



NAPIER
CITY COUNCIL
Te Kaunihera o Ahuriri

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AUDIT AND RISK COMMITTEE

Open Agenda

Meeting Date: Friday 18 September 2020

Time: 1pm

Venue: Large Exhibition Hall
Napier War Memorial Centre
Marine Parade
Napier

Committee Members John Palairet (In the Chair), Mayor Kirsten Wise, David Pearson,
Councillor Nigel Simpson and Councillor Graeme Taylor

Officer Responsible Director Corporate Services

Administration Governance Team

Next Audit and Risk Committee Meeting
Friday 11 December 2020

ORDER OF BUSINESS

Apologies

Nil

Conflicts of interest

Public forum

Nil

Announcements by the Mayor

Announcements by the Chairperson

Announcements by the management

Confirmation of minutes

That the Minutes of the Audit and Risk Committee meeting held on Friday, 12 June 2020 be taken as a true and accurate record of the meeting. 185

Agenda items

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AGENDA ITEMS

1. HEALTH AND SAFETY REPORT

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	954020
<i>Reporting Officer/s & Unit:</i>	Sue Matkin, Manager People & Capability

1.1 Purpose of Report

The purpose of this paper is to provide the Audit & Risk Committee with an overview of Health & Safety activity for the year ended 30 June 2020.

Officer's Recommendation

The Audit and Risk Committee:

- a. Receive the Health and Safety report.

1.2 Background Summary

The Health & Safety at Work Act 2015 (HSWA) requires Officers to exercise due diligence to ensure the PCBU complies with all duties and obligations under the Act. At Napier City Council (NCC) the Officer is the Chief Executive. Whether any other senior employee is deemed an officer will depend on the extent of their influence over the whole business or undertaking. Section 44, under HSWA, outlines that the Officers must exercise due diligence to ensure that the PCBU complies with all its duties or obligations. The Senior Leadership Team (SLT) are also responsible for ensuring that the due diligence obligations of an Officer are being met. Napier City Council meets those obligations by:

- Applying due diligence to ensure NCC is meeting legal health and safety obligations
- Ensure that significant health and safety risks have been identified and are being suitably mitigated
- Providing a safe workplace for workers and others
- Ensuring compliance to health and safety legislation and improving its health and safety culture and systems

This report aims to provide key information on how Napier City Council meets its H&S obligations.

HEALTH & SAFETY

1. Napier City Council Fatal Risk

The Health and Safety at Work Act 2015 (HSWA) requires Officers to exercise due diligence by taking reasonable steps to understand the organisations operations and

health and safety hazards/risks, and to ensure that they are managed so that Council meets its legal obligations.

NCC workers have identified fatal hazards/risks that exist within their workplaces. These hazards/risks are reviewed on an annual basis:

- Workers review the risks, give feedback to the health and safety representatives to take to the health and safety committee meetings
- The reviews take into account the controls in place, any improvements to the controls, and steps that can be taken to eliminate the hazard/risk
- The health and safety reps raise any recommended changes at the committee meeting they attend i.e. Civic, City Services, Community Services, Lead Committee
- The Lead Health and Safety committee sign off of the hazards/risks
- NCC has 11 identified hazards/risks which are in the attached Fatal Safety Risks schedule.

Attachment A. Fatal Hazards/Risks schedule.

2. Covid-19

People and Capability worked through an emergency preparedness situation relating to COVID-19 coronavirus and a high-level pandemic plan has been developed. We have taken a calm and cautious approach, using guidance from the Ministry of Health, Hawkes Bay District Health Board and Civil Defence. Two of the Health and Safety team undertook the Safety and Risk Manager role during COVID-19.

Attachment B. COVID-19 plan.

3. Changes to Legislation

There have been no changes to legislation affecting health and safety in the workplace.

4. Compliance

Officers and Directors need to have certainty about compliance to health and safety legislation. The Compliance lists the relevant Acts, Regulations pertaining to health and safety and includes approved codes of practice (ACOPs), which require higher than usual compliance in comparison to other Codes of Practice.

Attachment C. Compliance List.

5. Monitoring and Checking

The NCC Health and Safety Team are investigating the option of an external auditor to conduct a health and safety audit in 2022. We were tertiary level in the ACC accreditation system, which has been disbanded by ACC.

6. Contractor Management

b. NCC uses a contractor pre-qualification system called SiteWise. Contractors engaged by NCC must achieve SiteWise green status, (score 75% and above in the pre-qualification assessment) before they can be engaged to carry out work. There are options for contractors who carry out low risk work to become exempt in SiteWise, i.e. Consultants who work in offices but may visit a site accompanied by an NCC employee. Those

contractors are required to submit their evidence to the health and safety team to review, before a recommendation to the Director of Infrastructure, who then makes the final decision regarding exemption status which is granted for one year.

7. Due Diligence by Officers

Part of the role of an Officer of a Person Conducting a Business or Undertaking (PCBU) is to ensure that there is a safe workplace, not just take the word of others for it. We achieve this in several ways including;

- By the CE and Directors attending Health and Safety Committee meetings and gaining direct feedback from elected Health and Safety Representatives
- Six weekly Lead Health and Safety committee meetings chaired by the CE
- Reviewing of internal reports and checks provided by the Health and Safety
- Reviewing of health and safety checks and audits
- Reporting to Audit and Risk committee

8. ICAM Rock Fall Bluff Hill

The Director Corporate Services informed Audit & Risk Committee of the ICAM investigation and the significant near miss situation on the Bluff Hill by the Port of Napier. An Incident Cause Analysis Methodology (ICAM) is the process NCC uses to investigate significant near misses or events.

A second managed rock fall event was carried out in August. A Project Manager from Infrastructure managed the event, and followed the Health and Safety Contractor Management Standard, he engaged with all parties involved, NCC, NZTA, PONL, Downers, Site Traffic Management, Drone operator. This project was managed with excellence and the outcome was achieved in 1 day, with the dangerous rock downed from the cliff, with no issues. They even saved a pigeon. A debrief took place one week later for lessons learnt to complete the process. A key factor in this project being successful was by following the health and safety contractor management standard. (HS CMS).

Attachment D. Lessons Learnt

Note: Rock fall from Bluff Hill cliff face poses danger to life and property and has been identified as a risk - Operational Risk OP185.

9. Worker Participation

One of the requirements of health and safety legislation is that there must be evidence of active worker participation. We formally apply this by;

- Having health and safety Reps, who cover a specific business unit
- Elections are held three yearly - some employees put their hands up where others are encouraged
- H&S Reps are consulted on worker health and safety matters
- We have 6 weekly Health and Safety Committee meetings, where H&S reps attend and are able to raise any concerns they have and be provided with important information and be consulted about health and safety matters.

10. Health and Safety Framework

While Council does not follow a formal health and management system such as ISO45001, we have developed our own internal system that ensures legislative compliance and maintains flexibility to mitigate key hazards/risks and engage workers.

NCC has a 3 tiered Framework approach, which encompasses a health and safety policy, procedures, guidelines and associated documents which have been developed and are reviewed on at least a two-yearly basis.

- Tier 1 - Policy and Framework, performance requirements, (Overview)
- Tier 2 - NCC Health and Safety systems, standards and procedures (What)
- Tier 3 - NCC manual and business units, Safe Work Method Statements, Safe operating procedures (How)

Attachment E. H&S framework Tier 1

11. Reporting

MySafety, is our online health and safety system which allows employees to report;

- Events; near misses, incidents, injuries
- Pain and discomfort
- Hazards
- Chemicals (safety data sheets)
- Audits, both internal and external
- Safety observations see above
- Chemicals – safety data sheets
- Return to Work
- Permit to work systems (in development)

Management reporting occurs monthly, and includes lead and lag indicators, workstation assessments, inductions, internal and contractor auditing, occupational health checks, Health and safety training completed, number of health and safety meetings held, significant risk and issues identified.

HEALTH & SAFETY TRAINING

Health & Safety training is a lead indicator. Below lists the compliance training undertaken during the year.

Compliance Training 2019 - 2020			
Renewals	Time	Compliance Courses	Staff Attended
2 years	4-8 hrs	First Aid	68
2 years	4-8 hrs	Confined Space	39

2 years	8 hrs	Working at Heights	9
2 years	8 hrs	Elevated Work Platform	4
2 years	4 hrs	Fire Warden	6
1 years	1 hour	Breathing Apparatus	1
2 years	4 hrs	Hazardous Substances	12
3 years	3 days	Supervisor Traffic Management	7
3 years	1 day	Traffic Controller	18
5 years	1 day	Grow safe	8
3 years	1 day	Aggressive Customer Training	29
2 years	7 hrs	Forklift / Driver Training	7
2 years	4 hrs	Site Safe - Civil/Tools & Plant/Workers Health	49
2 years	4 hrs	Site Safe - Consultant	11
		Staff completed compliance training	268

HEALTH & WELLBEING

Health Monitoring

Worker health monitoring is undertaken by Loop Health & Safety. Workers are monitored depending on the work they carry out. Monitoring includes hearing, lung function, blood pressure, trace metals.

The table below shows the type of screening and the number of workers screened between June 2019 and July 2020.

Location	Total workers for hearing screening	Total workers for lung function screening/ blood pressure/height/weight	Whole blood lead level- Blood Test	Trace Metals- Blood & Urine Test
Depot	82	85		
Painters	3	3	3	
City Cleaning	13	7		
Napier Aquatics		11		
National Aquarium of NZ	11	13		
MTG	5	14		
Animal Control	5	5		
Environmental Solutions	15	15		5
Kennedy Park Resort	5	5		
Total number of workers	139	158		

Wellbeing

NCC has a number of wellbeing initiatives for staff. These include:

- Resilience Workshop
- Thriving at Work Workshop
- Stay Safe training (in-house / working alone, man down system)
- MySkin checks
- Flu Vaccinations
- Covid-19 trainings
- Respirator Fit Testing
- HS forum
- Health Monitoring
- Hearing Checks
- Vaccinations
- Corruption Awareness
- Mental Health Awareness
- Bi annual health, safety and wellbeing awareness week (**Attachment F**. FY21 event planner attached)

Exposure to Asbestos

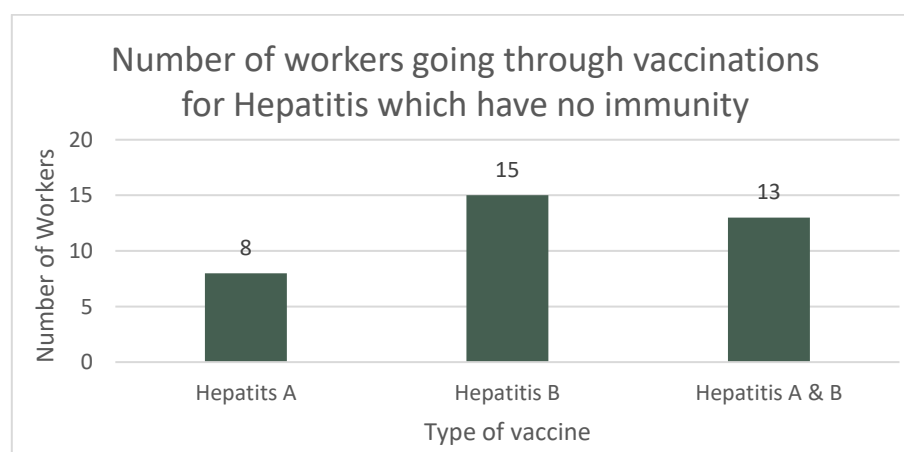
39 workers have indicated they have been exposed to Asbestos. Either working for Napier City Council many years ago or at another organisation. Of the 39 workers 24 have been registered onto the WorkSafe NZ asbestos register and have been allocated a reference number. The reference number is recorded in MySafety against the individual's confidential health and safety file.

The Occupational Health Nurse will be following up with the remaining 15 workers to ensure they are on the WorkSafe NZ asbestos register.

As per the health & safety legislation the workers are to have a two yearly medical. Currently this is funded by NCC.

Hepatitis A & B Vaccinations

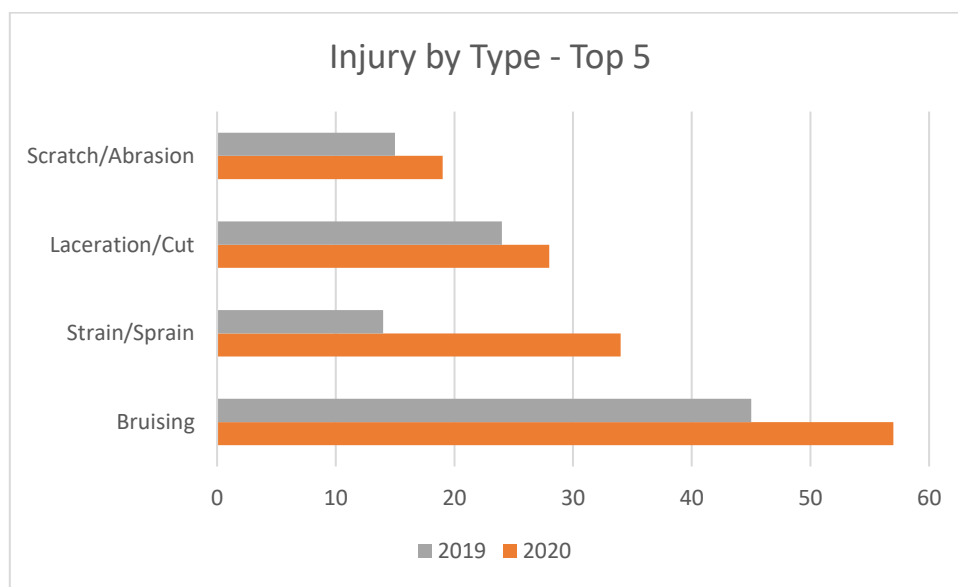
The following number of workers are currently receiving Hepatitis vaccinations due to the blood screening indicating they have no immunity.



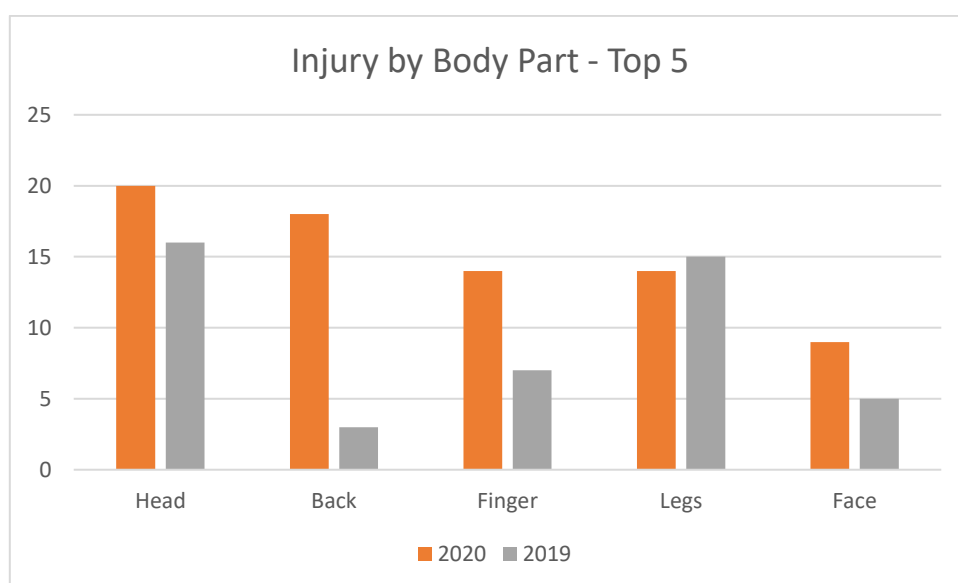
109 workers have immunity to Hep A and 94 have immunity to Hep B.

Injury Statistics

For the period 1 July 2019 to 30 June 2020, the top injuries cause bruising, sprain and strains, lacerations and abrasions.



Hitting the head, spraining backs, fingers, legs and faces are predominately the top 5 body parts to be affected. Numbers have stayed predominately the same for 2 years except for injuries to backs. More education in back management will be explored in the 2020/21 year.



1.3 Attachments

- A Fatal Hazard report [↓](#)
- B Covid-19 plan [↓](#)
- C Compliance to Health and Safety Legislation [↓](#)
- D Lessons Learnt Rockfall [↓](#)
- E Health and Safety Management Framework [↓](#)
- F Annual Awareness Week [↓](#)

Fatal Hazard Register					Reviewed By: All NCC, Committees,		Review Date:						
Location	Exact Location	Display ID	Hazard Name	Description	Hazard Category	Risk To	Risk Category	Hazard Controls	Controlled Consequence	Controlled Likelihood	Control Risk Category	Next Monitoring Due	Monitoring Frequency
NCC	All NCC Sites	2635	Animals	<p>There are always risks related to the hands on interaction with animals (whether you are working with pets, livestock, or wildlife). Animals can be somewhat unpredictable when they are under stress or in an unfamiliar environment, so it is important to be attentive and stay aware of the animal you are handling at all times.</p> <p>Potential health and safety risks when working with animals include, sharps-related injuries, heavy lifting, dermatologic conditions, animal allergens, latex allergy, exposure to noise and animal bites and scratches that can result in significant worker injury such as rabies and other zoonoses.</p> <p>Only workers who have received proper training in animal restraint, handling, and care should work directly with animals. Employers should ensure that only trained, properly equipped workers are assigned to tasks involving direct animal handling and care.</p>	Behavioural	Employee Safety & Public Safety	Extreme Major Almost Certain	<p>The individual NCC business units are required to identify when an employee is going to be working with animals, assess the risks associated with the tasks/job and communicate to staff the potential risks and the control that will be put in place to reduce the risk.</p> <p>The business unit will develop an emergency procedure and response plan for at risk employees and provide training to all staff that will play a role in the emergency plan or emergency response including the use of any equipment e.g. SOS alarms, panic alarms, GPS tracking and after hours emergency call center.</p> <p>H&S Reps complete an annual review of all administration control documents to ensure these controls remain effective in reducing the risk associated with animals.</p> <p>Lagoon Farm SOP's to be reviewed by the Farm Manager annually.</p>	Moderate	Possible	High Moderate Possible		Annual
NCC	All NCC Sites	2637	Contractors	<p>"Contractor" refers to a person who works as a sole trader, corporate entity, or on some basis other than as an employee. There is an enormous range and diversity of contracted activities, and the benefits of a well-managed contractor includes, reduced risk of accidents and ill health, greater satisfaction for both contractors and clients, fewer incidents, losses, problems, stoppages and delays, less management time required to deal with problems, continuous improvement in practices and financial savings.</p> <p>Management of any contractor is required. High Risk requires more work than the low risk.</p> <p>NCC works with many contractors who have a variety of risks. From low (office based) to high risk (major works) and all need to be evaluated exemptions can occur, as agreed by low risk work and Health and Safety Lead.</p>	Behavioural	Employee Safety, Contractor, Public Safety & Property	Extreme Severe Almost Certain	<p>All contractors engaged to undertake work for NCC are to be selected from the NCC approved contractor list with in Site Wise.</p> <p>NCC's approved contractor list is maintained by the health and safety department and is made up of contractors who have pre-qualified through Site Wise with a green certificate (scored above 75%) or the contractor has been assessed as low risk and been approved by the Health and Safety Lead.</p> <p>For major works that is beyond the scope of a general maintenance contract SSOP's and TA's or JSA's will be supplied by the contractor for review by the NCC project manager.</p> <p>Monitoring of the contractors health and safety performance will be carried out during the project via audits and post project evaluation/review.</p> <p>A process to be developed for the induction of contractors and annual induction refreshers by the H&S Team by the end of November 2019.</p> <p>Continuing to improve communication with contractors at the start, during and at the end of projects to ensure health and safety standard and NCC expectations are being met through auditing and annual inductions.</p> <p>Annual contractor management training for all staff.</p>	Major	Unlikely	High Major Unlikely		Annual
NCC	All NCC Sites	2636	Silica Exposure	<p>Silica dust is a type of dust from silica (crystalline quartz) which causes breathing problems in workers in the fields of mining, stone cutting, quarrying (especially granite), blasting, road and building construction industries that manufacture abrasives, and farming. Breathing the dust causes silicosis, a severe disease that can scar the lungs.</p> <p>Construction work can produce silica dust during construction, demolition. Roading, paths, kerbs etc. are frequently cut, releasing silica dust.</p> <p>Exposure to silica dust is dangerous and can cause serious lung disease. Remove silica dust from a worksite, or control any exposure to ensure worker safety.</p> <p>Silica dust on lungs causes silicosis which is similar to asbestosis.</p>	Environmental	Employee Safety, Contractor & Public Safety	Extreme Severe Almost Certain	<p>Tasks that expose an employee to silica dust must be identified by individual NCC business units and the risks associated with these tasks are communicated to staff via site specific inductions, site specific safety plans (SSOP's), Standard Operating Procedures (SOP's) and Safe Work Method Statements (SWMS) that outline the controls including equipment to be used to reduce the risk of injury.</p> <p>Only approved NCC staff are to deal with processes that create silica dust following their departments safe work method statement (SWMS 254) and SOP 98.</p> <p>SOP 98 has been developed and trained to both Drainage and Waterworks teams for concrete cutting.</p> <p>An annual review of all administration control documents e.g. policy, SOP's, TA and SWMS to ensure the controls remain effective in reducing the risk associated with silica dust exposure is monitored via work rule for document control via InfoSource with the Operation Manager - 3 Waters at City Services as the responsible person.</p> <p>Carry out routine auditing of NCC workers and external contractors to ensure safe processes and procedures are being followed in regards to Silica.</p> <p>Ensure all appropriate PPE is supplied and worn whilst work is being carried out that has the potential to create Silica exposure.</p> <p>Ensure that health monitoring along with fit testing for respirator use is carried out on an annual basis on all workers that carry out work that has the potential of Silica exposure.</p>	Severe	Rare	High Severe Rare		Annual
NCC	All NCC Sites	2633	Asbestos Exposure	<p>Asbestos refers to a group of six types of naturally occurring minerals: chrysotile, crocidolite, amosite, anthophyllite, tremolite, and actinolite. Among these, chrysotile, amosite and crocidolite asbestos are most common.</p> <p>Asbestos fibers are microscopic in nature, they are extremely durable and resistant to fire and most chemical reactions and breakdowns. These properties of asbestos were the reasons that supported its use for many years in a number of different commercial and industrial capacities. The strength of asbestos, combined with its resistance to heat, allowed it to become the material of choice in a variety of products, including, but not limited to, roofing shingles, floor tiles, ceiling materials, cement compounds, textile products, and automotive parts. Asbestos is now strictly regulated as exposure to this toxic mineral can now be directly and scientifically linked to a number of lung and respiratory conditions.</p> <p>Asbestosis (as-bes-TOE-sis) is a chronic lung disease caused by inhaling asbestos fibres. Prolonged exposure to these fibres can cause lung tissue scarring and shortness of breath.</p> <p>While asbestos exposure is hazardous, not all asbestos products are inherently hazardous. Because asbestos must be inhaled to represent a health risk, only loose asbestos fibers or those in the air supply (a condition known as friable) represent a true hazard. Stable asbestos compounds, such as intact cement, tiles, or other products, are generally not an immediate hazard. Exposure to friable asbestos fibers is common when grinding, chipping, demolishing, or retrofitting asbestos products. Each of these functions could potentially release asbestos into the air supply where it would be easily inhaled.</p>	Environmental	Employee Safety, Contractor & Public Safety	Extreme Severe Almost Certain	<p>Only approved NCC staff are to handle asbestos up to 10 square metres and deal with the storage and transport of asbestos following the asbestos task analysis (TA) and safe work method statement (SWMS).</p> <p>Any work that requires the handling of asbestos over 10 square metres will be carried out by an approved asbestos specialist, that will be selected from the NCC approved contractor list within Site Wise.</p> <p>The TA and SWMS has been developed and implemented by City Services Waterworks and Drainage teams for the removal of asbestos up to and including 10m2, handling, transport and temporary storage of asbestos.</p> <p>All assets, buildings and infrastructure are to be reviewed for the existence of asbestos and a register is to be developed by Michael Kiduff.</p> <p>H&S Reps do an annual review of all administration control documents e.g. policy, SOP's, TA and SWMS to ensure the controls remain effective in reducing the risk associated with the handling, storage, transport and disposal of asbestos.</p>	Severe	Rare	High Severe Rare		Annual
NCC	All NCC Sites	2632	Working Alone	<p>"To work alone" means to work remote from normal services and support, limiting capacity to summon assistance readily in the event of injury, illness, violence, emergency or other event, and therefore increasing the risk of harm.</p> <p>A lone worker is a worker whose activities involve a large percentage of their working time operating in situations without the benefit of interaction with other workers or without supervision.</p> <p>All workplaces shall identify any work processes which require staff, students, volunteers and contractors to work alone and where they would be unable to readily summon assistance in the event of injury, illness, violent or other emergency situation. This may include working alone out of normal working and class hours.</p>	Behavioural	Employee Safety	Extreme Major Almost Certain	<p>The individual NCC business units are required to identify when an employee is going to be working alone, assess the risks associated with the tasks/job and communicate to staff the potential risks and the control that will be put in place to reduce the risk.</p> <p>The business unit will develop an Safe Operating Procedure (SOP) for at risk employees and provide training to all staff that will play a role in the emergency plan or emergency response including the use of any equipment e.g. SOS alarms, panic alarms, GPS tracking and after hours emergency call center.</p> <p>NCC working alone policy is to be developed and implemented into the business by the H&S Lead by the end of December 2018.</p> <p>An annual review of all administration control documents e.g. working alone policy and department emergency response plans to ensure these controls remain effective in reducing the risk associated with working alone.</p> <p>Should situations change within the business unit, a review can take place sooner as required.</p> <p>NCC Staysafe Working Alone Device batteries to be replaced every 6 months.</p>	Major	Possible	High Major Possible	31/01/2020	6 months

Fatal Hazard Register

Reviewed By: All NCC, Committees,

Review Date:

NCC	All NCC Sites	2631	Electrical	An electrical hazard can be defined as, a dangerous condition where a worker could make electrical contact with energized equipment or a conductor, and from which the person may sustain an injury from shock; and/or, - there is potential for the worker to receive an arc flash burn, thermal burn, or blast injury. Electricity can either be "static" or "dynamic". Dynamic electricity is the uniform motion of electrons through conductors (electric current). Static electricity is the accumulation of charge on surfaces as. A rescue dangerous condition where a worker could make electrical contact with energized equipment or a conductor, and from which the person may sustain an injury from shock; and/or, there is potential for the worker to receive an arc flash burn, thermal burn, or blast injury. It is of contact and friction with another surface.	Physical	Employee Safety, Contractor, Public Safety & Property	Extreme Severe Almost Certain	The majority of electrical work carried out at NCC is conducted by a NCC approved contractor who has been pre-qualified via Site Wise and is required to supply a SSSP for any major work that is outside of the normal maintenance contract. Only approved NCC staff that hold the required qualifications and training are permitted to carry out electrical work. Code of compliance (COP) must be adhered to. The H&S team review NCC approved contractors annually to ensure the pre-qualification required standard is maintained. H&S team and project managers review contractors via audits and post work contractor evaluations to ensure performance levels are maintained. Any work associated with mains electrical panels will be referred to the asset manager for permitting and approval.	Severe	Rare	High Severe Rare	Annual
NCC	All NCC Sites	2630	Excavation	Excavation failures are particularly dangerous because they may occur quickly, limiting the ability of workers (and in some cases others nearby) to escape, especially if the collapse is extensive. The speed of an excavation collapse increases the risk associated with this type of work. The consequences are significant as the falling earth can bury or crush any person in its path resulting in death by suffocation or internal crush injuries. Excavation work generally means work involving the removal of soil or rock from a site to form an open face, hole or cavity, using tools, machinery or explosives. Excavation work could be conducted by NCC staff or contractors.	Physical	Employee Safety, Contractor, Public Safety, Property & Environment	Extreme Severe Almost Certain	Where it has been identified that excavation work is required as part of the work to be undertaken, the responsible work group will develop a detailed written Task Analysis (TA) or Safe Work Method Statement (SWMS). The responsible work group will also obtain an Excavation Work Permit from the Drainage Team Leader. Only the approved and trained NCC staff identified and trained on the Site Specific Safety Plan (SSSP) and SWMS 115 Excavation will carry out the excavation work. When the scope of the work meets the WorkSafe NZ criteria as a notifiable work the responsible work group will ensure notification is made when excavation/trenching is 1.5m or deeper. The Drainage Team Leader is responsible for ensuring rescue response plans for the different NCC sites and teams are practiced annually as a trial scenario with all relevant staff involved, followed by a debrief meeting to review the control that were in place and the effectiveness of the controls.	Severe	Rare	High Severe Rare	Annual
NCC	All NCC Sites	888	Working at Heights	Work at height means working in a place where a person could be injured if they fell from one level to another. This can be above or below ground level.	Physical	Employee Safety, Contractor & Public Safety	Extreme Severe Likely	Work at height tasks are identified by individual NCC business units and the risks associated with these tasks are communicated to staff via site specific inductions and SOP's that outline the controls including equipment to be used to reduce the risk of injury. Staff that are required to work at height, the relevant training and qualification must have been achieved and refreshed within the required time frames. When work at height will be completed by a contractor, the risk is controlled via the selection of contractors from the NCC approved contractor list within Site Wise, and a SSSP must be supplied for major work. A Safe Work Method Statement (SWMS) to be created in relation to Working at Height and implemented across Napier City Council (NCC). Staff that are required to work at height, all safety equipment that is used must be checked regularly for serviceability. Any WAH works that is above 5m is reported to Worksafe and a copy of the notification is one site for the entire duration of works. H&S Reps complete an annual review of all administration control documents e.g. policy, SOP's, TA and SWMS against specific tasks, to ensure that the process or environment has not changed and that the current control remains the most effective way of reducing the risk of injury via work rule for document control via InfoSource.	Moderate	Unlikely	Medium Moderate Unlikely	Annual
NCC	All NCC Sites	883	Hazardous Substances and Chemicals	The Health and Safety at Work (Hazardous Substances) Regulations 2017 sets a number of requirements to ensure hazardous substances are safely managed. A 'hazardous substance' is any substance that has one or more of the following intrinsic 'hazardous properties': Explosiveness, Flammability, Ability to oxidise (accelerate a fire), Human toxicity (acute or chronic), Corrosiveness (to human tissue or metal), Ecotoxicity (with or without bioaccumulation), Capacity on contact with air or water, to develop one or more of the above properties.	Chemical	Employee Safety, Contractor, Public Safety & Environment	Extreme Severe Likely	Hazardous substances and chemical register is kept by the Health & Safety team and updated with information from the business units gathered from chemical audits conducted by the business unit. Business units are to conduct annual chemical audits and send updated information to the Health & Safety team to update the hazardous substances and chemical register. Where location test certificates are required the business unit will ensure that certification remains current. Where Stationary Container Test certificates are required the business unit will be responsible for ensuring that the certification remains current. Individual business units are responsible for the training of staff that will be handling hazardous substances and chemicals. Individual business units will ensure the safe separation, storage and disposal of hazardous substances and chemicals kept and/or used. Individual business units are to ensure appropriate PPE is provided and used correctly. Individual business units are to ensure staff are trained to SOPs/SWMS and that SOPs/SWMS are correctly followed. Individual business units are to identify and risk assess hazardous substances/chemicals in the work environment. Individual NCC business units are responsible for the identification and risk assessment of any new hazardous substances/chemicals introduced into the work environment. This information is then passed to the health and safety department entered in the hazardous substances/chemical register. The individual business units are responsible to ensuring that copies of all SDS's (safety data sheets) for all products on their site are available within 10 minutes.	Severe	Rare	High Severe Rare	Annual
NCC	All NCC Sites	872	Poor Housekeeping	Poor housekeeping can be a cause of accidents, such as: •Tripping over loose objects on floors, stairs and platforms •Being hit by falling objects •Slipping on greasy, wet or dirty surfaces •Striking against projecting, poorly stacked items or misplaced material •Cutting, puncturing, or tearing the skin of hands or other parts of the body on sharp projecting items. E.g. nails, wire, glass or steel strapping •Reaking taps	Physical	Employee Safety, Contractor & Public Safety	Extreme Major Almost Certain	Talk to workers about poor housekeeping and the controls they have in place to ensure their own health and safety. Assess the risks associated with poor housekeeping in the work environment, approve and appoint a person responsible for the completion of any preventive actions with assigned completion date. Reinforce safe behaviours and correct any unsafe behaviours.	Major	Unlikely	High Major Unlikely	7/03/2019 Annual
NCC	Various NCC Sites	627	Confined Spaces	A confined space is defined as limited or restricted means for entry or exit and is not designed for continuous occupancy. Sites of confined spaces are: Milliscreen, Drainage, Water Supply, Sportsgrounds, Aquarium, Mobile Locations, Manholes, wetwells, drywells, pipes, pits, pools, cemetery, balance tanks, cleaning baskets.	Physical	Employee Safety & Contractor	Extreme Severe Almost Certain	Be trained and follow the NCC Confined Space SWMS 77. A safe entry and exit plan must be developed for each confined space that includes equipment required e.g. PPE, gas detectors, two way radios and an emergency rescue plan. The responsible business unit for each confined space must ensure there is a maintained/testing program in place for all equipment identified in the plan. Staff that are required to work in confined spaces must have the relevant training and qualification must have been achieved and refreshed within the required time frames. When the scope of the work meets the WorkSafe NZ criteria as a notifiable work the responsible work group will ensure notification is made. Gas detectors, two way radios, respirators, safety clothing, harness & height equipment and safety footwear. Permit to work is required for entry into a confined space. Follow the NCC confined space procedure. Annual health monitoring of staff. Annual fit testing of respirators. Follow the NCC Confined Space Procedure	Severe	Rare	High Severe Rare	8/05/2020 Annual



NCC Health and Safety Action Plan

During a Pandemic
COVID-19

Unite
against
COVID-19

Index

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Infection Prevention and Control System Policy

NCC Infection Protection and Control Procedure for COVID19 Pandemic

Purpose

To outline the Infection Prevention and Controls (IPC) for COVID-19 for Napier City Council, to achieve best possible outcomes for workers.

Principles

1. IPC adheres to the Health and Safety at Work Act 2015, and the Health and Safety at Work (General risk and workplace management) Regulations 2016
2. IPC complies with any other legislative requirements
3. Best practice and national and international guidelines and standards are to be followed
4. Actions are designed to limit the spread of, and to eliminate and / or minimise the occurrence of, infection to workers, contractors, volunteers and others in the workplace
5. Identify infection early and focus on NCC workers in the first instance
6. NCC ensures a collaborative approach with contractors, suppliers and others.

Scope

This document applies to all at NCC and sets out the actions required to meet the key principles outlined above.

Definition

IPC is essentially a program aimed at the prevention and control of infection at NCC workplaces, and any other areas identified where our workers are placed.

