

# Council Briefing *Hui Whakamōhio*

Wednesday, 30 April 2025 Wenerei, 30 Paengawhāwhā 2025



**Chief Executive: Steven Perdia | Publication Date: 23 April 2025** 



Recording the Briefing - Ka hopuhia te hui

### Recording the Briefing - Ka hopuhia te hui

#### **PLEASE NOTE**

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#### A Membership - Mematanga

#### <u>A</u> <u>Membership - Mematanga</u>

Mayor Dr Victor Luca

Deputy Mayor Lesley Immink

Councillor Toni Boynton

**Councillor Gavin Dennis** 

**Councillor Andrew Iles** 

**Councillor Wilson James** 

Councillor Julie Jukes

Councillor Tu O'Brien

Councillor John Pullar

Councillor Ngapera Rangiaho

Councillor Nándor Tánczos

#### B Briefing Purpose - Te Take o te hui

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Councillors have many complex issues about which to make decisions and rely on the advice they receive from the administration. Complex issues often require more extensive advice processes which culminate in the council report. Briefings are a key feature to help prepare Councillors with the appropriate background and knowledge for robust decision making during future meetings. They are sessions during which Councillors are provided with detailed oral and written material, and which provide Councillors with the opportunity to discuss the issues between themselves and with senior council staff.

Briefings are scheduled monthly; however due to the nature of Council business, additional Briefings may be held.

Briefings cannot be used to make final decisions, as final decisions and resolutions cannot lawfully be made outside the context of a properly constituted meeting.

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#### 1 Karakia

#### <u>1</u> <u>Karakia</u>

### <u>2</u> <u>Briefing Notices - Ngā Pānui o te hui</u>

#### 1. Recording

Welcome to members of the public who have joined us today.

Council Briefings are recorded. Public gallery attendees' presence implies your consent to being broadcast.

Recordings are available upon request.

#### 2. Health and Safety

In case of an emergency, please follow the building wardens or make your way to the nearest exit.

The meeting point is located at Peace Park on Boon Street.

Bathroom facilities are located opposite the Chambers Foyer entrance.

### <u>3</u> Apologies - Te hunga kāore i tae

No apologies had been received at the time of compiling the Agenda.

#### Acknowledgements:

#### 4 Presentations - Whakaaturanga

### <u>4</u> <u>Presentations - Whakaaturanga</u>

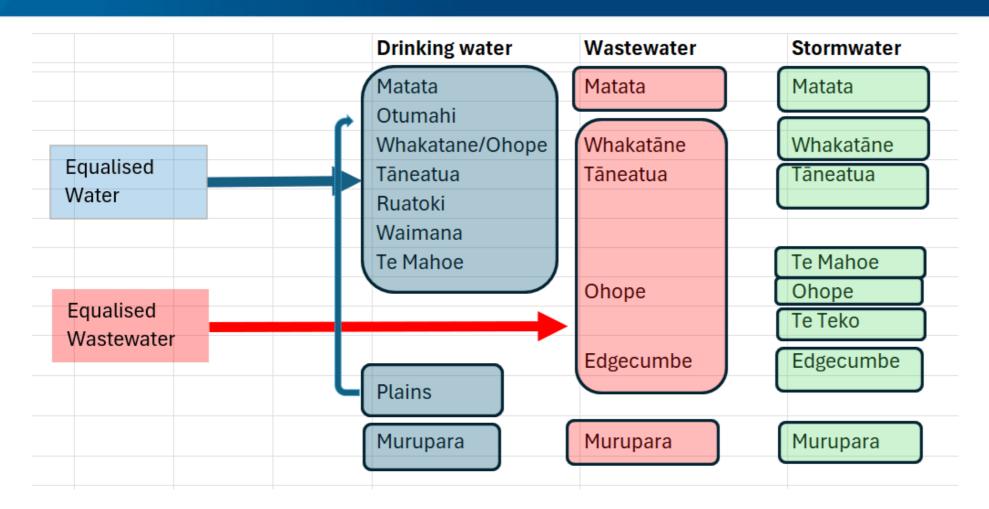
### 4.1 3Waters Rating Review

Bevan Gray will speak to the attached report.



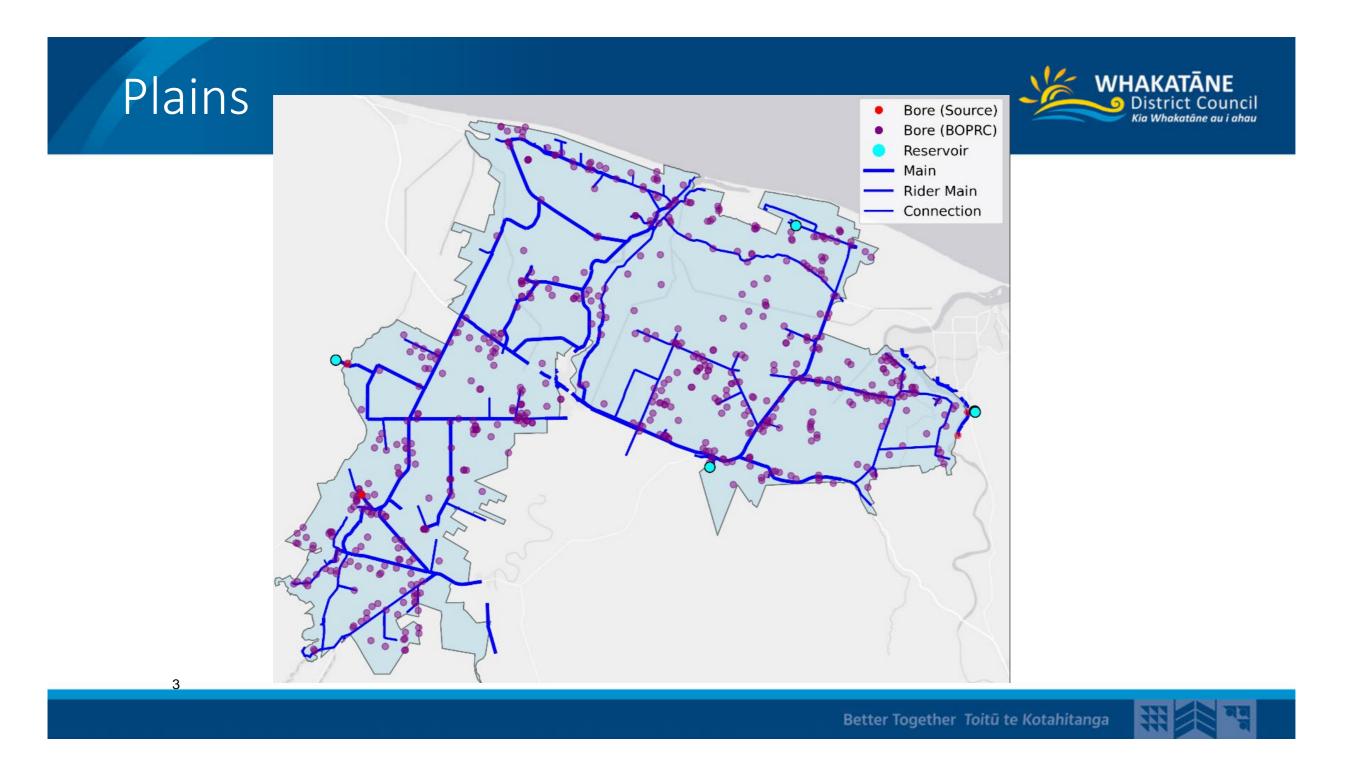
# Reminder – Current arrangements

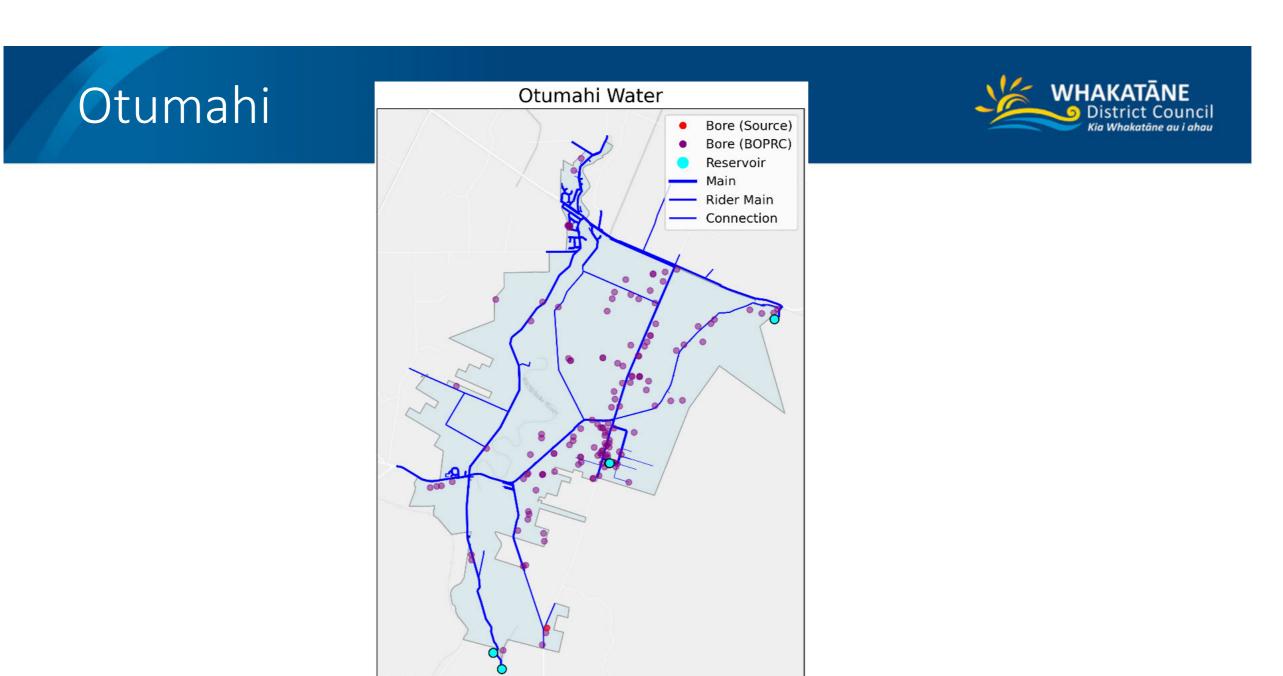




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### Recap – Issues from 4 December Briefing



### Direction provided by Council;

- Consider equalisation
- Explore Fixed/Volumetric split options 25% Fixed/75% Volumetric, 50/50 & zero/100

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### What are our guiding principles?



