activity Management Plans int. ext. reviewed</li> <li>8. Asset Strategy Team in place to drive org consistency</li> <li>9. Manage, monitor, operate and maintain critical assets</li> </ol>	
<b>Operational Controls:</b>	
<ol style="list-style-type: none"> <li>10. Processes in place Re: supervision design and test</li> <li>11. Quarterly Threat and Risk assessments</li> <li>12. Training and development plans in place for staff</li> <li>13. Business Continuity and Essential Maintenance Plans</li> </ol>	
<b>Planning Controls:</b>	



14. Annual review of build/Facilities capital programme 15. Anomaly detection and vulnerability scanning capability 16. Solutions for redundancy (physical and process) in place 17. Project management and procurement processes are in place 18. Staff have project management skills and experience <b>Procurement Controls:</b> 19. Robust procurement process followed to identify/scope 20. Maintenance and service agreements in place with the supplier 21. Speciality contracts in place to maintain critical assets 22. Stakeholder engaged before procure/replacement of asset		
<b>Residual Risk Rating</b> 4 - Very High - Possible x Major		
<b>Responsible Manager(s)</b>	Anita Oliver Paul Gower Tania Hermann, Jo Keall, Claire Toko, Maria Tipene, Mandy Smith, Becca Brooke	<b>Risk Treatment Option</b> Mitigate
<b>Treatment Plans</b>		
Treatment Plan	Previous Update	Update – June 2023
Implement the Organisational Asset Management Improvement Plan by June 2024	<b>December 2022</b> The Organisational Asset Management Improvement was adopted by ELT in October 2021 and contains 32 organisational improvements to be undertaken. Eight actions are completed, 17 others are in progress. The Plan has a horizon out to June 2024. The improvements have been organised into 4 streams of work with one of the streams relating to Resilience and Criticality. Of the 6 tasks relating to Resilience and Criticality, 3 are currently in progress.  <b>March 2023</b> The Organisational Asset Management Improvement was adopted by ELT in October 2021 and contains 32 organisational improvements to be undertaken. This Plan has a horizon out to June 2024. The improvements have been organised into 4 streams of work with one of the streams relating to Resilience and Criticality. Of the 6 tasks relating to Resilience and Criticality, 3 are complete and one is in progress.	<b>June 2023</b> The Organisational Asset Management Improvement was adopted by ELT in October 2021 and contains 32 organisational improvements to be undertaken. This Plan has a horizon out to June 2024. The improvements have been organised into 4 streams of work with one of the streams relating to Resilience and Criticality. Of the 6 tasks relating to Resilience and Criticality, 3 are complete and one is in progress.
Implement Asset Criticality Framework by June 2024	<b>March 2023</b> Asset Criticality Framework document (excluding asset groups of Waters and Transport whom have existing frameworks) has been developed and workshopped. As part of the update of AMPs, identification and management of critical assets will be updated	<b>April 2023</b> Asset Criticality Framework document (excluding asset groups of Waters and Transport whom have existing frameworks) has been developed and workshopped. As part of the update of AMPs, identification and management of critical assets will be updated

# Council Report

Item 11

**Committee:** Council

**Date:** 06 July 2023

**Author:** Nicholas Hawtin

**Authoriser:** Michelle Hawthorne

**Position:** Governance Advisor

**Position:** Governance and Assurance  
Manager

**Report Name:** Recommendations from Open Committee Meetings

<b>Report Status</b>	Open
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## Purpose – *Take*

1. To seek the Council's approval of the following recommendations from the Finance and Monitoring Committee meeting of 22 June 2023 ([Agenda and Minutes](#)), in Financial Performance & Strategy Report.

## Recommendations from the Finance and Monitoring Committee meeting of 22 June 2023 Financial Performance & Strategy Report

2. That the Council:
  - a) approves the capital movement as identified in paragraph 29 of the 30 April 2023 Capital Portfolio Monitoring Report;
  - b) approves the significant forecast adjustments as set out in paragraphs 56 to 58 of the staff report; and
  - c) approves the revised Financial Strategy position for Debt to Revenue, Net Debt and Balancing the Books as set out in paragraphs 60 to 62 of the staff report.

## Attachments - *Ngaa taapirihanga*

There are no attachments for this report.

## Resolution to Exclude the Public

### Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

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

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Confirmation of the Council Unconfirmed Public Excluded Minutes 15 June 2023	) Good reason to withhold ) information exists under ) Section 7 Local Government ) Official Information and ) Meetings Act 1987	Section 48(1)(a)
C2. Hamilton Gardens Additional Pavilion Renewals		
C3. IS Contract Renewals		
C4. Whatukooruru Dr Contract Award		
C5. Maangai Maaori - Committee Appointments		
C6. 2023 LGNZ AGM President and Vice-President		

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

Item C1.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j) Section 7 (2) (h) Section 7 (2) (i)
Item C2.	to enable Council to carry out commercial activities without disadvantage	Section 7 (2) (i)
Item C3.	to enable Council to carry out negotiations	Section 7 (2) (f) (ii)
Item C4.	to enable Council to carry out negotiations to maintain the effective conduct of public affairs through protecting persons from improper pressure or harassment	Section 7 (2) (h) Section 7 (2) (i)
Item C5.	to enable Council to carry out commercial activities without disadvantage	Section 7 (2) (a) Section 7 (2) (a)
Item C6.	to enable Council to carry out negotiations to protect the privacy of natural persons to protect the privacy of natural persons	