The principal goals are:

- Protect yourself
- Protect those workers and volunteers and others in our environment
- Accomplish the first two goals.

The impact of an effective IPC program includes:

1. Reduced infection to workers and others
2. Improved service to those who we are collaborating with and NCC workers on board, safe and well
3. Minimal disruption and service to our community.

NCC must ensure:

1. It meets its Primary Duty of Care to its workers and others under the Health and Safety at Work Act 2015 (HSWA) so far as reasonably practicable refer to S.36
2. That NCC meets its duty to eliminate and / or minimise risk so far as is reasonably practicable (refer to health and safety duties Part 2 subpart 1 of the HSWA – Key principles relating to duty to manage risk
3. Follow the Ministry of Health's advice and guidelines and promote good hygiene
4. Have a robust health and safety induction process in place, which is implemented and all training delivery is tracked / recorded, and must be delivered to all workers, contractors, volunteers and anyone else providing assistance during COVID19.
5. It identifies any emerging health and safety risks due to COVID19.

Roles and Responsibilities

Management

1. Keep up to date with the latest safety and risk advice from the People and Capability
2. Ensure communications are clear and concise for workers and others in the workplace
3. Attend meetings as appropriate where information is being updated around safety and risk – virtual meetings is the preferred option where appropriate
4. Foster best practice.

People and Capability

1. Keep appropriate people updated with latest information as required for safety and risk management
2. Ensure a robust induction process is in place and covered off appropriately with all workers and others
3. Update all NCC on up-to-date information of COVID-19 on a regular basis
4. Provide assistance with education of health, safety and risks to all workers and others
5. Assist with the development of any procedures
6. Ensure clear communication around all health and safety risks through the correct channels.

Workers and Others

1. Follow the induction process at all times or participate in the safety induction before commencing service, following all COVID19 guidelines as instructed
2. Keep up to date with the latest information around safety, health and risk management, and actively seek safety guidance from the designated manager regularly
3. Ensure your own safety and wellbeing, and that of your co-workers at all times
4. Ensure they are knowledgeable about the health of themselves and others, minimising infection if they are unwell, and follow the correct isolating protocols and be meticulous about observing infection prevention actions
5. Ensure if health is compromised, that an incident form is filled out and isolation procedure is followed as per Ministry of Health guidelines (MOH) or if you are exposed to the COVID19 virus, or believe that you may have been exposed, call the Ministry of Health on 0800 358 5453. Complete an incident report form and seek immediate guidance from your manager.

References

Standards NZ – New Zealand Standard, Health and Disability Services,
(Infection Prevention and Control) Standards NZS 1834, 3:2008
Health and Safety at Work Act 2015
Health and Safety at Work (General risk and workplace management) Regulations 2016
Ministry of Health (MOH) website

Health, Safety and Wellbeing

Safety

1. Keep in contact with your teams if working from home
2. Register yourself to become involved in another area, you could be valuable to another team or civil defence as a volunteer
3. Keep yourself safe at home or work
4. Ensure you keep your physical distances.

Fatigue

- Ensure you manage yourself:
 - Stick to your hours: no-one is so critical that the response would stop without them
 - Eat and drink regularly throughout the day
 - if you are using keyboards and devices, clean them regularly, it is important
 - Exercise and grab fresh air if able to – even if only for 5-10mins.

Stress and Trauma

- This is a changing, high-pace environment; if you are struggling with overload advise your manager
- If you work in the field, you may see traumatic events (dead stock/pets, and grieving people or event someone who has died). Everyone has differing thresholds for this. If this is affecting you, acknowledge it and take time to deal with it. Counselling is available 24hrs per day through **OCP 0800 377 990**
- Some members of the public may be angry or frustrated, and may potentially confront you. Your safety comes first and you do not have to accept abuse. Check the area outside before leaving the building, and ask for an escort to your vehicle if feeling unsafe. Move away if threatened, and call 111 if the situation escalates.

Media

- Unless specifically authorised no comment is to be given
- Refer all queries to the Communications Team
- Unless authorised do not put response information/details on social media: including photos.

Health and Hygiene

- If you are unwell, advise your manager
- Wash your hands regularly, especially before and after eating and using the toilet – use hand sanitiser or soap and water
- Wipe down your workstations/vehicle regularly during the day, at work or at home
- Rest well and get good quality sleep
- Advise your Manager or health and safety of any near miss, injury, or illness. This includes stress, fatigue, and harassment, physical and mental harm. Or just enter into MySafety.

Wellbeing

1. Keep your food and fluids up
2. If you are essential services, bring all food supplies with you that may be required for your shift, but only what you need:
 - a. This includes personal medication, hygiene products, spectacles, and/or warm clothes
3. Stay in touch with your family and friends so they are aware of your movements/that you are okay. Remember your family comes first
4. Remember to keep active every hour, get up and drink a glass of water, or do some stretches.

Privacy Act 1993

- Personal information should be treated with care and respect. The Privacy Act 1993 outlines obligations for managing personal information
- Care should be taken communicating, sharing, recording and managing sensitive or personal information
- If in doubt, check with your manager or the people and capability team before sharing information externally.

Code of Conduct

Physical Presence Code of Conduct

NCC is responsible for the health and safety of its workers, contractors, volunteers and others in the workplace.

This code of conduct is to be followed by staff physically present at all times during the COVID-19 pandemic.

We may have families in the vulnerable population category. The code of conduct is here to mitigate the chances of infection and to keep ourselves and our loved ones as safe as possible.

Current infection control policy states that:

- NCC is operating their essential services out of the depot sites
- The depot is locked down to essential core functions only
- Anyone additional are by exception and with the explicit approval of a Director or the CE
- All persons entering the depot or another NCC site are to go through the induction process of this manual as a minimum. First time workers are to be fully briefed on the infection control policy and this manual
- All parties are to maintain 2m physical distance at all times unless there are exceptional circumstances i.e. confined spaces work.

I agree that I will contribute to a safe physical operating environment by:

- Adhere to the infection control policy
- Follow best personal hygiene and physical distance practices
- Address issues where my colleagues are not following physical distancing or personal hygiene practices in an appropriate way
- Not come to work if displaying symptoms of COVID-19 or have been exposed to a close contact of a suspected case of COVID-19.
- Notify my manager and Manager People & Capability if I have been exposed to a close contact of a close contact of someone suspected (or has) COVID-19
- Follow the guidelines of Ministry of Health and DHB for self isolation and contact tracing
- Minimise my social contact and exposure to other members of the public
- Talk to the members of my household about the rules and disclose to my Manager if members of your household have breached the current government rules for physical distancing
- Disclose medical conditions including if immune compromised and age (if over 70) to healthandsafety@napier.govt.nz.

I understand that failing to abide by these rules may result in the Director reviewing the situation and deciding on a course of action, which may include disciplinary action.

Name: _____

Signature: _____

Infection Control Measures

Objective

Minimise the sources of infection for COVID-19 staff, contractors, suppliers, volunteers and visitors involved in the NCC COVID-19 response.

Background

COVID-19 is a new illness that can affect your lungs and airways. It's caused by a type of coronavirus. New Zealand is currently at Level 4 – Eliminate. This means that it is likely that the disease is not contained. Council's essential services are vital in the COVID-19 response and we must ensure we do everything we can to provide a safe working environment for NCC staff and maintain the operational capacity at appropriate levels to deliver our services.

Buildings Entry and Exit Control

Steps that we have taken to prevent infection of COVID-19 at the Depot and Lagoon Farm and other buildings / offices are:

- Secure induction process starts at the front door
- Only rostered staff are permitted into the building and in designated areas
- Strict sign in / out procedures enforced for potential contact tracing
- Lower density rates of staff allowed. At Level 4 this is currently 8-10 staff however, this may be reviewed by the Director based on needs
- Ample supply of hand sanitiser, handwashing facilities with soap, and wipes are available for staff to use whilst in the buildings
- Hourly handwashing procedures and distancing guidance whilst in the workplace
- Daily cleaning is scheduled by cleaning team leader and approved by the Director of City Services
- Centre configuration to minimise spread of virus (closed doors, open windows, designated areas etc)
- Bring in only what you must. Don't take anything home if not needed. Use what is onsite wherever possible
- Personal Health Declaration to be completed reviewing medical vulnerable status, while working at NCC sites. Staff are to advise any change in these conditions to the Director and / or Health and Safety
- Staff complete a Code of Conduct when working in the Depot or Lagoon Farm building.

NCC Health Declaration

All staff (and 'others') attending NCC sites for the first time must complete the health declaration attached. Should any declaration have an affirmative response the person must immediately be removed from the vicinity and advice sought to clarify their response. Under NO circumstances shall anyone enter an NCC facility who may compromise the health of

others. If your circumstances change, please notify your Director, Manager or the Health and Safety team.

NCC Entry Procedure

- Only enter building if rostered on
- Hand sanitiser to be used immediately before signing in
- Sign in
- Disinfect devices (computer & phone), lanyard, swipe card - dispose of wipes in a bin
- Spray bags with sanitiser, these could be carrying bugs
- Hand sanitiser or hand washing with soap and water
- Receive induction if not received before
- Begin tasks – maintaining 2m distance as much as possible.

NCC Exit Procedure

- Wash hands, and use hand sanitiser
- Sanitise devices (computer & phone), lanyard, swipe card - dispose of wipes in a bin
- Depot staff, boot wash or spray footwear with disinfectant
- Dispose of single use overall, face masks and gloves
- Sign out
- When home, shower before interacting with others, continue with hand washing before/after handling food, using the toilet
- Wash clothes
- Refer [Appendix 7: Returning Home](#).

Physical Distancing

Physical distancing is always about keeping a safe distance from others.

This is about physical distance. It is recommended that all workstations are established with a minimum 2 metres between people (where possible). Meeting rooms and spaces should be established in such a way as to support the 2-metre rule.

Although it is customary, **please avoid** handshakes, hongis and embraces as greeting to both people you have just met and old friends.

Think about where you are working, at home, on site somewhere, wherever, the zones should work all the same.

Workstations

1. Use a dedicated workstation.

All workstations and equipment are to be cleaned down at the start and end of shift. Use dedicated equipment to you and minimise use and handling of others.

At NCC we have allocated dedicated workspaces so label the station you are working at. If more than one person must use a computer, it is imperative that transmission risk is minimised. Simple steps can be undertaken to support this:

- Issue keyboard and mouse per person

- Clean surfaces/desks at start and finish of shift to reduce risk
- Ensure staff showing early symptoms are immediately isolated as per the medical declaration and code of conduct.

Surface Cleaning

Like the flu, COVID-19 can be transmitted from person to person. The scientific evidence confirms that COVID-19 is spread by droplets. This means that when an infected person coughs, sneezes or talks, they may generate droplets containing the virus. These droplets are too large to stay in the air for long, so they quickly settle on surrounding surfaces.

Now's a good time to be extra vigilant when cleaning – clean and disinfect frequently touched surfaces and objects, such as doorknobs.

How do we get rid of the virus on surfaces?

COVID-19 can remain on plastic and stainless steel surfaces for up to about three days and less than that for other types of surfaces. This will depend on the surface.

If surfaces look visibly dirty, they should be cleaned first. It's best to use a disinfectant. Use a disinfectant that is antiviral and follow instructions. Remember to store cleaners and disinfectants safely.

The CDC (US Centre for Disease Control) has an informative webpage about COVID-19 specific cleaning <https://www.cdc.gov/coronavirus/2019-ncov/prepare/cleaning-disinfection.html>.

Wash hands on elevation to a more secure zone, even if in a bubble.

The site should be split into three zones. These are:

- **HOT** Zone Meeting rooms
- **WARM** zone Entrance area to toilets, smoko rooms
- **COOL** zone Main office / work areas in buildings

Wash hands on elevation to a more secure zone.

- Ensure you clean your work stations hourly
- No sharing of workstations / desk areas
- Keep to 2 metres distance
- Ensure the cleaning of door handles, and other commonly used fixtures are cleaned or you must cleanse immediately before touching anything else.

You do not know who has been in contact with others unknowingly.

Catering for Facility (if this happens)

It is strongly recommended that all catering is provided in individually packaged meals to avoid cross contamination. Sharing of "leftovers" should be avoided.

Catering, when needed, should be healthy and nutritional. Physical health and well-being will be vital in this long response.

Self-Isolation Guidance

There can be multiple scenarios for contamination / cross contamination of COVID-19, and strict rules and processes must be enforced to stop the spread of the virus.

Scenarios

1. Emergency situations like a car crash
2. People working in small groups i.e. 1 to 8 people
3. Split shifts with a handover
4. Returning home after a shift
5. Secondary contact – being with someone who has been in contact with another person with possible COVID-19
6. Contact with a person who has been in isolation
7. Contact with a person who has been tested positive for COVID-19.

Please see SWMS **Scenarios with COVID-19** and [Appendix 2: What to do if immune compromised](#).

Use the flow chart below to assess if you should be self-isolating based on contact with COVID-19 positive or close contacts. It is essential that as soon as aware of possible exposure this is notified to your Manager and Director.

COVID-19 case definition is maintained here: <https://www.health.govt.nz/our-work/diseases-and-conditions/covid-19-novel-coronavirus/covid-19-novel-coronavirus-information-specific-audiences/covid-19-novel-coronavirus-resources-health-professionals/case-definition-covid-19-infection>

In summary the relevant clinical criteria are:

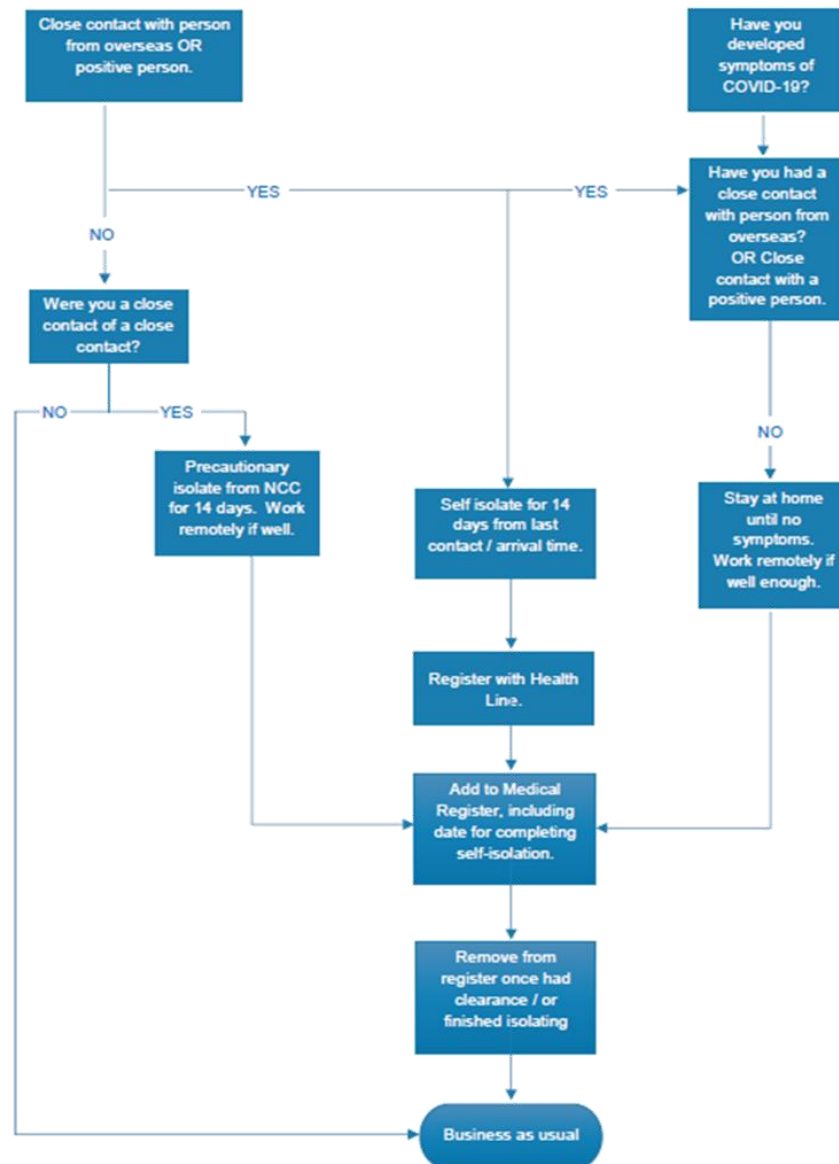
Clinical criteria		Epidemiological criteria	
1	Fever ($\geq 38^{\circ}\text{C}$) OR any acute respiratory infection with at least one of the following symptoms: shortness of breath, cough or sore throat with or without fever.	AND	Travel to or from (excluding airport transit) countries or areas of concern within 14 days before onset of illness
OR			
2	Fever ($\geq 38^{\circ}\text{C}$) OR any acute respiratory illness with at least one of the following symptoms: shortness of breath, cough or sore throat with or without fever	AND	Close contact or casual contact with a suspect, probable or confirmed case of SARS-CoV-2 infection in the 14 days before onset of illness

‘Close contact’: A case is considered infectious 48 hours prior to developing symptoms, while symptomatic, and until symptom-free for 48 hours. A close contact is anyone who has had one of the following contacts with a case while the case is infectious without appropriate personal protective equipment e.g.:

- living in the same household or household-like setting (e.g., shared section in a hostel)
- having spent two hours or longer in the same room, bus or train as a case
- having been face-to-face within two metres of a case for 15 minutes or more

- having been seated within two rows either side of a case on a flight for two hours or longer.

Casual contact: Any person with exposure to the case who does not meet the criteria for a close contact.



Working from Home

For staff working from home [Appendix 3: Working from Home Assessment](#) contains a self-assessment tool to evaluate their workstation and set up.

We are learning what Working from Home means as we go. It's not about transposing what they would normally do in an office and achieving the same thing using tech.

It's a different mind-set around productivity. Be prepared to cut everyone some slack while they learn to adjust. Let people find their best ways of working.

For some people certain things need to happen at set times, or according to a roster, like in the office. But others you need to let go and let people work with full flexibility around their lives at home.

Things to bear in mind are:

1. With kids and / or partners also being at home and the disruption or stress that may cause
2. Remember people who live alone who will have elevated isolation. Ensure contact is made during the day and virtual meetings takes place at regular times during the working at home situation
3. Ensure regular breaks are taken – make a cuppa or play with the kids or the animals
4. Go outside for some fresh air
5. Don't feel guilty!
6. Keep in contact with work colleagues during the day – buddy up with a few key people, phone trees may be useful for big groups – use what works
7. Get yourself a good workspace to work from
8. Remember to eat regularly
9. Have a laugh – make it fun with your workmates!

Privacy

The Act

The Privacy Act 1993 is New Zealand's main privacy law. It mostly governs personal information about individual people. This act is important as it protects individuals from potential negative consequences resulting from a privacy breach.

Examples of consequences are:

- It could endanger a person's life
- Lead to prejudicial treatment or cause embarrassment.

The Principles

The privacy act has 12 principles which outline how information should be collected, used, managed, disclosed and made accessible to those the information is about. They mean:

1. Only collect personal information if you really need it
2. Get it straight from the people concerned where possible
3. Tell them what you are going to do with the information
4. Collect it legally and fairly
5. Take care of the information once you have got it
6. People can see their personal information if they want to
7. They can correct it if it is wrong
8. Make sure personal information is correct before you use it
9. Get rid of it when you are done with it
10. Use it for the purpose you got it
11. Only disclose it if you have a good reason
12. Only assign unique identifiers where permitted.

Handling of Confidential Information

In line with the Principles we recognise that we are privy to potential private and confidential information. We understand this and will manage privacy with utmost respect.

Refer to NCC Privacy Policy.

Personal Protection

Health Protection

For individuals that have had the 2020 flu vaccination this will provide some protection from seasonal flu but is not specific to the COVID-19 strain. For staff working in essential services or in front facing roles flu vaccinations will be administered when possible. (Vaccines have been designated for Health care workers in the first instance)

As at 29 March 2020 from the Ministry of Health: "As this is a new virus, there is currently no vaccine available. Researchers are in the early stages of developing one.

For NCC, if a vaccine is developed and becomes available, then essential services will be prioritised for this and will be advised at that time.

Personal Protective Equipment

From the COVID-19 website there is clear guidance regarding the appropriate equipment. We have developed Safe Work Method Statements for the high-risk activities and are applying a 2-metre distancing rule. The guidance states:

- *Workplaces where people can maintain more than 1-metre contact distance from people with potential COVID-19 symptoms – facemasks and gloves are not recommended. Examples of these workplaces include, but not limited to education facilities, pharmacies, retail outlets.*
- *Workers where people can maintain more than 1-metre contact distance from people with potential COVID-19 symptoms but work in an environment where they are touching surfaces or items touched by others – they may consider wearing gloves. Facemasks are not recommended. Regular hand hygiene must continue. Examples of these workplaces include, but not limited to supermarkets, services stations.*
- *People who, due to the nature of their job, may be unable to maintain more than 1-metre contact distance from people with potential COVID-19 symptoms – facemasks and gloves are recommended when this contact is likely to occur. Examples of these workplaces include but not limited to police, prison staff, customs staff.*

NCC is using these recommendations as a guide and established our Code of Conduct for COVID-19 pandemic. In general, surgical/medical masks prevent the dispersal of droplets by an infected patient and the inhalation of droplets if within 1-metre of a coughing individual.

To safely remove your gloves, you must not touch the exterior of the glove



Pinch and pull into palm
Hold in palm of glove.



Slip fingers under glove
(Don't touch surface)



Pull off forward
Dispose to bin

Thoroughly wash hands. Refer to [Appendix 7: Returning Home](#)

Incident Reporting

Please ensure that you still enter any near misses, incidents, accidents, injuries, pain and discomfort, safe or unsafe behaviour observations into MySafety. If you need help, please call one of the health and safety team, or email heathandsafety@napier.govt.nz

The purpose of reporting all events which have or may have resulted in harm to workers, volunteers, contractors, visitors and others, are reported and investigated so that the appropriate level of preventative and corrective actions can be implemented, even while we are in a state of lockdown during a pandemic.

Workers have a responsibility to:

- Lead by example in terms of reporting and managing their areas of work
- Notify any absent hazard control or failed hazard control (observation)
- Report any unsafe behaviours
- Ensure your line managers are aware of incidents in your designated area.

Managers have a responsibility to:

- Review and comment on investigations
- Report events to the health and safety if of a serious nature.

Health and Safety Team and the ICAM investigators have a responsibility to:

- Review reported events and processes updated as required
- ICAM investigators are assigned to significant events
- Ensure any notifiable events are reported to WorkSafe New Zealand.

EAP Assistance

These are challenging times, but we will get through this. If through the course of your activities, following an incident or you just need to talk then we have a program to assist.

OCP is NCC's preferred provider for workplace wellbeing and employee assistance services. Their focus is that whether behind a desk, a wheel or a workbench, employees who are healthy, resilient and balanced are far more productive than those who are not.

To contact OCP confidentially, call them on 0800 377 990

This is a self-referral process for the staff and is totally confidential.

Contractors Briefing

Discussions with contractors on risks around the pandemic, and how to ensure they have covered the appropriate risks with suitable controls being put in place, due to COVID-19 and working together in this new environment should take place before work is engaged.

A register should be kept by the PCBU declaring information on any person with medical vulnerability. This information will provide due diligence for the PCBU. For COVID-19 click on this link: <https://COVID-19.govt.nz/help-and-advice/for-everyone/vulnerable-people/>.

All contractors will be briefed on the need to keep physical separation, wear PPE and reduce interactions with public.

Any face-to-face briefings must adhere to MOH guidelines re physical separation. Where possible briefings are conducted virtually online or outdoors. See [Appendix 8: PPE from MOH](#)





Follow the Safe Work Method Statement that has been developed – if you have questions ensure you ask these before departing the induction/briefing. There are three key areas of focus facilitating delivery, vehicles and potential for abuse.

Whilst delivering services and / or goods, workers may be subjected to abuse or hostile situations due to the stress of the situation on vulnerable persons. Ensure workers use lone working emergency alert systems where applicable. Work in pairs where possible. Disengage from the situation where possible.

Workers are at risk of road accidents whilst delivering services and / or goods to vulnerable persons. Ensure workers have a valid driver's license and adhere to the driving rules and any associated policy or procedures.

Fatigue is a significant risk for workers. Stick to your rostered hours and ensure you have regular breaks and rest overnight to ensure fatigue is minimised.

Please report any incidents that occur.

	<ul style="list-style-type: none">• Consider keeping sanitiser in your car, garage or at the front door. Be careful of the surfaces you touch before you have been able to wash, including in your car and the front door.• Consider wiping down the surfaces in your car after every use.
	<ul style="list-style-type: none">• Ideally, have a shower immediately after arriving home and wash well with soap.• Do not get within 2 metres of your family until after this time.
	<ul style="list-style-type: none">• Get out of the clothes you were wearing and put them in the wash.• Have your own set of cutlery/crockery at home
	<ul style="list-style-type: none">• If you are feeling unwell, even if it is likely a common cold or something more mild, maintain the recommended distance and do NOT go into work.

Managing a Resident Event

In the event that you are working with residents, there is a process for keeping you safe during these interactions. In the instance that you arrive at a property and the resident needs medical assistance call emergency services immediately.

Medical Incident

- Wear rubber gloves
- Reassure the patient and call emergency services on 111
- Follow the guidance of the operator
- Once assistance arrives remove gloves, apply sanitiser, remove contaminated clothing as possible
- Notify Management of incident
- Return home and shower, wash clothing.

Uncontactable Resident

- You have been unable to contact the resident by phone, contact to see if the resident is in the home. If you cannot contact the emergency contact, phone the hospital to check if they are there
- If the resident should be in the home, phone a neighbouring resident to check if it appears the resident is not in the home or may have had a medical incident (including death) from the outside of the home – do not enter the home
- If you are still unable to contact the resident or they appear to be home but not answering, call the police on 111.

Fatality

- If a resident is found by NCC workers, do not touch anything, including the person. Wear gloves if you have them
- Call the police, the police will call the undertaker
- Call the next of kin or emergency contact if you have those details, or leave the police to do this if you do not have the numbers
- Stay at site until the police have said you can leave the premises
- Secure the flat / home and, if the only resident, turn off any electrical equipment, including main stove switch, but **not** the fridge
- Put any perishable food in the fridge
- Only if next of kin has been contacted, advise any neighbour or bystanders of situation, keeping in mind privacy for the family.

In any of these instances Contact OCP if you would like to discuss this event on 0800 377 990.

**Appendix 1: Welfare Surveys setup by
IMT group to be in this section**

Appendix 2: What should I do if I am immune-compromised?

You are at high-risk if you are over 70, have a compromised immune system or have underlying health conditions.

People with underlying medical conditions include a compromised immune system, liver disease, kidney disease, heart disease and diabetes mellitus, pregnant people or those on immunosuppressant medications.

You need to take more precautions to protect yourself against all infections, including COVID19.

Avoid close contact with people with cold or flu-like illnesses.

- Cover coughs and sneezes with disposable tissues or clothing
- Wash hands for at least 20 seconds with water and soap and dry them thoroughly;
 - Before eating or handling food
 - After using the toilet
 - After coughing, sneezing, blowing your nose or wiping children's noses
 - After caring for sick people.

Additional measures that you and your whanau and friends can take include:

- Stay at home, and ask others to pick up supplies for you. You just need to ask them to leave these at the door, rather than come in. Drop offs at the door (rather than coming in) will protect vulnerable people from exposure to COVID19
- Stay at least 2 metres away from people who are unwell
- If you are unwell, avoid contact with someone who is immune-compromised
- If your health care provider advises you to wear a mask when in public areas because you have a particularly vulnerable immune system, follow that advice
- If you are taking immunosuppressive drugs we advise that you do not stop this medication without first consulting your GP or specialist.

Appendix 3: Working From Home Assessment

Conducted on	Date
Prepared by	

Overview

If you are required to work from home for any reason, you will be required to undertake an assessment to ensure your workstation / place of work has been set up in a suitable manner for you to conduct your work safely.

Need help?

It can be difficult to set up a remote workstation so take the time to make sure you have a good set up. If you need help setting up your workstation or experience discomfort refer to the Habit at Work website for set up guidance, exercises and other resources to help make yourself as comfortable as possible. www.habitatwork.co.nz.

Assessment

Are your surfaces clean and sanitised regularly?	
Are all rugs, mats, cords or loose items secured or moved out of the way to minimise trip hazards?	
Do you and everyone else know the correct hand washing techniques, using soap and water, and washing for a minimum of 20 seconds?	

Workstations

Do you have a desk or table to work from?	
Are you able to sit in this area without hunching over to complete your work?	
Is your chair set up to give your lower back support while your feet are flat on the floor? E.g. put a cushion behind your back	
Do you have enough surface space on your desk or table to work comfortably?	
Are your keyboard and mouse clean and easily accessible?	
Can you easily reach everything that you need without twisting and straining your upper body?	
Do you have a window or long-distance view to look at every 15 minutes to give your short-sighted muscles a rest?	
Is your display screen clean and positioned so there is no glare from windows or light? (shut curtains or blinds where possible)	

The top toolbar of your monitor screen should be at eye level when viewing with an upright head and neck posture. (use household items within your home to lift your monitor to eye level e.g. books, containers) laptops are not so easy to adjust but do your best. Be practical.	
Your keyboard where possible should be flat and should be 10 – 12cm in front of you.	
Do you require some further tips and or guidance on setting up your home work station? If so email safetyandrisk@hbemergency.govt.nz	

Emergency response

Do you have an emergency evacuation procedure in case of fire, earthquake or any other emergency?	
Are your smoke detectors working and have they been checked within the last month?	
Do you have access to a fully equipped first aid kit?	
Are electrical cords or equipment in good condition and not at risk of sparking or shortage?	

Lone working

<i>It is understood that some workers are required to have confidential information on their laptops or sensitive documentation within their homes. Where this occurs, it needs to be as secure as possible and all paper copies are to be disposed of correctly when returning to the workplace. Do not dispose of in general landfill rubbish.</i>	
Do you live with someone who can check on you throughout the day?	
Do you have the name and number of a Manager or a friend who you can get in touch with easily where required?	
Do you have a process in place to regularly call into to your manager and/or friend? (e.g. beginning at the shift, throughout the day and end of the shift?)	
Are confidential files kept secure and will they be disposed of correctly when possible (e.g. return to work and shredded?)	

Appendix 4: Health Declaration

Date	Full Name	DOB	Daytime Phone Number

The following screening questions are vital to ensure the operational capabilities of the NCC remain intact. If you answer YES to any questions, this does not necessarily preclude your involvement, however you may receive a call from the NCC Health and Safety for further discussion. Please return the completed form to healthandsafety@napier.govt.nz

- Do you have any of the following:

	YES	NO
Fever	<input type="checkbox"/>	<input type="checkbox"/>
Cough	<input type="checkbox"/>	<input type="checkbox"/>
Sore throat	<input type="checkbox"/>	<input type="checkbox"/>
Shortness of breath	<input type="checkbox"/>	<input type="checkbox"/>
- Have you been in close contact with anyone unwell with any of the above symptoms over the last 14 days; or are you aware of any situation in which you may have been exposed to COVID-19?

	YES	NO
	<input type="checkbox"/>	<input type="checkbox"/>
- Have you or anyone in your household travelled overseas in the last 14 days?

	YES	NO
	<input type="checkbox"/>	<input type="checkbox"/>
- Are you or any close contacts waiting on test results for COVID-19?

	YES	NO
	<input type="checkbox"/>	<input type="checkbox"/>

By signing, I confirm that this information is correct to the best of my knowledge. I will notify NCC if my circumstances change.

Signed: _____

Date: _____

Appendix 5: Other Workers Deployment Checklist

Process

NCC is utilising 'other workers' i.e. suppliers, contractors, couriers to supply essential services or deliveries for NCC. If escalation occurs and NCC are directly coordinating the event, then the following will happen:

- Health and Safety will coordinate to provide a health and safety briefing covering":
 - Induction
 - Safe Work Method Statement training
 - Incident reporting
 - Going Home process.
- Issue relevant personal protective equipment or ensure correct PPE is being used
- Complete Health Declaration and provide the documents as per below

NCC work in the community as do 'others'. To ensure the safety and health of all workers, we request that the following information is submitted to healthandsafety@napier.govt.nz.

Documents required are:

Document Type	Evidence Attached
Signed induction	
Health and Safety Briefing	
Signed off appropriate SWMS	
Personal Health Declaration Form	
Personal Protective Equipment	
Licenses i.e. drivers	

Appendix 6: Pandemic Audit Checklist

NCC utilises 'others' i.e. contractors, suppliers, couriers, to do work in the community. To ensure the safety and health of all workers, we request that the business confirms that they are managing following information for their workers via return Statement. NCC has developed Safe Work Method Statements that are available to assist others with delivering their services. If you require this documentation, please do ask.

Documents required for the audit are: These can be blank forms. Evidence based audits may be completed to confirm these are being completed, at which point a specific example will be required.

This should be submitted to healthandsafety@napier.govt.nz

Document Type	Process Summary or Attached
Induction process	
Health and Safety Briefing	
Signed off appropriate Safe Work Method Statement or Task Analysis	
Personal Health Declaration Form	
Personal Protective Equipment	
Licenses i.e. drivers	

Agency Name: _____

Name: _____

Date: _____

Appendix 7: Returning Home

ARRIVING HOME SAFELY



BEFORE LEAVING WORK –
Shower if possible and change out of work clothes



ARRIVING HOME –
Wipe steering wheel, controls and door handles



AT FRONT DOOR –
Pause, Breathe, Reset. Take your time



KNOCK ON DOOR –
Open from inside – Step in



SHOUT HELLO –
To loved ones. **No cuddles yet**



PLASTIC BOX AT DOOR –
Doff your work/commute shoes, outer clothes/coat/bag, keys, pens and glasses. **Wipe down with damp soapy cloth**



PHONE –
Kept at work in clear zip lock bag. Empty out bag into box – wipe phone clean and throw the bag away



WORK BAG –
Has to be washable - Keep in a locker at work and a box by the front door at home



WALK STRAIGHT TO SINK/SHOWER –
Don't touch doors, get someone else to open them for you. Wash or shower especially hands, arms and face with soap and hot water







YOU ARE CLEAN
Relax and enjoy your evening



Appendix 8: PPE from MoH

Personal Protective Equipment (PPE) requirement for essential non-health[‡] workers - COVID-19

Basic hygiene measures for everyone include; physical distancing, good hand hygiene, cough etiquette, regular cleaning of surfaces and frequently touched items, avoid touching face, eyes, mouth and nose

Group	 Mask	 Gloves	 Eye Protection*	 Long sleeve gown
Accommodation Camp grounds	✗	✓ Use for cleaning	✗	✗
Border: Customs, Maritime pilots, Stevedores	✓ If not able to maintain physical distancing	Follow usual health and safety aspect of job and wear what is 'business as usual'	✗	✗
Building and Construction Plumbers, builders and electrician	Follow usual health and safety aspect of job and wear what is 'business as usual'			✗
Courts, tribunal workers	✓ If not able to maintain physical distancing	✓ If having physical contact with person and a risk of contact with body fluids		✗
Fast moving consumer goods, Delivery drivers (all goods including courier service)	✗	✗	✗	✗
Supermarket staff	✗	Staff may wish to wear for reassurance	✗	✗
Financial services – personnel/ customer facing	✗	✗	✗	✗
Local and National government Staff involved in COVID-19 response <i>office based</i>	✗	✗	✗	✗
Primary Industries. Food production, processing food,	Follow usual health and safety aspect of job and wear what is 'business as usual'			
Primary Industries. Animal welfare staff and veterinarians	Follow usual health and safety aspect of job and wear what is 'business as usual'			
Police, Fire -in first responder role, Prison staff, Court staff,	✓ If not able to maintain physical distancing	✓ If having physical contact with person and a risk of contact with body fluids		✗
Public safety and National security, Ministry of Defence, Ministry of Justice	✓ If not able to maintain physical distancing	✗	✗	✗
Social Services	✗	✗	✗	✗
Utilities and communications, including supply chain	✗ However if your usual standard operating procedure or Health & Safety guidance requires you to wear, then continue to follow that guidance	Follow usual health and safety aspect of job and wear what is 'business as usual'		

[‡] Refer to <https://covid19.govt.nz/government-actions/covid-19-alert-level/essential-businesses/> for your business sector

* Face shield or goggles. Prescription glasses are not classed as eye protection. Remember to clean reusable eye protection between use.