- Ensure compliance with legislation
- Honouring our obligations under Te Tiriti o Waitangi
- Alignment to our strategic goals
- Ensuring we maintain financial prudence and sustainability
- Delivering community outcomes
- Water conservation considerations
- Fair and equitable charging
- Users pay their fair share of costs
- Budget considerations
- Consideration of affordability

Photo caption

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### Water – Different to the other two waters



- Strongly and nationally mandated level-of-service
- 85% of Requests for Service are 'Water'
- Massive variation in usage
- Demand management levers. Price signals.
- Customers can (and will) make usage decisions. This affects their bills.
- Customers have choices
- Your decisions drive consequences

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# Current funding model



Whakatāne, Ōhope (all schemes exclud	, Edgecumbe, Tāneatua, Te Mahoe ing Murupara) (\$)	
798.34	fixed amount per connection connected and non-metered	ı İ
285.85	fixed amount per rating unit availability – non connected (capable of connection)	
285.85	fixed amount per connection connected and metered	25% increase cf
2.23	per cubic metre of all water supplied to each rating unit connected and metered	26% increase

Murupara (\$)		
625.06	fixed amount per connection connected and non-metered	32% incre
257.84	fixed amount per rating unit availability – non connected (capable of connection)	
257.84	fixed amount per connection connected and metered	1
1.60	per cubic metre of all water supplied to each rating unit connected and metered	

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# Current funding model - continued



Plains (\$)		
294.79	fixed amount per connection connected and non-metered	9% decrease
0.50	per cubic metre of all water supplied to each rating unit connected and metered	22% increase

The Council sets an additional targeted rate for any excess water consumed that is over and above the purchased entitlement for each property connected to the Plains water supply scheme. An overuse targeted rate is set for the excess volume consumed over and above the purchased entitlement of **\$0.90** per cubic metre.

No change

Note: where properties meet the definition of being contiguous either under legislation or Council policy, the entitlements for such properties will be aggregated prior to an imposition of the overuse penalty.

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### District information



### We know:

- Number of rating units connected
- Revenue collected each FY
- How many leak (& other) remissions were made
- About water production
- Metered usage

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## Info snapshot – 2023-24



- We earned \$4.2 M from fixed rates (45% of total revenue)
- We earned \$5.2 M from volumetric rates excl. leaks (55%)
- We remitted \$483K of revenue (leaks)
- We sold 4,074,980 cubic metres of water
- Whakatane/Ohope scheme usage averaged 90 litres per person per day
- Unmetered schemes averaged 206 l/p/d
- Top 60 customers on the Plains use half the water

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# Fixed/variable



### WHK residential and lifestyle incl. GST, 2025 rates

Fived

10<sup>th</sup> percentile 50<sup>th</sup> percentile 90<sup>th</sup> percentile

TIXEU	Volume		Totat	
\$329	\$	135	\$	464
\$329	\$	380	\$	709
\$329	\$	806	\$1,134	

Volume Total

Fixed/variable split

71 / 29

46 / 54

29 / 71

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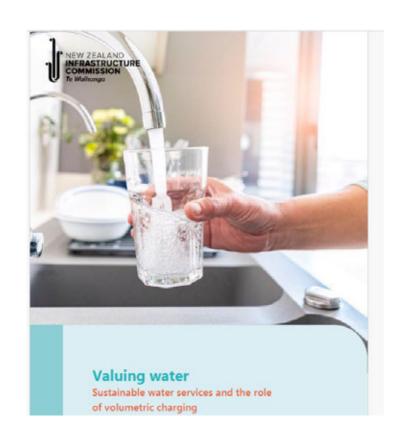


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4.1 3Waters Rating Review(Cont.)

# Rating system design







Study Report

SR413 [2018]

### Residential water tariffs in New Zealand

Amber Garnett and Sandi Sirikhanchai

#### **ECONOMIC REGULATION** OF WATER SERVICES INFORMATION DISCLOSURE - FACTSHEET



We need to work together with stakeholders to ensure water infrastructure is developed, maintained and operated for the long-term benefit of consumers. At this initial stage of economic regulation of water in New Zealand, we are looking for your feedback on our discussion paper to make sure the regime is flexible, workable and effective.

Photo caption



## Volumetric charging



All the literature endorses metering.

Volumetric Charging can be steady – constant amount per cubic metre used. Or:

- Increasing Amounts above a certain quantity attract a higher rate.
- Decreasing Amounts above a certain quantity come with a discounted rate.

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# Volumetric – increasing or decreasing?



Why you might have an increasing or decreasing rate depending on usage.

### Increasing rate

Strongly promotes conservation

Useful for finite resource - e.g. water supply dam

Responds to climate extremes

### Decreasing rate

Recognises important district enterprise

Can bring in extra revenue

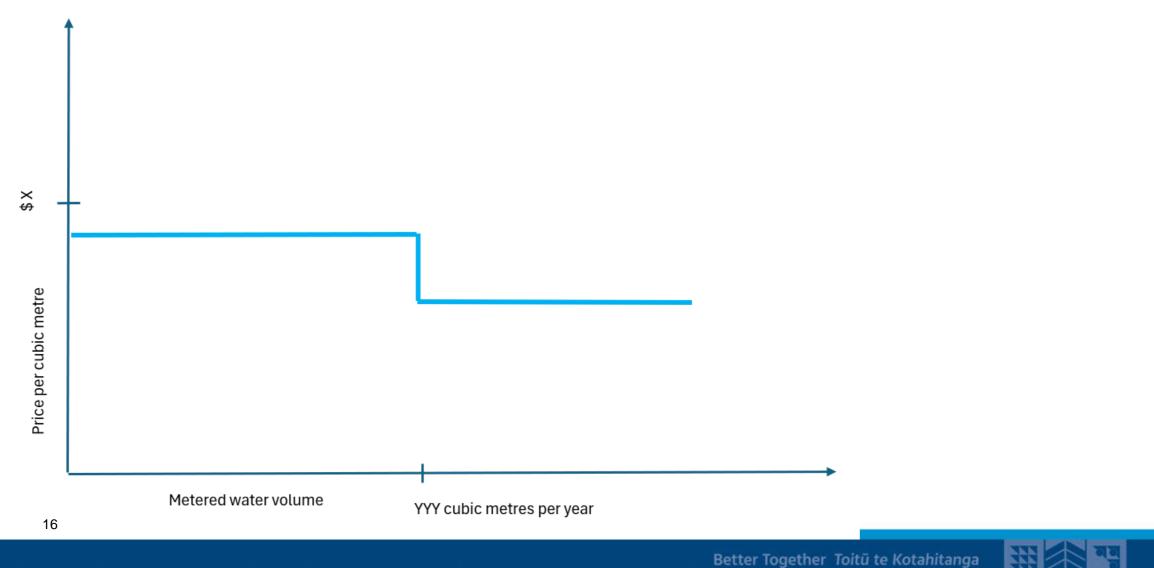
Protects your revenue stream

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# Example of decreasing block volume charging





### Plains Entitlements

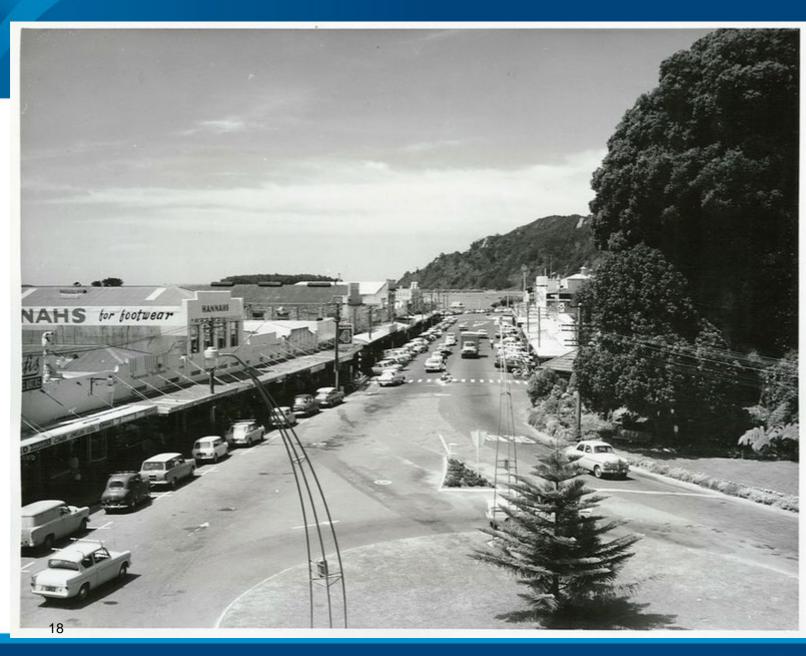


Before we talk about equalisation we need to have a conversation – about Plains Entitlements.