New Zealand Government

HP7353



Compliance to Health and Safety Legislation

Name of Act	Means of compliance	Any non-compliance concerns
ACC Compensation Act, 2001. Amendment Act, 2014	External finance auditing	
Dangerous Goods Labelling Regulations, 1978	External hazardous substances auditing completed	
Hazardous Substances and New Organisms Act, 1996	External contractor for hazardous substances auditing	
Health and Safety at Work Act, 2015	Constant and ongoing monitoring by internal health and safety	
Land Transport (Road Safety and Other Matters)	Relates only to permitted alcohol levels when driving a vehicle.	
Misuse of Drugs Act, 1975	Relates to requirements in our Workplace Drug and Alcohol Policy	
Smoke-Free Environments Act, 1990 & Smoke-Free Environments Amendment Act 2003	Relates to our Workplace Smoke Free Policy. Complaints to go to Department Managers	
The Privacy Act, 1993	Relates to requirements in our Workplace Drug and Alcohol Policy and our Workplace Security Policy.	
Name of Regulation <i>(Note – these are considered to be legislation)</i>	Means of compliance	Any non-compliance concerns
Hazardous Substances Regulations, 2017	External hazardous substances auditing	
Health and safety at work (Asbestos) Regulations 2016	Internal checking and monitoring. Use of NCC approved and competent contractor	Review undertaken, plans in place, transfer station requiring education
Health and Safety at Work (General Risk and Workplace Management) Regulations, 2016	Internal checking and monitoring.	
Health and safety at Work (Hazardous Substances) Regulations 2016	External hazardous substances auditing	

Health and Safety at Work (Worker Participation, and Representation) Regulations, 2016	Internal checking and monitoring.	
Name of Approved Code of Practice <i>(Note - while not strictly considered the law, Worksafe NZ strongly advise these ACOPs are adhered to)</i>	Means of compliance	Any non-compliance concerns
Management and removal of asbestos	This work is primarily undertaken by contractors, Internal checking and monitoring, NCC trained and competent removal persons <10sqm	
Safety in excavation and shafts for foundations	Competent and trained staff and approved contractors used	
NZ Electrical Code of Practice for managing electrical risks	We only use licenced electricians, with the expectation they comply with this Code of Practice	
Manual handling	Occupational Therapists, ACC Habitatwork, Precious McKenzie, elearning modules to name a few.	This is quite an old code of practice. Some of the items have been arguably superseded.
Management of noise in the workplace	Health monitoring, internal auditing, spot checking	
Maintenance of trees around powerlines	Approved contractors for most work, NCC arborists are also used, trained and competent	
Secondary containment systems	External hazardous substances auditing	
Outdoor pyrotechnic displays	Relating to New Year's Eve for example, and notification to WorkSafe, paperwork to HS to approve	
Cranes	Only experienced and competent contracting companies do this work. Internal monitoring of this	
Load-lifting rigging	Experienced and competent contracting companies primarily do this work. Internal staff provided training. Internal monitoring of this. External companies undertake checks of the actual equipment.	

Lessons Learnt – Rock Fall

August 2020

1	General	NCC have had reports that traffic was speeding along the detour route.	Speed resulting in an unsafe road.	Speed mitigation in future detours. This was reported by residents of Coote Road.
2	Communications	Road closed without signage stating rock falling was underway.	Members of public not aware of the works after V.M.S relocated.	Additional signs required to capture all members of public.
3	Change Management	In previous rockfall project change was not formally documented.	Risks not identified and controls not put in place.	PM was first point of contact for any change in plan. Should a change be required the risks would be evaluated by the project team, documented and controls put in place.
4	Stakeholder Management	During previous detours not all stakeholders were notified.	Confusion around works and detour routes.	Refer to this Projects stakeholder register for all contacts.
5	Schedule	Road users not aware the road was due to be closed.	Confusion with regard to works.	V.M.S Boards deployed seven days prior to works which were passed by all road user tat enjoy walking this track at weekend.
6	Procurement	Potential delays with work due to tendering periods.	Extension in the project start date.	Work award to contractors under emergency procurement.
7	General	The following was reported to have worked well on the	Dissatisfied stakeholders.	A combined Pre-start meeting in which: - All site crew attended. - Crew introduction (names/ company and role) - Project brief given by the NCC PM - Complete prestart in which the day is mapped out. - Complete SSSP update and sign off, and - Reinforce Change Management requirements.
8	Construction	During works the TM did not encapsulate all walkers.	This resulted in some pedestrians walking up to the security fencing.	Ensure all footpaths, roads and access points have adequate traffic management signage to inform pedestrians.
9	Scope	One rock had been identified for removal. After removal Absell Access identified additional rock which may pose a risk in future.	The rocks will be monitored as part of NCC ongoing maintenance.	Absell Access have placed some reflective markers on the removed rock base to allow NCC to survey and monitor the rocks. PM to raise with Sponsor and survey team to build into the cliff face monitoring and maintenance plan.
10	Team Resources	Risk of project not going as planned.	Reputation damage to NCC/ Dis-satisfied customers.	NCC engaged with three reputable contractors which were: 1. Absell Access - complete rock removal - Charles Loader 027 466 9522 2. Downers - Provide barriers, TM, Site clean up Etc - Sam Staples 027 705 9593 3. Stantec - Provide advise on geotechnical requirements - Grant Maxwell 027 268 5021
11	Stakeholder Management	Traffic Management deployed not practical for stakeholders.	Confusion with regard to truck movements/ Port not operational.	Draft the Traffic Management plan and share/ discuss with Andrew Morton 027 5619 079 at the Port, Sandy Walker 027 485 6038 Road Transport Association and Max Robertson of Higgins.
12	Schedule	Previous Rock fall projects had run over time.	Reputation damage to NCC.	NCC establish how long the work will take using the likely scenarios from leveraging to using explosives. The worst case was planned for which allowed NCC to complete works early and open the road 26 hours early.



Health and Safety Management System Framework Tier 1

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Health and Safety Policy			
Approved by	Chief Executive		
Department	People & Capability		
Original Approval Date	19 April 2018	Review Approval Date	12 February 2019
Next Review Deadline	12 February 2020	Document ID	350878
Relevant Legislation	Health & Safety in Employment Act 2015		
NCC Documents Referenced	Not Applicable		

Purpose

The purpose of this policy is to ensure NCC maintain and continually improve a safe working environment and commit to responsible management practices.

Health and Safety Policy

Our Commitment to Health & Safety

At Napier City Council, we value the wellbeing of our employees, contractors, customers and others as well as the environment and communities in which we operate. We continually look at ways to effectively maintain and continually improve a safe working environment, and are committed to responsible management practices that minimise any adverse health, safety or environmental impacts.

We do this in the following ways:


- Provide and maintain safe working environments, procedures and operations.
- Train and coach our people to perform their work activities safely and effectively.
- Provide appropriate personal protective equipment to staff and site visitors.
- Continuously improve the performance of health and safety at our sites.
- Ensure the accurate and timely reporting, recording and investigation of all incidents, so that we can all learn from them.
- Ensure that our work activities are only attempted or undertaken when it is safe to do so.
- Consult and participate with our people and their nominated representatives.
- Support the safe and early return to work of ill and injured employees.
- Take appropriate disciplinary action where breaches of safety are committed, subject to the Just Culture process.
- Assess, induct and monitor the health and safety behaviours of contractors working for us.
- Actively encourage and facilitate communication on Health and Safety.

Employees and contractors share in our commitment to Health & Safety and are required to:

- Keep themselves safe while at work and ensure that other workers, and members of the wider community are not put at risk or injured by their acts or omissions.
- Wear and maintain the protective equipment provided.
- Identify and resolve together all health and safety issues. Report unsafe acts and conditions and all incidents, including near-misses, as they arise.
- Actively participate in our return to work program and early reporting of pain and discomfort.

We measure our success by improving on our lead and lag performance measures and by meeting relevant legislation, regulations, and codes of practice, best-practice standards and safe operating procedures.

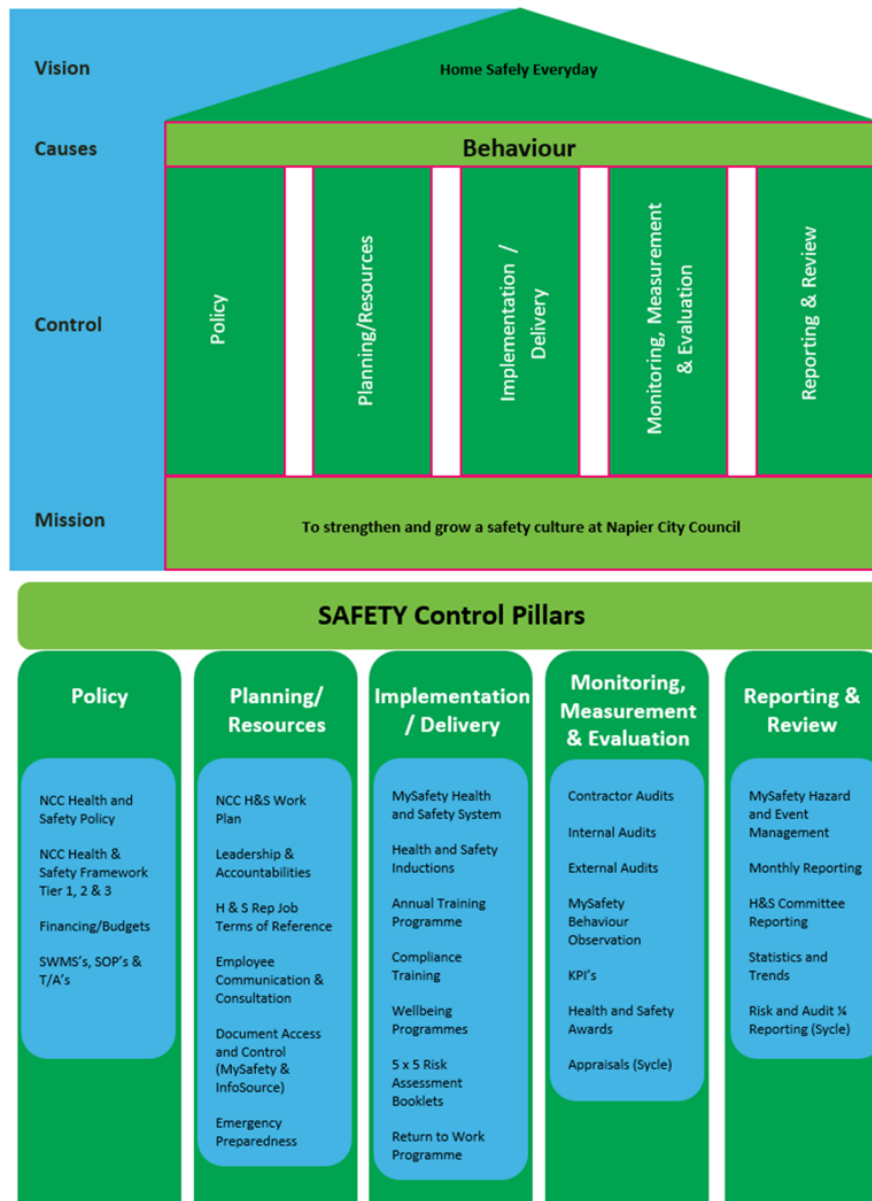
Our Health & Safety Committees assist the Council to promote good health and safety practices. The Committees are responsible for the implementation, monitoring, review and planning of health and safety policies, systems and practices.


Wayne Jack
Chief Executive

21/03/2019
Dated

NCC HEALTH AND SAFETY PILLARS

Health and Safety Management is an integral part of business planning with Health and Safety Management goals and targets established to drive continual improvement in performance.

Health and Safety Foundations

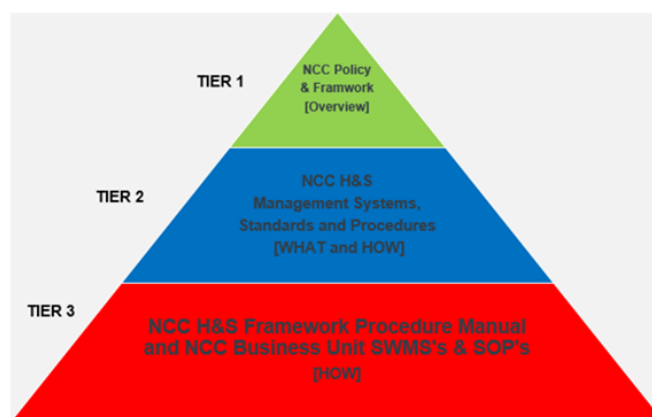
HEALTH AND SAFETY MANAGEMENT SYSTEM FRAMEWORK

INTRODUCTION

The purpose of the Napier City Council (NCC) Health and Safety Management System Framework is to:

1. Provide a structured approach to NCCs health and safety activity.
2. Foster and protect personnel well-being.
3. Meet legislative requirements for health and safety.
4. Minimise overall risk from a company perspective.
5. Promote continuous improvement in health and safety performance.

These documents sets out policy and specifies desired outcomes. It defines responsibilities and accountabilities, provides guidance on where to obtain additional information, and is the basis against which Health and Safety programmes will be audited and appraised and applies to all NCC owned or controlled operations and assets.



Tier 1: NCC H&S Policy and Framework

This is mandatory to all NCC operations as defined in the Framework. Health and Safety management processes shall be implemented based on the commitments in the Policy, and the Performance Requirements outlined in this Framework Tier 1.

Tier 2: NCC H&S Systems, Standards and Procedures

These are mandatory to all NCC operations as defined in this Framework. Health and Safety Standards are performance based in nature and typically focus on more specific areas of risk. Procedures are typically prescriptive in nature and address specific areas e.g. incident reporting and investigation, hazard and risk management, where it is important that activities are carried out consistently across NCC.

Tier 3: H&S Framework Procedures and Standard Operating Protocols

Each Business Unit shall apply Tier 1, 2 & 3 Systems and Procedures. In applying the Framework Tier 3 Procedure, the Business Unit will in addition develop its own processes, procedures, SWMS's, SOP's etc, and that will act as the basis for developing health and safety competencies of people.

RISK MATRIX

The following is the Risk Matrix used by NCC.

Likelihood	Almost Certain 80-100% probability that the event will occur at least once in every 1 to 1 ¼ years, or every time the activity is carried out, or there is exposure to the hazard. Probability: Over 0.8 (>4:5)	Medium	Medium	High	Extreme	Extreme
	Likely 50-79% probability that the event will occur once every 1 ¼ years to 2 years, or more often than not when the activity is carried out or there is exposure to the hazard. Probability: 0.5-0.79 (1:2 to 8:10)	Medium	Medium	High	Extreme	Extreme
	Possible 25-49% probability that the event will occur once every 2 years to every 4 years, or likely to occur less often than not when the activity is carried out or there is exposure to the hazard. Probability: 0.25-0.49 (1:4 to 1:2)	Low	Medium	High	High	Extreme
	Unlikely 2-24% probability that the event will occur at least once in every four years to every 50 years, or is seldom likely to occur when the activity is carried out or there is exposure to the hazard. Probability 0.02-0.24 (1:50 to 1:4)	Low	Low	Medium	High	Extreme
	Rare 0-2% probability that the event will not likely occur more than once in 50 years, not is not likely to occur when the activity is carried out or there is exposure to the hazard. Probability: 0-0.02 (<1:50)	Low	Low	Medium	Medium	High
		Minor injury or ailment that does NOT require medical treatment by a physician or a qualified first aid person	Injuries or illness requiring medical attention with no long term effects, OR Exposure of public and staff to a hazard that could cause minor injuries or minor adverse health effects	One or more injuries or illness requiring hospitalisation with some long term effects, OR Public or staff exposed to a hazard that could cause injuries or moderate adverse health effects	One or more serious casualties or illness with long-term effects, OR Public or staff exposed to a hazard that results in major surgery or permanent disablement.	One or more fatalities or life threatening injuries or illness, OR Public or staff exposed to a severe, adverse long-term health impact or life-threatening hazard.
		Insignificant	Minor	Moderate	Major	Severe
Consequence						

Consequences:

Focuses on the potential consequence/s presented by the hazard in its assessed state of control. The consequences are those of credible scenarios (taking the prevailing circumstances into consideration) that can develop from the hazard. These can be thought of as the consequences that could have resulted from the release of the hazard if circumstances had been less favourable.

Likelihood:

Likelihood is estimated on the basis of historical evidence or experience that such severity has materialised within the industry the hazard is primarily associated with, or the company.

Cross-reference the Consequence and Likelihood to determine the Risk score. The colours within the matrix are aligned with the level of risk. The level of risk is utilised to determine the controls, communication and monitoring requirements of the hazard.

DEFINITIONS

Reasonably Practicable	NCC and other PCBU's ensuring the health and safety of workers and any other persons are not put at risk by its work.
Contractor	Any person or entity that carries out work at on NCC workplace or facility under a contract between NCC and the person, entity or the person's employer.
Employee	Any direct employee of Napier City Council.
ERP	Emergency Response Plan
PCBU	A business entity such as a company.
HSMS	The "Health and Safety Management System" described in this document.
HSMS Framework	This Health and Safety Management System Framework document.
Incident	An unplanned event, or chain of events, which has, or could have, caused injury or illness and/or damage (loss) to people, assets, the environment, or reputation.
H&S Plan	A documented course of action, outlining responsibilities and objectives, within a defined period.
Notifiable Event	As defined by WorkSafe.
Other	Anyone else in the workplace or facility of NCC.

PLANNING AND RESOURCES

OVERVIEW

MANAGEMENT OF NCC HEALTH AND SAFETY FRAMEWORK

H&S Policy, Standard & Procedure Development or Change

NCC will use the following process to develop, implement and change Tier 1 and 2 Health and Safety policy, standards, and procedures.

1. Suggestions shall come to the Lead Health and Safety Committee.
2. The Lead Health and Safety Committee will review the suggestions, approve changes or development, and ratify final drafts.
3. The Chief Executive will sign off on the new or adjusted Health and Safety policy.

Tier 1 & 2 Policy, Standard & Procedure Implementation

Once Tier 1 and 2 Health and Safety policy, standards, and procedures have been approved by the Chief Executive, Directors, Business Unit Managers and their reports will be responsible and accountable for their implementation and review.

Management are responsible for implementing policy, standards, procedures and guidelines consistent with this Health and Safety Management Framework.

KEY AREAS OF FOCUS FOR THE HEALTH AND SAFETY MANAGEMENT FRAMEWORK

- **Leadership and Accountability**

NCC CE, Directors, Managers, Employees, Contractors and Volunteers understand their accountabilities and demonstrate active leadership and a commitment to Health and Safety management

- **Planning and Resources**

Health and Safety Management is an integral part of business planning with Health and Safety Management goals and targets established to drive continual improvement in performance

- **Hazard and Risk Management**

Health and Safety hazards and risks are systematically identified, and associated risks assessed and control strategies put in place to manage their impact to as low as reasonably practicable

- **Safely Controlling Operations**

All operational activities are managed in such a way to prevent negative Health and Safety outcomes

- **Information, Training and Supervision**

Employees, Volunteers, Contractors and visitors are aware of relevant Health and Safety requirements, hazards, risks and controls, so that they are competent to conduct their activities and behave in a responsible manner

- **Incident Management**

Incidents are reported, investigated and analysed to determine underlying root cause. Corrective actions are taken and lessons shared

- **Emergency Management and Business Continuity**

Procedures and resources are in place to respond to all potential emergencies, and return the business to normal operations in a timely manner

- **Health, Wellness and Injury Management**

Employees are provided wellness support, protected from health hazards associated with their work and have access to effective injury management processes

- **Communication and Consultation**

Internal and external communication and consultation on Health and Safety matters is carried out in a consistent fashion and allows for the input of key stakeholders, particularly employees

- **Monitoring, Audit, and Management Review**

Health and Safety performance and systems are monitored, audited and reviewed to identify trends, measure progress, assess conformance and drive continuous improvement.

DOCUMENTATION

It is essential that all aspects of the Health and Safety Management Framework be thoroughly and clearly documented. This is to ensure consistent application throughout NCC. Documentation also helps in the review process, and auditing of the system and its components by internal or external groups.

All Health and Safety components that form part of the Health and Safety Management Framework will be controlled documents as per existing NCC processes.

Any proposed changes to the Health and Safety Management Framework will follow the process outlined in 2.3 above. The issuing and control of new or changed documentation relating to the Health and Safety Management Framework will, once signed off, be the responsibility of the Health and Safety Lead.

PLANNING

The Health and Safety planning process is as follows

1. Development
2. Sign off
3. Monitoring and performance measurement, and
4. Review

Health and Safety planning will be carried out as part of the wider business planning processes in NCC.

LEADERSHIP & ACCOUNTABILITY

NCC Directors, Managers, Employees, Volunteers and Contractors understand their accountabilities and demonstrate active leadership and a commitment to Health and Safety management.

KEY PERFORMANCE REQUIREMENTS

- The NCC Elected members endorse the Health and Safety Management Framework, seek assurance of conformance and regularly review performance, critical health and safety risks, and strategic issues

- NCC Chief Executive (CE), Directors & Managers provide strong and visible leadership and commitment in promoting the activities, attitudes and behaviour that support the Health and Safety Policy and Framework
- The Chief Executive is accountable to the Elected Members for NCC's Health and Safety Management performance. The CE will approve Health and Safety Policy and Framework documents and monitor performance
- NCC directors and managers are accountable for the Health and Safety Management performance of their business areas
- Health and Safety Management roles and accountabilities of Employees, Volunteers and Contractors are defined and specific, and measurable activities, goals and targets are included in performance plans and appraisal systems
- Systems are in place to recognise, reinforce and reward Health and Safety Management innovation, initiatives, and desired behaviours and outcomes

LEADERSHIP

Elected Members Leadership

The Elected Members will demonstrate their leadership and commitment to this Health and Safety Management Framework by:

- Endorsing high level Health and Safety Management Framework
- Provide governance oversight for H&S objectives and key targets that will enable them to track performance
- Endorse HS Programs and activity are provided for in budgets and plans
- Ensuring an appropriate risk governance structure is in place
- Supporting the Corporate Risk Management Strategy including risk management as a key element of the Councils' Long Term Plan, Annual Plan as well as other strategies, plans and documents

Chief Executive and Directors

The Chief Executive and Directors will demonstrate their leadership and commitment to the Health and Safety Management Policy and Framework by:

- Creating a culture that allows all employees, volunteers and contractors to use their skills and knowledge to take personal ownership for Health and Safety Management in the workplace
- Taking a personal interest in incidents within their area of influence, ensuring proper reporting, recording, investigation and follow up, and the welfare of people involved
- Ensuring a high priority to Health and Safety Management through its prominence in business plans, projects, and performance reviews
- Providing adequate resources and training to ensure the success of Health and Safety Management initiatives.
- Actively and regularly participating in Health and Safety Management activities such as training, workshops, audits, and reviews.
- Including Health and Safety as an agenda item at Employee, Contractor and management meetings

ACCOUNTABILITY

The Health and Safety Management accountabilities for all levels of NCC Employees are summarised below. These are expanded in specific Health and Safety related procedures, key performance indicators, and may also be supplemented by more specific detail in position descriptions.

The method for assessing the fulfilment of such responsibilities is through the NCC performance management system and in some instances auditing against specific operating procedures.

Chief Executive, Directors and Managers

The Chief Executive has the overall accountability for the management of Health and Safety of Employees, Volunteers, Contractors and visitors across NCC operations.

They will ensure that effective and sustainable Health and Safety Management systems and practices are in place for all parts of the business, and that they are appropriately planned, resourced, monitored and reviewed regularly.

Business Unit Managers

The NCC Business Unit Managers have direct accountability for the Management of Health and Safety of Employees, Volunteers, Contractors, and visitors to their operations. To ensure adequacy of Health and Safety management they shall ensure performance objectives are assigned to individuals within their sphere of influence. Business Unit Managers also have responsibility for developing Health and Safety Plans for their areas and ensuring all required activities are adequately budgeted for.

Team Leaders

NCC Team Leaders are responsible for:

1. Identifying relevant industry standards that apply to their operations and areas of expertise and understanding what needs to occur to meet those standards
2. Ensuring Health and Safety issues within their sphere of influence are addressed
3. Ensuring that the NCC Health and Safety Management system is implemented into all parts of the business that they are responsible for
4. Ensuring the Health and Safety management system is maintained, monitored and regularly reviewed to ensure ongoing adequacy
5. Reporting any issues or deficiencies in the Health and Safety Management system to their managers
6. Ensuring the implementation of systems and Hazard and Risk Management processes as defined in the NCC Health and Safety Management system

Leads and Coordinators

1. Ensuring all elements of the NCC Health and Safety Management system, as applicable to their sphere of influence, are implemented, maintained and improved
2. Reporting any issues or deficiencies in the Health and Safety Management system to their managers
3. Ensuring Health and Safety issues within their sphere of influence are addressed

4. Ensuring that all Employees and all Contractor staff are inducted, trained and/or supervised, that Health and Safety information is supplied to them, and that Employee participation is actively encouraged
5. Ensuring incidents are accurately reported, recorded, and investigated to identify and address multiple and underlying causes
6. Ensuring the implementation of systems and Hazard and Risk Management processes as defined in the NCC Health and Safety Management system

Employees and Contractors

Responsible for:

1. Protecting themselves, their fellow workers and any other party from unsafe situations by carrying out their duties in a safe and responsible manner
2. Ensuring recommended industry standards are followed
3. Actively encouraging safe behaviour from their work colleagues
4. Reporting all incidents, including near misses, whether or not these incidents involve actual consequence
5. Participating in training and working safely, including the proper use of safety equipment

Health and Safety Lead and Team

Responsible for:

1. Providing general advice and direction to the NCC business in Health and Safety matters
2. Assisting NCC managers in implementing and maintaining the Health and Safety Management system
3. Assisting in the investigation of incidents with significant potential consequences
4. Assisting in the monitoring and review of the health and safety management system
5. Keeping abreast of changes and developments to relevant legislative, regulatory, and practice/standards, and raising awareness of the same within NCC

EMERGENCY MANAGEMENT AND BUSINESS CONTINUITY

Procedures and resources are in place to respond to all potential emergencies, and return the business to normal operations in a timely manner.

KEY PERFORMANCE REQUIREMENTS

All NCC sites and operations have emergency response plans addressing the worst possible but credible scenarios. These are pre-planned and tested regularly

An NCC Crisis Management Plan is in place, understood by key duty holders, and it is tested on a regular basis to ensure its effectiveness

An NCC Business Continuity Plan is in place, understood by key duty holders, and it is tested on a regular basis to ensure its effectiveness.

GENERAL

NCC is committed to protecting our Employees, Contractors, Others and any potentially affected members of the public in the event of emergency situations.

EMERGENCY RESPONSE PLANS

Emergency response plans and procedures for dealing with likely emergency scenarios will be developed and staff trained in their application.

Emergency response plans will define organisation and responsibilities of key roles, requirements for induction and staff training in emergency response, the incident command structure, call lines of command, systems and procedures in place to prevent escalation, on site communications structures and equipment, desktop testing schedules, location drills and exercises and scheduled reviews of plans and procedures.

CRISIS MANAGEMENT PLANS

NCC will ensure integrated Crisis Management Plans are in place for Business Units and the wider business.

BUSINESS CONTINUITY PLANS

NCC will ensure Business Continuity Plans are in place for Business Units. These will ensure Business Units are able to return to normal business operating function in a timely manner.

HEALTH, WELLNESS AND INJURY MANAGEMENT

Employees are provided wellness support, protected from health hazards associated with their work and have access to effective injury management processes.

KEY PERFORMANCE REQUIREMENTS

Occupational health assessments, and on-going monitoring program, are conducted for occupations, tasks and work environments, consistent with exposure to health hazards and risks

In all instances where the control of health hazards has not adequately reduced exposure, personal protective equipment requirements shall be identified and communicated, appropriate training provided, and properly maintained equipment made available to Employees

All Employees, Contractors and Others have access to adequate medical and first aid services as appropriate to the location and nature of the operations

There are communicated systems in place for the rehabilitation of Employees following work and non-work related injury or illness

NCC will have in place initiatives to promote and encourage a safe and healthy lifestyle

All Employees have access to relevant support mechanisms for dealing with physical and psychological issues that may impact on their ability to carry out work safely

PRE-EMPLOYMENT AND EXIT HEALTH ASSESSMENTS

A pre-employment health assessment will be completed for all new Employees who work in at risk areas within the business. The purpose of the pre-employment health assessment is to assess prospective Employee's medical capacity to safely complete work tasks, and records benchmarking

for on-going health surveillance. The assessment is part of the recruitment process prior to offer and commencement of employment.

NCC operates a two tiered pre-employment health assessment process.

1. High Risk - Occupations working on high-risk operational sites will undergo a medical examination via an NCC approved medical provider. This may, at the discretion of NCC include the prospective Employee's medical provider.
2. Low Risk - For lower risk Employees e.g. office based staff, the pre-employment health assessment involves a series of questions regarding the Employee's health status.

To ensure that NCC maintains a current understanding of health assessment requirements, it will review the pre-employment health assessment requirements (based on exposure to hazards) as part of the HSMS Framework review described in Section 10.3.

WORKPLACE AND PERSONAL HEALTH MONITORING

Health monitoring may be required where a significant hazard has not been eliminated. In this instance it is necessary to assess the Employee's exposure to the hazard. This may involve indirect monitoring by assessing the workplace environment and/or direct monitoring of the Employee's health e.g. audiometry.

Any requirement for health monitoring shall be identified through the hazard management processes, incident investigation or external monitoring.

Health assessment and monitoring covers the following areas:

- Identification of potential health hazards
- Identification of Employees requiring monitoring
- Determination and implementation of appropriate monitoring protocols
- Consent and the provision of information
- The identification of appropriate providers
- The disclosure of results and privacy issues
- Management of sub optimal results
- Feedback into the hazard management process

DRUG AND ALCOHOL TESTING

Drug and alcohol use in the workplace creates a range of problems. In light of this, NCC has developed a Drug and Alcohol Policy that outlines a code of behaviour in relation to drugs and alcohol. This ensures NCC's expectations in this area are transparent.

INJURY MANAGEMENT

NCC is committed to assisting injured staff with their early and safe return to the workplace. NCC shall provide support to staff through injury management and rehabilitation processes. Injuries shall be evaluated on a 'case by case' basis to determine support required and where possible, light alternative duties.

EMPLOYEE ASSISTANCE PROGRAMME

NCC will provide its Employees access to an Employee Assistance programme.

COMMUNICATION AND CONSULTATION

Internal and external communication and consultation on Health and Safety matters is carried out in a consistent fashion and allows for the input of key stakeholders, particularly employees.

KEY PERFORMANCE REQUIREMENTS

Employee participation in Health and Safety is critical to effective business operation, and systems to support this are documented, communicated, and implemented.

EMPLOYEE PARTICIPATION

NCC regards the participation of all Employees in Health and Safety Management as a prerequisite for successful implementation. All Employees within NCC will demonstrate their commitment to Health and Safety by:

- 1 personally participating in all Health and Safety initiatives
- 2 becoming actively involved in the management of hazards and risks
- 3 ensuring their own Health and Safety and that of others around them
- 4 providing suggestions and solutions for the improvement of Health and Safety
- 5 participating in the review of Health and Safety initiatives and systems

IMPLEMENTATION AND DELIVERY

HAZARD AND RISK MANAGEMENT

Health and Safety hazards and risks are systematically identified, and associated risks assessed and control strategies put in place to manage their impact to as low as reasonably practicable.

KEY PERFORMANCE REQUIREMENTS

- Hazard and Risk Management processes include the systematic identification of Hazards; the assessment of the Risks of those Hazards; the control of all Risks taking all reasonably practical steps; the induction of recovery measures should controls fail; and the monitoring and review of Hazards and associated Risks, and their controls on a regular basis
- Identified Hazards and associated Risks will be analysed having consideration of the causes of the Hazard and Risk, existing controls and their quality, and the assessment of the potential consequences and the likelihood of occurrence, using NCC's risk management matrix
- The Hazard and Risk Management process involves people with the relevant knowledge and experience including Employees, Contractors, external Specialists, and other stakeholders as appropriate
- Identified Hazards and Risks are evaluated by the appropriate level of management, consistent with the significance of the Hazard and/or associated Risk. The Hazards and Risks are assessed, prioritised and managed as appropriate to the nature, scale and impacts on people and operations. Decisions are documented and the implementation of corrective actions tracked

HAZARD AND RISK MANAGEMENT PROCESS

Hazard and Risk Management is based on the principle that all Hazards and Risks within NCC must be identified, assessed, then controlled to reduce the risk exposure to as low as reasonably practicable. The following outlines the Hazards and Risk Management process.

1. Systematically identify all Hazards and associated Risks
2. Assessing identified Hazards and associated Risks utilising the NCC Risk Matrix.
3. Prioritise Hazards and associated Risks and taking all reasonably practicable steps to manage the risk
4. Monitoring and Reviewing all Hazards and Risks that have not been eliminated

Employees and Contractors play a critical role in the Hazard and Risk Management process. They are expected to participate in the identification of Hazards and Risks, the development of reasonably practicable controls, and the review and monitoring of Hazard and Risk control methods.

HAZARDS AND RISKS REGISTERS

The following Registers will be in place:

MySafety Hazard Register and Risks Register:	This will cover hazards / all critical control risks for NCC. The registers include high-level descriptions of hazards or risks that may manifest themselves across NCC.
Workplace / Operation Safety Plan:	This will describe the Hazards, associated risks, and the controls to prevent harm.

All NCC operations will follow the NCC Hazard and Risk controls.

SAFELY CONTROLLING OPERATIONS

All operational activities are managed in such a way to prevent negative Health and Safety outcomes.

KEY PERFORMANCE REQUIREMENTS

- Systems and procedures are established, implemented and maintained to ensure that operations and maintenance activities are managed to minimise Health and Safety risks
- Systems are established, documented and maintained to ensure the on-going integrity of plant and equipment. These include procedures for maintenance, inspection, testing, calibration and certification of equipment at frequencies appropriate for the level of risk associated with the equipment, legal and manufacturers' requirements
- Permit to work systems are in place to manage hazards introduced by higher risk activities
- Contractor Health and Safety competence and performance shall be assessed. The contract award shall be conditional on the receipt of an acceptable work specific Health and Safety plan. Contractor performance against this plan and contractual obligations is regularly monitored and reviewed
- Prior to the purchase, hire or lease, the Health and Safety specifications of plant or equipment that have potential Health and Safety impacts, are reviewed to verify suitability for the intended use and to prevent the introduction of Health and Safety Hazards and Risks

- Change management systems are in place to manage Hazards or Risks prior to any planned changes or when unplanned changes occur, whether permanent or temporary, or as a result of incremental change. These systems address change events including changes in personnel, processes, equipment and materials

CONSTRUCTION DESIGN AND MANAGEMENT

Construction Design and Management Regulations

The Health and Safety at Work Act 2015 places Health and Safety duties on the Client, Engineer, Designer, Contractor and Subcontractor.

The essence of the regulations is to achieve life cycle safety design by applying the principles of prevention over the project life cycle.

CONTRACTOR MANAGEMENT

NCC is committed to meeting legal requirements as a PCBU and ensuring the safety of all independent contractors and their staff. The management of contractors and their staff includes the following:

- Prequalification of contractors
- Tendering and contract letting
- Pre-commencement including contractor induction
- Contractor monitoring and communication (contractor work authority – for offices)
- Contractor review

All NCC operations will follow the NCC Contractor Management Procedure.

PERMIT TO WORK

NCC will operate a Permit to Work system. This will cover the following activities:

1. Hot Work
2. Confined Space Entry

All NCC operations will follow the NCC Permit to Work Procedure.

MANAGEMENT OF CHANGE

Proposed changes to equipment, process, materials or people which have the potential to introduce new, or increase existing Hazards or Risks will be documented, assessed, and formally accepted or rejected.

All change proposals will be reviewed by suitably qualified people, including relevant line managers, internal specialists, Health and Safety Team, employees, and where warranted, independent specialists to:

- Ensure the associated Hazards and Risks have been identified and eliminated, or where they cannot be practicably eliminated, their level of risk is controlled in all cases to acceptable levels;
- Ensure equipment changes are fit for purpose and meet applicable design standards;
- Ensure any statutory Hazard and Risk assessments are conducted, and required statutory approvals are obtained prior to implementation of the changes; and

- Consider the potential for cumulative impacts from previous changes which could undermine the integrity of an operation.

All change proposals will be approved in writing by the appropriate level of management prior to implementation.

PURCHASE OF EQUIPMENT

The purchase of new equipment (including that which is second-hand), can introduce Hazards and Risks into the work environment that were not previously present. NCC recognises that it is essential that any new or second-hand equipment, purchased by the organisation does not create negative impacts.

NCC is therefore committed to consulting with Employees and external stakeholders (where appropriate) when assessing any new, or second-hand equipment to identify intrinsic and extrinsic risks prior to their purchase.

INFORMATION, TRAINING AND SUPERVISION

Employees, Contractors and Others in the workplace, are aware of relevant Health and Safety requirements, hazards, risks and controls, so that they are competent to conduct their activities and behave in a responsible manner.

KEY PERFORMANCE REQUIREMENTS

- Systems are in place to identify, prioritise, plan, document and monitor the fulfilment of training needs so that Employees, Contractors and Others are competent to meet their Health and Safety responsibilities
- The required competencies for Health and Safety critical activities are identified, documented, and periodically reviewed
- Inductions are documented and delivered to all Employees, Contractors and Others
- That on-the-job training, and safe work practices, and processes that engages all personnel and covers all activities are in place. This reinforces desired Health and Safety behaviours and corrects unsafe behaviours
- Health and Safety leadership training is undertaken by all Directors, Managers, Team Leaders

HEALTH AND SAFETY TRAINING

The provision of information, training, and supervision is a cornerstone of an effective Health and Safety management system. Information, training and supervision needs, relating to Health and Safety, are identified through the hazard management process, structured training needs assessments, team meetings and other mechanisms.

It is essential that any training and information provided is understood and applied as intended in the workplace. Verification of this will be sought by a number of means including practical skill demonstration, behavioural observation and written or oral test recall.

All training records will be held and any requirement for re-training will be identified through the specific training course requirements and/or operational and external requirements

NCC will follow the NCC Training and Supervision Standard.

INDUCTION

NCC is committed to ensuring all Employees, Contractors and Others receive an appropriate induction when commencing employment, transferring to a new role or location, or carrying out contracted services for NCC.

INFORMATION

In addition to training and supervision, staff notice boards and team meetings will be used to communicate and promote relevant Health and Safety information.

Health and Safety information is available on:

WorkSafe (www.business.govt.nz/worksafe/)

Ministry of Business Innovation and Employment (www.mbie.govt.nz)

ACC (www.acc.co.nz), and Ministry for the Environment (www.mfe.govt.nz) websites.

Information regarding legislation is available on the NZ statutes website (www.legislation.govt.nz).

INCIDENT MANAGEMENT

Incidents are reported, investigated and analysed to determine underlying root cause(s). Corrective actions are taken and lessons shared.

KEY PERFORMANCE REQUIREMENTS

- Systems are in place for the timely reporting, investigation, mitigation and appropriate communication of all Health and Safety incidents
- The reporting of incidents is promoted as a desired behaviour
- All incidents are assessed and rated on potential consequence to determine the level of reporting and investigation required
- Incident investigation processes include the identification and documentation of all factors, active failures, and underlying causes that contributed to the incident, the controls that were intended to prevent it and analysis of any failures in or absence of the controls
- Root cause(s) from incident investigations are recorded and this information is used to create a profile around root cause failures
- There are clear processes to translate investigation recommendations to specific corrective actions and to ensure that these actions are documented, communicated, followed up and completed
- Lessons learned from investigations of incidents are communicated to the business (and wider as appropriate) where it is recognised that the information will assist in preventing a repeat of the event

GENERAL

The reporting and subsequent investigation of all incidents is an important feature of any Health and Safety Management Framework.

Incidents are defined as any event that actually or potentially caused:

1. Harm (acute or chronic) to any employee, contractor or others,

Other incidents that **may** be captured within the same incident reporting and investigation system include:

- 1 Financial loss or breach of required process
- 2 Reduction in Quality below required levels (product or service)
- 3 Environmental impact

NCC PROCESS OVERVIEW

The following provides an overview of the NCC process.

1. All Employees, Contractors and Others shall be made aware of the reasons and the process for reporting incidents.
2. All incidents will be recorded in the Health and Safety Management System
3. All notifiable events shall be reported to WorkSafe NZ and the scene frozen or managed as required by law and/or agreed with WorkSafe NZ.
4. All incidents of an extreme or high potential severity shall be fully investigated to identify Hazards and Risks, failed or absent defences, and underlying organisational system failures.
5. Where corrective actions are identified as a result of the incident investigation process, agreement shall be sought with the appropriate director and/or manager for implementation. Once agreement has been obtained responsibility for implementation shall be allocated and time bound.
6. All incident data will be reviewed monthly to identify trends and provide injury prevention information to others.

All NCC operations will follow the NCC Incident Reporting and Investigation Procedure.

MONITORING, MEASUREMENT AND REVIEW

MONITORING, AUDIT AND MANAGEMENT REVIEW

Health and Safety performance and systems are monitored, audited and reviewed to identify trends, measure progress, assess conformance and drive continuous improvement.

KEY PERFORMANCE REQUIREMENTS

- Health and Safety performance is regularly measured, monitored, recorded, analysed and reported on via a mix of both leading and lagging performance indicators
- An audit of the Health and Safety Management system is conducted periodically to determine the adequacy of its implementation
- Annual management reviews are conducted to determine the continuing suitability, adequacy and effectiveness of Health and Safety Management systems. Information reviewed includes audit results, incident reports, performance reports and relevant views from stakeholders. Reviews are documented, including observations, conclusions, recommendations and follow-up

GENERAL

A three yearly audit and review of the Health and Safety Management Framework, and associated Health and Safety Management Systems (and resultant corrective actions) is an essential function to:

1. Evaluate the effectiveness of the Framework and systems
2. Ensure the continued relevance of the processes within them
3. Provide feedback so that new strategies and plans can be developed.

ANNUAL REVIEW

The Health and Safety Management Framework will be reviewed three yearly. This review will include specific evaluation of Hazard and Risk Management processes.

As part of the annual review, the Health and Safety Management Framework will be revised and updated to provide for new planned activities, changes to the organisation and to ensure the Framework is achieving its purpose.

CRITICAL INCIDENT REVIEW

The Health and Safety Management Framework (in whole or in part) will also be reviewed after any critical incident.

HEALTH AND SAFETY MANAGEMENT FRAMEWORK AUDIT

NCC is committed to auditing its Health and Safety Management Framework. These audits will be carried out periodically and may be done by internal and/or external parties. The audits will check conformance with the Health and Safety Management Framework and include a basic review of compliance with current Health and Safety legislation.

CHANGES IN COMPLIANCE REQUIREMENTS

Any regular updates to the business of any legislative/compliance changes that may affect the approach NCC takes to Health and Safety. Advice from external advisors may be used to assist in this process.

ELECTED MEMBERS REPORTING

The Chief Executive will provide a quarterly report on progress against the Annual Health and Safety Management Plan and other Health and Safety issues relevant to the NCC Elected Members (or any committee nominated by them). The report will cover but not be limited to the following:

- 1 Health and Safety performance for the period against key performance indicators.
- 2 Progress against the Annual Health and Safety Management Plan
- 3 Health and Safety issues and incidents.

DOCUMENT CONTROL

DOCUMENT CONTROL – HEALTH & SAFETY MANAGEMENT SYSTEM FRAMEWORK TIER 1

This page belongs in the H&S Management Framework Tier 1 and is to be used to track updates.

Changes will be made as necessary as per the process set out in the H&S Management Framework Tier 1.

Document Title: Health & Safety Management Framework Tier 1

Creation Date: July 2017

Management, Health & Safety Committee Representatives, Contractors or Volunteers having recommendations for change to content or layout should notify the:

Health & Safety Team

Napier City Council

Private Bag 6010

Napier 4142

Document Change Details

Date	Recent Amendments	Authority to Amend
May 2019	Aligning Tiers 1,2 and 3 documents with Framework	H&S Team
Jan 2019	Update due to internal audit conducted 15/01/2019 Document title change Insert of document control section	H&S Team
July 2017	Document Creation	H&S Team
Aug 2017	Document Ratified	Lead H&S Committee
August 2007	Update policies	Michelle Warren
Sept 2008	Major review Section Contractors & update of other policies	Michelle Warren
Sept 2009	Update & review all policies	Michelle Warren

Document Control

The master copy of this document (for the purposes of document control) is held in InfoSource.







All amendments can be made via the Health and Safety team. All printed copies of this Health and Safety Management System Framework Tier 1 and any related forms are uncontrolled.

An email notification will be sent to all Napier City Council (NCC) staff when there has been any updates to the manual or any related forms, this is to enable staff to update their own uncontrolled copy as required.

Uncontrolled if printed.

Health, Safety & Wellbeing Week: 7 - 11 September 2020

Spring Fling

DATE	MONDAY - 7	TUESDAY - 8	WEDNESDAY - 9	THURSDAY - 10	FRIDAY - 11
* Competition 1	What motivates you to get home safely (Photos, short videos etc)				
* Competition 2	DAILY QUIZ				
	<p>MAKE UP YOUR OWN WALKING GROUPS</p> <p>QUIZ</p>	<p>Bike Tour with Chris Denby 11.45am - 1.45pm approx Book Online Meet at basketball courts Marine Pde @ 11.45am (lunch stop included)</p> <p>QUIZ</p>	<p>Bike Tour with Isaac Aitken 11.45am - 1.45pm approx Book Online Meet at basketball courts Marine Pde @ 11.45am (lunch stop included)</p> <p>QUIZ</p>	<p>MAKE UP YOUR OWN WALKING GROUPS</p> <p>QUIZ</p>	<p>BIG DAY OUT: "TOP TEAM - Groups/Teams Join in our Top Team competition and all the fun and laughter that goes with this team building / team competition. Come along and be THE BEST TOP TEAM for HSW Week.</p> <p>Venue: Kennedy Park: 10am - 3.00pm</p> <p>QUIZ</p>
	<p>"Bloomen Monday" For Prostate Awareness at Tom Parker Fountain</p> <p>* Meet at the Fountain</p> <p>* Men & Womens Boxfit session - one hour 10.15am start - book online</p> <p>* BYO Blue Morning Tea to share to be held at fountain</p> <p>* Dress in blue for the day</p> 	<p>POP UP EXERCISES</p>  <p>"Put Stress into Perspective" Workshop</p> <p>With Annette Carter from Dale Carnegie</p> <p>Lunchtime session 12pm - 1pm</p> <p>VENUE: Conference Centre Marine Parade</p> <p>BOOK ONLINE</p>	<p>POP UP EXERCISES</p>  <p>"Who Motivates the Motivator" Workshop</p> <p>With Louise Parsons from Dale Carnegie</p> <p>Lunchtime session 12pm - 1pm</p> <p>VENUE: Conference Centre Marine Parade</p> <p>BOOK ONLINE</p>	 <p>"Respirator Management" (Fully booked)</p> <p>With Jarrod from Loop Health & Safety</p> <p>VENUE: Kennedy Park</p>	<p>Obstacle Course:</p> <ul style="list-style-type: none"> * 5 legged race * Water transfer * Nerf Gun Sharp Shooter * Mind games * Hockey dribble <p>Game times: 10.15am; 11.15am; 1pm</p>  <p>* Healthy Lunch by Naked Raw Fuel</p> <p>* H&S Awards</p> <p>* Spot Prizes</p> <p>TRADE FAIR KIOSKS</p> <ul style="list-style-type: none"> * Civil Defence * NCC Environmental Team * MySkin * WorkFit - Sports HB * and many more <p>PPE Required: Pants/shorts; closed in shoes; sunhat; long sleeved shirts etc</p>
Previous HSW Weeks					

2. NCC H&S CHARTER AND DUE DILIGENCE WORK PLAN

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	961197
<i>Reporting Officer/s & Unit:</i>	Sue Matkin, Manager People & Capability Michelle Warren, Health and Safety Lead

2.1 Purpose of Report

The purpose of this paper is to inform the Audit & Risk Committee about the agreed pathway of health and safety leadership at Napier City Council, in relation to Duties of Officers, under the Health and Safety at Work Act 2015 (HSWA). The plan also includes those who have significant influence over the whole business, i.e. the Senior Leadership Team.

Officer's Recommendation

The Audit and Risk Committee:

- a. Receive the report titled NCC H&S Charter and Due Diligence Work Plan.

2.2 Background Summary

At Napier City Council (NCC) the Officer is the Chief Executive. Whether any other senior employee is deemed an officer will depend on the extent of their influence over the whole business or undertaking. Section 44, under HSWA, outlines that the Officers must exercise due diligence to ensure that the PCBU complies with all its duties or obligations. The Senior Leadership Team (SLT) are also responsible for ensuring that the due diligence obligations of an Officer are being met.

In exercising the duty of due diligence, an Officer must meet at least the following 6 elements of the duty:

- Know about work health and safety matters and keep that knowledge up-to-date with health and safety matters
- Understand the nature of the business and its hazards and risks
- Ensure that NCC has appropriate resources and processes to eliminate or minimise risks to health and safety
- Ensure there are appropriate reporting and investigation processes in place
- Make sure there are appropriate compliance monitoring processes in place, and
- Verify that resources and processes are fit for purpose and are being used.

The Officer due diligence plan has 4 key areas to focus on;

1. Policy and Planning
 - a. Keep up-to-date with health and safety matters
 - b. Understand the nature of our business and it's hazards and risks

2. Delivery

- a. Ensure Council has appropriate resources and processes to eliminate or minimise risks to health and safety

3. Monitoring

- a. Ensure there are appropriate reporting and investigation processes in place
- b. Ensure NCC has and implements appropriate processes for complying with the Act – monitor and comply

4. Review

- a. Verify

The CE and SLT have adopted the attached Health and Safety Charter and Work plan for NCC.

2.3 Issues

No Issues

2.4 Significance and Engagement

N/A

2.5 Implications**Financial**

N/A

Social & Policy

N/A

Risk

N/A

2.6 Attachments

- A Health and Safety Charter and Due Diligence Work Plan [↓](#)
- B Officers Due Diligence Plan [↓](#)



To:	Audit & Risk Committee
Date:	18 September 2020
Prepared By:	Sue Matkin
Subject:	NCC CE and SLT Charter and Due Diligence work plan
Agenda:	Information

Purpose

The purpose of this paper is to inform the Audit & Risk Committee about the agreed pathway of health and safety leadership at Napier City Council, in relation to Duties of Officers, under the Health and Safety at Work Act 2015 (HSWA). The plan also includes those who have significant influence over the whole business, ie the Senior Leadership Team.

Background

At NCC the Officer is the Chief Executive. Whether any other senior employee is deemed an officer will depend on the extent of their influence over the whole business or undertaking. Section 44, under HSWA, outlines that the Officers must exercise due diligence to ensure that the PCBU complies with all its duties or obligations. SLT are also responsible for ensuring that the due diligence obligations of an Officer are being met.

In exercising the duty of due diligence, an Officer must meet at least the following 6 elements of the duty:

- Know about work health and safety matters and keep that knowledge up-to-date with health and safety matters
- Understand the nature of the business and its hazards and risks
- Ensure that NCC has appropriate resources and processes to eliminate or minimise risks to health and safety
- Ensure there are appropriate reporting and investigation processes in place
- Make sure there are appropriate compliance monitoring processes in place, and
- Verify that resources and processes are fit for purpose and are being used.

The Officer due diligence plan has 4 key areas to focus on;

1. Policy and Planning
 - a. Keep up-to-date with health and safety matters
 - b. Understand the nature of our business and it's hazards and risks
2. Delivery
 - a. Ensure Council has appropriate resources and processes to eliminate or minimise risks to health and safety
3. Monitoring
 - a. Ensure there are appropriate reporting and investigation processes in place
 - b. Ensure NCC has and implements appropriate processes for complying with the Act – monitor and comply
4. Review
 - a. Verify

The CE and SLT have adopted the attached Health and Safety Charter and Work plan for NCC.

Recommendation

That the Audit & Risk Committee note this paper.



Sue Matkin
Manager People & Capability



Health and Safety

Home Safely Every Day – To strengthen and grow a safety culture at Napier City Council

Due Diligence Plan

Policy & Planning		Delivery	Monitor		Review
1. Keep up-to-date with health & safety matters	2. Understand the nature of our business & its hazards & risks	3. Ensure Council has appropriate resources & processes to eliminate or minimise risks to health & safety	4. Ensure there are appropriate reporting & investigation processes in place	5. Ensure we have and implement appropriate processes for complying with the Act – monitor & comply	6. Verify
<p><i>Recommend at least completing (and recording) the first 3 activities below, additional options are also available:</i></p> <ol style="list-style-type: none"> Attend due diligence training List any additional H&S training attended Review Risk & Audit Committee minutes – note when reviewed on this plan Seek assurance/evidence that Council has an effective and positive safety culture – review H&S responses in Culture Survey Sign up to WorkSafe updates Record any additional H&S related publications, research or reports that have been read 	<p><i>Recommend at least completing (and recording) the first 3 activities below, additional options can be added as required:</i></p> <ol style="list-style-type: none"> Record Council health and safety workshops, worksite visits, and other health and safety activities attended and any learnings from the activity Review hazard and risk data or any communication on Council's critical risks Active engagement – lead from the top 	<p><i>Recommend at least completing (and recording) the first 3 activities below, additional options can be added as required:</i></p> <ol style="list-style-type: none"> Review the H&S budget to ensure it is appropriate to meet our needs as a PCBU Review procurement decisions to ensure that H&S plays a part in decision making Review level of H&S related information to Councillors – am I satisfied that the appropriate level of information is going to the right groups/people? <p>Seek assurance/evidence that appropriate funding and resourcing for health and safety is included in all major projects and renewal budgets.</p>	<p><i>Recommend at least completing (and recording) the first 3 activities below, additional options are also available:</i></p> <ol style="list-style-type: none"> Review the information to Councillors regarding critical risks – is the information meaningful and appropriate? Review the information to Councillors regarding reporting and investigation processes – is the information meaningful and appropriate? Am I confident that the investigations are occurring and being appropriately conducted? Do I know how to undertake a "health and safety conversation"? Would I like training in these conversations? 	<p><i>Recommend at least completing (and recording) the first 3 activities below, additional options can be added as required:</i></p> <ol style="list-style-type: none"> Review this Due Diligence Plan regularly to ensure accurate records are being kept Am I satisfied with the manner in which I am carrying out my due diligence obligations? Ask questions – what audits/reviews are taking place at Council? Have I seen the reports? Has there been any cases of staff not complying with their responsibilities under the Act? Have we had any communication with WorkSafe lately? 	<p><i>Recommend at least completing (and recording) the first 3 activities below, additional options are also available:</i></p> <ol style="list-style-type: none"> Establish a process to review and raise awareness of Council documentation and information eg Risk/hazard registers; Safety Audits Ensure awareness of Council Induction process – regular reviews of induction process Familiarise with any wellbeing practices eg vaccinations, back to work plans and discuss light alternative duties list (as they arise); Employee Assistance Programme reporting; health monitoring etc Consider how to keep evidence of Officer Due Diligence as a PCBU – what are we going to do with this document?
<p>Verify – how do I proactively and personally meet all 6 due diligence obligations above? (Use the following pages if more space is required)</p>					

1. Keep up-to-date with health & safety matters	
Policy & Planning	
<p><i>Possible Options:</i></p> <p>Seek assurance/evidence that Council has an effective and positive safety culture.</p> <p>Attend due diligence training through IMPAC.</p> <p>Access and read Health and Safety Monthly Reports. Request and receive regular briefings from CE and Senior Leadership Team.</p> <p>Subscribe to WorkSafe updates, LGNZ health and safety updates, newsletters and magazines.</p> <p>Seek and read information on health and safety case law and regulations.</p> <p>Attend risk and hazard management and other health and safety training.</p>	
2. Understand the nature of our business and it's hazards and risks	
Policy & Planning	
<p><i>Possible Options:</i></p> <p>Attend and participate in Council health and safety workshops, worksite visits, and other health and safety activities, for example Health, Safety and Wellbeing week.</p> <p>Ensure relevant information about Council's key critical risks and hazards is reported to the Lead Committee and Sub-Committee meetings.</p> <p>Seek assurance/evidence that key critical risks have been identified and controls are regularly reviewed.</p> <p>As Officers, collectively determine and agree an acceptable risk tolerance level.</p> <p>Active engagement – lead from the top.</p>	

3. Ensure Council has appropriate resources & processes to eliminate or minimise risks to health & safety	
Delivery	
<p><i>Possible Options:</i></p> <p>Ensure that all Council decisions and resolutions provide adequate funding and resourcing for health and safety activities.</p> <p>Require the safety impact of decisions to be considered in operational decisions.</p> <p>Ensure relevant information about Council's health and safety systems and processes is reported to the Lead Committee and Sub-Committee meetings.</p> <p>Seek assurance/evidence that appropriate funding and resourcing for health and safety is included in all major projects and renewal budgets.</p>	
4. Ensure there are appropriate reporting & investigation processes in place	
Monitor	
<p><i>Possible Options:</i></p> <p>Request and receive relevant information about notifiable events, critical risks, lead/lag indicators and that other health and safety matters are reported to Council, Lead Committee and Sub-Committee meetings.</p> <p>Seek assurance/evidence that appropriate reporting and investigation processes and methodology exist and are being used.</p> <p>Seek assurance that key staff have been trained to investigate accidents and incidents.</p> <p>Engage in health and safety 'conversations' with Managers and other appropriate staff.</p>	

5. Ensure we have and implement appropriate processes for complying with the Act – monitor & comply	
Monitor	
<p><i>Possible Options:</i></p> <p>Ensure relevant information about Council's health and safety systems and processes, including application and implementation is reported, to the Lead Committee and Sub-Committee meetings.</p> <p>Seek assurance that all employees and contractors meet Council's health and safety requirements and comply with their own obligations under the Act.</p> <p>Seek assurance that sufficient monitoring and review processes are in place, for example, peer reviews, self-assessment audits.</p>	
6. Verify	
Verify	
<p><i>Possible Options:</i></p> <ul style="list-style-type: none"> • Sight Council documents and information for example, • Tender documents • Contract agreements • Project briefs • Procurement processes • Maintenance contracts • Leases and licences • Site specific safety plans for capital works and renewals • Risk/hazard registers • Induction – regular reviews of induction process • Other legal documents <p>Attend or sight:</p> <ul style="list-style-type: none"> • Safe / Unsafe Behaviour Reports • Safety audits for internal Business Units • Safety audits on contractors 	

3. INSURANCE UPDATE

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	961847
<i>Reporting Officer/s & Unit:</i>	Bryan Faulknor, Manager Property

3.1 Purpose of Report

To update the committee on the finalisation of the procurement of Insurance Brokerage Services and renewal of insurance coverage.

Officer's Recommendation

The Audit and Risk Committee:

- a. Resolve to receive the report on current brokerage and insurance arrangements

3.2 Background Summary

Napier City Council has historically been part of the Hawke's Bay Councils Collective Insurance Group.

As reported to the meeting of 12 June 2020, the five HB Councils participated in a joint procurement process with Bay of Plenty Local Authority Shared Services (BOPLASS), Manawatu LASS (MWLASS) and Waikato LASS (WLASS). This combined group totals 31 Councils.

As a result of the above, a contract for brokerage and risk management services has been signed with Aon New Zealand.

Napier City Council is now part of a collective group of 31 councils. This provides opportunities for greater buying power and where beneficial collective insurance arrangements.

All current NCC Policies (except Public Liability and Professional Indemnity) have been extended from 1.7.20 to 1.11.20 at current premium rates on a pro rata basis for the part year.

The pro rata extensions to 1 November 2020 enable the five HB Councils to align their insurance year with other Councils.

Summary of current Insurance 1 July 2020 to 1 November 2020:

Material Damage

Covering Buildings, Contents, Plant & Machinery and other property as listed in the Insurance Property Schedule. No shared limited with other Councils.

Sum Insured \$440.4m.

Excess – Perils \$10,000 per claim. Earthquake 2.5% site sum insured and where pre 1936 or earthquake prone 10% of site sum insured.

Material Damage – Residential

Covering Residential Dwellings and Community Housing as listed \$74.6m. Excess as above. No Shared limit with other Councils.

Business Interruption

Policy linked to Material Damage.

Loss of Revenue- \$12.9m covering - Halls, Pools, Aquarium, Par2, Conference Centre, Municipal Theatre, I-site, Kennedy Park, MTG.

Additional expenses- \$20m (shared limit with the other HB Councils).

Indemnity period – Additional expenses 36 months, Loss of revenue 24 months.

Motor Vehicle & Third Party

All vehicles, other mobile plant and equipment. Excess \$1,000 per claim. No shared limit with other Councils.

Crime Insurance

Insures loss of money and property resulting from fraud or dishonesty of Employees.

Limit of Indemnity \$2m, Excess \$25,000. No shared limit with other Councils.

Employers Liability

Indemnity in respect of claims made by employees against employer for personal injury falling outside any Workers Compensation legislation. Limit of indemnity \$1m. Shared limit with other Councils.

Statutory Liability Insurance

Indemnity for Defence costs and fines as a result of an alleged breach of any Act of Parliament other than “Excluded Acts”. Limit of Indemnity \$4m (shared limit with other Councils). Excess \$5,000.

Cover is included for statutory breaches of the Resource Management Act with an excess of \$50,000.

Overseas Travel

Covering employees and elected members for overseas travel. No shared limit.

Marine Hull

National Aquarium of NZ Boat

Hall Hirers Insurance

Public Liability Insurance for uninsured users of Council facilities. No shared limit.

Fine Arts Collection Insurance

HB Museums Trust Collection \$40.1m. Excess \$2,500.

Trustee Liability

HB Museums Trust, \$5m any one claim and in the aggregate during policy period. Excess \$5,000.

Public Liability and Professional Indemnity

From 1 July, Council had the option of either continuing with its previous policy with Marsh or shifting to an Aon Scheme.

A decision was made to shift to the Aon Scheme. The Aon Scheme has the added benefit associated with building defects coverage. Under the Marsh policy, where a claim included any weather tightness issues all aspects of the claim including non-weather tightness defects were excluded. Under the Aon offering the building defects element is covered. Weather tightness issues are excluded.

The Aon scheme is a NZ scheme used by 32 NZ Councils and provides each Council with their own individual primary layer cover of \$15m (Underwritten by Berkshire Hathaway and QBE) plus Councils can share in an excess layer of \$145m (Underwritten by Lloyds of London).

Underground Infrastructure

From 1 July cover as per previous years has been rolled over. Cover is based on a Probable Maximum Loss (PML) of \$120m based on a total replacement value of underground infrastructure of \$587.8m. Actual insurance cover is based on the assumption that Central Government assistance will be available in a major disaster and will provide for 60% of the eligible costs. Council therefore has insurance cover for \$40% of \$120m with a \$10m excess.

Council will engage Aon this year to carry out a Loss Modelling exercise to determine a revised Probable Maximum Loss on which to base insurance cover.

Contract Works Insurance

This is taken out as required for construction projects. In general where a project consists of alterations and improvements to an existing insured asset then Council takes out contract works insurance directly. For green fields construction the contractor is required pursuant to the construction contract to take out cover.

Uninsured Assets

Uninsured assets include roads, bridges and associated assets. In the event of a major disaster, support is anticipated to come from Central Government to reinstate the roading network.

Other uninsured assets consist of land, playground equipment, sports fields and reserves, turf, plants and trees, paved surfaces, associated roads, irrigation and other land improvements. Lagoon Farm livestock, hay, water supply and other improvements. Paved surfaces and roading relating to the Depot, Housing Villages, and Transfer Station.

Funding of Uninsured Risks and amounts over and above any insurance recovery and Government support would be provided from a combination of reserve funds, debt, and reprioritisation of Council's planned capital and operating expenditure.

3.3 Issues

N/A

3.4 Significance and Engagement

N/A

3.5 Implications

Financial

Insurance premiums are budgeted each year but do fluctuate depending on market conditions.

Social & Policy

N/A

Risk

Insurance is an important aspect of managing Council's risk.

3.6 Options

The options available to Council are as follows:

- a. To receive the report
- b. To receive the report and provide any feedback and concerns

3.7 Development of Preferred Option

N/A

3.8 Attachments

Nil

4. RISK MANAGEMENT REPORT SEPTEMBER 2020

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	961668
<i>Reporting Officer/s & Unit:</i>	Jane Klingender, Manager Business Excellence & Transformation Dave Jordison, Risk and Assurance Lead

4.1 Purpose of Report

To provide the Audit and Risk Committee (Committee) with an update on risk management with reference to responsibilities listed in the Audit & Risk Charter; to report on high and extreme strategic risks; and to note emerging risks.

Officer's Recommendation

The Audit and Risk Committee:

- a. Receive the Risk Management Report September 2020
- b. Note the Risk Management work being undertaken
- c. Note the current high and extreme risks
- d. Note the emerging risks

4.2 Background Summary

In 2018 Napier City Council (NCC) developed a programme of work to develop and mature its enterprise risk capability. A risk maturity roadmap, strategy and policy were developed to guide this work and the risk register was established in the enterprise performance application called Sycle. There are three categories of risk that make up the risk register: strategic risks, operational risks, and project risks. In June 2020, an appointment was made to the newly created role of Risk & Assurance Lead and review commenced of risk documentation, and strategic and operational risks listed in Sycle.

The extract below is from the Audit & Risk Committee charter (agreed at the March 2020 Audit and Risk Committee meeting) on Risk Management.

e. Risk Management

The Committee's responsibilities are to:

- review whether management has in place a current and comprehensive risk management framework, and associated procedures for effective identification and management of Napier City Council's financial and business risks, including fraud;
- review whether a sound and effective approach has been followed in developing strategic risk management plans for major projects or undertakings;
- review the effect of the Council's risk management framework on its control environment and insurance arrangements;
- review whether a sound and effective approach has been followed in establishing the Council's business continuity planning arrangements, including whether disaster recovery plans have been tested periodically; and
- review the Council's internal controls in relation to preventing fraud and satisfy itself that the Council has appropriate processes and systems in place to capture and effectively investigate fraud-related information and to ensure appropriate action is taken against known perpetrators of fraud.

The points below refer to these responsibilities.

Risk Management Framework and Associated Procedures

Review of current risks in Sycle has already highlighted a number of areas for improvement such as data quality; consistent approach to risk definition and management; clarity on roles and responsibilities; and tracking progress on identified risk controls and treatments. These opportunities for improvement are consistent with streams identified within the risk maturity roadmap and progress in each area will be reported at the next Committee meeting. The Risk Management Strategy and Risk Policy will be revised accordingly and a full risk report will be presented to the Committee in the first 2021 meeting.

Strategic Risk Management Plans for Major Projects

Project risks are currently managed within individual projects. However, Sycle provides a collated view of all project risks. Current planned improvements relating to the newly adopted Chief Executive KPIs for delivery of the capital programme will include review of all project risks and support for a consistent and coordinated approach to managing project risks.

Risk Management Framework on its control environment and insurance arrangements

Refer to separate Insurance Update report brought to this meeting.

Business Continuity Planning and Disaster Recovery

Business Continuity Plans (BCPs) were updated in March 2020 in response to the COVID-19 pandemic lead by Manager People & Capability. It has been noted that, prior to this, risks and BCPs were focused on events such as tsunami and earthquake, but not a pandemic. A meeting is scheduled 18 Sept 2020 for managers to ensure all BCPs are current and accessible in the document management system; and the relevant risks, controls and treatments will be reviewed and updated.