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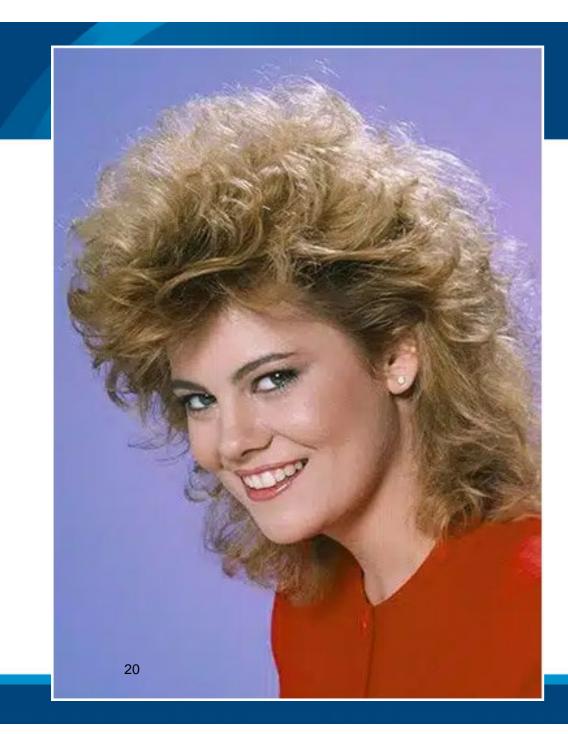




















### The Plains



- Built by Whakatane District Council
- Dates from the late 1970's
- A very successful scheme 30y economic life
- Started off small 196 foundation members.
   Now tenfold.
- Capex paid up front zero debt!
- Carefully managed as time passed
- Cheap water

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## The Plains – Original funding model



The original funding model for the Plains had contributions from rural customers, central government subsidy and the town of Edgecumbe. 'Rural' and 'urban' were kept quite separate. Total forecast capital cost is shown below:

Subsidy \$671K
 Rural \$585K
 Urban \$180K

[ (.5 x 7654) + (.5 x 19323250) ] x \$132 000 x  $\sqrt{\phantom{0}}$  where "a" is the area of the property which is in the differential rating area and "v" is the land value of the property which is in the differential rating area.

Figure 4A - extract from Council committee meeting - 22 February 1984

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### Entitlements



- Not part of original scheme
- Developed by Council to help manage changes to the scheme (especially post 1987 earthquake and Awakeri extension)
- Protected the interests of scheme customers
- An amount of water assigned to customers

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# Entitlements – Definition 1

A tool developed by Council (or its proxy – the Plains water supply committee) to manage the benefits of the scheme.





# Entitlements – Definition 2

A system to ensure that the benefits of the scheme flow (pun intended) to those who contributed to the scheme. And flow in proportion to the size of those contributions.





# The Proposal



- Discontinue use of entitlements.
- Harmonize the volumetric rate with other areas. I.e. equalise.
- Consider a decreasing volumetric rate. (For the reasons on slide 12)

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# Why now? What has changed?



- Deeper understanding of the history
- Many years since scheme inception
- 2025 scheme is very different to the 1983 scheme
- Significant upgrades and renewals 2021-29
- LWDW incentivizes a more robust revenue model
- This is the right time to make change

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### Consequences 1



- District-wide, equalised volumetric rate. Much higher for the Plains, quite a bit lower for already equalised areas.
- Will be very noticeable for current Plains customers. More strenuous conservation efforts will occur.
- May increase dairy farm water costs to about 2.5% of farmgate revenue. Farmers may explore alternative water sources if possible.

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## Consequences 2 – top down



- If we equalise then fixed rate could be \$286 (excl. GST, 24-25 dollars)
- If we equalise then volumetric rate would be in the \$1.55 to \$1.85 range per cubic metre (excl. GST expressed in 24-25 dollars)
- This will need to be modelled if you choose to equalise.

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# Primary Direction required

- 1. Is it time to set aside the entitlement system?
- 2. Do you want to equalise?
- 3. Volumetric charging. Steady, increasing or decreasing?
- 4. Fixed/Volumetric. Do you want to move the needle?





## Other matters



- 'Fixed' based on connection size
- Remissions policy leakage
- Charging for unmetered supplies
- Availability





## 'Fixed' based on connection size?



Possible 'fixed' charge model

Connection dia.			Flow rate
(mm)	Count	Rate	litres/min
15	5360	\$ 286	30
20	3984	\$ 286	30
25	2094	\$ 286	30
32	88	\$ 731	72
40	70	\$ 1,142	113
50	59	\$ 1,785	177
63	11	\$ 2,833	281
80		\$ 4,569	452
100	13	\$ 7,139	707
125	2	\$ 11,154	1,104
150	5	\$ 16,062	1,590
180	3	\$ 23,130	2,290

Photo caption



## Water – Remissions



### Rates remission for water leakage Te whakaitinga Tāke Kaunihera i ngā paheke wai

#### 1.0 OBJECTIVE OF THE POLICY - Te Whāinga Kaupapa Here

The objective of the remission Policy is to enable the Council to act fairly and reasonably to reduce accounts that are unusually high due to water leakage where there is clear evidence of timely repairs.

#### 2.0 CONDITIONS AND CRITERIA - Ngā Heipūtanga me ngā Paearu

- 2.1 This policy applies only to targeted rates for water consumption and excess water charges.
- 2.2 Up to 100 percent of water leakage will be remitted unless negligence is shown in regard to timeliness of repair or maintenance of system (i.e. multiple leaks).
- 2.3 Application under this policy must be in writing and must be made by the ratepayer of the rating unit concerned.
- 2.4 Application must include evidence the leak has existed, and that the leak has since

### 3.0 DEFINITIONS - Ngā Tikanga

Water leakage: The difference between the average consumption of the property and the consumption over and above that average.

Average consumption: The average of the previous four billing periods charged to the customer. Provided that when, by reason of a large variation of consumption due to seasonal or other causes, the average of the previous four billing periods would be an unreasonable estimate of the consumption, the Council may take into consideration other evidence to arrive at a reasonable

Timely repairs: A repair completed within 90 days of the invoice to which the application refers.

Can be improved slightly.

- Timeframes
- Language



# Water – 'Availability'



Ability to connect to water but not connected

- Applied to 612 rating units
- \$123K revenue FY24 (excl. GST)
- No change recommended

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## Unmetered



- Unmetered users use far more water than metered users 206 litres/p/d versus 90.
- Should they pay a higher fixed amount accordingly?
- Direction sought.





# Next steps



Present Water Supply Information	30 April 25
Data refinement	May 25
Reconfirm position & transition Plan design	May/June 25
Consultation	June/July 25
Project Closeout	July/August 25

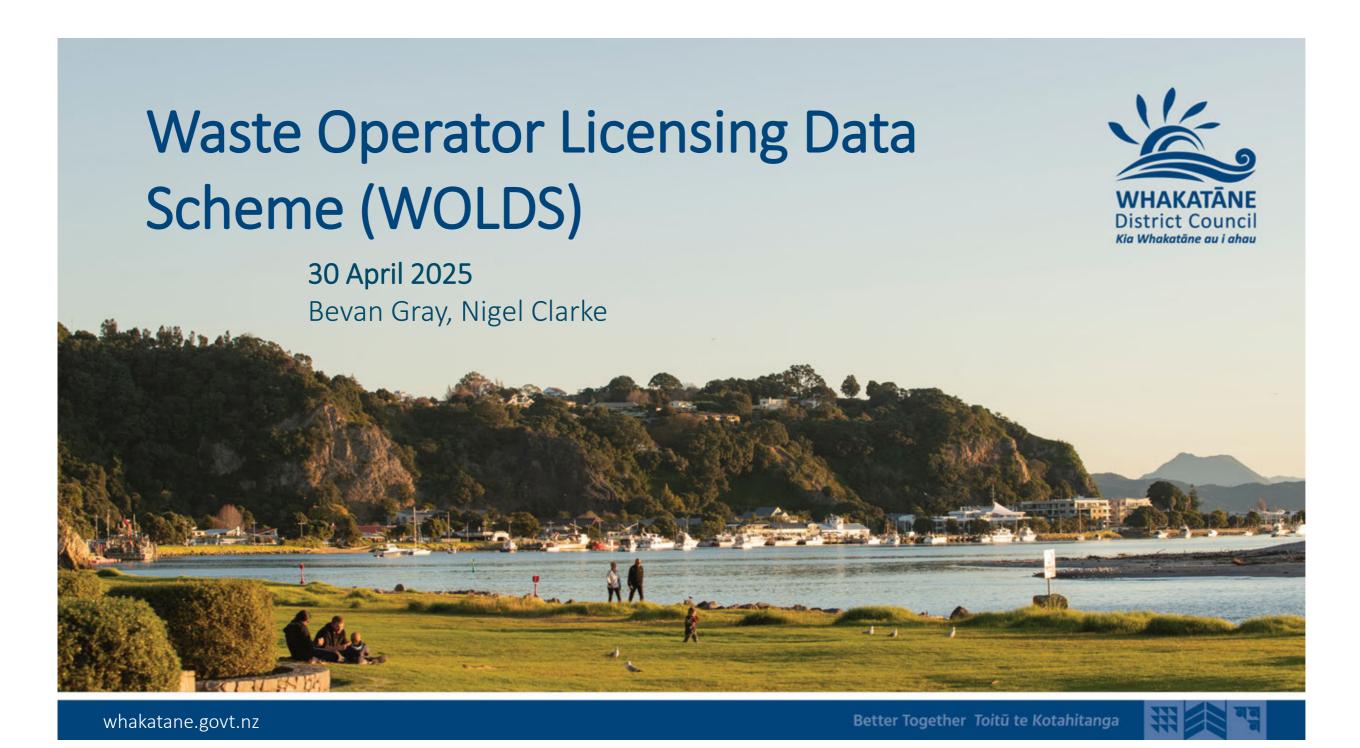
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### 4.2 Waste Operator Licensing Data Scheme (WOLDS)

Bevan Gray & Nigel Clarke will speak to the attached report.