The image below provides a summary of strategic risk SR5 in the risk register:

SR5	Event causing disruption or destruction of critical business functions and/or production and delivery of council services.		HIGH
Primary Category:	Service Delivery	Responsible Officer:	Adele Henderson
Primary Sub-Category:		Auditees:	
Secondary Categories:	Financial ICT, Infrastructure and Assets Legislative Compliance Reputation/Image		
<u>Inherent</u>		<u>Revised</u>	
Consequence	Severe	Consequence	Major
Likelihood	Possible	Effectiveness of Controls	Partially Effective
Risk Rating	Extreme	Likelihood	Possible
		Risk Rating	High
		<u>Future</u>	
		Consequence	Moderate
		Likelihood	Unlikely
		Risk Rating	Medium

Processes and systems related to fraud

Refer to Audit and Risk Committee report "Internal Audit: Fraud Gap Analysis" taken to the 20 March 2020 meeting. The image below provides a summary of operational risk OR70 in the risk register:

OR70	Council incurs an unexpected financial loss through a malicious act		HIGH
Primary Category:	Financial	Responsible Officer:	Adele Henderson
Primary Sub-Category:		Auditees:	
Secondary Categories:	Reputation/Image Service Delivery		
<u>Inherent</u>		<u>Revised</u>	
Consequence	Major	Consequence	Major
Likelihood	Likely	Effectiveness of Controls	Substantially Effective
Risk Rating	Extreme	Likelihood	Unlikely
		Risk Rating	High
		<u>Future</u>	
		Consequence	Minor
		Likelihood	Unlikely
		Risk Rating	Low

Controls listed are:

- Financial delegation limits
- Internal audit program
- Internal controls in place
- Police checks on new employees
- Quarterly budget monitoring
- Segregation of duties

4.3 Issues

There are a substantial number of high and extreme strategic and operational risks with limited accountability. Regular reporting will be defined and activated to track progress against risk treatments. The Risk Management Strategy will be revised to better define

accountability and training developed to embed understanding of roles and responsibilities in relation to risk management.

4.4 Significance and Engagement

N/A

4.5 Implications

Financial

N/A

Social & Policy

The Risk Policy will be updated in line with risk review.

Risk

Strategic Risks

There are 5 strategic risks in the register. The image below shows the 4 strategic risks with a revised rating of high:

Risk Code	Risk Issue	Responsible Person	Reporting Period	Next Review Date	Inherent Risk	Revised Risk	Target Risk
SR2	Removal of 3 waters delivery and management	Jon Kingsford - Director Infrastructure Services	Annual	14/09/2019	 High	 High	 High
SR3	Increased number and/or severity of major/natural disaster events	Keith Marshall - Interim Chief Executive	Annual	18/07/2018	 High	 High	 Medium
SR5	Event causing disruption or destruction of critical business functions and/or production and delivery of council services.	Adele Henderson - Director Corporate Services	Annual	6/07/2019	 Extreme	 High	 Medium
SR6	Incomplete risk management processes fail to manage risk related to Infrastructure Services	Jon Kingsford - Director Infrastructure Services	Annual	14/08/2020	 Extreme	 High	 Medium

These risks were reported at the last meeting. The risks are outside the control of NCC and risk treatments listed against these risks are ongoing. A full update on any required changes as a result of the current review will be provided at the next meeting.

The ongoing impact of COVID-19 and changing levels on Business and Tourism activities could be more significant than originally thought. This relates to strategic risk SR5 Event causing disruption or destruction of critical business functions and/or production and delivery of council services (see above).

Current controls are:

- BCP in place for some tourism sites
- Information Services have a disaster recovery plan

The following treatments are underway:

- Business continuity framework developed for NCC
- Each directorate must develop business continuity plans for their operations
- Information Services have a disaster recovery plan

Further analysis is underway and SR5 will be updated accordingly.

Operational Risks

There are currently 158 operational risks in the register. Out of those, 82 have a revised risk of high or extreme. Of note is operational risk OR24 (shown below). A separate update on the Outfall project will be presented at this meeting.

OR24	Wastewater Outfall failure		HIGH		
Primary Category:		ICT, Infrastructure and Assets	Responsible Officer:	Santha Agas	
Primary Sub-Category:		Auditees:			
Secondary Categories:		Environmental Financial Health and Safety Legislative Compliance Reputation/Image			
<u>Inherent</u>		<u>Revised</u>		<u>Future</u>	
Consequence	Severe	Consequence	Major	Consequence	Major
Likelihood	Possible	Effectiveness of Controls	Partially Effective	Likelihood	Unlikely
Risk Rating	Extreme	Likelihood	Possible	Risk Rating	High
		Risk Rating	High		

Project Risks

Project risks have been excluded from reporting.

Emerging Risks

Council has signed the Three Waters Reform Programme Memorandum of Understanding (MOU) and will look to complete the Funding agreement and Delivery Plan agreement as required by the end of September 2020. There is a risk that delivery of the plan could be delayed due to:

- Large volume of Government spend on infrastructure across all of New Zealand as stimulus packages, causing shortage of suitable service providers available at the required time
- Prolonged restrictions due to changing COVID alert levels
- Materials and plant sourced from overseas are not available due to COVID restrictions

Initial controls include a regional approach to planning. Further controls and treatments to be defined.

4.6 Options

a. N/A

4.7 Development of Preferred Option

N/A

4.8 Attachments

Nil

5. THREE WATERS REFORM PROGRAMME - DELIVERY PLAN

<i>Type of Report:</i>	Contractual
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	961277
<i>Reporting Officer/s & Unit:</i>	Adele Henderson, Director Corporate Services Jon Kingsford, Director Infrastructure Services

5.1 Purpose of Report

Council has signed the Memorandum of Understanding for the government's 3 Waters Reform programme. It is now required to complete the Funding agreement and Delivery Plan by 30 September 2020.

Officer's Recommendation

The Audit and Risk Committee:

- a. Note the progress with Three Waters Reform Programme.
- b. Review the DIA Funding Agreement and Delivery Plan and provide any feedback to Council.

5.2 Background Summary

At the time of preparing this report the DIA Funding agreement and Delivery plan have not been completed. The above documents are to be executed by 30 September 2020. These will be provided to the committee once available.

5.3 Issues

n/a

5.4 Significance and Engagement

n/a

5.5 Implications

Financial

An additional \$12.51m subject to the funding agreement and delivery plan will be provided to Council as part of the 3 Waters Reform programme.

Social & Policy

n/a

Risk

That Council is unable to identify the resources required to complete the work agreed in the delivery plan.

5.6 Options

- a. n/a

5.7 Development of Preferred Option

n/a

5.8 Attachments

Nil

6. EXTERNAL ACCOUNTABILITY: INVESTMENT AND DEBT REPORT

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	954018
<i>Reporting Officer/s & Unit:</i>	Caroline Thomson, Chief Financial Officer

6.1 Purpose of Report

To consider the snapshot report on Napier City Council's Investment and Debt as at 31 August 2020.

Officer's Recommendation

The Audit and Risk Committee:

- a. Receive the snapshot report on Napier City Council's Investment and Debt as at 31 August 2020.

6.2 Background Summary

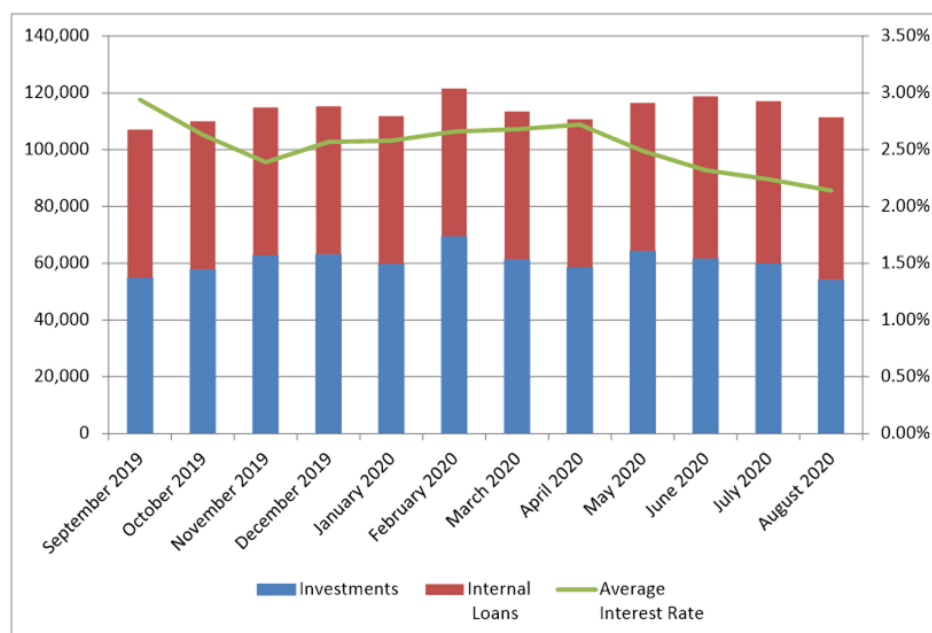
The snapshot report on Napier City Council's Investment and Debt as at 31 August 2020 is shown at **Attachment A**.

6.3 Attachments

- A Investment and Debt report as at 31 August 2020 [↓](#)

Treasury Graphs for 12-Month Period September 2019 to August 2020

Month-End	Investments	Internal Loans	Average Interest Rate
September 2019	54,957	52,118	2.94%
October 2019	57,925	52,118	2.63%
November 2019	62,821	52,118	2.39%
December 2019	63,106	52,118	2.57%
January 2020	59,760	52,118	2.58%
February 2020	69,464	52,118	2.66%
March 2020	61,349	52,118	2.68%
April 2020	58,615	52,118	2.72%
May 2020	64,389	52,118	2.49%
June 2020	61,680	57,142	2.32%
July 2020	59,993	57,142	2.24%
August 2020	54,293	57,142	2.14%
AVERAGE	60,696	53,374	2.53%



Note: The weighted average interest rate declined steadily until November 2019 due to a number of new shorter-term term deposits that were established to cover expected cash flows in December 2019. When the December cash flows did not occur, longer term TDs were progressively established - at higher interest rates. Since April 2020 wholesale interest rates have declined further.

7. SENSITIVE EXPENDITURE - MAYOR AND CHIEF EXECUTIVE

<i>Type of Report:</i>	Procedural
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	954021
<i>Reporting Officer/s & Unit:</i>	Caroline Thomson, Chief Financial Officer

7.1 Purpose of Report

To provide the information required for the Committee to review Sensitive Expenditure of the Mayor and Chief Executive for compliance with Council's Sensitive Expenditure Policy.

Officer's Recommendation

The Audit and Risk Committee:

- a. Receive the 30 June 2020 quarterly report of Sensitive Expenditure for the Mayor and Chief Executive and review for compliance with the Sensitive Expenditure Policy.

7.2 Background Summary

The Sensitive Expenditure Policy approved by the Senior Leadership Team on 17 September 2019 requires a report of all sensitive expenditure by the Chief Executive and by the Mayor to Audit and Risk Committee meetings (clauses 6.3 and 6.4). The policy also states that the expenditure items will be reviewed by the Chairperson or the Deputy Chairperson of the Audit and Risk Committee for compliance with this policy.

7.3 Issues

No issues.

7.4 Significance and Engagement

N/A

7.5 Implications

Financial

N/A

Social & Policy

N/A

Risk

N/A

7.6 Attachments

- A Sensitive Expenditure Policy [↓](#)
- B Mayor Report to Audit & Risk Committee 2019/20 Q4 [↓](#)
- C CE Report to Audit & Risk Committee 2019/20 Q4 [↓](#)



Sensitive Expenditure Policy			
Approved by	Director Corporate Services		
Department	Finance		
Original Approval Date	12 June 2011	Review Approval Date	17 Sept 2019
Next Review Deadline	17 Sept 2021	Document ID	346084
Relevant Legislation	Local Government Act 2002, Local Authority (Members' Interest) Act 1968, Public Audit Act 2001		
NCC Documents Referenced	Procurement Policy, Motor Vehicle Policy, Recognition Policy, Gifts Received Policy, Credit Card Policy, Conflicts of Interest Policy, Travel Policy		

Purpose

The purpose of this policy is to provide elected members and Council employees with a clear framework for managing sensitive expenditure. The most fundamental fact applicable to all expenditure by Council is that money used is ratepayers' funds. Consequently, sensitive expenditure needs to be consistent with the standards of probity and prudence that are expected of a public entity and be able to withstand elected members and public scrutiny.

Definition of sensitive expenditure: Expenditure by a public entity that provides, has the potential to provide, or has the perceived potential to provide a private benefit to an individual staff member of a public entity that is additional to the business benefit to the entity of the expenditure. It also includes expenditure by a public entity that could be considered unusual for the entity's purpose and/or functions.

Policy

1. Principles applicable to sensitive expenditure

In order to satisfy the requirements above, the Council expects all employees involved in arranging, making for approving expenditure to:

- do so only for Council purposes (i.e. expenditure is consistent with the Long Term Plan or Annual Plan);
- exercise integrity, prudence and professionalism
- not derive personal financial gain (unless a conflict of interest has been declared and the transaction is managed in according to the procedure agreed in the declaration of the conflict of interest);
- act impartially;
- ensure the expenditure is moderate and conservative in the extent of the given situation;
- ensure the transaction is made transparently
- have read and adhered to this and other relevant Council policies (particularly the Conflicts of Interest Policy);
- are appropriate in all respects.

The above principles and Council policies should be applied comprehensively (i.e. no single principle or policy should be excluded)

2. Deciding when sensitive spending is appropriate

- 2.1. For all expenditure, consideration needs to be given to FBT requirements.
- 2.2. In deciding what appropriate sensitive expenditure is, elected members and employees need to take account of both individual transactions and total value of sensitive expenditure.
- 2.3. Even when sensitive expenditure decisions can be justified at the item level, the combined amount of spend on a category of expenditure may be such that, when viewed in total, the entity could be considered extravagant and wasteful.

3. Responsibilities of the Mayor, Councillors and Directors

- 3.1. To be truly effective, this sensitive expenditure policy, procedures and other controls must be embedded in the Council's values, philosophy practices and business processes. When this occurs, everyone at Council becomes involved in the proper and prudent management of sensitive expenditure.
- 3.2. Overall responsibility for this policy rests with the Mayor, Councillors and the Senior Leadership Team (SLT). This group is required to make it clear to employees what is and is not 'acceptable sensitive expenditure' and model these behaviours to the highest standard.

4. Good controls and judgement

- 4.1. While the good controls at Council will assist with good sensitive expenditure conditions, good judgement will also be required. This is because it is not possible or desirable to attempt to set rules for every possible situation that may arise. In the absence of a specific rule for a given situation, the Mayor, Councillors and SLT are expected to exercise good judgement by taking the principles in this policy into account in the context of the given situation.
- 4.2. The SLT, Mayor and Councillors are required to ensure transparency in both sensitive expenditure and remuneration systems, to avoid any trade-off between the two. Items of expenditure that may not be justified under the principles of this policy should not be included as part of the employee's remuneration for the purposes of avoiding scrutiny against sensitive expenditure principles.

5. General controls for reimbursement

- 5.1. All claims must be submitted promptly after the expenditure is incurred. Except in exceptional circumstances this means within one month.
- 5.2. Sensitive expenditure will only be reimbursed if it is deemed reasonable, actual and has been incurred directly in relation to Council business.
- 5.3. Valid, original GST compliant invoices/receipts and other supporting documentation must be maintained/submitted for all sensitive expenditure. Credit card statements and Eftpos receipts do not constitute adequate documentation for reimbursement.
- 5.4. All claims must clearly state the business purpose of the expenditure where it is not clear from the supplier documentation supporting the claim.
- 5.5. All claims must document the date, amount, description, and purpose for minor expenditure (<\$20) when receipts are not available.
- 5.6. Wherever possible, Councils preferred suppliers are to be used (refer NCC's Procurement Policy.)

6. Approval for sensitive expenditure**6.1. Approval for sensitive expenditure must be:**

- Given only when the person approving the expenditure is satisfied that a justified business purpose and other principles have been adequately met.
- Given before the expenditure is incurred, whenever practical.
- Made only when budgetary provisions and delegated authority exist.
- Given by the person senior to the person who will benefit or might be perceived to benefit from the sensitive expenditure.

6.2. Expenditure which is incurred (but not explicitly approved by Council) by elected members will be reviewed by the Mayor for compliance with this policy.**6.3. Expenditure by the Mayor which is incurred (but not explicitly approved by Council) will be reviewed by the Chairperson or the Deputy Chairperson of the Audit and Risk Committee for compliance with this policy. A report of all sensitive expenditure by the Mayor will be provided to Audit and Risk Committee meetings.****6.4. In the case of the Chief Executive, the Mayor shall approve expenditure. A report of all sensitive expenditure by the Chief Executive will be provided to Audit and Risk Committee meetings.****Specific Areas of Expenditure****7. Credit cards**

Using credit cards is not a type of sensitive expenditure. However, they are a common method of payment for such expenditure. Employees issued with Credit Cards need to refer to NCC's Credit Card Policy (Doc ID 224194)

8. Travel**8.1. For information specific to Travel refer to the Travel Policy (Doc ID 753431). The Travel Policy covers use of private vehicles for Council business, rental cars, taxis/shuttles and public transport, accommodation, air travel, and other travel related expenditure.****9. Entertainment and Hospitality**

Entertainment and hospitality can cover a range of items from tea, coffee and biscuits to catering, such as meals and alcohol. It also includes non-catering related items such as Council funded entry to sporting or cultural events.

9.1. The principles of a justified business purpose, moderate and conservative expenditure, should be applied.**9.2. Council expenditure on entertainment and hospitality should be limited to the following business justifications:**

- Building relationships
- Representing the organisations
- Reciprocity of hospitality where this has a clear business purpose and is within normal bounds – acceptance of hospitality is expected to be consistent with the principles and guidance for provision of hospitality.
- Recognising significant business achievement
- Building revenue

- 9.3. Given the many non-commercial functions of Council, there will only be limited justification for expenditure under some of the five purposes of entertainment and hospitality above, except in commercial business units.
- 9.4. Supporting the Council's internal organisational development may, in occasional circumstances, also be a legitimate business purpose for moderate expenditure.
- 9.5. All entertainment and hospitality expenditure must be pre-authorised by an SLT member, the Mayor or Chief Executive where practical and always supported by clear documentation. This documentation must identify the date, venue, costs, recipients and benefits derived and/or reasons for the event.
- 9.6. The most senior person present (with delegated authority) should approve and confirm the expenditure as being appropriate. Refer also to Council's Receiving Gifts and Hospitality policy (Doc ID 223396).

Goods and Services Expenditure

10. Disposal of Surplus Assets

As part of normal business, council will from time to time dispose of surplus assets. Typically, this is when assets have become obsolete, worn out or surplus to requirements. Council's disposals are intended to be transparent and fair.

- 10.1. To ensure transparency, fairness and the best value for Council, the disposal of assets which have become obsolete, worn out or surplus to requirements, shall normally be conducted on the open market or by way of trade-in on a replacement asset.
- 10.2. Without the express prior approval of SLT, the Chief Executive or Mayor, no surplus assets with a market value of more than \$500 per item will be sold directly to elected members, employees or their friends, acquaintances or family.
- 10.3. For assets with a value under \$500, the following principles shall apply:
 - Employees involved in selling the asset shall not benefit from the disposal
 - Sales must maximise the return to the Council; and
 - Be sold at no less than the market value determined by an appropriate valuation e.g. Trade Me

11. Loyalty reward scheme benefits

Loyalty reward schemes provide a benefit to the customer for continuing to use a particular supplier of goods and services. Generally, the rewards tend to be given in the name of the individual who obtains the goods and services, regardless of who has paid for them.

- 11.1. Except in the case of Airline loyalty rewards (covered in the NCC Travel Policy) and loyalty schemes such as Fly buys etc. Council treats loyalty rewards accruing to employees carrying out their official duties as property of the Council.
- 11.2. Where a reward/prize is obtained by chance and without inducement, it may be retained by the individual, otherwise it would be the property of Council. E.g. a reward is offered to select one supplier over another.
- 11.3. Exceptions are prizes received from competitions at training or conference events or through membership of professional bodies which are the property of the individual. However, when their value exceeds \$100 they are to be disclosed to a Manager and in the Gifts register in accordance with the NCC's Receiving Gifts and Hospitality Policy.
- 11.4. Council requires employees leaving the Council with unpaid loyalty rewards, to transfer the benefits to Council or buy the unapplied rewards from Council at the market rate. Where neither of these is practical, arrangements are to be made with the supplier to cancel the unapplied rewards.

12. Private use of Councils assets

- 12.1. Any physical item owned, leased or borrowed by Council is considered an asset for the purpose of this policy. This includes plant items, tools, photocopiers, mobiles, means of accessing the internet, and stationery.
- 12.2. The principles of transparency, moderate and conservative expenditure, are particularly relevant. Private use for personal purposes will only be permitted in limited circumstances and with approval from a Director.
- 12.3. The costs to Council of private use will be recovered, unless it is impractical or uneconomic to separately identify those costs.
- 12.4. Private use of Council assets can incur FBT so the impact of this must be considered before approval is granted.

13. Private use of Council suppliers

- 13.1. The private use of Council's official procurement processes is not permitted. Council will not enable employees or elected members to obtain goods or services from a supplier on the same or similar basis to Council except in the limited way provided for below. This is to ensure that they may not receive preferential access to goods and services, and potentially a preferential price, which is not available to the public.
- 13.2. Staff may however, make moderate use of any access to goods or services through Councils suppliers only under the approved Staff Discount scheme. All transactions are directly with suppliers and on a cash sale basis only. Staff may not use Council purchasing privileges on behalf of any third party. This includes family members or friends.
- 13.3. Employees are able to purchase goods from the Council store at the Austin Street depot. Payment for goods is deducted from the employees pay on completion of a Staff Purchase Sheet.
- 13.4. In rare circumstances a Council order may cover expenditure with a personal component e.g a travel or accommodation booking. In this case payment to Council for the personal component must be made on the earlier of the confirmation of costs or receipt of the invoice from the supplier.

14. Council Use of Private Assets

- 14.1. Council may decide that reimbursing for use of Private Assets is appropriate for reasons such as cost, convenience or availability. Council may also decide to do this in circumstances where it would not fully use an asset of the same type if it acquired it directly. Examples include private motor vehicles, private mobiles and private computers or BYOD (buy your own device).
- 14.2. Insurance for the private asset being utilised is the responsibility of the employee.
- 14.3. To reduce the risk of the Council paying reimbursement costs that benefit the employee or elected member, pre-approval by a Director is required. In assessing the request particular attention is to be paid to the principles of a justified business purpose and preserving impartiality and integrity.
- 14.4. Reimbursement will be set at actual and reasonable costs. All claims require supporting documentation.
- 14.5. Employees must not approve or administer payments to themselves for the Council's use of their private assets.

Employee Support and Welfare Expenditure**15. Clothing**

- 15.1. Other than official uniforms and health and safety related clothing, staff will not be clothed at the Council's expense when they are engaged in normal business activity.

16. Care of dependants

- 16.1. The Chief Executive may authorise in exceptional circumstances the reimbursement of actual and reasonable costs in relation to the care of dependents. Some possible examples are when the employee is unexpectedly required to perform additional duties at very short notice, or a dependant unexpectedly requires additional care that the employee cannot provide because of the essential nature of their duties at the time. In all other instances care of dependants is to be treated as a personal and private expense of the employee.

17. Financing Social Club Activities

- 17.1. Council may make a prudent and reasonable monetary contribution to the Council Social Club. The contribution may be a grant or subsidy for a specific event or item and must be approved by the Chief Executive.

18. Farewells and retirements

- 18.1. Expenditure on farewells, long service and retirements includes spending on functions, gifts and other items and should not be extravagant or inappropriate to the occasion. Refer to the NCC Recognition Policy.

19. Sponsorship of staff and others

- 19.1. Staff taking part in an activity that is not part of their job, such as a sporting event, may be sponsored by their entity through the provision of, or payment for goods and services (for example a t-shirt or entry fee)
- 19.2. Sponsorship should have a justified business purpose, which could include both publicity for the entity and its objectives, and organisational development. The cost to Council must be moderate and conservative.
- 19.3. In normal circumstances, sponsorship will be provided through a social club rather than directly to the staff member.
- 19.4. Sponsorship of people who are not staff must be undertaken in a manner that is transparent. It is also preferable that, if non-staff are sponsored, the sponsorship is of an organisation they belong to, rather than directly to the individual.

20. Professional Memberships

Membership to a professional body is sensitive expenditure due to its personal nature.

- 20.1. Payment of professional fees by Council on behalf of an employee must be:

- Approved by the Director or Chief Executive in the case of employees. In the case of the Chief Executive or elected members, the Mayor is required to give approval;
- clearly relevant to the performance of the employee's duties and responsibilities;
- for the employee alone and is not to cover members of their family or other persons;
- for no longer than one-year in duration unless significant discounts are available and it is reasonable to expect a two-year membership to be an advantage to the Council;
- for the benefit of the Council and are not intended to be a personal benefit to employees, and accordingly are not liable for Fringe Benefit Tax;
- refunded directly to the Council if the membership is cancelled

Other types of expenditure**21. Donations and Koha**

A donation or a koha is a payment (in money or by way of goods or services) made voluntarily and without the expectation of receiving goods or services in return.

21.1. Council requires donations to be:

- Lawful in all respects:
- Disclosed in aggregate in the Council's annual report:
- Made to a recognised organisation by normal commercial means (not to an individual):
- Not in cash (except as a koha. Amounts under \$250 to be approved by a Director):
- Non-political (i.e. politically neutral).

21.2. The amount given on behalf of Council should reflect the occasion and the prestige of Council in its relations with Tangata Whenua. Amounts of \$250 and over are to be approved by the Chief Executive.**22. Communications technology**

22.1. Communications technology – such as mobiles, telephones, email and internet access, are widely used in the Council workplace. While some personal use of this technology is unavoidable, excessive use incurs costs, including lost productivity to Council.

22.2. Council's policies on the use of communications equipment are contained within Council's IT Acceptable Use Policy (Doc ID 216222).

23. Gifts given

23.1. A gift is usually given as a token of recognition of something provided by the recipient. Gifts given to employees are covered in the Recognition Policy (Doc ID 220599).

24. Gifts received

24.1. The receiving of a gift is not strictly sensitive expenditure however; it is nevertheless a sensitive issue. Refer to the Gifts and Benefits Policy (Doc ID 223396).

Policy Review

The review timeframe of this policy will be no longer than every two years.

Document History

Version	Reviewer	Change Detail	Date
3.0.0	Talia Foster	Review in line with Travel Policy	17 Sept 2019

Mayor Sensitive Expenditure

Attachment B

Report for Audit and Risk Committee Meeting

Transactions processed from 1 Apr 2020 to 30 Jun 2020

Transaction Date	Transaction Source	Supplier	Value	Details in Ledger	Compliant with Policy
Entertainment					
27/05/2020	AP	Pak 'N Save Napier City	\$ 82.15	Councillor Meetings provisions	✓
17/06/2020	AP	Pak 'N Save Napier City	\$ 104.67	Councillor Meetings provisions	✓
Total Entertainment			\$ 186.82		
Mayors Travel & Accommodation					
30/06/2020	AP	Orbit Travel Wellington	\$ 385.65	Air ticket charges for Mayor Wise to attend LGNZ Rural and Provincial Conference on 16-17 July 2020 in Wellington	✓
Total Mayors Travel & Accommodation			\$ 385.65		
Conferences					
30/06/2020	AP	Orbit Travel Wellington	\$ 222.10	Air ticket charges for Mayor Wise to attend LGNZ AGM on 21 August 2020 in Wellington	✓
Total Conferences			\$ 222.10		
Total For Quarter			\$ 794.57		

Chief Executive Sensitive Expenditure

Attachment C

Report for Audit and Risk Committee Meeting

Transactions processed from 1 Apr 2020 to 30 Jun 2020

Transaction Date	Transaction Source	Supplier	Value	Details in Ledger	Compliant with Policy
Employee benefits					
2/05/2020	CC	Mastercard	\$ 86.96	Mission Estate Winery Gift Voucher - Neil Taylor leaving gift	✓
Total Employee benefits			\$ 86.96		
Other operating expenditure					
6/05/2020	AP	Design Cuisine Limited	\$ 120.00	Morning Tea - Farewell for CEO Neil Taylor	✓
20/05/2020	AP	Design Cuisine Limited	\$ 127.00	Welcome Morning Tea - Keith Marshall on 7 May	✓
16/06/2020	CC	Mastercard	\$ 8.97	SLT offsite Workshop refreshments	✓
25/06/2020	AP	Design Cuisine Limited	\$ 181.50	Monthly Hawkes Bay Local Government Leaders Group Forum - Lunch for 11 attendees (5 Mayors, 5 CEs, and note-taker)	✓
25/06/2020	AP	Design Cuisine Limited	\$ 71.50	Monthly Hawkes Bay Local Government Leaders Group Forum - Morning tea for 11 attendees (5 Mayors, 5 CEs, and note-taker)	✓
Total Other operating expenditure			\$ 508.97		
Travel and Accommodation					
26/11/2019	CC	Mastercard	\$ 29.57	WAYNEJ CE airport parking - Rural & Provincial Conference on 21/11/19	✓
26/11/2019	CC	Mastercard	\$ 102.61	WAYNEJ CE & Mayor Dinner - Rural & Provincial Conference on 21/11/19	✓
30/06/2020	AP	Orbit Travel Wellington	\$ 222.10	Air ticket charges for Keith Marshall to LGNZ AGM on 21/08/20 in Wellington	✓
Total Travel and Accommodation			\$ 354.28		
Total For Quarter			\$ 950.21		

8. INTERNAL AUDIT - PROPOSED PROGRAMME FOR 2020/21

Type of Report:	Operational
Legal Reference:	N/A
Document ID:	954027
Reporting Officer/s & Unit:	Caroline Thomson, Chief Financial Officer

8.1 Purpose of Report

To table to the Committee the internal audit programme for 2020/21 from Crowe. Recommendations, feedback and any other review priorities the Committee deems relevant, is sought

Officer's Recommendation

The Audit and Risk Committee:

- a. Resolve that the internal audit programme for 2020/21 from Crowe is received and approved.

8.2 Background Summary

In June 2017 Council engaged Crowe Horwath for the provision of internal audit services for an initial contract term of three years. The following table sets out the internal audit programme for the remainder of 2019/20 and the 2020/21 financial year.

Audit project	2020/21 plan
Cyber Security	October 2020
Records Management	November 2020
Data Analytics	March 2021
Asset Management	April 2021
Contract Management	May 2021

The internal audit planning document and scoping documents for the planned audits are attached as attachment A.

8.3 Issues

No issues

8.4 Significance and Engagement

N/A

8.5 Implications

Financial

N/A

Social & Policy

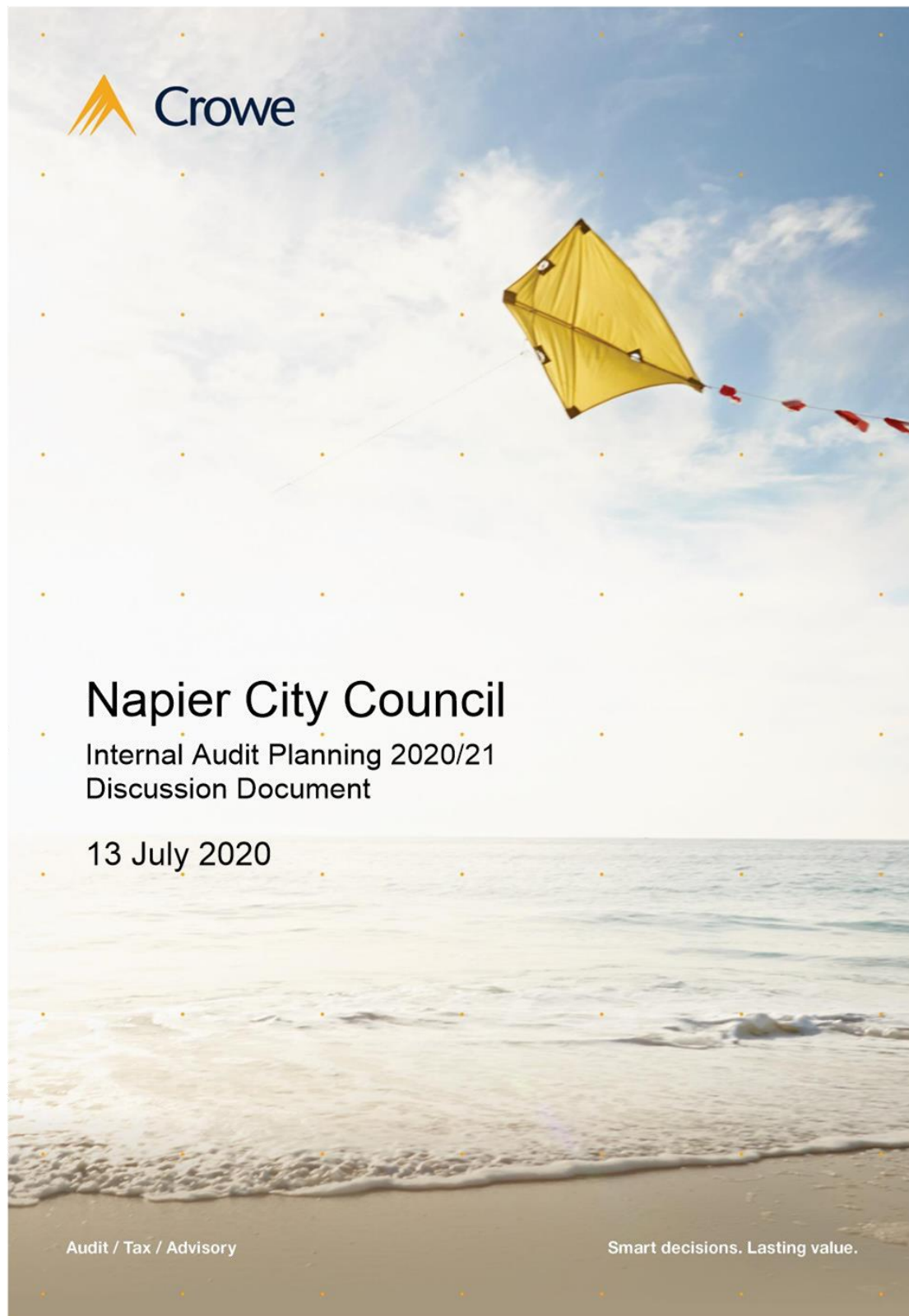
N/A

Risk

N/A

8.6 Attachments

- A NCC Internal Audit Plan 20/21 [↓](#)
- B Cyber Security scoping document [↓](#)
- C Records Management scoping document [↓](#)
- D Data Analytics scoping document [↓](#)
- E Asset Management scoping document [↓](#)
- F Contract Management scoping document [↓](#)



Napier City Council

Internal Audit Planning 2020/21
Discussion Document

13 July 2020

Audit / Tax / Advisory

Smart decisions. Lasting value.

Contents

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3. Internal Audit Universe 4

1. Executive Summary

We have prepared an internal audit planning document of suggested audits for consideration in the 2020/21 Financial Year based on the following factors:

- A meeting held with the Chief Financial Officer in June 2020 to discuss areas of concern and potential areas of risk.
- A review of previous internal audit activities undertaken.
- Current issues noted by us as items of risk prevalent in the local government sector.
- Coverage of financial, operational and IT related activities and functions.