### Introduction



- A new non-mandatory cross-regional scheme.
- Provides small amount of information that we don't already have.
- Information that we can manage without and that we may not need in the future.
- More suitable for larger councils.
- Staff recommendation not to implement.

### WOLDS - What is it?



- A cross-regional (Waikato and BOP) system that:
  - Issues licences to Waste Operators (WO), and
  - Collects waste data.
- Licences will be issued to WO by BOPLASS after TA approval.
- Data will be submitted by the WO for each area and will be available to the TA.
- System will be administered by BOPLASS.
- Phased implementation:
  - Phase 1 July 2025
  - Phases 2 and 3 currently unknown

### What does it mean for Council



- We will have access to more data.
- Standardised licensing system.
- Admin costs already in the LTP.
- Require bylaw content to implement we have this, but it requires consultation.
- Set related fees and charges requires consultation.
- Licence content possible template to be tailored for WDC required for consultation.
- Compliance?
- Requires "Water Outlook" software we have licence already.
- IT due diligence?
- Consultation and further engagement with WOs that operate in our district.
- Staff administration/time.

### What does it mean for the WO?



- Require a licence for each TA area that they operate in.
- Comply with each licence.
- Standardised licensing system more consistency in conditions, single portal for all licences.
- Ensures a level playing field for operators.
- Need to pay a licence fee, TBC estimated \$600 for small WO and \$1,500 for large WO, per TA area.
- Need to report monthly data for each load:
  - Tonnes
  - Activity Category
  - Geographic Source
  - Date
- We expect reluctance from WO.

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### Do we need it?



- The Scheme is not mandatory.
- Waste Minimisation Act, Waste Assessment requires us to know what is happening to waste in our district – New Act will shortly be out for consultation, may no longer be required.
- We already have very good data compared to other TA's.
- We do not have "geographic source" data. At least 4 waste operators drop off waste from Ōpōtiki and Kawerau (and possibly further) into our RRC.
- We can maintain status quo.
- Central Government has put a hold on a national system.
- We only have 5 WO operating in our district, more suitable for larger councils.
- We do not know at this stage which councils will and will not join.

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# Advantages/Disadvantages



Advantages	Disadvantages
Standardised Regional System	Some councils will be "in" and some will be "out
Access to more data	Currently only lacking "Geographical Source" data
System administered by BOPLASS	Will still require WDC staff time
We have ability in current bylaw	Licence to be finalised
Council has budget in LTP	New cost to WO
Regional 'level playing field' for WO	Consultation required on system/licence/fees and charges
Consistency in recorded data	Will only record landfill waste for now
Council already has software licence	WO will need training on portal
Single portal for operators	Extra reporting requirements for WO (possible duplication)

### **BOPLASS/Council Relationships**



- WDC/BOPLASS relationship.
- Other Councils:
  - Ōpōtiki No decision made,
  - Kawerau No decision made,
  - RLC ?
  - Western Bay (Tranche 1) Yes, but not by 1st July,
  - Tauranga (Tranche 1) Yes, but not by 1st July.

### Do we need it?



- Do we need be a part of WOLDS?
- A decision is required by council prior to creating a licence/consultation/implementation.
- It will only give us "Geographical Source" of waste the rest we already know.
- Should we wait and see how Phase 1 goes then re-visit?
- Questions?

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### 4.3 Murupara Resource Recovery Centre Fees Trial

### 4.3 Murupara Resource Recovery Centre Fees Trial

Bevan Gray & Nigel Clarke will speak to the attached report.

4.3 Murupara Resource Recovery Centre Fees Trial(Cont.)



# Murupara Resource Recovery Centre - Charges Trial Period

Manager Solid Waste - Nigel Clarke Date: 30 April 2025

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4.3 Murupara Resource Recovery Centre Fees Trial(Cont.)

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# Murupara Resource Recovery Centre (MRRC) - Charges Trial Period



- Council decision to implement MRRC charges for a 'trial' period of 1 year
- Charges started on 1<sup>st</sup> February 2025
- When do we assess the 'trial'?
- How do we know if it was a 'success'?
- How do we measure it?

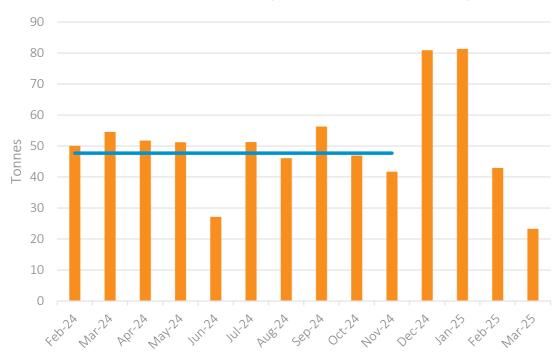
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### When do we assess the 'trial'?



• Is the last 12 months a true representation of long-term waste behaviours?

MRRC Landfill Waste (does not include Kerb)



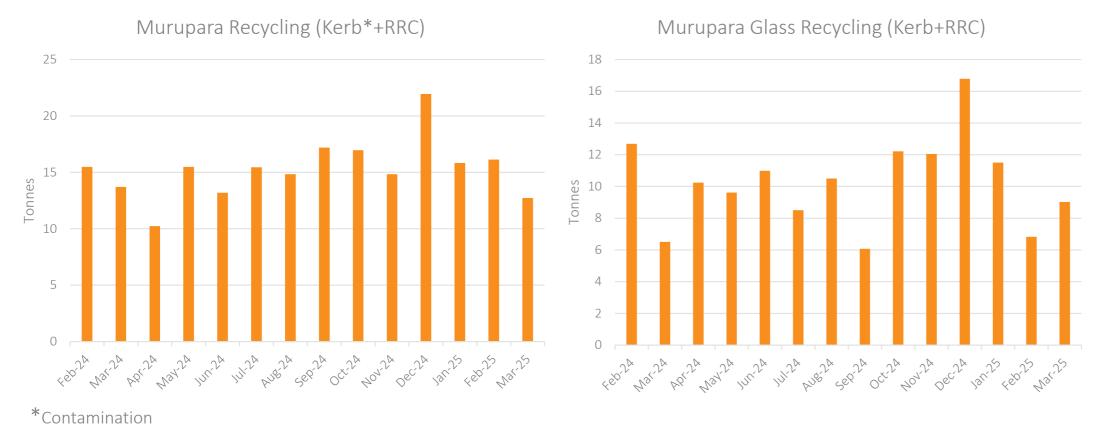
- When do we assess the trial?
- Should we measure waste to landfill?

4.3 Murupara Resource Recovery Centre Fees Trial(Cont.)

## How do we measure it? - Recycling



• Are people recycling more?



Should we measure recycling?

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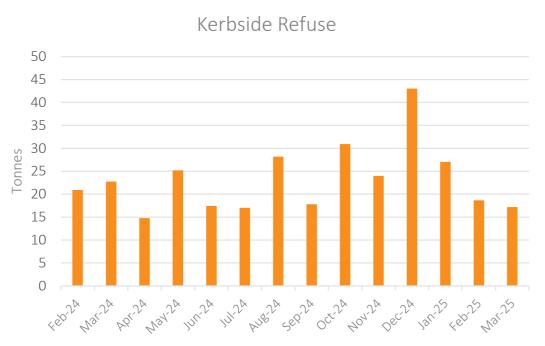
4.3 Murupara Resource Recovery Centre Fees Trial(Cont.)

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# How do we measure it? – Kerbside Refuse?



Are people putting more in their kerbside refuse?



- Data does not support that so far, but tonnages vary greatly.
- Do we continue to monitor kerbside refuse?

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4.3 Murupara Resource Recovery Centre Fees Trial(Cont.)

# How do we measure it? – Revenue/Expenditure



	Budgeted	Forecast	Difference
Revenue	\$180k	\$57k	(\$123k)
Fees Related Expenditure	\$5k	\$25k	(\$20k)
Landfill Waste Costs	\$230k	\$115k	\$115k
Surplus/(Deficit)	(\$55k)	(\$83k)	(\$28k)

Revenue: Budget based on previous tonnages and Whakatāne RRC fees. Is forecast representative long term?

Fees Related Expenditure: Did not take into account an extra hour required by contractor each day after closing.

Landfill Waste Costs: Current landfill waste volumes are half previous tonnages and therefore forecast less.

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## How do we measure it? - Flytipping



- Requests for service show NO reports of flytipping in Murupara area for the year up to Feb 2025.
- Requests for service show NO reports of flytipping in Murupara area after 1<sup>st</sup> Feb 2025.
- We do not have records of flytipping dropped off at MRRC prior to 1<sup>st</sup> Feb 2025, only RFS reporting.
- Do we measure flytipping?
- Do we measure anything else?

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4.3 Murupara Resource Recovery Centre Fees Trial(Cont.)

### Lessons Learned



- Two months data is not telling us much
- Revenue has not been as high as expected
- Schools and iwi required accounts
  - Paper heavy process
  - Limited users
- Little push-back after implementation
  - Site run by locals
- Increase in kerbside bin replacements and repairs

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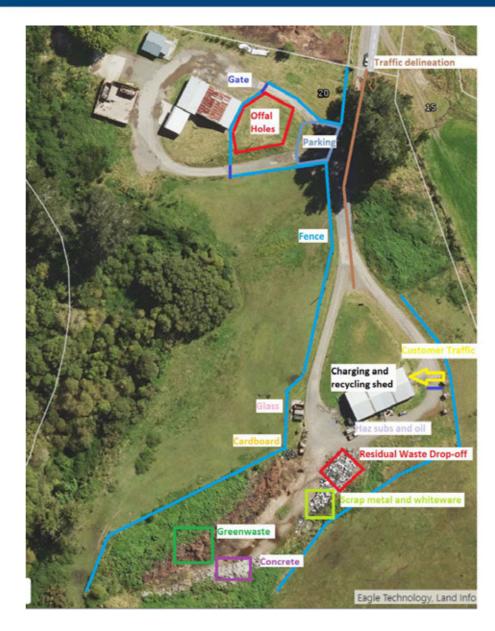
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4.3 Murupara Resource Recovery Centre Fees Trial(Cont.)

## Questions?



# • Questions?



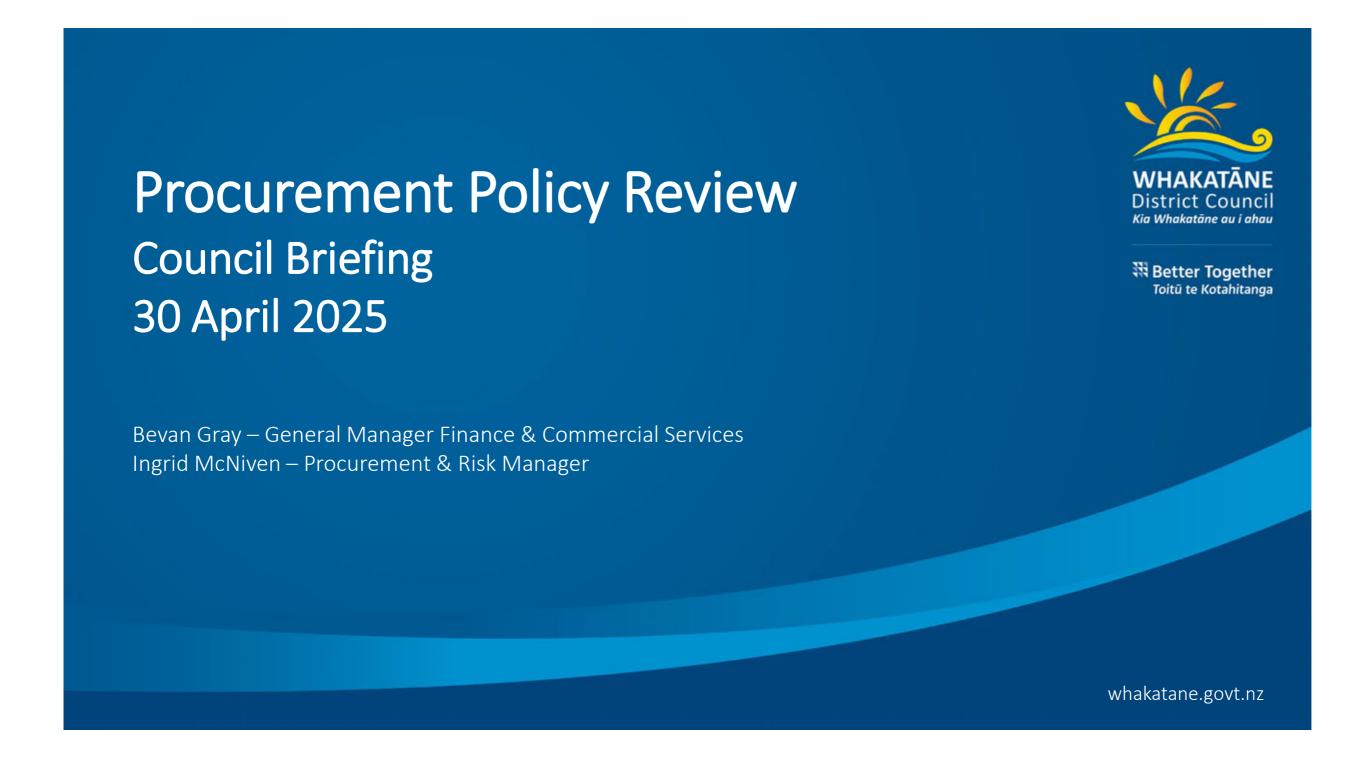
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### **4.4 Procurement Policy**

### 4.4 Procurement Policy

Bevan Gray & Ingrid McNiven will speak to the attached report.



# Purpose of this briefing



To seek Council's direction and support to undertake a review and update of the current Procurement Policy, last adopted in 2010.

### We have included:

- Current Procurement Policy
- Updated Draft procurement Policy
- High-level procurement process
- Key changes / differences from current to updated
- What it means for council
- Communication and engagement
- Next Steps

# High-level Procurement Process (internal)



1. Identify Needs -

Determine the goods or services required by the council.

2. Procurement

Planning -

Develop a procurement plan that outlines the strategy, budget, and timeline for acquiring the needed goods or services.

3. Obtain Quotes /

Tenders -

Solicit quotes or tenders from potential suppliers, following the council's procurement thresholds and guidelines.

4. Evaluate

Bids -

Assess the received bids based on criteria such as cost, quality, and compliance with specifications.

5. Award Contract

Select the winning bid and formalise the agreement through a contract.

6. Monitor

Performance —

Oversee the execution of the contract to ensure that the supplier meets the agreed-

upon terms and conditions.

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# Key Changes / Differences



Area	2010 Policy	2025 Working Draft
Focus	Efficiency, risk, value	Fairness, flexibility, broader outcomes
Broader Outcomes	Not mentioned	Included – economic, environmental, social, cultural
Emergency Procurement	Not defined	Clear guidance included
Roles and Responsibilities	Not explicit	Clearly assigned
Approval Authorities	Basic thresholds	Detailed table by cost and role



# Key Changes / Differences



Area	2010 Policy	2025 Working Draft
Review Process	None specified	3-year review cycle, continuous improvement
Terminology	Outdated	Updated and expanded definitions
Procurement Process	Less detailed	Full process: planning, market, evaluation, risk
Procurement Assessment Panel		The proposed policy re-introduces the Procurement Assessment Panel. Role of the Panel: The panel will oversee significant procurement decisions, ensure compliance with the updated policy, and incorporate best practices



### What this means for Council



- More robust and transparent procurement framework
- Clearer decision-making authority and role clarity.
- Alignment with modern procurement principles and government expectations.
- Ability to better respond to emergencies and strategic opportunities.
- Supports broader goals (e.g. local economy, sustainability, Māori engagement).

## Communication and Engagement



### Policy aligns with the 'Consult' level on the IAP2 Engagement Spectrum, which means:

- We will gather public feedback
- We will listen to and acknowledge concerns and aspirations.
- We will provide feedback on how public input influenced our decisions.

### Engagement and communication approach:

- Primary focus: Engage suppliers already registered with us.
- Direct engagement:
  - Contact registered suppliers directly via email.
  - o Ensure key stakeholders receive relevant information first.
- Broader engagement:
  - Take a lighter-touch approach for wider communication/engagement.
  - o Raise awareness through social media, website, digital screens and media releases etc.

### **Outcome:**

Effectively inform and engage those most impacted, while also providing opportunities for broader community input.

4.4 Procurement Policy(Cont.)

# **Next Steps**

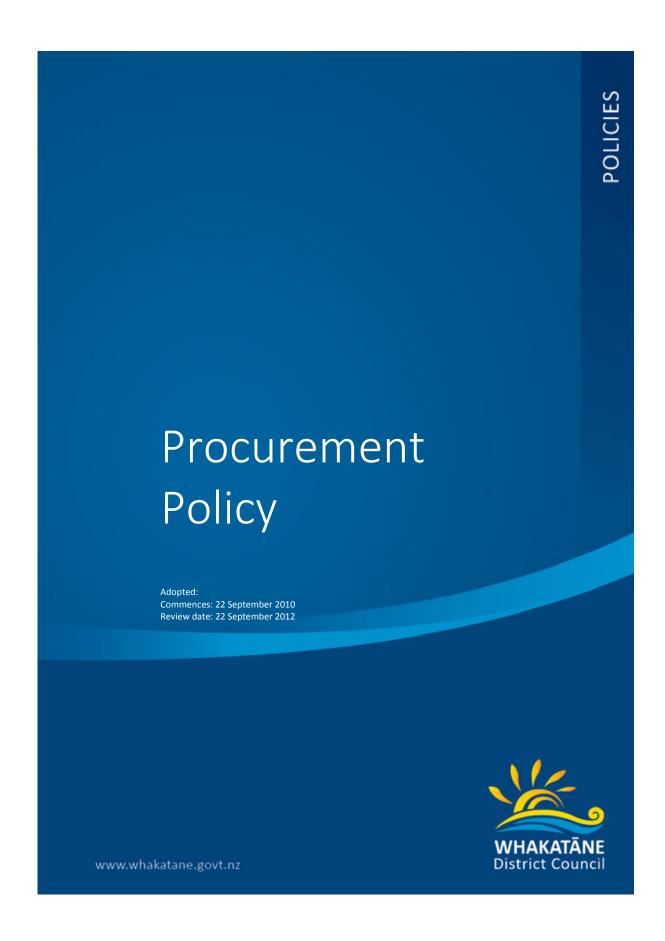


Given how our procurement can impact our communities and the quality of life we have in the district, staff are recommending to go out for consultation to engage not only with suppliers but also the wider community.

## Proposed timeframe:

- 1. 8 May 2025 Council Draft policy to be approved by Council to go for consultation
- 2. May 2025 Consultation.
- 3. 26 June 2025- Council Hearings if any, deliberation and adoption.
- => Alongside with this policy review, staff will start working on how to implement broader outcomes

## **4.4.1** Appendix 1: Current Procurement Policy



#### 1.0 INTRODUCTION

This policy covers activities associated with the purchasing of all goods and services by, or on behalf of the Whakatane District Council.

#### 2.0 OBJECTIVES

The objectives of Council's procurement policy are to provide clear direction to management and staff in relation to the purchasing function and establish a decision framework that:

- a) delivers best value for money over the whole life of the goods, service or asset;
- ensures purchases are made in an open and transparent manner with full and fair opportunity for all eligible suppliers;
- c) minimises relationship costs, ongoing operational costs and consequential costs;
- d) contributes to Council's sustainability objectives and requires sustainably produced goods or services whenever possible, having regard to economic, environmental, cultural and social impacts over their life cycle;
- e) appropriately manages risk;
- f) promotes efficient purchasing practices and their continuous improvement;
- g) ensures adequate probity integrity, equity and fairness
- h) ensures compliance with the requirements and guidelines of the WDC Procurement Manual; and
- ensures Council's purchasing activities are managed in accordance with its statutory and legal responsibilities.

#### 3.0 DEFNINITIONS

Council – Whakatane District Council

**GSB Supplycorp** – Government Supply Brokerage Corporation Ltd. GSB Supplycorp is New Zealand's largest specialised group purchasing organisation (GPO).

**Probity** - *Probity is the evidence of ethical behaviour in a particular process*. Probity is defined as complete and confirmed integrity, uprightness and honesty. It contributes to sound procurement processes that accord equal opportunities for all participants. A good outcome is achieved when probity is applied with common sense. Probity should be integrated into all procurement planning, and should not be a separate consideration. Procurement must be conducted with probity in mind to enable purchasers and suppliers to deal with each other on the basis of mutual trust and respect. Adopting an ethical, transparent approach enables business to be conducted fairly, reasonably and with integrity. Ethical behaviour also enables procurement to be conducted in a manner that allows all participating suppliers to compete as equally as possible. The procurement

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process rules must be clear, open, well understood and applied equally to all parties to the process.

**Procurement** – the planning, decision-making, and implementation process used to obtain goods and services. It covers the whole cycle from identification of needs, through to the end of a services contract or the end of the useful life of an asset.

**Sustainability** – involving the integration of holistic thinking and decision making incorporating environmental, social, economic and, where applicable, cultural issues.

**Value for money** – the best combination of whole-of-life cost and quality of outcome that meets the objectives.

Whole-of-life – all costs associated with the life of a service or goods from conception, its usage and disposal/termination.

#### 4.0 POLICY

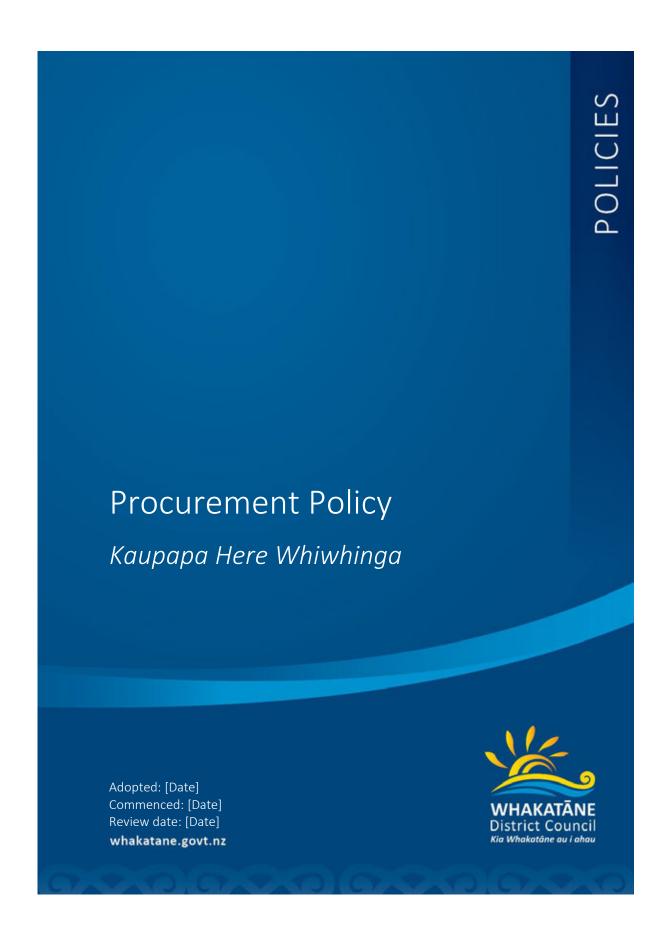
- 4.1 To achieve Council's procurement objectives and to enhance professional integrity, accountability and probity, all purchasing activity within Council shall be undertaken in accordance with the policy, principles and procedures.
- 4.2 A Procurement Steering Committee, comprising of the Manager Contracts, Director of Works & Services and the Chief Financial Officer, shall oversee procurement practice within the Council.
- 4.3 The Council will undertake its purchasing activities in the most effective and efficient manner to minimise the administrative costs associated with purchasing and will ensure that appropriate practices and procedures of internal control and risk management are in place for its purchasing activities.
- 4.4 Council has a commitment to sustainability and environmental protection. This will be pursued by promoting purchasing practices which conserve resources, save energy, minimise waste, and will protect the environment and human health whilst maintaining environmental safety and quality.
- 4.5 From time to time an internal audit process shall be undertaken to ensure that the terms and conditions of the Council's Procurement Manual and Procurement Policy are being followed.
- 4.6 Operational procedures and principles are published in the "WDC Procurement Manual" which distinguishes between mandatory processes and discretionary activities. To ensure the operational procedures and principles remain current, from time to time amendments may be necessary. Such amendments shall be approved by the Strategic Leadership Team. For procurement activity to be fully effective and achieve best value, it needs to be planned. Accordingly, a Procurement Plan shall be required for all procurements of \$50,000 or more.
- 4.7 Where the value of the goods or works proposed to be purchased or sold exceeds \$50,000, publicly advertised tenders are to be invited unless there are exceptional circumstances, for

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- which approval must be recorded in writing in accordance with Council's Delegation Manual.
- 4.8 Where the value of the goods or works proposed to be purchased or sold falls between \$10,000 and \$50,000, at least three written competitive prices shall be sought and recorded, unless there are exceptional circumstances, for which approval must be recorded in writing in accordance with Council's Delegation Manual..
- 4.9 Where the value of the goods or works proposed to be purchased or sold falls between \$2,000 and \$10,000, three written or verbal quotes shall be sought and recorded, wherever practicable.
- 4.10 Purchases of less than \$10,000 shall be sourced from suppliers designated as 'preferred suppliers' where such preferred supply relationships have been established following:
  - a) the adoption of an approved business case presented to the Contract Manager as part of the procurement review; or
  - b) following a subsequent competitive procurement process; or
  - c) contracted to GSB Supplycorp, following a competitive procurement process.
- 4.11 A current schedule of 'preferred suppliers' shall be maintained on the WDC Procurement Intranet page (to be developed).
- 4.12 The Chief Executive has the authority to approve contracts without going to public tender or obtaining three competitive written prices for reasons of practicality and/or market conditions, subject to a report being provided to the next Council meeting summarising such reasons.
- 4.13 Acceptance of tenders for the purchase of goods, works or services, on either a lump sum, or continuing basis, shall be in accordance with Council's Delegation Manual.
- 4.14 Summary details shall be provided to the next appropriate Standing Committee or Council meeting for all publicly advertised tenders, all competitive procurement processes resulting in a formal contract, and for any cases when works or services valued at \$50,000 or more are undertaken without being subject to public tender.
- 4.15 The extension or re-definition of any contract that increases the originally approved contract sum, and where that original sum is beyond the delegated authority of the Chief Executive, shall be presented to the next Council meeting for approval. It is acknowledged that where the additional costs of a service or project are small in relation to the costs of preparing specifications, seeking tenders, and contractors preparing their bids, an approved contract extension will often be preferred to a new or separate tender process.
- 4.16 In order to further refine or develop service delivery contracts that more closely reflect the amount of work required to maintain the services, and to increase the proportion of work that is output priced (i.e. paid for at a scheduled rate or for an agreed price rather than at an hourly rate), such contracts with the OBU, shall not be publicly advertised but shall be negotiated with Council's Asset Managers.

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## 4.4.2 Appendix 2: Updated Draft Policy





# Procurement Policy Kaupapa Here Whiwhinga

# 1.0 Contents Rārangi upoko

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# Procurement Policy Kaupapa Here Whiwhinga

### 1.0 Introduction – Kupu Arataki

This policy outlines the principles and processes that guide how Council procures goods, services, and works, ensuring alignment with both legal requirements and best practices in public sector procurement.

Council aims for effective and efficient procurement processes to encourage competition and foster strong relationships with suppliers and contractors. It also recognises the need for flexibility in certain circumstances, such as emergencies, while maintaining accountability and integrity throughout the procurement process.

As a local authority, the Council balances fiscal responsibility with the need to deliver quality services and opportunities that support the wider economy and community. This policy serves as a key tool in achieving those outcomes, ensuring that procurement decisions are not only cost-effective but also support broader outcomes such as environment and socially responsibility.

### 2.0 Background - He tirohanga whakamuri

All procurement activities must comply with relevant legislation, including the Public Finance Act, the Local Government Act, and applicable New Zealand Standards. Compliance with these legal requirements ensures accountability and integrity of the procurement processes.

Council procurement not only has a budgetary impact, but also can have a significant impact on our local economy and communities. While there is a need to ensure that procurement delivers value for money for residents the Council is also ensuring procurement is a force for good to advance the long-term wellbeing of our community.

## 3.0 Objectives – Ngā whāinga

The objective of this Procurement Policy is to ensure that all procurement activities within the Whakatāne District Council are conducted in a manner that achieves:

- 1. Value for money for Council.
- 2. Efficiency, transparency, and accountability.
- 3. Outcomes for the local economy and sustainable practices.

This policy aims to provide clear decision-making and accountability in the procurement process.

### 4.0 Definitions – Ngā tikanga o ngā kupu

**All-of-Government Contracts (AoG)** – A type of collaborative contract that has been approved by the Procurement Functional Leader (the Chief Executive of MBIE). AoGs are usually panel contracts established by MBIE or other agencies that are approved centres of expertise for common goods or services (e.g. vehicles, laptops and recruitment services).



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# Procurement Policy Kaupapa Here Whiwhinga

**Approach to market** – The formal process of giving notice of a contract opportunity to potential suppliers and inviting them to respond. An example of an approach to market is a Request for Tender published on GETS.

**Broader Outcomes** – Broader outcomes are the secondary benefits which are generated due to the way goods, services or works are produced or delivered. They include economic, environmental, social and cultural outcomes.

**Conflict of interest** – A conflict of interest is where someone's personal or financial interests, friendships or obligations could affect their judgement or decision making. It means that their independence, objectivity or impartiality can be called into question.

Council - Whakatāne District Council.

**Government Electronic Tender Service (GETs)** – GETs is a website managed by New Zealand Government Procurement. It is a free service that advertises New Zealand government contract opportunities and is open to both domestic and international suppliers.

**Probity** - Probity is defined as complete and confirmed integrity, uprightness and honesty. It contributes to sound procurement processes that accord equal opportunities for all participants. The procurement process rules must be clear, open, well understood and applied equally to all parties to the process.

**Procurement** – The planning, decision-making, and implementation process used to obtain goods and services. It covers the whole cycle from identification of needs, through to the end of a services contract or the end of the useful life of an asset.

**Procurement Plan** – A plan to analyse the need for specific goods, services or works and the outcome the Council wants to achieve. It identifies an appropriate strategy to approach the market and summarises the proposed procurement process.

**Value for money** – The best combination of whole-of-life cost and quality of outcome that meets the objectives.

Whole-of-life – All costs associated with the life of a service or goods from conception, its usage and disposal/termination.

## 5.0 Policy – Te kaupapa here

This policy applies to all of Council's procurement activities excluding activities funded by external agencies that may require specific procurement processes e.g. NZ Transport Agency Waka Kotahi funded work which is procured in accordance with the endorsed Whakatāne District Council Transport Procurement Strategy and NZ Transport Agency Waka Kotahi Procurement Manual.

This policy does not apply to non-procurement related activities such as:

• Employing staff (excluding contractors and consultants).



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# Procurement Policy Kaupapa Here Whiwhinga

- The acquisition, disposal or lease of land or building (except the design, construction or refurbishment of buildings)
- The acquisition of art or similar unique items of interest
- Financial Services governed by the Councils Treasury Management Policy
- Loans and guarantees gifts
- Donations and grants

On occasions, exemptions may be required to this policy and guide, such as in an emergency or to comply with regulatory obligations. Exemptions are to be approved by the Chief Executive (with reference to the Delegations Register).

#### 5.1 Procurement Principles:

This policy aligns with the New Zealand Government Procurement's five principles. These principles are the overarching values and provide the foundations of good procurement practice. The principles are:

- 1. Plan and manage for great results.
- 2. Be fair to all suppliers.
- 3. Get the right supplier.
- 4. Get the best deal for everyone.
- 5. Play by the rules.

#### 5.2 Broader outcomes

As far as reasonably practicable, the Council aims to achieve the following broader outcomes through its procurement activities:

#### **BROADER OUTCOMES**



#### Cultural wellbeing Oranga Ahurea

We encourage initiatives that embrace cultural diversity, inclusivity of all people and revitalisation of our indigenous heritage through Matauranga Mäori (knowledge).



#### Social wellbeing Oranga Hapori

We promote and facilitate apportunities that lead to a healthy, safe and connected community.



#### Economic wellbeing Oranga Öhanga

We support ethical economic prosperity through employment, upskilling and innovative supply-chain initiatives that encourage a resilient workforce and reduced inequalities.



#### Environmental wellbeing Oranga Taiao

We support initiatives and innovations that protect and enhance our community's natural environment, and enable the reduction of carbon emissions and waste.



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## Procurement Policy Kaupapa Here Whiwhinga

Within procurement processes Council will look to achieve Broader Outcomes in these areas by allowing for criteria with weightings in the bid assessment process. The Broader Outcomes criteria and weightings will be determined alongside the financial and non-financial criteria in accordance with internal operating processes and approval delegations.

The Broader Outcomes criteria and weightings will vary between procurement plans. Most commonly this will be where it is in conjunction with a partner agency such as the New Zealand Transport Agency or where the nature of the procurement determines that an outcome cannot be achieved, for example local employment may not be a criteria when no local service providers exist.

#### 5.3 Emergency Procurement:

In an emergency, Whakatāne District Council must act quickly and effectively, which may result in being unable to fully comply with all the requirements of this policy when conducting emergency procurement. An emergency is defined as an event that:

- a. is unforeseen and causes significant damage to Council or other property;
- b. requires immediate remedial action to restore Levels of Service that are critical; and
- is impractical to convene a Council meeting to approve the necessary expenditure, but is not declared a local or national state of emergency under the Civil Defence Emergency Management Act 2002.

Council may depart from this policy to undertake urgent procurement required to provide emergency assistance and welfare relief. Any departure from this policy due to an emergency must be fully justified and documented during or after the event.

#### A lack of planning does not constitute an emergency for the purpose of this policy.

#### 5.4 Roles and Responsibilities:

The following roles and responsibilities are assigned within the procurement process:

- Executive Leadership Team: Responsible for approving the policy and providing strategic direction.
- Procurement & Risk Manager: Oversees the overall procurement function, ensures
  compliance with this policy, and provides guidance to staff.
- General Managers: Responsible for approvals and ensuring that procurement activities within their departments comply with this policy.
- Procurement & Contracts Business Partner: Execute procurement activities, maintain documentation, and ensure transparency in the procurement process.
- Procurement Assessment Panel: The review channel for all large (over \$200k) and high-risk procurement activities.



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# Procurement Policy Kaupapa Here Whiwhinga

#### 5.6 Procurement Process and Approval Authorities

Procurement Value	Method Selection	<u>Approver</u>	Purchasing Means
Less than \$50k	– Direct Purchase	<b>❖</b> DFA	Authorised Purchase Order OR Contract/Agreement for any goods or sevices over \$10k
\$50k- \$200k	Direct procurement when there is only one qualified supplier or when the time and cost of a competitive process exceed the benefits of competition;     Obtain 3 quotes     Competitive Tender Process  Complete and document your decision within Short form Procurement Plan	<b>❖</b> DFA	Contract/ Agreement
Over \$200k	Competitive Tender Process unless a valid exemption from open competition is approved  Complete and document your decision within Full Procurement Plan	<ul> <li>Procurement         Assessment         Panel     </li> </ul>	

An Exemption process will be required if a Procurement deviates from the Standard Procurement process.

For NZ Transport Agency Waka Kotahi Funded Procurement – please refer to limits set out within the WDC Transport Procurement Strategy Document.

All Procurements for consultants valued over \$10k require a contract number and a Consultancy agreement.

All procurement plans must have a completed Conflict of Interest form.

Procurement activities must not be structured, planned, or split into smaller contracts or purchases to bypass this policy, financial delegations, or the approval of the Procurement Assessment Panel. However, you may specify in your RFx that the procurement could be divided into separate portions.

When a contract with a supplier is changed to include more work or additional projects, all the contracts with that supplier are combined to determine the total value. This total value is then used to identify the appropriate financial category or "band" for the procurement. If the combined value exceeds \$200,000, it must be reported to the Procurement Assessment Panel, which has the authority to approve such expenditures.

#### 5.7 Health and Safety



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# Procurement Policy Kaupapa Here Whiwhinga

WDC requires all contractors including their sub-contractors and employees, carrying out any work on behalf of Council, to comply with all legislative health and safety requirements under the Health and Safety at Work Act 2015 (HSWA), regulations and industry best practices.

WDC will accept contractors that hold a health and safety pre-qualification with an accredited provider which ensures that the contractors are operating with effective health and safety management systems.

Our preferred pre-qualification scheme is SHE pre-qual, although we may accept pre-qualification from alternate accredited pre-qualification providers.

### 6.0 Accountability – Ngā haepapa

The Council is responsible for the application of this policy.

#### 7.0 Review – Te arotake

This procurement policy will be reviewed every three years to ensure it remains relevant and effective. The review process will involve the Procurement Assessment Panel and current practices.

The Council is committed to continuous improvement in procurement practices. Feedback from stakeholders, performance evaluations, and industry developments should be used to refine and enhance procurement processes.

Amendments to this policy may be made as needed to address changing circumstances, legislative requirements, or improvements in best practices. All amendments must be approved by The Council Committee and communicated to relevant staff.

#### References and Relevant Legislation

- Local Government Act 2002
- Land Transport Management Act 2003
- Health and Safety at Work Act 2015
- Civil Defence and Emergency Management Act 2002
- Government Policy Statement on Transport
- The Ministry of Business, Innovation and Employment's (MBIE) Government Procurement Rules: rules for sustainable and inclusive procurement and the Principles of Government Procurement
- The Office of the Auditor-General's (OAG) Procurement Guidance for Public Entities 2008
- The NZTA Procurement Manual for activities funded through the National Land Transport Programme
- NZS 3910:2013 Conditions of contract for building and civil engineering construction.
- Construction Sector Accord.



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#### Associated Polices/Procedures

- WDC Procurement Manual
- WDC Transport Procurement Strategy





## <u>4.5</u> <u>Whakatane Town Vision Refresh</u>

Leny Woolsey, Sarah Evans & Vanessa Fergusson will speak to the attached report.

whakatane.govt.nz





# Presentation Outline



- Purpose of a revised town vision as a strategic document
- Development of the vision from 2008
- 2025 context, including Council properties
- Matters to consider
- What should we include in the Whakatāne Town Vision 2025?
- Proposed process

2



# Purpose of a Town Vision / Strategy



- To provide a long-term, manageable and deliverable planning framework
- Placemaking tool for Whakatāne town centre and beyond linking to Rex Morpeth Recreation Hub, tertiary institutes and schools, Kopeopeo town centre.
- Provide clear direction for the use and development of Council-owned properties and buildings.
- To show Council's commitment to investing in and supporting the town centre.
- Prioritisation of projects that enhance the town centre while preserving and linking natural, cultural and heritage features, where appropriate.
- Ensure developments are sensitive to Whakatāne's unique landscape and Māori cultural values.

3



# Whakatāne Town Vision 2008



## **Vision Statement**

"The Whakatāne Town Centre draws on its natural and cultural heritage to emphasise its relationship to the river – a place with a strong local identity that is vibrant and highly valued by residents, business and visitors."

## **Key Themes**

- Heritage Celebration
- Urban Form
- Movement and Connections
- Art and Cultural Heart
- River Front



Concept Plan

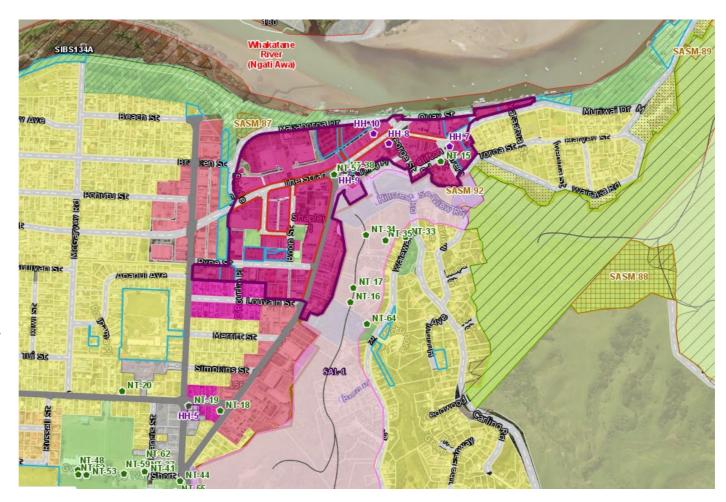
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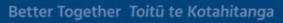
# Operative District Plan 2017



- Provides the underlying zones and rules for the town centre. Guides how development is envisioned to occur.
- Town centre boundary is clear, together with surrounding commercial, reserve and residential zones.
- Objectives of the Town Centre Zone include:
  - Maintenance and enhancement of the level of amenity and quality of the environment
  - Complement the function, amenity and character of the District
  - Promotion of the efficient use and development of TCZ land
  - Vibrant and sustainable port



5





# Town Vision Refresh 2016 (draft)





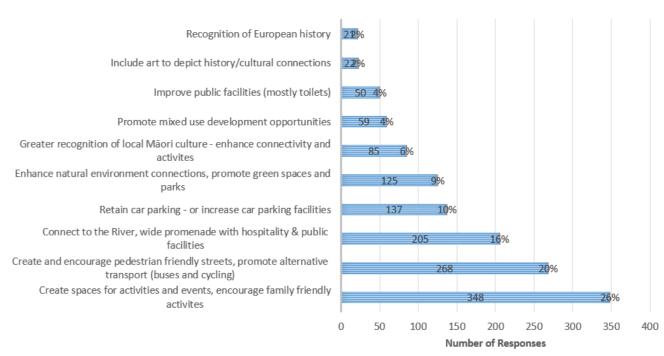


# Te Ara Hou 2019/2020



- Focus on a number of projects within the town centre area
- Stage 1 community engagement undertaken key themes emerged.
- Huge support to keep car parks within Kakaharoa Drive car parking area.
- Town Centre Heart, Riverfront revitalisation, Heritage Hikoi, Project Future Proof

### **KEY THEMES - ACROSS ALL QUESTIONS**



7





# 2025 Context



- Strategic growth and development documents in progress EBOP Spatial Plan,
   Whakatāne Growth Strategy, EBOP Economic Development Strategy
- Climate change and adaptation considerations
- Central government direction, particularly RMA reforms
- Current housing availability and affordability, and economic impacts on our residents and businesses
- Earthquake strengthening requirements for Council owned buildings
- Council's property framework and development opportunities
- Questions around what can be achieved within existing budgets? Quick-wins?

8



# Council Property



- Council is the main landowner within town centre area
- Commercial and civic buildings are spread throughout the town centre
- Council owns a number of buildings within the town centre that require demolition or upgrades
- Existing projects in progress including Project Future Proof, Freeholding Policy and climate change that relate directly to the ongoing viability of the town centre.



9



## Matters to Consider



- •Inclusive Growth: A well-rounded approach to social, environmental, cultural, and economic outcomes. Keep building on successes and be realistic as to what can be achieved.
- •Sustainable Development: Phased development to ensure long-term viability and community engagement.
- •Community-Focused: Spaces and opportunities that cater to a range of activities, from business to tourism to cultural enrichment to housing choices.

- What is the 2025 town centre brand and destination?
- How can the town centre unlock social and economic opportunities?
- Diversity of activities and development catered for (existing and potential)
- Successful = connected activities, streetscape spaces and character
- Staging of Council's activities, developments and provision of quality public facilities.



# What do we include?





## People & Culture

- •Culture
- Community
- Affordability
- Housing



## Growth & Opportunity

- •Growth
- Development
- Business
- Economy



## **Environment & Lifestyle**

- Environment
- Recreation
- •Tourism



## Structure & Planning

- •Town centre layout
- •Infrastructure
- •Linking to other Council strategies and development / initiatives



WHAKATĀNE DISTRICT COUNCIL

Council Briefing - BRIEFING

Wednesday, 30 April 2025

#### 4.5 Whakatane Town Vision Refresh(Cont.)



# Proposed Process



- 1. Complete workshops with internal teams
- 2. Complete initial draft documents strategy and town plan
- 3. Internal review and briefing with Elected Members
- 4. Start hapū, iwi engagement. Direction provided from Whakatāne Futures forum.
- 5. Key stakeholder workshops.
- 6. Revise draft document for public consultation (if required).
- 7. Final document timing in-line or after Growth Strategy. Completion early 2026.

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#### 5 Reason to Exclude the Public - Te take kia awere te marea

## <u>5</u> <u>Reason to Exclude the Public - Te take kia awere te marea</u>

To enable Councils to carry out, without prejudice or disadvantage, commercial activities Section 7(2)(h).