The proposed assignments are indicative only and are submitted for further review and approval by the Council's management and governance committees as required. The plan is intended to be dynamic and further changes may be made as needed throughout the period included in the review.

A timeframe for the audits will be determined following discussion and approval of an Internal Audit Plan and budget for the year.

2. Assignments discussed

The following assignments were considered as being relevant and scoping documents for each of these have been provided separately for consideration with the anticipated hours required to complete each assignment.

Assignment	Estimated Hours
Business Continuity Planning	100
Contract Management	100
Asset Management	100
Cybersecurity	100
Records Management	120
Data Analytics	60
Follow-up Activities	30
Ongoing Relationship Management*	30

* Ongoing relationship management includes the preparation of annual work programmes, regular meetings with the Risk and Assurance Lead and attendance at two Audit & Risk Subcommittee Meetings.

We have documented in Section 3 below an internal audit universe detailing the range of audit projects we would typically see in a strategic internal audit plan for a City/District Council including previous audit coverage over the areas listed.

3. Internal Audit Universe

We have indicated below the range of audit projects we would typically see in a strategic internal audit plan for a City Council.

Audit Project / Activity and Brief Scope		Prior Years	2017/18	2018/19	2019/20
Governance					
1	Risk Management Process Review: Review of Risk Management policies and procedures				
2	Development of Risk Policy and Framework: Facilitation of Strategic and Operational Risk Assessment processes.	✓			
3	Development of Assurance Map: Identify the assurance processes in place over the high rated risks to allow the Audit & Risk Committee to determine areas where further internal audit activity may be required.				
4	Ethics: Review of the Council's ethical standards and procedures including codes of conduct, protected disclosures policies, conflicts of interest policies and programmes				
5	Strategic Planning Process (Annual Plan/Long-Term Plan): <ul style="list-style-type: none"> Review the adequacy of the procedures and practices with respect to the annual and long-term planning processes covering Consultation/engagement with the community, Council staff and Councillors in developing the Annual Plan. Degree to which the Council Plan and annual plan reflects Council and community priorities The timeliness of development of the Annual Plan and coordination / resourcing through the Annual Budget and Capital Works Program The process for monitoring and reporting on achievement of Annual Plan actions. 				

Internal Audit Planning 2020/21

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Audit Project / Activity and Brief Scope		Prior Years	2017/18	2018/19	2019/20
6	Decision-Making Processes: Review of delegated authorities to ensure clear principles and guidelines for the delegation of authority are documented, promote timely, efficient and appropriate decision-making and are adhered to.				
Regulatory					
1	Rates Management: Review of the policies, procedures and controls in place over the calculation and collection of rates.	✓			
2	Regulatory Revenue: Review of the policies, procedures and controls in place to ensure the completeness of fee setting, invoicing and collection, enforcement actions and integrity of information systems for the following functions: <ul style="list-style-type: none"> • Parking • Environmental Health • Animal Control • Other bylaws 	✓ (in part)	✓		
3	Resource and Building Consents Review of the resource and building consent processes covering: <ul style="list-style-type: none"> • Compliance with the RMA/BCA • Compliance with the City Plan • Fee setting, invoicing and collection 				
Finance					
1	Fraud Risk Management: Assess the Council's performance against key attributes of a better practice fraud control program (drawn from AS 8001:2008 Fraud and Corruption Control)				✓
2	Cash Handling: Review the of the cash handling procedures in place at selected Council locations such museums, libraries, waste and recycling centres, car parks and swimming pools.		✓		

Internal Audit Planning 2020/21

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Audit Project / Activity and Brief Scope		Prior Years	2017/18	2018/19	2019/20
3	Procurement and Purchasing: Procurement review covering the current procurement procedures and strategies in place and to identify potential improvements to the efficiency and effectiveness of procurement activities (supplier optimisation, use of preferred suppliers/AOG agreements, management of conflicts of interest, contract tendering and monitoring of supplier performance).	✓ (in part)			
4	Data Analytics: Annual Data Analytics exercise over payroll and payables master and transactional data to identify potentially suspicious relationships, trends and transactions.	✓	✓	✓	
5	Treasury Management Assess the Council's Treasury operations for compliance with the Council's Treasury policies and procedures, including the monitoring controls over treasury activities, segregation of duties and compliance with delegated authorities.	✓			
6	Accounts Receivable and Credit Control: Review of policies, procedures and controls over invoicing, collection of revenues and credit management.			✓	
7	Sensitive Expenditure Review of policies, procedures and controls over purchasing activities (purchase order and invoice approvals) and expenditures to meet OAG expectations for Sensitive expenditure.		✓	✓	
8	Fixed Asset Management: Review of policies, procedures and controls in place for safeguarding and verifying the existence of fixed assets including disposal procedures and procedures for monitoring the existence of assets.				
9	Tax Compliance: Review of the Council's compliance with GST, PAYE, Withholding tax and FBT.	✓			

Internal Audit Planning 2020/21

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Audit Project / Activity and Brief Scope		Prior Years	2017/18	2018/19	2019/20
10	Grants and Loans Review of policies, procedures and controls over the awarding of grants and loans including criteria for awarding grants, consistency, transparency and management of conflicts of interest and monitoring of use of grants.				✓
Operations and Infrastructure					
1	Management of Contractors: Review of the policies, procedures and controls in place over the engagement of external contractors at the Council.				
4	Contract Management: Review of policies, procedures and controls in place over contracts including delegated authorities, tender procedures, monitoring of contractual terms (SLAs, renewal and termination clauses) and monitoring performance of contracted parties.				
5	Water Supply/Waste Water Management: Review of policies, procedures and controls in place over key water and waste water risks including quality performance monitoring, monitoring of key supply and maintenance contracts and emergency response plans.				
6	Asset Management: Review of infrastructure asset management procedures and practices to assess whether the controls and processes, including the ability to deliver capital projects, are operating effectively.				

Internal Audit Planning 2020/21

Napier City Council

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Audit Project / Activity and Brief Scope		Prior Years	2017/18	2018/19	2019/20
7	Emergency Management: Review of the policies, procedures and controls in place to ensure an effective response to a civil defence emergency.	✓			
Information Services					
1	Business Continuity and Disaster Recovery Planning: Review of the effectiveness of the Council's business continuity procedures in place to respond to a disaster.				
2	External IT Network Vulnerability Assessment Assessment of the Council's corporate perimeter systems for any potential vulnerability which would allow an unauthorised user to gain access to those systems.				
3	Records Management: Review of the policies, procedures and controls in place over the registration, retention, destruction and confidentiality of Council documents and records and processes to ensure records can be effectively retrieved.				
4	IT/Cyber Security: Review of the design and operation of the Council's IT Security policies and procedures to protect sensitive data and systems from unauthorised access or alteration.				
Human Resources					
1	HR Practices: Review of key HR policies and procedures including recruitment, training, performance appraisal, staff retention and succession plans, disciplinary procedures and security of personal information.				
2	Payroll: Review of the payroll procedures and practices to assess whether the controls and processes ensure complete, accurate and timely processing of payroll information.	✓			✓

Internal Audit Planning 2020/21

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Audit Project / Activity and Brief Scope		Prior Years	2017/18	2018/19	2019/20
3	Health and Safety: Review of the extent to which the Health & Safety-related policies and procedures in place at the Council meet the requirements of the Health and Safety at Work Act (2015) and review of specific areas of concern.				



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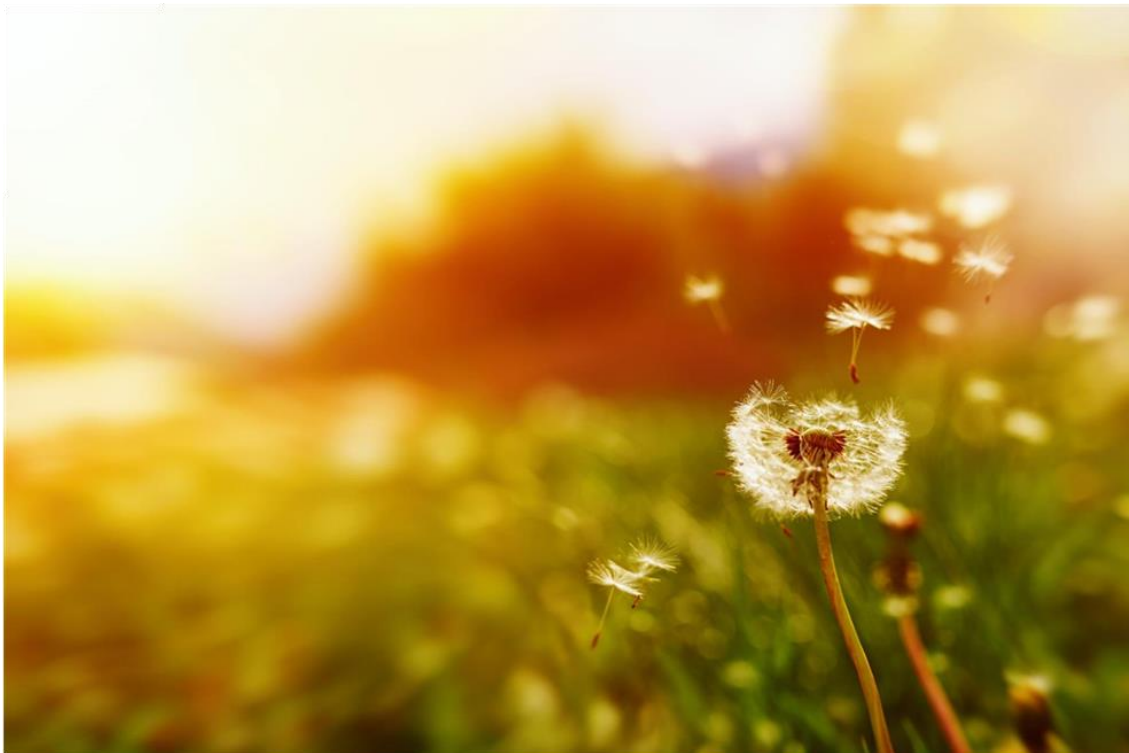
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Napier City Council

Planning Memorandum Internal Audit – Cybersecurity





1. Introduction

Cyber risk is the risk organisations face from their use of digital technology, especially IT networks, the internet and mobile devices. Sources of cyber risk can include hackers, employees, ex-employees, contractors, suppliers and the general public. Cyber risk damage is frequently caused by a failure of process – or a failure of people to follow agreed process. Cyber incidents can have a financial, operational, legal and reputational impact and can include:

- Negative publicity resulting in loss of reputation
- Loss of intellectual property
- Fines, lawsuits and legal fees resulting from noncompliance or loss of confidential or consumer information
- Forensic investigation costs
- Public relations campaign costs to improve public image
- Technology improvement costs to mitigate and improve cybersecurity controls
- Loss of time and productivity

2. Objective

The objective of the assignment is to evaluate the maturity of cybersecurity processes, policies, procedures, governance and other controls.

The audit will identify the key areas of cyber risk that exist for the organisation and consider the policies, procedures and controls that have been designed to mitigate those risks over the three primary security and control areas:

- Protection of networks to which multiple information resources are connected
- Responsibility and accountability for the device and information contained on it
- Protection of sensitive data and intellectual property

The objective of the audit will be to identify areas for improvement and provide recommendations to address the areas identified. Our approach will not include a detailed assessment of the operating effectiveness of controls at this stage.

3. Approach

We will evaluate the maturity of the Council's processes, policies, procedures, governance and other controls relative to the US National Institute of Standards and Technology (NIST) Cybersecurity Framework. This framework consists of standards, guidelines and good practices to manage cybersecurity-related risk.

We will evaluate the Council's cyber maturity across the following five cyber functions:



- **Identify:** An understanding of how to manage cyber security risks to systems, assets, data and capability.
- **Protect:** The controls and safeguards necessary to protect or deter cyber security threats.
- **Detect:** Continuous monitoring to provide proactive and real-time alerts of cyber security related events.
- **Respond:** Incident response activities.
- **Recover:** Business continuity plans to maintain resilience and recover capabilities after a cyber breach.



The following section provides an overview of the categories of cyber controls that will be evaluated within the above five cyber functions:

Identify

The Identify Function assists in developing an organisational understanding to managing cybersecurity risk to systems, people, assets, data, and capabilities. Understanding the business context, the resources that support critical functions, and the related cybersecurity risks enables an organisation to focus and prioritise its efforts, consistent with its risk management strategy and business needs.

We will evaluate the maturity of controls within the following categories:

- Identifying physical and software assets within the organisation to establish the basis of an Asset Management program
- Identifying the business environment the organisation supports including the organisation's role in the local government sector
- Identifying cybersecurity policies established within the organisation to define the governance program as well as identifying legal and regulatory requirements regarding the cybersecurity capabilities of the organisation
- Identifying asset vulnerabilities, threats to internal and external organisational resources, and risk response activities as a basis for the organisations Risk Assessment
- Identifying a Risk Management Strategy for the organisation including establishing risk tolerances

Protect

The Protect Function outlines appropriate safeguards to ensure delivery of critical infrastructure services and supports the ability to limit or contain the impact of a potential cybersecurity event.

We will evaluate the maturity of controls within the following categories:

- Protections for Identity Management and Access Control within the organisation including physical and remote access
- Empowering staff within the organisation through Awareness and Training including role based and privileged user training
- Establishing Data Security protection consistent with the organisation's risk strategy to protect the confidentiality, integrity, and availability of information
- Implementing Information Protection Processes and Procedures to maintain and manage the protections of information systems and assets



- Protecting organisational resources through Maintenance, including remote maintenance, activities
- Managing Protective Technology to ensure the security and resilience of systems and assists are consistent with organisational policies, procedures, and agreements

Detect

The Detect Function defines the appropriate activities to identify the occurrence of a cybersecurity event and enables timely discovery of cybersecurity events.

We will evaluate the maturity of controls within the following categories:

- Ensuring Anomalies and Events are detected, and their potential impact is understood
- Implementing Security Continuous Monitoring capabilities to monitor cybersecurity events and verify the effectiveness of protective measures including network and physical activities
- Maintaining Detection Processes to provide awareness of anomalous events

Respond

The Respond Function includes appropriate activities to take action regarding a detected cybersecurity incident and supports the ability to contain the impact of a potential cybersecurity incident.

We will evaluate the maturity of controls within the following categories:

- Ensuring Response Planning process are executed during and after an incident
- Managing Communications during and after an event with stakeholders, law enforcement, external stakeholders as appropriate
- Analysis is conducted to ensure effective response and support recovery activities including forensic analysis, and determining the impact of incidents
- Mitigation activities are performed to prevent expansion of an event and to resolve the incident
- The organisation implements Improvements by incorporating lessons learned from current and previous detection / response activities

Recover

The Recover Function identifies appropriate activities to maintain plans for resilience and to restore any capabilities or services that were impaired due to a cybersecurity incident and supports timely recovery to normal operations to reduce the impact from a cybersecurity incident.

We will evaluate the maturity of controls within the following categories:

- Ensuring the organisation implements Recovery Planning processes and procedures to restore systems and/or assets affected by cybersecurity incidents
- Implementing Improvements based on lessons learned and reviews of existing strategies
- Internal and external Communications are coordinated during and following the recovery from a cybersecurity incident

4. Deliverable

We will provide you with a detailed report of our findings and recommendations we consider appropriate to mitigate any risks identified.



5. Estimated Hours

We estimate 100 hours will be required for this assignment.

6. Acknowledgement and Acceptance

The details of the above scoping document have been read and understood and I am authorised to accept them for and on behalf of the Napier City Council.

Signed: _____

Name: _____

Position: _____

Date: _____

PO Number: _____



Contact us

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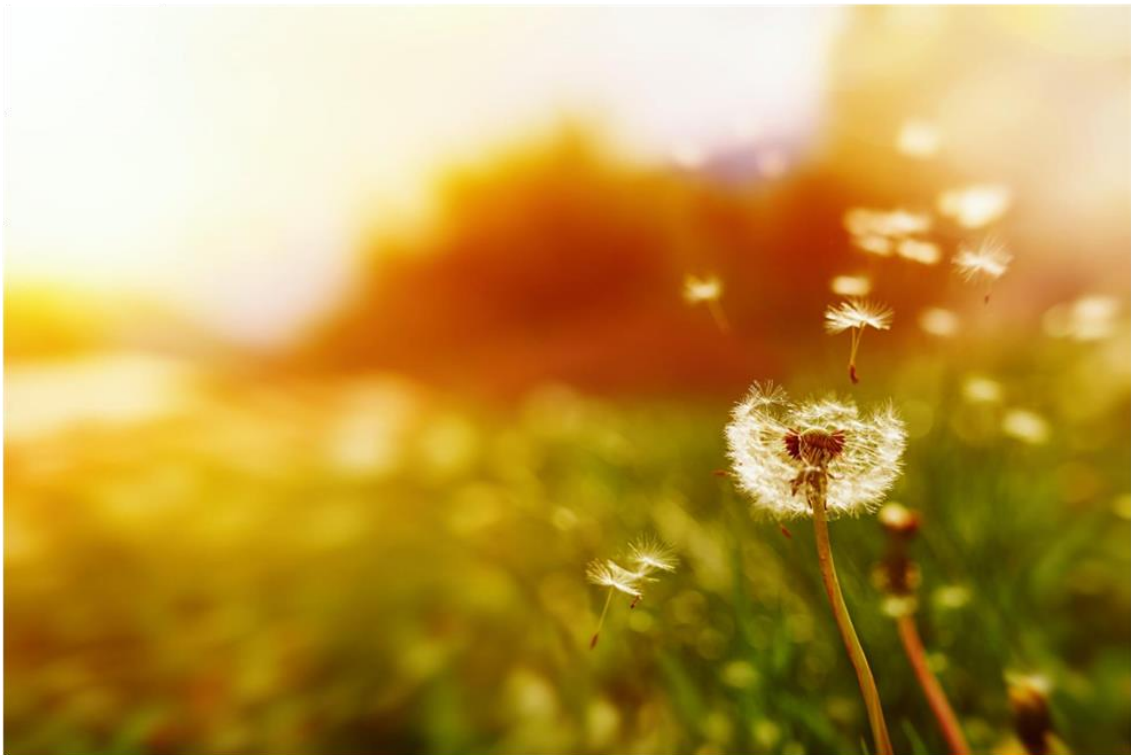
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Napier City Council

Planning Memorandum Internal Audit – Records Management





1. Objectives and Scope

The objective of this review will be to assess the records management policies and procedures in place at the NCC.

The scope of the audit will be to assess the extent to which the records management policies and procedures adhere to the minimum compliance requirements of Information and records management standard issued by Archives New Zealand – Department of Internal Affairs in July 2016.

The scope of the audit will incorporate the following steps in relation to the Principles defined in the Standard:

Principle 1: Organisations are responsible for managing information and records:

- Information and records management must be directed by strategy and policy, reviewed and monitored regularly.
- Information and records management must be the responsibility of senior management. Senior management must provide direction and support to meet business requirements as well as relevant laws and regulations.
- Responsibility for the oversight of information and records management must be allocated to a designated role (the Executive Sponsor).
- Organisations must have information and records management staff, or access to appropriate skills.
- Business owners and business units must be responsible for ensuring that information and records management is integrated into business processes, systems and services.
- Staff and contractors must understand the information and records management responsibilities of their role. They must understand relevant policies and procedures.
- Information and records management responsibilities must be identified and addressed in all outsourced and service contracts, instruments and arrangements.
- Information and records management must be monitored and reviewed to ensure that it is accurately performed and meets business needs.

Principle 2: Information and records management supports business:

- Information and records required to support and meet business needs must be identified.
- High risk/high value areas of business, and the information and records needed to support them, must be identified and regularly reviewed.
- Information and records management must be design components of all systems and service environments where high risk/high value business is undertaken.
- Information and records must be managed across all operating environments.
- Information and records management must be designed to safeguard information and records with long-term value.
- Information and records must be maintained through systems and service transitions by strategies and processes specifically designed to support business continuity and accountability.

**Principle 3: Information and records are well managed:**

- Information and records must be routinely created and managed as part of normal business practice.
- Information and records must be reliable and trustworthy.
- Information and records must be identifiable, retrievable, accessible and usable for as long as they are required.
- Information and records must be protected from unauthorised or unlawful access, alteration, loss, deletion and/or destruction.
- Access to, use of and sharing of information and records must be managed appropriately in line with legal and business requirements.
- Information and records must be kept for as long as needed for business, legal and accountability requirements.
- Information and records must be systematically disposed of when authorised and legally appropriate to do so.

2. Deliverable

We will provide you with a detailed report of our findings and recommendations we consider appropriate to mitigate any risks identified.

3. Estimated Hours

We estimate 120 hours will be required for this assignment.

4. Acknowledgement and Acceptance

The details of the above scoping document have been read and understood and I am authorised to accept them for and on behalf of the Napier City Council.

Signed: _____

Name: _____

Position: _____

Date: _____

PO Number: _____



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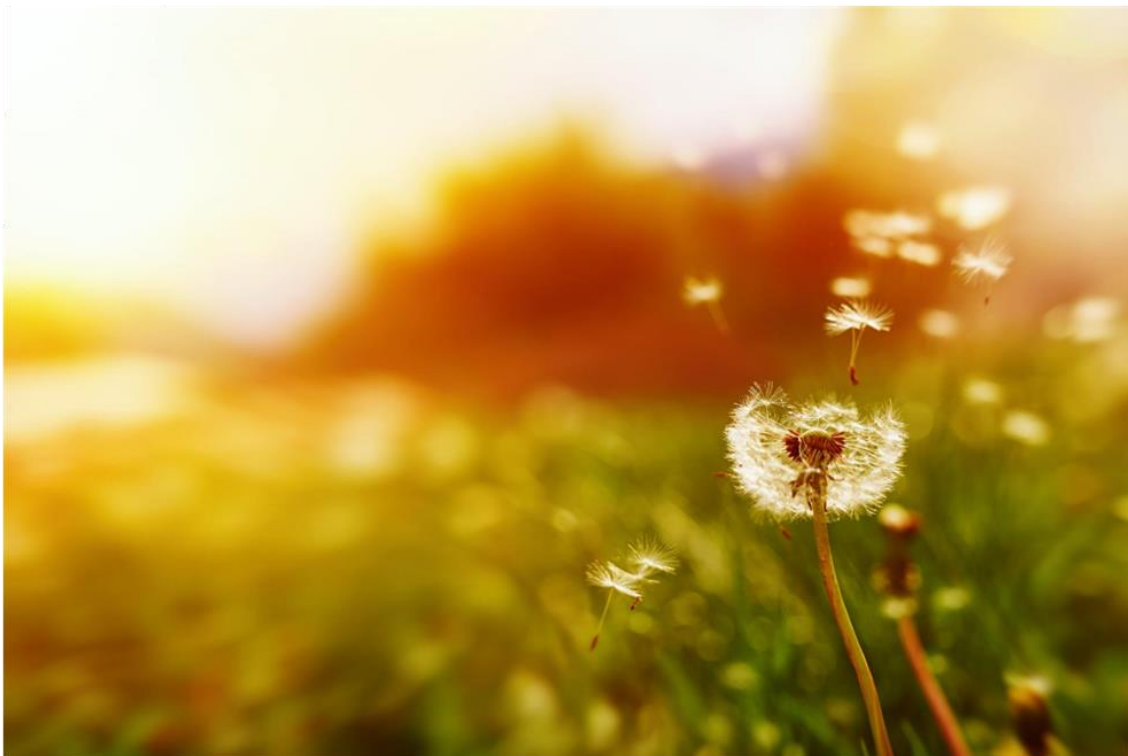
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Napier City Council

Planning Memorandum

Internal Audit - Data Analytics – Accounts Payable and Payroll





1. Scope

We will perform a data analysis review that involves analysis of master file data and transaction data for payroll and vendor payments.

The transactional data testing will cover the period 1 July 2019 to 30 June 2020 with the master data testing as at the date of extraction, intended to be during August 2020.

The data analysis work does not include assessment of the respective internal controls within the business processing areas and is limited to factual reporting of identified data anomalies as per the specified tests in Appendix A. The ability to undertake all the tests listed in Appendix A is dependent on the extent of electronic information held on the Council's accounting, purchasing and payroll systems.

2. Approach

The testing outcomes are achieved by the extraction, validation and analysis of the relevant data files from the payroll and finance application systems. This data is then imported into data analysis software where the specified tests are performed upon the logical structure and reasonableness of the data, to identify any anomalies.

The details of the data file extracts required are detailed in the attached document "Data Extracts Required".

3. Deliverable

We will provide you with a workbook of the high-level summary findings of our testing, associated risks and where appropriate recommendations for further investigation of transactions or masterfile data identified as suspicious as well as the supporting results spreadsheets highlighting individual transactions and anomalies that we consider require further investigation.

4. Estimated Hours

We estimate 60 hours will be required for this assignment.



5. Acknowledgement and Acceptance

The details of the above scoping document have been read and understood and I am authorised to accept them for and on behalf of the Napier City Council.

Signed: _____

Name: _____

Position: _____

Date: _____

PO Number: _____



Appendix A – Specified Tests

1.1. Accounts payable master data and transactions

Tests to identify unusual master data or transactions:

Risk / concern	Data	Tests
<ul style="list-style-type: none"> Suspicious suppliers 	<ul style="list-style-type: none"> Vendor master data Vendor master data change reports Payroll master data 	<ul style="list-style-type: none"> Vendors with no bank details Vendors with duplicate bank details, names/IDs or addresses Vendors with multiple bank account changes Word searches for unusual vendor names
<ul style="list-style-type: none"> Suspicious payments 	<ul style="list-style-type: none"> Vendor master data Vendor invoice data Vendor purchase order data Vendor payment data 	<ul style="list-style-type: none"> Invoices without purchase orders Payments to vendors that are not in the vendor masterfile or have been deactivated Transactions posted on weekends Vendor payments that round to \$'000 Benford's Analysis Vendors with multiple payment methods used Summary of vendors and total transaction values Duplicate invoices Duplicate payments
<ul style="list-style-type: none"> Non-compliance with policy and procedures 	<ul style="list-style-type: none"> Authorisation limits Vendor payment data 	<ul style="list-style-type: none"> Invoices with more than one purchase order authorisation (split payments) Invoices over, on or just under approval cut-off levels Analysis of purchase orders / invoices where the request and authorisation were by the same staff member (profiling by supplier and staff against peers)
<ul style="list-style-type: none"> Other anomalies and outliers 	<ul style="list-style-type: none"> Payment data including credits 	<ul style="list-style-type: none"> Credit notes by vendor by volume and amount GST not recorded Word search of text fields for "paid twice", "double" & "credit note paid", "wrong amount", "error" etc.

1.2. Cross matching between accounts payable and payroll system data

Tests to identify potentially suspicious vendors through matching employee master data (address and/ or bank account) to the accounts payable master data:

Risk / concern	Data	Tests
<ul style="list-style-type: none"> Identify suspicious payments and segregation of duties risks 	<ul style="list-style-type: none"> Vendor master data Payroll master data 	<ul style="list-style-type: none"> Vendor bank account match to employee bank account (and the vendor name is not the employee's name) Vendor address match to employee address (and the vendor name is not the employee's name). <p>Fuzzy logic is employed to identify address matches where characters differ within a set tolerance (allows Street and St to be matched for example).</p>



Risk / concern	Data	Tests
<ul style="list-style-type: none"> Anomalies and outliers 	<ul style="list-style-type: none"> Vendor master data Payroll master data Vendor payment data 	<ul style="list-style-type: none"> Payments to vendors with bank account / address matches to an employee Payments to vendors with bank account / address matches to an employee, approved by the employee with matching data Analysis of payments to employees through accounts payable

1.3. Payroll master data and transactions

Tests to address risks typical with payroll systems and processes:

Risk / concern	Data	Tests
<ul style="list-style-type: none"> Ghost employees 	<ul style="list-style-type: none"> Payroll master data Payroll transaction data 	<ul style="list-style-type: none"> Employees with no address Employees with referral address Employees with no or invalid IRD number Employees with duplicate IRD numbers Employees with no bank accounts Employees with duplicate bank accounts Employees with duplicate names Employees with no date of birth
<ul style="list-style-type: none"> Anomalies and outliers 	<ul style="list-style-type: none"> Payroll master data Payroll transaction data 	<ul style="list-style-type: none"> Payments to employees before start date or after termination date. Employees employed for an unusually short duration (less than 30 days) Analysis of allowances by division and / or position description – highest, average and total transaction values Total benefits by person Wages or salaries below minimum wage Employee payments that round to \$'000 Payments to employees with no record in the payroll masterfile
<ul style="list-style-type: none"> Segregation of duties risks 	<ul style="list-style-type: none"> Payroll master data Payroll transaction data 	<ul style="list-style-type: none"> Duplicate bank account and / or addresses – specifically identifying staff matches within departments / roles that are higher risk
<ul style="list-style-type: none"> Timesheet manipulation, health and safety and resource efficiency 	<ul style="list-style-type: none"> Payroll transaction data 	<ul style="list-style-type: none"> Benchmark total hours and overtime hours between departments Identify excessive overtime hours and amounts that could indicate timesheet manipulation, resourcing or health and safety issues.



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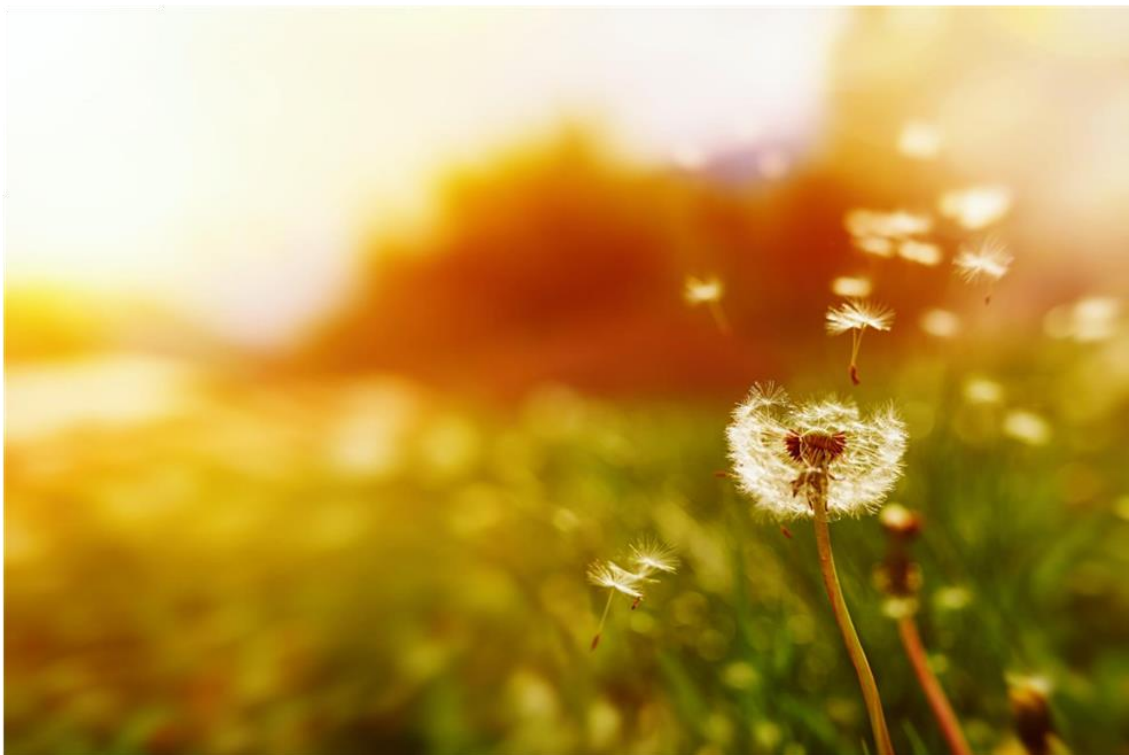
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Napier City Council

Planning Memorandum Internal Audit – Asset Management





1. Introduction

The Office of the Auditor General noted in its July 2017 report "Reflections from our audits: Investment and Asset Management", the following with regard to the effective management of assets:

"As the stewards of public assets, it is important that public entities have the right information, systems, and people to manage assets responsibly and to the best of their ability. Having the right information, systems, and people provides a good foundation for effectively managing assets to meet the needs of current and future generations."

Good information about assets is needed for public entities to monitor the performance of assets and manage them. If done well, public entities will make decisions that optimise services to people and they will realise the most value from their investment in the assets."

This review is to be undertaken on the Council asset management procedures and practices to assess whether the controls and processes are operating effectively.

2. Objective

We will assess the maturity of the Council's asset intensive groups to be confirmed with management and functions by applying a methodology developed by the NZ Treasury for assessing the performance of investment intensive assets.

The methodology was derived from the International Infrastructure Management Manual (IIMM) 2015, which in turn is based on ISO 55000 Asset Management. The IIMM-based methodology was developed to provide a consistent independent review of asset management processes.

3. Approach

Considering the approach defined in Section 2 above, the scope of the audit will cover the following three areas:

- Understanding and defining asset management requirements
- Asset lifecycle decision-making
- Asset management enablers

Each of these areas will cover assessment of the following:

Understanding and defining asset management requirements

- Asset Management Policy and strategy
 - To what extent have Asset Management Policies and Strategies been articulated, approved, communicated and acted on?
 - How consistent is the asset management policy and strategy with NCC's long-term and annual plans?
- Levels of Service and Performance Management
 - How does the Council determine what the appropriate level of service is for its customers and then ensure that asset performance is appropriate to those service levels?
- Forecasting demand
 - How robust is the approach used by the Council to forecast demand for its services and the possible impact on its asset portfolios?



- Asset Register Data
 - What sort of asset-related information does the Council collect, and how does it ensure the information has the requisite quality (accuracy, consistency, reliability)?
- Asset Performance and Condition
 - How does the Council measure and manage the performance of its assets?

Asset lifecycle decision-making

- Decision-Making
 - How does the Council go about making decisions on the replacement or refurbishment of existing assets or investment in new ones?
- Managing Risk
 - To what extent is risk management and resilience planning integrated into asset management decision-making?
- Operational Planning
 - How does the Council plan and manage its operational activity (including maintenance planning and procedures) to keep assets in service and meet asset management objectives?
- Capital Works Planning
 - What processes and practices does the organisation have in place to plan and prioritise capital expenditure?
- Financial Planning
 - How does the Council plan for the funding of its future capital expenditure and asset-related costs?

Asset management enablers

- Asset Management Leadership and Teams
 - What is the level of Council commitment to asset management?
 - How is this reflected in existing organisation structure, responsibilities and resourcing of asset management competencies?
- Asset Management Plans
 - How does the Council develop, communicate, resource and action its asset management plans?
- Management Systems
 - How does the Council ensure that its asset management processes and practices are appropriate and effective?
- Asset Management Information Systems
 - How does the Council meet the information needs of those responsible for various aspects of asset management?
- Service Delivery Mechanisms
 - How does the Council procure asset-related services like maintenance and consumables for different classes of assets?
 - How does the Council exercise control over any outsourced asset management services?



- Audit and Improvement
 - How does the Council ensure that it continues to develop its asset management capability towards an appropriate level of maturity?

The review will be conducted primarily by applying discussion, observation and review techniques, with limited testing being undertaken, focusing on:

- Understanding through discussion and observation the management processes in place.
- Documenting and evaluating the methods associated with control and management.
- Assessing areas of risk in Council's processes.

4. Deliverable

We will provide you with a detailed report of our findings and recommendations we consider appropriate to mitigate any risks identified.

5. Estimated Hours

We estimate 100 hours will be required for this assignment.

6. Acknowledgement and Acceptance

The details of the above scoping document have been read and understood and I am authorised to accept them for and on behalf of the Napier City Council.

Signed: _____

Name: _____

Position: _____

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Napier City Council

Planning Memorandum Internal Audit – Contract Management





1. Objectives and Scope

The objectives of this assignment will be to review the adequacy of the policies, procedures and controls in place over the management of contracts for core council services and supporting infrastructure against the OAG's contract management guidelines included in its Good Practice Guide- Procurement Guidance for Public Entities.

The scope of the audit will incorporate the following steps:

- Assess the adequacy of documented policies and procedures to manage contracts.
- Assess the adequacy of processes in place to ensure qualified, trained staff are involved in contract management (particularly on higher risk contracts).
- Assess the adequacy of contract management systems and procedures to record and manage key contract requirements;
 - Risk assessments;
 - Expiry dates;
 - Milestones;
 - Maintenance and update of contractual documentation including, where relevant, health and safety plans, quality plans, environmental plans, insurances and variations etc.;
 - Key performance indicators; and
 - Project evaluation and completion.
- Perform contract specific testing including:
 - Review of defined roles and responsibilities and delegated authorities with regard to the management of contracts and contractors.
 - Review of service levels contained in contracts and associated reporting, monitoring of performance and communication with the contractor relating to contract performance during and post completion of work.
 - Review of procedures to escalate service level issues with contractors and internally within the Council.
 - Review of procedures for the authorisation, approval and documentation of contract variations, amendments and notices to contractor.
 - Review of procedures for reviewing and approving claims and invoices received for work done.
 - Review of systems used to manage contracts (e.g. RAMM etc) and controls over employee and contractor access to those systems.

The specific contracts to be reviewed are to be agreed with management. Based on the estimated hours for this assignment we recommend review of 4 contracts across core-council services and supporting systems (information systems etc.)



2. Deliverable

We will provide you with a detailed report of our findings and recommendations we consider appropriate to mitigate any risks identified.

3. Estimated Hours

We estimate 100 hours will be required for this assignment.

4. Acknowledgement and Acceptance

The details of the above scoping document have been read and understood and I am authorised to accept them for and on behalf of the Napier City Council.

Signed: _____

Name: _____

Position: _____

Date: _____

PO Number: _____



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9. LEGISLATIVE COMPLIANCE: ANNUAL TAX UPDATE TO 30 JUNE 2020

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	962276
<i>Reporting Officer/s & Unit:</i>	Caroline Thomson, Chief Financial Officer

9.1 Purpose of Report

To provide the Audit and Risk Committee with the annual tax update on progress made during the period up to 30 June 2020.

Officer's Recommendation

The Audit and Risk Committee:

- a. Receive the report from PwC titled 'Napier City Council Annual Tax Update year to 30 June 2020'.

9.2 Background Summary

Council's Tax Governance Framework and Tax Risk Management Strategy has fully operational for the last three years. The Tax Governance Framework was established to ensure Council maintains a low tax risk profile and effectively manages its tax obligations and risks. As part of the Tax Risk Governance Framework PwC have prepared an annual tax update report on progress made during the period up to 30 June 2020.

The report includes the following:

- A summary of the more substantive tax advice Council has sought from PwC during the period 1 July 2019 to 30 June 2020
- Commentary on tax matters currently being addressed as at 30 June 2020
- A general update on the wider tax environment which may affect Council

9.3 Issues

No Issues

9.4 Significance and Engagement

N/A

9.5 Implications

Financial

N/A

Social & Policy

N/A

Risk

N/A

9.6 Attachments

- A Napier City Council Annual Tax Update year to 30 June 2020 [↓](#)

Napier City Council Annual Tax Update to 30 June 2020

By Phil Fisher & Rick Bower
September 2020



1

Report: Tax
governance
framework and
significant work
undertaken

Introduction

Introduction

In 2017, a Tax Risk Governance Framework was adopted by Napier City Council (Council) as a pro-active step towards identifying and managing tax risk to maintain Council's low risk profile. As part of the Tax Governance Framework, we have prepared this annual tax update as a report to Council's Audit and Risk Committee (Committee) on progress made during the past year.

This document provides:

- A summary of the more substantive tax advice Council sought from PwC during the period ended 30 June 2020.
- Commentary on tax matters currently being addressed as at 26 August 2020.
- A more general update on the wider tax environment which may affect Council, albeit kept to a high-level – refer *Part Three*.

Council's tax figures

Council is largely exempt from income tax, with the main exception being income from CCO's. The period of this annual update covers the period 1 July 2019 to 30 June 2020. However, to provide an indication of the tax amounts Council is responsible for, we have used figures for the 12 months ended 31 March 2020. During this period, Council has accounted for circa:

<i>Tax</i>	<i>12 months to 31 March 2020*</i>	<i>12 months to 31 March 2019</i>
GST output tax paid	\$15,379,370	\$14,461,107
GST input tax claimed	\$10,013,450	\$9,837,165
PAYE & ACC	\$8,112,283	\$7,314,410
FBT	\$130,439	\$128,044

*Aligning to the standard "tax year" for comparability with prior year.

We note Council has tax losses of \$2,508,029 to be carried forward to the 2020 income year.

Tax advice provided during the year

Tax Advice – period ended 30 June 2020

In line with previous years, the tax compliance of Council has been 'business as usual' for much of the year with the various tax returns (income tax, GST, PAYE, FBT, etc) being filed on time and without any concerns. In addition, Council has been prudent in utilising PwC's assistance for various ad-hoc queries for different tax types.

Further, it is appropriate to comment on areas where tax advice has been provided to Council and its CCOs:

- Tax advice provided in relation to the FBT and PAYE implications of the clothing policy;
- Advice in relation to the tax implications of providing employee's office equipment to assist working from home;
- Our memorandum on the relationship between FBT and entertainment expenditure;
- The preparation and filing of 2019 income tax return, as well as assistance in completing tax disclosure notes for Council;
- Continued subscription to PwC's "GST on Property Guide" specific to Local Authorities to mitigate the risks associated with GST and property transactions;
- Continued subscription and active use PwC's online Indirect Tax Policies and Guides; and
- Utilised the PwC Tax Helpdesk facility for a wide-range of queries.

In addition, six Council staff members attended Local Government Tax Update training session in November 2019.

2

Report: Tax Strategy Year to 30 June 2020

Tax Strategy

Progress against Strategy FY 30 June 2020

Tax services	Planned Work 30/06/2020	Actual Work 30/06/2020
Tax helpdesk facility	✓	✓
Online taxation policies	✓	✓
Property guide	✓	✓
Tax compliance reviews		
• GST		
• PAYE/withholding taxes	✓	
• FBT		
• MyTax Strategy		
Income tax return independently reviewed	✓	✓
Tax disclosure notes independently reviewed	✓	✓
Regional tax training	✓	✓
Bespoke training		

Tax Strategy

Current Proposed Strategy to 30 June 2023

Tax services	Financial year ending 30/06/2017	Financial year ending 30/06/2018	Financial year ending 30/06/2019	Financial year ending 30/06/2020	Financial year ending 30/06/2021	Financial year ending 30/06/2022	Financial year ending 30/06/2023
Tax helpdesk facility	✓	✓	✓	✓	✓	✓	✓
Online taxation policies	✓	✓	✓	✓	✓	✓	✓
	<i>Prior strategy</i>				<i>Proposed future strategy</i>		
Property guide	✓	✓	✓	✓	✓	✓	✓
Tax compliance reviews ¹							
• GST						✓ ²	
• PAYE/withholding taxes					✓ ³		
• FBT							✓
• MyTax Strategy							✓
Income tax return independently reviewed	✓	✓	✓	✓	✓	✓	✓
Tax disclosure notes independently reviewed	✓	✓	✓	✓	✓	✓	✓
Regional tax training		✓		✓		✓	
Bespoke training	✓						

¹ A full tax compliance review of Council was undertaken in October 2015.

² To cover GST compliance overall, but with a particular focus on property transactions.

³ A combination of a traditional PAYE review with data analytics in support, to ensure compliance and that tax calculations for staff are correct in advance of the 2019/2020 pre-populated accounts from Inland Revenue.

3

Report: Tax Developments

COVID-19 Related Income Tax Developments

A brief overview of COVID-19 tax developments.

- COVID-19 Response (Taxation and Social Assistance Urgent Measures) Bill was enacted on the 25th of March 2020. The income tax, tax administration and social assistance proposals relevant to Council include:
 - **Restoring depreciation deductions for non-residential buildings:** Depreciation deductions at 1.5% straight-line or 2% diminishing value will be re-introduced for commercial and industrial buildings from the 2021/22 income year. The depreciation deductions will be available to all sectors and will apply to both new and existing buildings on a permanent basis.
 - **Increasing the low-value asset write-off threshold:** An immediate income tax write-off will be available for more low-value assets to encourage spending. As a temporary measure, assets costing up to \$5,000 will be eligible for an immediate write-off for the 2020/21 income year. From the 2021/22 income year, the existing \$500 threshold for an immediate write-off will be increased to \$1,000 on a permanent basis.
 - **Increasing the provisional tax threshold:** The current threshold of residual income tax of \$2,500 will be increased to \$5,000 from the 2020/21 tax year, meaning that less businesses will need to front the cash to meet their provisional tax obligations.
 - **Enabling Inland Revenue to remit UOMI for taxpayers affected by COVID-19:** Businesses who are adversely affected by COVID-19 and who can demonstrate the inability to pay tax by the due date may be eligible for a UOMI write-off. The relief will apply to all tax payments including provisional tax, PAYE and GST due on or after 14 February 2020.
 - **Greater information sharing allowed:** Inland Revenue will be allowed to share information with other Government departments to assist those agencies in their response to the COVID-19 outbreak.
 - **GST on COVID-19 related payments:** The Goods and Services Tax (Grants and Subsidies) Amendment Order 2020 added the COVID-19 wage subsidy and leave payment to the schedule of non-taxable grants and subsidies in the Goods and Services Tax (Grants and Subsidies) Order 1992 from 24 March 2020. However, as the wage subsidy and leave payments have been paid out from 17 March 2020, the Bill proposes that GST will not apply to payments of COVID-19 wage subsidy and leave payments from 17 March 2020 until the Amendment Order came into force.

COVID-19 Related Income Tax Developments (cont'd)

A brief overview of COVID-19 tax developments.

Whilst of less direct relevance to Council, but useful information for Council's interactions with businesses in the City, are the following additional COVID-19 changes:

- There has been a relaxation of the tax loss carry-forward rules by allowing a "same or similar" business test that will allow tax losses to be carried forward despite a major change in the shareholding of a company. The current 49% continuity of shareholding requirement will be supplemented by a "same or similar" business test, similar to the approach already taken in Australia. This allows a company to carry forward its tax losses despite a major shareholding change as long as it stays in the same or similar business after the shareholding change. The proposed change is intended to apply from the 2020/21 income year.
- The urgently enacted COVID-19 Response (Taxation and Other Regulatory Urgent Measures) Act 2020 gives effect to a number of tax changes previously announced by the Government, including:
 - A temporary tax loss "carry-back" scheme allows businesses that anticipate incurring tax losses in 2020 or 2021 to carry those tax losses back to 2019 or 2020 and, to the extent of the tax effect on the losses, get an immediate refund. This temporary scheme will be replaced by a permanent tax loss carry-back scheme in due course that will apply to later years.
 - The Commissioner of Inland Revenue has been granted temporary administrative discretionary powers to modify dates, timeframes, and procedural requirements in tax legislation. This allows Inland Revenue to respond quickly and flexibly to businesses struggling to meet tax deadlines as a result of COVID-19. These powers are to apply for 18 months, although this can be extended by Order in Council.
 - A legislative framework for a new loan scheme administered by Inland Revenue for small businesses affected by COVID-19. The scheme will provide interest free loans of up to \$100,000 for a year to businesses employing 50 or fewer full-time equivalent employees. The loan will be interest free if it is paid back within a year.

COVID-19 Non-Income Tax Developments (cont'd)

A brief overview of COVID-19 tax developments.

In addition to income tax developments, there have been a number of other COVID-10 tax developments:

- Inland Revenue released Determination EE002 on 29 April 2020 regarding payments to employees for working from home costs during the COVID-19 pandemic. This Determination is a temporary response and applies to payments made for the period 17 March 2020 to 17 September 2020.

The Determination is intended to remove the difficulty around determining what a reasonable amount to reimburse may look like, and provides some safe harbours. It also refers to Determination EE001 which provides guidance in relation to telecommunication costs. No evidence is required in making the following payments to employees during the period that they are required to work from home. These are all per employee:

- Up to \$400 one-off for the purchase of furniture or equipment
- Up to \$5 per week for telecommunication usage plans (e.g. phone and internet)
- Up to \$15 per week for other expenditure (e.g. electricity)

Inland Revenue subsequently released Determination EE002A: "Variation to Determination EE002 - payments to employees for working from home costs during the COVID-19 pandemic" on 14 August 2020. This applies for the period 18 September 2020 to 17 March 2021 and removes the requirement for an employee to be working from home as a result of the COVID-19 pandemic.

- In response to COVID-19, the New Zealand Government introduced a Wage Subsidy Scheme in March 2020 (that has been continually revised). Employers, including sole traders and the self-employed upon application, may be eligible for a wage subsidy paid by the Ministry of Social Development (MSD) if they have been affected by COVID-19.

We have provided a separate Paper to Council regarding this. Whilst we note that local authorities are not excluded from claiming the Wage Subsidy, there are a number of criteria to be considered; many of which have a high degree of subjectivity.

We also note that during the recent Budget, an extension to the original Wage Subsidy has been provided. This will be available from 10 June 2020, although we note that the criteria is more stringent..

Other Tax Developments

A brief overview of relevant tax developments

Other relevant points of note that potentially impact Council include:

- Inland Revenue's continued mantra to strongly 'encourage' public sector organisations to be tax compliant. One of the standard questions when Inland Revenue review any organisation is whether there has been an independent assessment of tax compliance, and if so, to request any reports issued. We are aware of several Local Authorities who have received Risk Review Questionnaires from Inland Revenue recently. These are usually a pre-cursor to an Inland Revenue Investigation; although we note the progress of some of these where audits had commenced have been delayed due to COVID-19.
- Inland Revenue's ongoing business transformation has caused disruption to usual services. Clients are noting refunds automatically being swept from one tax type to meet a tax payment in another account. This is sometimes occurring prior to a due date. This is frustrating and time consuming to rectify often requiring multiple communications with Inland Revenue. We encourage clients to ensure all MyIR account balances are reconciled as a final step in the compliance process and at least monthly..
- Once the Inland Revenue transformation project is fully operational we can expect to see the results of their ability to see significantly more data about each taxpayer. The penultimate step in the transformation journey is for individuals to receive pre-populated accounts; the issuance of these is just commencing. In anticipation of the Inland Revenue's increased use of data analytics over payroll we have developed a suite of data analytical tools that can check the payroll tax calculations along with providing a range of other insights over the workforce than can be useful as organisations increasingly focus on ensuring they have the appropriate staffing levels, there is pay equity etc.
- Operational Statement [OS 19/04a](#): "Commissioner's statement on using a kilometer rate for business running of a motor vehicle – deductions" and Operational Statement [OS 19/04b](#): "Commissioner's statement on using a kilometer rate for employee reimbursement of a motor vehicle" replaces Operational Statement [OS 18/01](#): "Commissioner's statement on using a kilometre rate for business running of a motor vehicle". These statements continue to use a two tier system and different rates for petrol/diesel, hybrid and electric vehicles. Mileage rates are set by Inland Revenue and published on their website. Due to COVID-19, Inland Revenue have been unable to review the present rates and advised that the 2018-2019 kilometre rates should be used for the time being. <https://www.ird.govt.nz/income-tax/income-tax-for-businesses-and-organisations/types-of-business-expenses/claiming-vehicle-expenses/kilometre-rates-for-business-use-of-vehicles-2018-2019-income-year>
- Operational Statement [OS 19/05](#): "Employer-provided travel from home to a distant workplace – income tax (PAYE) and fringe benefit tax." was released in January 2020 This statement is intended to clarify and simplify the tax rules around employer-provided travel to distant workplaces.
- Inland Revenue released the final version of [Determination EE001](#): "Employee use of telecommunications tools and usage in their employment" in December 2019. With a view to reducing business compliance costs, the determination provides employers with the option of applying certain percentages to make an allocation between business use and private use for usage plans related to telecommunications tools such as laptops and mobile phones.
- GST on low value (under \$1,000) imported goods rules applied from 1 December 2019. GST will now apply at 15% on what will be known as "distantly taxable goods" and offshore sellers, marketplaces and re-deliverers who exceed the GST threshold (NZD\$60,000) will be required to register for GST.

Other Tax Developments

A brief overview of relevant tax developments

Other broader tax developments include:

- Inland Revenue's prescribed interest rates have been updated, effective from 8 May 2020. The debit rate has decreased from 8.35% to 7.00% and the credit rate has decreased from 0.81% to 0.00%.
- From 1 July 2019 a local authority who is a member of a Tax Consolidated Group will no longer receive all of the benefits of being in a Tax Consolidated Group. Whilst local authorities will remain eligible to be members of Consolidated Tax Groups, from 1 July 2019 dividends derived by a local authority from a CCO that is member of a Consolidated Tax Group will no longer be excluded income for income tax purposes i.e. such dividends will have to be included in the calculation of taxable income of the Consolidated Tax Group. Effectively this means that dividends paid by a CCO to a local authority will be subject to income tax post 1 July 2019, although imputation credits can be attached to those dividends. Other non-dividend income such as interest, rental income, management fees etc that are paid between the tax CCO and parent local authority will continue to be 'ignored' where a consolidated tax group exists. This is potentially a 'temporary' change, with a more fulsome review of local authority taxation to be undertaken by Inland Revenue.
- To obtain an income tax donation credit, donations must now be to organisations that are either donee organisations or those listed in Schedule 32 of the Income Tax Act 2007. This potentially has significant relevance to local authorities that tend to be significant donors in the local community.. [QB 19/10](#) was also released clarifying the requirements of a donee organisation to establish and maintain a fund under s LD 3(2)(c) of the Income Tax Act 2007. The consultation reference for this item was PUB00337.
- IRD Numbers will now be required on all property transactions [Supplementary Order Paper \(SOP\) No 248](#) to the Taxation (Annual Rates for 2019-20, GST Offshore Supplier Registration, and Remedial Matters) Bill (114-2). The SOP includes a proposal that will require all buyers and sellers of property to provide their IRD number as part of the transaction process. Previously, those buying or selling a main home did not have to provide an IRD number.
- Regulations have been issued providing for how errors in an employer's employment income information for a payday may be corrected. Tax Administration (Correction of Errors in Employment Income Information) Regulations 2019 (LI 2019/62) were notified on 28 March 2019.
- [IS 19/01: Income tax — application of schedular payment rules to non-resident directors' fees](#) The Interpretation Statement considers the situations in which tax must be withheld from directors' fees paid to non-residents. This includes a discussion of when directors' fees paid to non-residents are considered to have a New Zealand source. The Interpretation Statement then goes on to consider when and how much tax must be withheld and paid to the Commissioner, if withholding is required from directors' fees paid to a non-resident.
- Research and Development tax credit scheme introduced. The 15% tax credit is available from the beginning of the 2019/20 income year for income tax payers.
- The criteria for self-correction of errors in later income tax, FBT or GST returns been replaced with a combination of a monetary threshold and materiality threshold. Taxpayers now have the option of correcting an error in a subsequent return, provided it is not material and the purpose isn't to delay the payment of tax, when the error results in a difference of tax to pay that is equal to or less than the lower of:
 - \$10,000 of tax; and
 - 2% of the taxpayers annual gross income, or GST output tax.

Local Government Relevant Matters

An overview of sector specific developments

Local Government relevant matters

- Across the local government client base, there have been an increasing number of requests for assistance in relation to Provincial Growth Fund and Infrastructure Finance Fund opportunities. The common 'theme' is that no two funding proposals are the same, and often the practicalities of the project require working through. With COVID-19, we do note that there is an indication that some of the projects where funding announcements have previously been made, will now be deferred and possibly cancelled.
- Linked to the above, there is anticipation over the 'shovel ready' projects currently being considered. We understand that there are 802 projects on the list for consideration, and that there will be an expectation that once approval is granted, activity occurs quickly. Again, depending on the project, there is an inevitability that tax considerations will exist.
- Urban Development Bill was presented and is currently with the Select Committee. Whilst focussed on social housing, it did appear to provide Kainga Ora with similar powers to those of a territorial authority. The suggestion was that this Bill would accelerate the build of social housing, with Kainga Ora involving the local authorities in the process. How this will work in practice, if the legislation is passed, will be interesting.
- [Taumata Arowai - The Water Services Regulator](#) Bill - this establishes the agency that will act as independent regulator of drinking water (and a few other roles in the stormwater/wastewater space). However, likely to be more impactful is the evolution of how Three Waters are managed, and whether this is completely 'stripped away' from local authorities. We expect further clarity on this within the next few weeks, based on the intel we are hearing.
- PwC undertook some research recently into urbanisation. Whilst focussed around the 6 largest centres in New Zealand, it is an interesting read and provides some food for thought. A further article in the New Zealand Herald discussing the comparison in discretionary income between Auckland and Napier after factoring in housing and transport costs is also worth noting. Links below.

https://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=12148026

<https://www.pwc.co.nz/insights-and-publications/2019-publications/citiesinstitute.html>

- Local Government Funding Inquiry - The Productivity Commission released their draft (and rather lengthy!) report – the briefer summary can be found at the following link. The Department of Internal Affairs conducted workshops with over 60 councils to review the operation of the Local Government Financial Management System and were intending to feed the insights from those workshops into their response. With the unfolding COVID19 situation, consideration of the funding opportunities and models for local authorities will be more relevant than ever, but the answers may not lie within the Commission's report!

<https://www.productivity.govt.nz/inquiry-content/3819?stage=3>

- Tax Policy invited us to an open discussion on the tax framework for local government. We expect it to be some time before any conclusions are reached, and legislative changes enacted, but their review is consistent with their previously signalled review of the income tax legislation as it applied to local government.

Thank you

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PUBLIC EXCLUDED ITEMS

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

AGENDA ITEMS

1. External Accountability: Draft Annual Report 2019/20
2. Resource Consent

The general subject of each matter to be considered while the public was excluded, the reasons 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 were as follows:

General subject of each matter to be considered.	Reason for passing this resolution in relation to each matter.	Ground(s) under section 48(1) to the passing of this resolution.
1. External Accountability: Draft Annual Report 2019/20	7(2)(g) Maintain legal professional privilege 7(2)(i) Enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	48(1)A That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist: (i) Where the local authority is named or specified in Schedule 1 of this Act, under Section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.
2. Resource Consent	6(a) Prejudice the maintenance of the law, including the prevention, investigation, and detection of offences and the right to a fair trial	48(1)A That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist: (i) Where the local authority is named or specified in Schedule 1 of this Act, under Section 6 or 7 (except 7(2)(f)(i)) of the

		Local Government Official Information and Meetings Act 1987.
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AUDIT AND RISK COMMITTEE

Open Minutes

Meeting Date:	Friday 12 June 2020
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Time:	1pm – 1.43pm
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Venue	Large Exhibition Hall Napier War Memorial Centre Marine Parade Napier Via Zoom
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Present	John Palairet (In the Chair), Mayor Kirsten Wise, David Pearson, Councillor Nigel Simpson and Councillor Graeme Taylor
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In Attendance	Interim Chief Executive, Director Infrastructure Services, Chief Financial Officer, Manager People and Capability, Manager Property, Manager Information Services, Manager Environmental Solutions Karen Young – Audit New Zealand
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Administration	Governance Team
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Apologies

The apology from the Director Corporate Services was noted.

Conflicts of interest

Nil

Announcements by the Mayor

Nil

Announcements by the Chairperson

Nil

Announcements by the management

Nil

Confirmation of minutes

Mayor Wise / Councillor Taylor

That the Minutes of the meeting held on 20 March 2020 were taken as a true and accurate record of the meeting.

Carried

AGENDA ITEMS

1. WASTEWATER OUTFALL REPORT

<i>Type of Report:</i>	Legal and Operational
<i>Legal Reference:</i>	Resource Management Act 1991
<i>Document ID:</i>	933764
<i>Reporting Officer/s & Unit:</i>	Catherine Bayly, Manager Asset Strategy Cameron Burton, Manager Environmental Solutions

1.1 Purpose of Report

To provide the Audit and Risk Committee with an update on the Wastewater Outfall, noting a similar report has gone to Council to:

- inform Council of an update to the status of the Awatoto Submarine Wastewater Outfall which conveys treated wastewater to the Pacific Ocean, and to;
- enable decisions to be made to bring forward funding for an expedited repair, renewal or replacement of the outfall structure.

At the Meeting

The Manager Environmental Solutions spoke to the report and provided a brief overview, noting the following:

- At the last inspection of the wastewater outfall, two areas of leakage were identified. The most difficult of which is 700m offshore.
- Council has been monitoring the leakages for a period of time and staff had ascertained that they pose very low risk to the environment.
- Council had previously been encouraged by Hawke's Bay Regional Council (HBRC) to have work completed to fix the leak and HBRC have recently issued an Abatement Notice ordering Council to remedy the leak by 30 October 2020, and to have an emergency response plan in place by 30 July 2020.
- There is a high level of risk involved in attempting a repair of the leaks. Council is unable to replace the device like for like. A number of options have been considered in the Beca report, with the lowest risk being for specialist divers to remove each of the fibreglass joint parts slowly and one at a time, and use a caulking material to repair the leaking gaskets. The risk is that once they start undoing the bolts, that this may cause a breakage or warping of those parts. If that occurred this could cause a catastrophic failure of the device and potentially discharge all of the city's wastewater at that point, 700 metres from the shore.
- There is a smaller leak slightly inshore which will be easier to fix.
- Both Council and the Māori Committee have been advised in relation to the current status of the outfall.
- Council will be holding risk workshops with specialist divers. Officers will then engage with HBRC to ensure they are aware of the risks and complications given the short timeframe afforded to remedy the leaks.

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- \$2M has been brought forward from reserves to address this work given the timeframe required to complete this work.
 - A secondary risk is that staff are now focussed on the two particular leak points in the pipeline rather than the overarching, future-focussed works relating to improved treatment systems, contingency storage and improvements of the wastewater network as a whole.

In response to questions from the committee, the following points were clarified:

- The Abatement Notice being issued since the report was taken to Council does not change anything in this report. It was noted that HBRC have requested other works outside of the Abatement Notice.
- If Council is unable to remedy the leak by 30 October 2020 then a variation to the consent must be obtained by this date. If neither of these are achieved by that date, Council could be prosecuted.
- There are a number of factors outside of Council's control including work being restricted to three hour windows only and subject to weather and oceanic conditions. Council is applying for a variation to the consent, however timing is dependent on HBRC's ability to process this in time.
- There is no guarantee that the repair will be successful.
- Council officers will be as inclusive and transparent as possible with HBRC around the risks and process being followed.

Committee's recommendation

Councillor Taylor / DW Pearson

The Audit and Risk Committee:

- a. Note the current status of the submarine wastewater outfall:
 - i. There remains some seepage of wastewater from sealing gaskets which form part of a bespoke fibreglass joint section of the subsurface outfall pipe structure;
 - ii. Despite efforts, staff have not been able to identify a way to quickly fix this seepage without putting the fibreglass joint at risk of rupturing;
 - iii. That frequent testing of the coastal waters surrounding the area of seepage continues to show de minimus environmental effect of those waters, caused by this seepage;
 - iv. That Hawkes Bay Regional Council (HBRC) have recently indicated (on 25 March 2020) that Council must take the following actions:
 - 1) Undertake short-term repairs to mitigate the leak from the joint leak by 30 October 2020
 - 2) Provide long-term options for repairing the joint in the outfall pipe by the same date (30 October 2020)
 - v. That HBRC have informally notified Council of their intention to pursue enforcement action against Napier City Council to cease the discharge at the joint if the timeframes above are not met.
 - vi. That a further leak has been discovered within 100m of the fibreglass joint. Divers have been to the site with the aim to repair and have found that this is an old repair that has been damaged by an anchor, or other, and will need an additional repair.
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- vii. Tight timeframes to effect a repair increases the risk associated with delivering a short-term fix, rather than facilitating long-term solutions which will provide better outcomes.
 - b. Officers are seeking approval by Council to:
 - i. Seek a variation to the current resource consent to authorise the discharge of wastewater via seepage at a position other than that currently authorised (at the fibreglass joint location);
 - ii. Seek early provision of funding assigned for later financial years in the Long Term Plan (LTP) to enable the strategic and planned replacement of the wastewater outfall, including better treatment options to facilitate a more highly treated wastewater in the future.
 - c. Note that funding to be released from Wastewater Reserves to attempt a fix of the two seepages and to start on investigation works for replacement of the outfall (\$2m has been put forward in the 20/21 Annual Plan).
 - d. Note attempt the lowest risk repair option of the fibreglass joint to address Regional Council's repair timelines.
 - e. Note the Beca Ltd Report entitled "Napier City Council – Wastewater Outfall – Issues and Options" dated 15 May 2020.
 - f. Note the Audit and Risk Committee may request further information in relation to this issue that they may require in order to fully understand the risk to Council and the community if not already provided in the report. This committee has the ability to provide any feedback on the risk assessment based on the preferred options presented as part of this paper and/or may any recommendation to Council.

Carried

2. SUMMARY OF NAPIER WATER SAFETY PLAN'S RISKS

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	933756
<i>Reporting Officer/s & Unit:</i>	Catherine Bayly, Manager Asset Strategy

2.1 Purpose of Report

Purpose of this report is to bring 'high' and 'very high' risks as identified in NCC's current version of Water Safety Plan (v4.3, updated August 2019) to Audit and Risk Committee attention and for Committee to acknowledge those risks.

At the Meeting

The Director Infrastructure Services provided a brief overview of the report noting that the intention of the report is to regularly bring the risks identified through the water safety plan to the committee's attention.

In response to questions from the committee, the following points were clarified:

- A new consent will be required before Council can move to two operational bore fields.
- Every change made to the water safety plan is put to the drinking water assessor for their approval. Council officers work in collaboration with the drinking water assessor.
- The current report addresses inherent risks, recognising what controls might already be in place and any further corrective measures required. Council officers were requested to provide further detail around timeframes for reducing risk levels.
- A number of actions are due for completion by the end of June and officers confirmed they are on track to meet those timeframes.

ACTION: Council officers are to include details around timeframes to address the risks highlighted in this report, moving forward.

Committee's recommendation

Councillor Simpson / DW Pearson

The Audit and Risk Committee:

- Endorse the report.
- Note the risks identified.

Carried

3. HEALTH AND SAFETY REPORT

Type of Report: Operational

Legal Reference: N/A

Document ID: 933568

Reporting Officer/s & Unit: Sue Matkin, Manager People & Capability

3.1 Purpose of Report

The purpose of the report is to provide the Audit and Risk Committee with an overview of the health and safety performance as at 30 April 2020.

At the Meeting

The Manager People and Capability spoke to the report and provided a brief update in relation to health and safety initiatives undertaken during lockdown in order to support staff during this period. It was noted that no further lost time injuries have been recorded since April.

Committee's recommendation

Councillors Simpson / Taylor

The Audit and Risk Committee:

- a. Receive the Health and Safety report as at 30 April 2020

Carried

4. DRAFT ANNUAL PLAN 2020/21

Type of Report:	Legal
Legal Reference:	Local Government Act 2002
Document ID:	933816
Reporting Officer/s & Unit:	Caroline Thomson, Chief Financial Officer Adele Henderson, Director Corporate Services Jane McLoughlin, Corporate Planner

4.1 Purpose of Report

That the Committee review and provide feedback to Council on the Annual Plan 2020/21 underlying financial information prior to the final adoption of the reports.

At the Meeting

The Chief Financial Officer provided a brief overview of the report and tabled the updated consultation document (**attached**). The committee were thanked for their feedback prior to the Council meeting held on 11 June 2020. It was noted that Council adopted the consultation document and underlying information, including the proposed changes to the rates remission and rates postponement policies, and the Statement of Proposal to join the LGFA. The policies will be consulted separately but at the same time as the Draft Annual Plan.

As previously advised to the committee, the budget does not meet the balanced budget provision under section 100 of the Local Government Act 2002. As required under section 80 of the Local Government Act 2002, Council has carefully considered the unbalanced budget issue with the most financially prudent option being to reserve fund the shortfall due to the one-off nature. Council will not meet the deadline of 30 June to adopt the Annual Plan and both Audit New Zealand and the Department of Internal Affairs have been notified of this.

The Interim Chief Executive advised that following reforecasting completed between now and finalising the Annual Plan, further changes are expected due to the impacts of COVID-19.

Officer's Recommendation

The Audit and Risk Committee:

- a. Receive the underlying information as the basis for the Annual Plan 20/21:
 - i. Financial information
 - ii. 10 year revised capital plan
 - iii. Rates remission policy
 - iv. Rates postponement policy
 - v. Statement of Proposal to join LGFA
- b. Provide feedback to Council by 9 June (via the Director of Corporate Services) to be tabled for consideration by Council at its meeting on 11 June 2020.

-
- c. Resolve that the use reserves to fund the one-off shortfall of \$6.74m anticipated in 20/21 is financially prudent and does not impact unfairly on ratepayers in the future.
 - d. Note that the Annual Plan 20/21 does not meet the section 100 (i) balanced budget provision of the Local Government Act, and that Council will be working towards a balanced budget for the LTP.
 - e. Note that Council has notified DIA and Audit NZ that it will not meet the statutory deadline of 30 June 2020 for adoption of the Annual Plan 20/21.

AMENDED MOTION

Committee's recommendation

DW Pearson / Councillor Taylor

The Audit and Risk Committee note that they have reviewed and are comfortable with the approach taken by Council in the adoption of the Draft Annual Plan and commend and note that Council has made the following resolutions:

- a. Receive the underlying information as the basis for the Annual Plan 20/21:
 - i. Financial information
 - ii. 10 year revised capital plan
 - iii. Rates remission policy
 - iv. Rates postponement policy
 - v. Statement of Proposal to join LGFA
- b. Provide feedback to Council by 9 June (via the Director of Corporate Services) to be tabled for consideration by Council at its meeting on 11 June 2020.
- c. Resolve that the use reserves to fund the one-off shortfall of \$6.74m anticipated in 20/21 is financially prudent and does not impact unfairly on ratepayers in the future.
- d. Note that the Annual Plan 20/21 does not meet the section 100 (i) balanced budget provision of the Local Government Act, and that Council will be working towards a balanced budget for the LTP.
- e. Note that Council has notified DIA and Audit NZ that it will not meet the statutory deadline of 30 June 2020 for adoption of the Annual Plan 20/21.

Carried

5. SENSITIVE EXPENDITURE - MAYOR AND CHIEF EXECUTIVE

<i>Type of Report:</i>	Procedural
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	933218
<i>Reporting Officer/s & Unit:</i>	Caroline Thomson, Chief Financial Officer

5.1 Purpose of Report

To provide the information required for the Committee to review Sensitive Expenditure of the Mayor and Chief Executive for compliance with Council's Sensitive Expenditure Policy.

At the Meeting

The Chief Financial Officer briefly spoke to the report, noting that the Mayor's sensitive expenditure for the second quarter was also attached to the report as this had been inadvertently omitted from the previous meeting's agenda. There was no further discussion on this item.

Committee's recommendation

Councillors Simpson / Taylor

The Audit and Risk Committee:

- a. Receive the report of Sensitive Expenditure for the Mayor and Chief Executive and review for compliance with the Sensitive Expenditure Policy.

Carried

6. EXTERNAL ACCOUNTABILITY - INVESTMENT AND DEBT REPORT

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	933511
<i>Reporting Officer/s & Unit:</i>	Caroline Thomson, Chief Financial Officer

6.1 Purpose of Report

To consider the snapshot report on Napier City Council's Investment and Debt as at 30 April 2020.

At the Meeting

The Chief Financial Officer provided a brief overview of the report. There was no further discussion on this item.

Committee's recommendation

DW Pearson / Mayor Wise

The Audit and Risk Committee:

- a. Receive the snapshot report on Napier City Council's Investment and Debt as at 30 April 2020.

Carried

7. RISK MANAGEMENT REPORT JUNE 2020

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	934363
<i>Reporting Officer/s & Unit:</i>	Adele Henderson, Director Corporate Services

7.1 Purpose of Report

To provide the Audit and Risk Committee with an update on progress with risk management work and to report on the highest paid risks.

At the Meeting

The Chief Financial Officer spoke to the report and announced that the Risk and Assurance Lead position had now been appointed, with the start date being 22 June 2020. One of the first priorities for this role will be to review the risk management framework which will be brought back to this committee.

There was no further discussion on this item.

Committee's recommendation

DW Pearson / Mayor Wise

The Audit and Risk Committee:

- a. Note the Risk Management Work being undertaken by Napier City Council staff and management.
- b. Note the current High risks.
- c. Receive the Risk Report dated 29th May 2020

Carried

PUBLIC EXCLUDED ITEMS

Councillors Taylor / Simpson

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

1. Insurance Update
2. Cybersecurity Strategy
3. Revera Lead Agency IaaS Close Out Report
4. Legal Update

Carried

The general subject of each matter to be considered while the public was excluded, the reasons 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 were as follows:

General subject of each matter to be considered.	Reason for passing this resolution in relation to each matter.	Ground(s) under section 48(1) to the passing of this resolution.
1. Insurance Update	7(2)(i) Enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	48(1)A That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist: (i) Where the local authority is named or specified in Schedule 1 of this Act, under Section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.
2. Cybersecurity Strategy	7(2)(h) Enable the local authority to carry out, without prejudice or disadvantage, commercial activities	48(1)A That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist: (i) Where the local authority is named or specified in Schedule 1 of this Act, under Section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.
3. Revera Lead Agency IaaS Close Out Report	7(2)(h) Enable the local authority to carry out, without prejudice or disadvantage, commercial activities	48(1)A That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist: (i) Where the local authority is named or specified in

		Schedule 1 of this Act, under Section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.
4. Legal Update	<p>7(2)(b)(ii) Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>7(2)(g) Maintain legal professional privilege</p> <p>7(2)(i) Enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>48(1)A That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist:</p> <p>(i) Where the local authority is named or specified in Schedule 1 of this Act, under Section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.</p>

The meeting moved into committee at 1.43pm.

Approved and adopted as a true and accurate record of the meeting.

Chairperson

Date of approval

APPENDIX A

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WE WANT YOUR FEEDBACK

Some projects have changed since we released our Long Term Plan and we want to hear what you think about these changes.

Keep an eye out for our feedback topics:



Tell us what you think

sayitnapier.nz

say it!

HOW TO **say it!**



Online at sayitnapier.nz



Drop in your form to our Customer Service Centre
Dunvegan House
215 Hastings Street
Napier



Mail your form to
FreePost Authority
Number 772273,
AP 2020/21
Submissions,
Napier City Council,
Private Bag 6010,
Napier 4142

LIVE CHAT SESSIONS

Tune in to the live chat sessions on our Facebook page.
[fb.com/NapierCityCouncil](https://www.facebook.com/NapierCityCouncil)

- 23 JUNE 2020 11.15AM
- 2 JULY 2020 7PM
- 9 JULY 2020 7PM

At this time, instead of community meetings we will host live chat sessions where you can ask questions before making a submission to the Annual Plan 2020/21.

We intend to host our Annual Plan Hearing meeting in person. We may have to use technology such as video link to enable oral submissions to be heard if Alert Levels change.

**Annual Plan Hearing,
12-13 August 2020, from 9am
Napier War Memorial Centre**

A NZ Sign Language communicator will be available at all sessions.

If you'd like to speak to your Ward Councillor about anything in this Annual Plan Consultation Document, visit www.napier.govt.nz search keyword [#mayorandcouncillors](#) or call our Customer Service Centre on **06 835 7579** who will put you in touch with them.

CONSULTATION TIMELINE

-  **Submissions Open**
18 June 2020
-  **Submissions Close**
15 July 2020 at 12noon
-  **Hearing**
12-13 August 2020
-  **Adoption of the Annual Plan 2020/21**
27 August 2020



OUR FOCUS FOR 2020/21

Supporting our recovery - boosting Napier now and into the future (p7-8)

Delivering the basics - improving water services and kerbside rubbish collection (p9-13)



CHANGES FOR 2020/21

Kia ora koutou

We have all had to make adjustments over the last few months in response to the challenges of the Covid-19 pandemic. I am so very proud of the way our community has stepped up and supported those who have needed it. It is also great to see this support from our community extending to our local businesses and employers as they get back into action. Here at Council, we have also been impacted and have had to make some changes to what we had planned for the year ahead. Recognising that some of our community are facing tough times ahead, we have developed a recovery plan with packages to help businesses, community groups and residents to get through.

We haven't lost sight of our priorities though, and are still committed to getting our water right.

Our water programme is a top priority, so we are going to do some of the planned work quicker and invest more so we can do more. This year we propose to spend an extra \$10.9 million over and above what we had already planned to spend. At the top of the list is clean drinking water and fixing the ongoing dirty water issues that some community members have been experiencing. So we are fast-tracking the projects to address this and are aiming to have these finished by the end of this year.

Alongside this, national standards have tightened, and there are further changes ahead. We are looking into our drinking water treatment options, and are starting a chlorine-free review which will help us plan the next steps.

Several storms have highlighted the need for better ways to deal with the excess water that gets into our sewer network. We can improve how we treat this water before it goes into the sea, and lift water quality in our waterways.

Following on from the changes to our recycling service, we are

introducing wheelie
bins for kerbside
rubbish collection from
1 October.

It can be hard to strike the right balance between paying attention to the big issues, ensuring we continue to deliver our services, and keeping it affordable for all. Prior to Covid-19, we had identified an average rates rise of 6.5% per household for 2020/21, but we have worked hard to reduce that to 4.8%. Reducing the projected rates increase and providing targeted relief, will help to support those in our community who may be struggling financially due to Covid-19.

While there is still some uncertainty around the Covid-19 pandemic, I have been hugely impressed and heartened with how people in our community have supported each other during this time and am confident that together we will get there.

Your feedback will help us define the way forward, so please take time to make a submission, we'd really love to hear from you.

Kia Kotahi Tātau o Ahuriri nei
We are TEAM NAPIER



Kirsten Wise
MAYOR OF NAPIER

RATES

We have had to review our Annual Plan for 2020/21 in light of the effects of the Covid-19 pandemic. We have tried to balance our strong desire to make improvements to our water services and to finish the roll out of our new waste management system, while also considering our community's ability to pay and helping to stimulate our economy to aid our recovery. We had identified a 5.1% increase in our Long Term Plan for this year, which increased to 6.5% just before the pandemic, but now, after a focused review of the budget, we propose an average rates increase of 4.8% per household.

Rates income makes up only 51% of the Council's total income. The rest comes from our tourist operations, investments, and fees and charges. The effect of the Covid-19 pandemic on this other income means that we are forecasting an operating shortfall. Some of our costs will also reduce as we delay replacing vehicles and other equipment. With less tourism there is also less cost to run our tourism activities. For example cleaning costs are likely to be less because we anticipate fewer functions at our facilities. Even after these changes, we still have an operating shortfall of \$5.2 million next year. We have also signaled \$1 million for the recovery plan work and a rates and rental relief package of \$543,000 – a total shortfall of \$6.74 million.

We have some options of how we fund the shortfall in 2020/21.

When looking at the options, we did explore the option of a 0% increase but decided to create a relief package targeted to those who may be facing financial hardship as a result of the impact of the pandemic. It also means we can continue with our plans to improve water and waste services, while also supporting our community to recover. We could have increased the rates to cover the shortfall. However, we don't think this option is responsive to the situation people in our community face at this time. This would have meant an average rates increase of 16% per household, or \$358 per annum, and would compromise the affordability of household rates in Napier, despite some ratepayers being able to access rates relief (outlined below).

Our proposed option uses some of our savings funds to cover the shortfall – essentially using the 'money we have in the bank' rather than borrowing to cover our current expenses.

OPTION ONE (PROPOSED) Reduced rates increase – using our savings funds

Increase the rates by 4.8% and fund the rest by using some of the money from two reserve funds (savings accounts).

We would use \$4 million from the Parking Fund, which would leave \$5 million in this account for planned work to increase and improve parking facilities, and we would use \$2.74 million from the Subdivision

and Urban Growth Fund, leaving \$5.4 million in this account, which is enough to meet any demands on this fund for the foreseeable future.

OPTION TWO - Reduced rates increase – by borrowing money

Increase the rates by 4.8% and fund the rest by borrowing the money. This option means we would pay the money back over 10 years with interest. We will have to increase the rates starting in 2021/22 and continue with this increase every year until the loan is paid. This is a more expensive way to fund our shortfall in the long-run, and means we will be paying for the funding shortfall for services provided this year for years to come. The cost to borrow for the shortfall would mean a 1.35% average rates increase (\$31.50 per annum) per household in 2021/22 and every year for 10 years.

Tell us what you think

sayitnapier.nz

say it!

*How would the proposed average rates increase of 4.8% per household affect **your** rates?*

Check it out here [URL_TBC](#)

FINANCIAL POLICY CHANGES

We have made some other changes to our policies to allow us to have some flexibility in how we can support our community and fund our costs during this post-Covid-19 time and into the future.

Rates Policies: This is so we can make changes to the payment of rates when significant events such as Covid-19 occur.

The changes include:

- The Rates Postponement Policy - so we can allow rates to be paid later than the due dates
- The Rates Remission Policy - so we can reduce rates and/or penalty fees.

We are consulting separately on these policies. There is more information at sayitnapier.nz, where you can tell us what you think about the changes.

Borrowing: Next year, Council will need to borrow from others. We would like to join the Local Government Funding Agency (LGFA) - a collective of councils that pool together to get good lending deals. Being a member doesn't mean we have to use the LGFA when we need a loan, but gives us the option to, if it means we would get the best deal. We are consulting separately on whether to join or not.

There is more information on sayitnapier.nz, where you can also tell us whether you think we should join the LGFA or not.

POST COVID-19 RECOVERY PLAN

We understand that Napier will continue to be impacted by Covid-19 as we feel the effects of the pandemic, including the decline in tourism. We have developed a plan to help get Napier back on track - it focuses on how we can support our people who have been hardest hit, while also stimulating our economy by backing our local businesses and employers. We won't know the full effect of Covid-19 for a while yet, but we have set up our plan to have the flexibility to respond where we need to. Our ultimate vision for recovery is that "Together, we will restore and enhance vibrancy, innovation and wellbeing in our community now and into the future".

In 2020/21, we want to use \$543,000 for rates and rental relief for residents, businesses and community groups, and a further \$1 million to support our recovery including:

- Continued support for the We are Team Napier campaign www.teamnapier.nz
- Provide the Jump Start Innovation Fund to support great ideas that help accelerate recovery for our community and/or economy
- Using the rest of the funding to support emerging ideas, and longer term strategies.

Tell us what you think

sayitnapier.nz

say it!



JUMP START INNOVATION FUND

This funding of \$100,000 would be allocated to businesses, community organisations and social enterprises with an idea or project that they can lead or partner with, to fast track our recovery. It might be a new way of doing business, a new collaboration, or something that meets a new need.

KIA KOTAHI TĀTAU O AHURIRI NEI WE ARE TEAM NAPIER

This campaign is all about locals backing locals. From sharing stories about great things locals did through lockdown to support the community, giving a shout out to your favourite café or getting on board with a new idea, it will all help Napier to get through.

RATES AND RENTAL RELIEF

The Covid-19 pandemic has affected people, businesses and community groups and some are facing tough times. We have set up a targeted response so people who have been adversely affected financially can get support in 2020/21. People will have to show that the financial hardship is a result of the Covid-19 pandemic.

Rates Relief – total \$350,000 available

- Residential rates reductions of up to \$200 would be available for those who are eligible
- Commercial rates reductions of up to \$500 would be available for those who are eligible

Rental Relief – total \$193,000 available

Organisations that are charged to rent, lease or for a license to occupy any Council land or premises could be eligible for a reduction of up to three months on their annual charges.



WATER SUPPLY PROJECTS

What's changed?

We have rearranged our schedule to work on getting a clean and clear water supply faster.

Our main goal for 2020/21 is to provide clear and clean water.








This means we need to source low manganese water. Our Awatoto bores are higher in manganese, which has contributed to Napier's dirty water issues.

Tell us what you think

sayitnapier.nz

say it!

We're fast-tracking a number of water projects. These projects include:

-  Testing and establishing two new bores, which will supply low manganese water
-  Finding a suitable site for a replacement reservoir on Napier Hill
-  Managing dirty water and leakage in the Tamatea and Parklands areas
-  Designing new water treatment plants
-  Designing the mains pipes connecting bore fields to reservoirs and back to the network
-  Increasing water volumes for fire fighting at some points in the network
-  Building in more access points to the network for cleaning

SAFE CHLORINE-FREE DRINKING WATER REVIEW

Last year Council gave the go-ahead for an independent review to look at the cost of, and options for, moving to a safe chlorine-free drinking water network. Currently, we use chlorine to disinfect our water.

The Safe Chlorine-Free Drinking Water Review is investigating alternative options that the Ministry of Health (MoH) is likely to approve.

The MoH has said that disinfection may become compulsory for New Zealand water supplies unless a safe alternative is proposed.

We will work with the MoH to help ensure that any chlorine-free option proposed is likely to be accepted, before coming back to the community about the recommendations.

The review is costing a total of \$400,000 with half already paid and the other half being paid in 2020/21. This expense is being loan funded and the loan costs will be added to rates in 2021/22 (0.02% total rate increase, 51 cents average rates increase per household).

Tell us what you think

sayitnapier.nz

say it!



WASTEWATER OUTFALL

What's changed?

Our wastewater outfall pipe needs to be repaired and we are budgeting \$2 million for this work.

We plan to build storage for wastewater at our treatment plant to allow for future shutdowns for repair and maintenance at a cost of \$2 million.

Our wastewater outfall pipe takes treated wastewater from the sewage system out to sea.

The pipe runs from our treatment plant at Awatoto, travelling 1500 metres out to sea. We regularly check the pipe and in 2018, we found that wastewater was seeping from the gaskets at a fibreglass join section, around 700 metres offshore. The join section is one of a kind and needs a special and complex repair.

We've been working to find an effective method of repairing the pipe.

We're setting aside \$2 million to repair the pipe and \$2 million to create storage for wastewater at our treatment plant to allow for shutdowns for maintenance and repairs.

Since discovering the leak, we have carried out thorough monitoring to check any potential environmental effects. The good news is that our monitoring isn't currently showing any noticeable adverse impacts.

The costs for the repair to the pipe and the new storage would be funded from reserves (savings account) so there is no effect on rates.

Our pipe needs protecting from damage. We have teamed up with Hastings District Council and PanPac to apply for protection of all of our pipelines under the Submarine Cables and Pipelines Protection Act 1996. This application would establish a protection zone over each of the three pipelines. For more information and to give any feedback on the application, go to sayitnapier.nz

Tell us what you think

sayitnapier.nz

say it!





KERBSIDE WASTE COLLECTION

What's changed?

We are introducing wheelie bins for rubbish from 1 October 2020.

The wheelie bin service will cost an extra 90 cents a week for each ratepayer this year and another increase next year of approximately 38 cents per week.

The cost of the new recycling service also goes up in 2020/21 by an extra 23 cents a week.

When we asked about how rubbish should be collected through the Joint Waste Management and Minimisation Plan (WMMP) consultation, the most common answer was to use a wheelie bin for kerbside rubbish collection.

So, we will be providing a 120 litre Council-owned wheelie bin for rubbish, which will be collected weekly from 1 October. By using wheelie bins, we'll be reducing the amount of single use plastic bags going to landfill. Bins also make it very hard for seagulls and pests to spread litter around. Wheelie bins reduce health and safety risks for our rubbish collectors, who can get cuts from sharp objects and strains caused by lifting bags from around 25,000 addresses each week.

If you only put your wheelie bin out once a fortnight or less, you could be eligible for a rates discount the following year.

Tell us what you think

sayitnapier.nz

say it!

NAPIER LIBRARY CIVIC PRECINCT

What's changed?

The Library is set to return to its original location.

In 2017, the Library and Civic buildings were assessed as earthquake prone. Staff moved out, and are currently spread across three temporary sites. The main city Library has been operating from the MTG Hawke's Bay building.

We have investigated location options for a new Napier Library. From a list of 17 possibilities, we closely investigated three sites that were most likely to meet the requirements for the new Library. The three site options included a privately owned CBD building, constructing a building at Clive Square / Memorial Square and completing a building refit or rebuild on the original site, which came out as the only practical option.

The Civic building, on the corner of Hastings and Station Streets and next door to the original main library building, is due to be demolished this year. We'd like to bring Council staff and facilities back into this area and are investigating how we might do this. Creating a civic precinct that has the Napier Library and Council facilities alongside a commercial development would revitalize this area of town and will be good for the central city too.

We recognise these are once in a lifetime decisions that need careful consideration. So, we've established a working group to look at options, costs and master planning of the potential commercial development, Library, and Council buildings. This is an exciting project, and the preferred options from the working group will be shared with you so you can give us your feedback.

Tell us what you think

sayitnapier.nz

say it!



STREET MANAGEMENT

What's changed?

The current CCTV network needs replacing, which will cost about \$500,000. We plan to bring the ownership and management of the network in-house.

Council's Street Management Programme provides patrols in the CBD, funds a CCTV network in the Ahuriri, CBD, Taradale, Maraenui and Marewa shopping centres, and supported an outreach programme for the homeless.

The patrols began in 2016 as a temporary measure to help curb the rising issue of begging and rough sleeping in the CBD. Now, we're investigating whether to change the patrols into ambassador roles, and we plan to bring the CCTV network in-house – it is currently owned and managed by a Trust who have said they are no longer able to provide this service.

Council has set aside \$500,000 to replace and expand the CCTV network, which is at the end of its life.

With a new system, we could increase the number of cameras and include mobile technology.

We would work with Police and incorporate data and community feedback on camera locations.

The \$500,000 cost would be loan funded and any increase would happen in 2021/22 (0.06% total rate increase, \$1.33 average rates increase per household).

Tell us what you think

sayitnapier.nz

say it!

OTHER PROJECT UPDATES

NAPIER AQUATIC DEVELOPMENT

We have huge demand on our aquatic facility.

The plan is to deliver a modern, fit for purpose facility with increased pool space and better accessibility so that more people can participate in aquatic sport and recreation and learn how to be safe and confident in the water.

While we understand there is unmet demand for pool space, we are pausing the project so we can relook at our options and will seek community feedback as we progress.

We have kept \$5 million aside for this project in 2020/21. We are using up to \$500,000 to undertake further site investigations at Onekawa Park and to complete further design work if required.

COMMUNITY HOUSING

Council provides 377 community housing units in 12 villages, most of which are retirement units.

Our housing supports people on a low income who have few assets and a special housing need. This housing is old, and while it has been maintained, there has been little improvement or renewal work carried out.

The government's new healthy homes standards mean that we also need to invest in heating, ventilation and insulation in each unit.

Community housing residents pay a subsidised rent, which we use to provide the service and maintain the units. This year, for the first time in over a decade, we reviewed the subsidy levels and decided to increase rent marginally. Even so, our current income from rent will not cover the costs of maintaining the housing over the next 10 years.

We've been investigating several ideas for providing this housing to those in need, and we're now analysing two shortlisted options.

One option is to sell or lease the entire housing portfolio to another entity. The other is to continue to provide housing as it is, or to sell some units to generate funds to build new units and/or support the service going forward. We're checking into each of these options to see what is workable.

We will consult with the community, including our current tenants, before any decision is made.

PROJECT SHAPESHIFTER

Project Shapeshifter is the name of the National Aquarium of New Zealand redevelopment proposal. We submitted the project business case to the Ministry of Business, Innovation and Employment (MBIE) in December 2019.

The redevelopment would build a new, nationally significant National Aquarium and Oceans Centre. Such a facility would raise awareness of environmental issues and encourage visitors to support the conservation of species and ecosystems.

The project needed central government funding support to help with the capital costs and the ongoing operating costs. Covid-19 has shifted both central government and Council's priorities and we now have to look at alternative options for our Aquarium. These options could include a refurbishment of the current facility, repurposing it for something else, or eventual closure. When we have reviewed all of the options, we will consult with the community on those that are feasible.

TE PIHINGA

Te Pihinga (a new horizon) is an urban redevelopment project focused on growing economic and social prosperity in Maraenui.

We're working with several agencies, including Kāinga Ora, to repurpose land for housing development and community facilities that will encourage a thriving community where people live to their full potential. We are refining a concept design for a community facility that will support employment, training and entrepreneurship with a focus on rangatahi and whānau development. It will act as an incubator, with access to high tech digital technology. Once finished, the concept design will be shared with the community.

Council has allocated \$2.2 million to the project, and we're approaching other funders to raise the balance required.

WHAKARIRE REVTMENT

A revetment is a rock structure on the shoreline that prevents erosion from king tides and storm events. We have been granted resource consent to build a revetment that will protect the reserve and properties on Whakarire Avenue in Westshore. The revetment will also restore the public's access to the reserve.

As there is also some benefit to private property owners in this area, they will be charged a targeted rate as a contribution to the construction of the revetment.

The project is due to start by next summer.

WANT TO KNOW MORE?

The following documents provide further details about the changes to the proposed Annual Plan 2020/21.

They can be found at: [sayitnapier.nz](https://www.sayitnapier.nz)

- Napier Recovery Plan
- Water Supply Masterplan
- Drinking Water FAQs
- Waste FAQs
- Civic Precinct Report (Library)
- Project Shapeshifter Business Case
- Whakarire Revetment – Paper to Council
- Capital Programme changes
- Fees & Charges
- Draft budget
- Where does your rates dollar go?
- Significant Projects Update
 - Ahuriri Estuary & Coastal Edge Masterplan
 - Inner Harbour
 - Coastal Hazards

Things we are also consulting on:

- Submarine Pipeline Protection consultation
- Rates Postponement Policy consultation
- Rates Remissions Policy consultation
- Local Government Funding Agency consultation



CHANGES TO THE CAPITAL WORKS PROGRAMME

BY ACTIVITY GROUP

The capital projects programme outlined in the Long Term Plan 2018-28 (LTP) includes a substantial investment in a range of projects. For the Annual Plan 2020/21, some projects have been brought forward, some will be rescheduled to a later date, and some have been cancelled, as they are no longer required.

Activity names as used in the Long Term Plan	Annual Plan 2020/21 (\$000)	Long Term Plan 2020/21 (\$000)	Change between LTP yr 3 and 2020/21 (\$000)
Community and Visitor Experiences	19,717	72,754	-53,037
Water Supply	14,604	4,955	9,649
Transportation	13,290	15,048	-1,758
Wastewater	8,036	3,795	4,241
Property Assets	7,533	3,889	3,644
Stormwater	3,361	6,675	-3,314
Support Units	2,538	2,493	45
Other Infrastructure	2,070	2,164	-94
City Strategy	1,067	592	475
Total (\$000)	72,216	112,365	-40,049

CHANGES TO THE CAPITAL WORKS PROGRAMME

*Changes over \$500,000
to a project between Long
Term Plan year 3 and Annual
Plan 2021/22.*

WATER SUPPLY

- **Borefield No.1 Rising Main**
New project, \$5 million from loans for a new pipe to connect the new bore field to the supply network to access good quality drinking water.
- **New Water Treatment Plants**
\$2 million has been moved from 2019/20 as there are two treatment plants to be built and the timing of the second plant will be outside of 2020/21 and identified in the LTP budgets.
- **Borefield No.2 Land purchase**
\$1.5 million has been moved from new Taradale borefields to fund this project.
- **New Napier Hill reservoir**
\$1.5 million has been moved from 2019/20. This funding will be used to start the design and land designation process once land is secured.
- **New Bores in Awatoto**
\$1.5 million – additional funding requirement arisen out of Water Supply Model and Water Supply Masterplan.
- **Awatoto Industrial & Phillips Rd Supply**
\$800,000 additional requirement due to growth.
- **District Monitoring Project**
\$560,000 additional budget approved as part of the Annual Plan 2019/20 Annual Plan.
- **New Reservoir Western Hills**
\$500,000 has been deferred to 2021/22 as this funding is part of the Mission development and won't be needed until the new subdivision is built.

STORMWATER

- **Ahuriri Masterplan Project 11**
Pandora Catchment Improvements \$800,000 moved to 2021/22 because stormwater modelling is still underway.
- **Ahuriri Masterplan project 3**
Improve Direct Outfalls - \$800,000 moved to 2021/22 because stormwater modelling is still underway.
- **New Pump Station in Bay View**
\$2.6 million deferred to 2021/22 because stormwater modelling and master planning needs to occur first.
- **Te Awa Structure Plan**
New requirement - \$1 million additional funding for infrastructure to enable development in Te Awa, funded by development contributions.

WASTEWATER

- **Wastewater Treatment Plant Upgrade**
New requirement - additional funding of \$2 million for urgent repairs.
- **Wastewater Outfall replacement**
Additional \$1.9 million is required for investigations and design to address the outfall leak issue.
- **Sewer pipe renewal budget**
Moved to Wastewater Outfall pipe repairs budget - \$500,000.
- **Pandora Industrial Main**
\$700,000 moved from 2019/20 because further investigation is required before work can be specified and programmed.

- **Te Awa Structure Plan**
\$500,000 new requirement to fund infrastructure to enable development in Te Awa, funded by development contributions.

TRANSPORTATION

- **Te Awa Structure Plan**
New requirement - \$800,000 additional funding for infrastructure to enable development in Te Awa, funded by development contributions.
- **Te Awa Avenue (Ellison to NBHS)**
\$1.2 million has been moved from 2019/20, as the project was deferred.
- **Intersection safety improvement projects**
\$820,000 moved from 2019/20 as the work on Kennedy Road/Marewa Shops upgrade was unable to be completed this year.
- **CBD Development**
\$4 million deferred until 2021/22 and 2022/23 for the Marine Parade Piazza and Emerson Street Upgrade to give adequate time to develop a masterplan for the CBD and to develop detailed designs for the individual projects.

PROPERTY ASSETS

- **Ahuriri Masterplan**
Iron Pot Public Access - \$4 million has been moved to 2020/21. In 2019/20 designs were developed which will be shared with Council and the community before moving to the detailed design stage. Funding (\$4 million) for the works won't be needed until this is done.
- **Inner Harbour Facilities**
Renewal - \$2 million moved to 2021/22 while Inner Harbour Masterplan is finalised. This will inform what works and funding is required. Some budget has been retained to

replace the pontoons at the Nelson Quay ramp.

- **Property Holdings Property Purchase**
New requirement - \$1.8 million for potential property purchases

COMMUNITY AND VISITOR EXPERIENCES

- **Reserves – Whakarire Ave Revetment**
\$1.7 million has been moved from 2019/20 as the project was delayed due to further consultation with residents. An additional \$500,000 has been added to the budget due to increased cost estimates, so the allocation for the project is now \$2.2 million.
- **Napier War Memorial build**
\$1 million moved from 2019/20 to allow time for a new concept design.
- **Kennedy Park – Main Ablution Block**
\$650,000 moved from 2019/20 as not all construction will be underway in 2019/20.
- **MTG – New Collection Shelving**
\$500,000 deferred until 2021/22 as the collection shelving is only needed once there is new storage (under the collection storage facility project).
- **Napier Library Rebuild**
\$3.8 million deferred to 2021/22 as investigations are still underway regarding the Library as part of a Civic Precinct.
- **Napier Aquatic Centre Development**
\$19.3 million moved out of 2020/21 due to project delay.
- **National Aquarium of NZ – Expansion project**
\$33 million (includes projected external funding) moved out of 2020/21 with the project being reviewed.

SO WHAT HAS HAPPENED TO THE NUMBERS?

The financial planning, work programme and service delivery associated with the Annual Plan may be subject to some change, due to the Covid-19 pandemic.

2020/21 IMPACT

In the Long Term Plan 2018-28, we approved a cap for rates increases of 5% plus LGCI (Local Government Construction Index). The proposed average rates increase is 4.8% for 2020/21 – this falls within the cap.

LOOKING AHEAD TO 2021/22

Due to the changes in 2020/21 for water supply projects and implementing the kerbside waste collection, there is a possible 2.6% increase on rates for 2021/22.

We plan to phase in the costs of the new rubbish collection over two years. We started phasing the cost of the new recycling service last year with the second year being 2020/21.

The impacts per year are as follows:

Cost of servicing additional loans

Changes to water projects +0.6%

WMMP impacts

Final year impact of phasing in kerbside recycling +1.2%

Impact of phasing in kerbside waste collection +0.8%

The impact that these 2020/21 changes have on rates for 2021/22 will be considered in the development of the 2021/22 budget.



EXAMPLES OF PROPOSED RATES FOR 2020/21

*Examples of the impact
of rating proposals for
2020/21 are shown below*

City Residential	Land Value \$	Rates 2019/20 \$	Rates 2020/21 \$	Annual Change Refuse & Recycling \$	Annual Change Water & Sewer \$	Annual Change - All other rates \$	Weekly change \$	Change %
Average	214,000	2,239	2,362	59	42	22	2.37	5.5%
Median	200,000	2,163	2,285	59	42	21	2.35	5.7%
Quartile 1	160,000	1,952	2,071	59	42	18	2.30	6.1%
Quartile 3	250,000	2,430	2,556	59	42	25	2.42	5.2%
Commercial / Industrial								
Average	490,000	8,100	8,304	94	42	67	3.91	2.5%
CBD Average	291,000	6,544	6,806	141	42	79	5.04	4.0%
Industrial Average	563,000	9,122	9,333	94	42	75	4.07	2.3%
Miscellaneous Properties								
Average - no recycling	400,000	3,187	3,313	47	42	37	2.42	3.9%
Rural								
Average	460,000	2,042	2,105	59	0	3	1.20	3.0%
Bay View								
Average - no sewerage	248,000	1,707	1,796	59	15	14	1.70	5.2%
Average - with sewerage	248,000	2,079	2,195	59	42	14	2.22	5.5%

Please note:

- Council's total rates revenue for 2020/21 will increase by 6% which is an average increase of 4.8% for existing properties after an allowance of 1.2% is made for extra separately used or inhabited parts of a rating unit, and new properties added since last year.
- Many residential properties have a slightly higher percentage increase due to the introduction of the new kerbside rubbish collection service.


RATING BASE INFORMATION

As at 30 June 2020	All Rating Units	Ratable Units
Number of Rating Units	26,099	25,720
Capital value of Rating Units \$	15,394,000,000	14,800,000,000
Land value of Rating Units \$	6,652,000,000	6,480,000,000

YOUR SUBMISSION ON OUR ANNUAL PLAN 2020/21

We encourage you to complete the form online at sayitnapier.nz or post this form for free: FreePost Authority Number 772273, Annual Plan 2020/21 Submissions, Napier City Council, Private Bag 6010, Napier 4142

You can use extra paper if you need or attach a document. Your name and submission will be published, but your contact details will be kept private.



Before 12noon
15 July 2020

YOUR DETAILS:

Full name:	
Daytime phone number:	
Email address:	
Address:	
Postal address (if different from above):	
Are you submitting on behalf of a group/organisation? If so, what is it's name:	
Please tick if you want to present your feedback to Council directly. We will be in touch to confirm a time. See page 3 for more info. <input style="float: right;" type="radio"/>	

YOUR FEEDBACK:

RATES - Funding the shortfall. Tick which option you agree with					
Use reserves (savings account) to fund the shortfall - Proposed	<input type="radio"/>	Use a loan (debt) to fund the shortfall	<input type="radio"/>		
Comments:					
POST COVID-19 RECOVERY - What do you think about our recovery plan?					
Agree :)	<input type="radio"/>	Neutral :	<input type="radio"/>	Disagree :(<input type="radio"/>
Comments:					

WATER - What do you think about the changes we plan to make to improve our water services?

Agree :) <input type="radio"/>	Neutral :) <input type="radio"/>	Disagree :(<input type="radio"/>
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Comments:

KERBSIDE RUBBISH COLLECTION - Wheelie bins will be used for the kerbside rubbish collection from 1 October 2020. What do think of this change?

Agree :) <input type="radio"/>	Neutral :) <input type="radio"/>	Disagree :(<input type="radio"/>
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Comments:

LIBRARY - What do you think about the Library returning to its original location on Station Street?

Agree :) <input type="radio"/>	Neutral :) <input type="radio"/>	Disagree :(<input type="radio"/>
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Comments:

STREET MANAGEMENT - What do you think about our plan to replace the CCTV network and bring it in-house?

Agree :) <input type="radio"/>	Neutral :) <input type="radio"/>	Disagree :(<input type="radio"/>
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Comments:

Any other feedback:

