

Document No: A562305

Report To: Audit and Risk Committee



Meeting Date: 17 August 2021

Subject: **Declaration of Members' Conflicts of Interest**

Purpose of Report

- 1.1 The purpose of this business paper is for members to –
- 1 Declare interests that may be deemed a potential conflict with their role as an elected member relating to the business papers for this meeting, and
 - 2 Declare any interests in items in which they have a direct or indirect pecuniary interest as provided for in the Local Authorities (Members' Interests) Act 29168.

Commentary

2.1 Conflicts of Interest

2.2 Every elected member has a number of professional and personal links to their community. They may own a business or be a member on a board or organisation. They may have a pecuniary (financial) interest or a non-pecuniary (non-financial) interest. These interests are a part of living in the community which they need to make decisions about in their role with Council.

2.3 Elected members are governed by the Local Authorities (Members' Interests) Act 1968 and are guided by the Auditor-General in how this Act is administered. In relation to pecuniary interests, the two underlying purposes of the Act are to:

- ensure members are not affected by personal motives when they participate in local authority matters; and
- in contracting situations, prevent members from using their position to obtain preferential treatment from the authority (the Council).

2.4 Non-pecuniary interests relate to whether an elected member could be in danger of having a real or perceived bias for an issue under consideration.

2.5 Elected members will also have interests that are considered no greater than the public at large. For example, most elected members will own a property and therefore be a ratepayer in the Waitomo District.

2.6 Conflicts of interest at times cannot be avoided, and can arise without anyone being at fault. They need not cause problems when they are promptly disclosed and well managed.

2.7 Declarations of Interests and Conflicts

2.8 At the beginning of each triennial council term, elected members are requested to disclose known interests on behalf of themselves (including spouses and partners). It is up to the elected member to judge whether they have any interests to declare. Some elected members may not have any, other elected members may have many.

2.9 As well as this, elected members may decide that they have an interest in a particular issue or item to be discussed at a meeting. There is a standing item on every meeting agenda for elected members to declare conflicts of interest.

2.10 These declarations should be clear as to whether there is just an "interest" with no pecuniary benefit and no greater benefit than to any member of the public, or they may be a Council

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appointed representative to an organization, or whether there is a "conflict of interest" in that there could potentially be a pecuniary or other direct benefit to the elected member.

- 2.11 Members who have declared a "conflict of interest" at the commencement of a meeting should make a further declaration when that item of business is considered and leave the meeting table (or the meeting room) and not take part in any discussion, debate or voting on the matter of conflict.
- 2.12 Attached to and forming part of this business paper is information to assist elected members in determining conflicts of interest.

Declarations

The Chairperson will invite Committee members to give notice of any conflicts of interest relating to the business for this meeting.

In the event of a Declaration being made, the Committee member must provide the following information relating to the Declaration:

In the event of a Declaration being made, the elected member must provide the following information relating to the Declaration:

Elected Member Name:		
Item(s) of Business on the Order Paper	Reason for Declaration	Type of Conflict Financial Non-Financial Conflict of Roles Pre-Determination
Item No -	•	•



MICHELLE HIGGIE
MANAGER - GOVERNANCE SUPPORT

Local Authority (Members' Interests) Act 1968

- 3.1 The Local Authority (Members' Interests) Act 1968 helps to protect the integrity of local authority decision-making by ensuring that Councillors are not affected by personal motives when they participate in Council decision-making and cannot use their position to obtain preferential access to contracts. This Act deals with two forms of "interest":
1. Pecuniary
 2. Non-pecuniary
- 3.2 **Pecuniary Interest**
- 3.3 The **two** specific rules in the Act are that members cannot:
1. Enter into contracts with their local authority worth more than \$25,000 (including GST) in a financial year unless the Auditor-General approves the contracts (referred to as the contracting rule). Breach of this rule results in automatic disqualification from office; and
 2. Participate in matters before the Council in which they have a pecuniary interest, other than an interest in common with the public (referred to as the participation rule). Breach of this rule is a criminal offence and conviction results in automatic disqualification from office
- 3.4 A pecuniary interest is one that involves money. This could be direct or indirect. It is sometimes difficult to decide whether an interest in a particular matter is pecuniary or some other kind. It is always the responsibility of elected members to make this decision, to declare any interest when appropriate and to ensure that as an elected member you comply with the Act's requirements at all times. The Act generally provides that no person shall be capable of being a member of Council if that person is concerned or interested in any contracts with the Council where the total payments made by the Council in respect of such contracts exceeds \$25,000 in any one financial year.
- 3.5 The Act also provides that an "interest" exists where a member's spouse is involved and/or where a member or their spouse is a major shareholder or have control or management of a company which contracts with Council or where the company has a pecuniary interest in the decision. It may also apply where your family trust has a contract with the Council.
- 3.6 The Act does provide that on application to it the Office of the Auditor General may give specific approval to a member being concerned or interested in a particular contract, in which case the provisions of the Act will not disqualify the Councillor from remaining in office. The approval needs be gained before the contract concerned is entered into.
- 3.7 The Act also requires that a member shall not vote or take part in the discussion of any matter in which he/she has any pecuniary interest, other than an interest in common with the public. This interest is required to be declared by the member and is noted in the minutes.
- 3.8 The Office of the Auditor General is the agency, which oversees this legislation and it also has the responsibility and power to institute proceedings against any member. The Act does not define pecuniary interest, however the Office of the Auditor-General uses the following test: "Whether, if the matter were dealt with in a particular way, discussing or voting on that matter could reasonably give rise to an expectation of a gain or loss of money for the member concerned."
- 3.9 In deciding whether you have a pecuniary interest you should consider the following factors: What is the nature of the decision being made? Do I have a financial interest in that decision – do I have a reasonable expectation of gain or loss of money as a result of making that decision? Is my financial interest one that is in common with the public? Do any of the exceptions in the Act apply to me? Could I apply to the Auditor-General for approval to participate?
- 3.10 Further guidance is provided in the booklet "Guidance for members of local authorities about the Local Authorities (Members' Interests) Act 1968" which has been provided to 5 elected members. It is important that you pay particular attention to the contents of this booklet as this is one of the few areas of the Council's business where staff do not set out to provide

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pro-active advice and members are personally liable for compliance with the provisions of this Act.

3.11 Non-Pecuniary Interest

3.12 Non-pecuniary interest is any interest the member may have in an issue that does not involve money. A common term for this is "bias" or pre-determination. Rules about bias operate not only to ensure that there is no actual bias, but also so there is no appearance or possibility of bias. The principle is that justice should not only be done, but it should be seen to be done. Bias may be exhibited where:-

- By their statements or conduct a member may indicate that they have predetermined the matter before hearing or considering all of the relevant information on it (including the Council's debate); or
- The member has a close relationship with an individual or organisation affected by the matter.

3.13 Non-pecuniary interest is a difficult issue as it often involves matters of perception and degree. The question you need to consider, drawn from case law, is: "Is there, to a reasonable, fair-minded and informed observer, a real indication of bias on the part of a member of the decision making body, in the sense that they might unfairly regard with favour (or disfavour) the case of a party to the issue under consideration?" If there is, the member should declare their interest and withdraw from the debate and take no further part in the discussion of this item. The law about bias does not put you at risk of personal liability. Instead, the validity of the Council's decision could be at risk. The need for public confidence in the decision-making process is paramount and perception can be an important factor. Again the booklet provided by Office of the Auditor General provides some excellent advice and information on this issue.

Waitomo District Council Procurement Policy 2018

4.1 The following are extracts from WDC's Procurement Policy:

WDC's procurement activities will be conducted in line with the core Procurement Principles and a decision framework that ensures:

- **Adherence** – all procurement is required and is undertaken in accordance with the Procurement Policy and all other associated WDC Policies and Strategies;
- **Openness** – all procurement is made in an open and transparent manner with full and fair opportunity for all eligible suppliers;
- **Fairness** – all procurement is carried out in a fair manner and decisions are made with impartiality and without bias;
- **Integrity** – all WDC employees and/or authorises third parties undertaking procurement do so ethically, equitably and with behavioural standards of the highest levels;
- **Value for Money** – all procurement considers the costs and benefits over the life of the goods, services and/or works, and in doing so takes into consideration local procurement;
- **Risk** – all procurement considers the risks (commercial and otherwise) and ensures these are managed appropriately;
- **Lawfulness** – all procurement is within the law and meets WDC's legal and organisational obligations;
- **Accountability** – employees and/or authorised third parties and suppliers are accountable for their performance; and
- **Sustainability** – all procurement is environmental and socially sustainable wherever possible, having regard to economic, environmental, and social impacts over their lifecycle.

Conflict of Interest and Declarations Policy 2018

WDC is required to identify, disclose, document and manage employees' conflicts of interest, and to ensure that decisions made on behalf of WDC and the community are fair and free of bias or perceived bias.

Note: the words "decision" and "decisions" should be taken to include recommendations and advice:

- (a) that might significantly influence decisions that will be made by other people; or
- (b) on development of strategies and policies that will guide future WDC decision making on service provision, purchasing, contracting or staff employment.

WDC recognises that the professional and personal interests of employees mean that conflicts of interest sometimes cannot be avoided, and can arise without necessarily establishing a fault. Conflict need not cause difficulties, and can be managed so that the best interests of WDC and its ratepayers, residents or customers are served.

DEFINITION OF CONFLICT OF INTEREST

A **conflict of interest** exists when an employee could be influenced or could be perceived as being influenced by a personal or private interest in **any transaction** while performing their WDC duties and/or responsibilities. A personal or private interest is an interest that may bring benefit to an employee as an individual, or to others associated with the employee i.e. spouse or family member, to whom the employee may later benefit.

A **transaction** includes, but is not limited to:

- (a) the exercise or performance of a function, duty, or power of WDC; or
- (b) an arrangement, agreement, or contract to which WDC is a party; or
- (c) a proposal that WDC enter into an arrangement, agreement, or contract; or
- (d) development of a strategy or policy that will guide future decision making on service provision, purchasing, contracting or staff employment; or
- (e) the consideration of or decision made by or at a meeting of Council or its committees and subcommittees.

A Conflict of Interest may exist where the employee:

- will or may derive a benefit from the transaction – a financial, professional or personal benefit;
- has a financial interest in another party to a transaction;
- is a director, shareholder, officer or trustee of another party to the transaction, or is a person who will or may derive a financial benefit from the transaction;
- has an interest in another party tendering for work which WDC is considering; or
- is the partner, parent, child, spouse, sibling, or close friend of another party to the transaction, or a person who will or may derive a benefit from the transaction; or
- is an affected member or interested party in a proposal considered by Council.

Before you participate in any Council decision ...

CONFLICTS OF INTEREST

Check you don't have a pecuniary interest and that there is no bias or predetermination.

1. Pecuniary Interest (Local Authorities (Members' Interests) Act 1968)

Could any of the proposals or decisions being considered by the Council lead to some sort of financial benefit or disadvantage for you or your partner/spouse or anyone financially dependent on you?

For instance, you will have a pecuniary interest where:

- You own or have shares in a café in a town and Council is considering whether to impose a ban on freedom camping in that town through a bylaw amendment, which would substantially reduce the number of customers to the café.
- You, your spouse, or family members are owners, directors or shareholders in a local business and Council is considering whether to improve the footpaths and roads that the business is situated on.
- Your partner works in a senior role for a construction firm that is bidding for a Council contract, and the Council is deciding on the preferred tender.
- You own a coastal residential property subject to erosion and the Council is considering whether to build a sea wall, which would protect you and your neighbours.
- You and your spouse own a farm and hold a resource consent to take water to support farming activities, and the Council is deciding whether or not to increase water monitoring charges, which could have the effect of increasing your annual fees as a consent holder by approximately \$200.

Yes

Is the financial benefit or disadvantage common to a large group of the public?

For instance:

- Your interest will be in common with the public if you are a ratepayer and the Council is proposing an increase in the uniform general charge or general rate.
- Your interest will not be in common with the public if the Council is proposing to impose a targeted rate on you and others who live in your street that will have the effect of increasing your rates by \$100.
- Your interest will be in common with the public if you own a residential property in town and the Council is considering major upgrades to the town's water supply.
- Your interest will not be in common with the public if you own the property immediately adjacent to a reserve, and the Council is considering whether to sell the reserve to a developer.

No

Potential or actual conflict – get advice or don't participate

No

2. Non-pecuniary interests - bias/predetermination

Is there something about you or someone close to you that could mean you might be perceived as not being impartial or as having a closed mind on the Council decision?

For instance, there may be bias or predetermination where:

- The Council is deciding whether to fluoridate the local water supply, and you are a member of the DHB and helped draft and present its submission to the Council strongly supporting fluoridation.
- Your brother holds a senior position in an engineering firm that is bidding for the contract to maintain the Council's wastewater pipes, and Council is deciding who to award the contract to.
- The Council is deciding whether to amend the rules in its regional plan about dairy effluent, and you are both a farmer and on the executive for the local Federated Farmers group, which has submitted on the proposed amendment.
- The Council is deciding whether or not to grant a resource consent that could have significant effects on the population of a native and endangered beetle. You are President of a local action group established to save the beetle.
- The Council is considering an amendment to its alcohol control bylaw that would introduce an alcohol ban along the main street of a local town, and your best friend owns the local pub in the town and has made a submission to the Council enthusiastically supporting the ban.
- The Council is deciding where to locate a new multi-sports stadium in the district, and you are a member of a local community board that recently took a proposal to Council seeking a new sports stadium in the community board area, and you took an active role in developing and presenting the proposal.
- A local business has sought an economic development grant from the Council, and the Council must decide whether to award the grant. The application was made by the business' general manager, who happens to be a neighbour with whom you have a very unhappy relationship (eg yelling matches, vandalism, complaints to the Police).
- Your sister-in-law is a property developer and is seeking a very advantageous agreement with the Council on development contributions for her latest subdivision, and the Council is deciding its negotiation parameters for the agreement.
- The Council has issued a request for tenders for its legal services and must decide who to appoint to its panel of legal providers, but in the meantime you have accepted repeated invitations to dinner, tickets for events, and a free Christmas ham, from one of the law firms that is tendering for the Council's work.
- A proposal to build a new dam has been controversial in the community for some time, and you have previously stated on your Facebook page that "The only way forward is to build the dam; there are no other options. I'll resign as a councillor if it doesn't go ahead". Following this, the Council used the special consultative procedure to hear submissions on the dam proposal and must now decide whether to proceed.
- The Council is considering the list of recipients for a Triennial Grant, one of the applicants is an organisation that you are a Chairperson or committee member.

Yes

Potential or actual conflict – get advice or don't participate

No

No conflict, okay to participate

Interests v conflicts

Sometimes you may have an **interest** that does not necessarily create a **conflict** of interest.

Even if there is no conflict, all interests must be declared (at the appropriate time during a relevant meeting and/or recorded in the Council's Interests Register).

Need advice?

Talk to:

- The Chief Executive or Mayor
- Your own lawyer
- Office of the Auditor-General (for pecuniary interests only - the OAG cannot provide clearance on bias/predetermination)

More detailed guidance from the OAG is available at:
<https://www.oag.govt.nz/2010/lamia/docs/local-authorities-members-interests-act.pdf>

Remember: If in doubt, stay out!

Managing conflicts of interest

A conflict of interest is a situation where the responsibilities you have in your work for a public organisation are affected by an interest or relationship you have in your private life.

Having a conflict of interest does not necessarily mean you have done anything wrong. It all depends on how you manage it.

You need to ask yourself not just whether the interest or relationship means you are biased, but also whether someone looking in from the outside could have reasonable grounds to think you might be.

The “rules” for managing conflicts of interest in the public sector are generally stricter than in the private sector. If you work for a public organisation, the public needs to have confidence that any decisions you make:

- are made impartially and for the right reasons; and
- are not influenced by personal interests or ulterior motives.

Any decisions about conflicts of interest should take into account the core public service values:

- integrity;
- impartiality
- trustworthiness;
- respect; and
- responsiveness.



Tips for managing conflicts

- Make sure you know what rules apply to you, whether in your employment contract, contract for services, terms of appointment, or any internal policies of the entity you work for.
 - Declare any interests you have that might pose a conflict. This shows you are being open. It will also help the entity you work for avoid putting you in a situation where a conflict might arise, or to manage a conflict if one arises.
 - Follow any rules or guidance provided by the entity you work for when deciding how to manage a conflict.
- As a minimum, declare any conflicts you have as soon as you become aware of them, preferably in writing.
 - Think about what else you might need to do to manage the conflict. Get advice if you need to. Talk to your manager, or if you are on a board, the chairperson.
 - You need to consider ethics as well as legal rules. Just because it's not unlawful to participate, that does not necessarily mean it would be appropriate to participate.

If in doubt, stay out.



When you have to make a decision, ask yourself:

FINANCIAL

- Do you stand to gain or lose financially from the decision?
- Does someone close to you – like an immediate family member – or a business you are involved with stand to gain or lose financially from the decision?

A situation does not need to involve cash changing hands to be considered a financial interest. A financial interest could, for example, relate to an effect on the value of property.

A financial interest might be direct or indirect. In situations that someone close to you or a business you are involved with has a financial interest, you might be considered to share their interest.

Financial interests are generally treated more strictly than other types of interest. If you have a financial conflict of interest, the law presumes you are biased. This is why you should automatically treat a financial conflict of interest seriously, even if it seems trivial to you.

For some entities in the public sector, there are specific statutory requirements that apply to managing the financial conflicts of interest, which you need to be aware of.

NON-FINANCIAL

- Is someone close to you or an organisation you are involved with likely to be affected by the decision you make?
- If so, is there a risk that you will be seen to be biased in your decision because of this relationship or association?

If you have a conflict of interest, but not one from which you stand to gain or lose financially, the law does not automatically assume you are biased.

This does not necessarily mean a non-financial conflict is less serious than a financial conflict – but there is generally more room for judgement about whether it is acceptable for you to participate.

Questions you need to think about include:

- How close is your relationship with this other person or organisation?
- Will they be directly affected by the decision?
- How seriously will they be affected?

CONFLICT OF ROLES

Will a second organisation you have a role in (entity B) be affected by the decision you are making for the public organisation you work for (entity A)?

- If so:
- Is there a risk that you will be seen to be acting in the interests of entity B rather than entity A?
 - If you participate in this decision, is there a risk that you might breach obligations you owe to either entity – for example, a duty of loyalty or confidentiality?

The issue with a conflict of roles is not so much whether you personally have a conflict, but whether the interests of the two organisations conflict.

If you have a conflict of roles, you will need to consider whether it is appropriate for you to participate in the decision-making process “on both sides of the table”. You will also need to think about whether you are going to be in a position to fulfil your obligations to both entities at the same time.



If there is a risk that there might be conflicts at some point during the decision-making process, you should discuss your situation with both entities. This gives each an opportunity to consider the risks from their perspective and decide whether they are comfortable with you participating on both sides.

PRE-DETERMINATION

Is there anything you have previously done or said that might make people think you are not going to listen fairly to all the relevant information before you make your decision?

It is accepted that people working for public entities will have their own views on many matters, and, in many cases, might already have views on what the “right answer” to an issue is.

You are not required to approach every decision as though you have given it no prior thought, or have no existing knowledge or opinion. However, you are required to keep an open mind, and you must be prepared to change or adjust your views if the evidence or arguments warrant it.

That means you need to take care that what you do or say does not make it look like you have already made your decision before you have considered all the relevant information and evidence.

Where to read more

FINANCIAL	NON-FINANCIAL	CONFLICT OF ROLES	PRE-DETERMINATION
Paragraphs 3.7-3.11	Paragraphs 3.12-3.24	Paragraphs 3.25-3.31	Paragraphs 3.32-3.40
Scenarios 3, 5	Scenarios 1, 2, 3, 9, 11	Scenarios 8, 10	Scenarios 4, 7
If you are an elected member of a local council, or a member of the governing body of any other entity to which the Local Authorities (Members' Interests) Act 1968 applies, please also read our Guide on that Act.			

WAITOMO DISTRICT COUNCIL AUDIT, RISK AND FINANCE COMMITTEE

MINUTES OF A MEETING OF THE WAITOMO DISTRICT COUNCIL AUDIT, RISK AND FINANCE COMMITTEE HELD IN THE COUNCIL CHAMBERS, QUEEN STREET, TE KUITI ON TUESDAY 11 MAY 2021 AT 9.00AM

PRESENT: Independent Chairperson Bruce Robertson, Mayor John Robertson,
Deputy Mayor Guy Whitaker, Councillors Phil Brodie, Allan
Goddard, Lisa Marshall, Janene New and Sue Smith

IN ATTENDANCE: Miles O'Connor (Bancorp)

Andy Campbell (Waitomo News)

Chief Executive; General Manager – Business Support; Manager –
Governance Support; General Manager – Infrastructure Services
and General Manager – Community Services

1. Declarations of Member Conflicts of Interest

Councillor New declared a potential conflict of interest relating to the Public Excluded item of business "Progress Report: Procurement Register (October 2020 - December 2020).

2. Confirmation of Minutes – 13 October 2020

Resolution

- 1 The Minutes of the Waitomo District Council Audit, Risk and Finance Committee meeting of 16 February 2021, including the Public Excluded minutes, be confirmed as a true and correct record.

B Robertson/Whitaker Carried

3. Presentation: Bancorp Treasury Services Limited

The Committee received a presentation from Miles O'Connor of Bancorp Treasury Services Limited.

Resolution

The Presentation from Bancorp Treasury Services Limited be received.

B Robertson/Brodie Carried

Miles O'Connor left the meeting at 9.50am.

4. Quarterly Report for the period ended 31 December 2020

The Committee considered a business paper providing an overall progress report on Waitomo District Council's financial and non-financial activities for the period ended 31 March 2021, including the Treasury Report prepared by Bancorp Treasury Services Ltd.

The General Manager – Business Support and General Manager – Infrastructure Services expanded verbally on the business paper and answered Members' questions.

Resolution

The business paper on Quarterly Report for period ended 31 March 2021 be received.

Whitaker/Goddard Carried

5. Mastercard Expenditure Report (February/March 2021)

The Committee considered a business paper presenting for the Committee's information and consideration, details of expenditure incurred via Waitomo District Council issued Corporate Mastercard.

The Manager – Governance Support answered Members questions.

Resolution

The Mastercard Expenditure Report for the period February/March 2021 be received.

B Robertson/J Robertson Carried

6. Progress Report: Procurement Summary Schedule (January 2021-March 2021)

The Committee considered a business paper presenting a summary of the procurements made in the period 1 January 2021 to 31 March 2021 in accordance with WDC's Procurement Policy.

The General Manager – Infrastructure Services expanded verbally on the business paper and answered Members' questions.

Resolution

The Progress Report: Procurement Summary Schedule (January 2021 to March 2021) be received.

Brodie/Smith Carried

7. 2021 General Revaluation

The Committee considered a business paper providing a brief on the process for the 2021 General Revaluation for properties in the Waitomo District.

The General Manager – Business Support expanded verbally on the business paper and answered Members’ questions.

Resolution

The business paper on 2021 General Revaluation be received.

Goddard/Whitaker Carried

8. Inframax Construction Ltd – Half Annual Report to 31 December 2021

The Committee considered a business paper presenting the Half Annual Report to 31 December 2020 for Inframax Construction Ltd.

The General Manager – Business Support expanded verbally on the business paper and answered Members’ questions.

Resolution

- 1 The business paper on Inframax Construction Limited - Half Annual Report to the 31 December 2020 be received.
- 2 The Inframax Construction Limited – Half Annual Report to the 31 December 2020 be received.
- 3 The Inframax Construction Limited – Half Annual Report to the 31 December 2020 be published on Council’s website.

B Robertson/Whitaker Carried

9. New Zealand Local Government Funding Agency – Half Year Report to 31 December 2021

The Committee considered a business paper providing information on the Half Year Report to 31 December 2020 for New Zealand Local Government Funding Agency.

The General Manager – Business Support expanded verbally on the business paper and answered Members’ questions.

Resolution

The business paper on New Zealand Local Government Funding Agency: Half Year Report to 31 December 2020 be received.

J Robertson/Brodie Carried

10. Waikato Local Authority Shared Services Limited – Half-yearly Report to 31 December 2021

The Committee considered a business paper presenting the Half-yearly Report to 31 December 2020 for Waikato Local Authority Shared Services Limited.

The General Manager – Business Support and General Manager – Infrastructure Services expanded verbally on the business paper and answered Members' questions.

Resolution

- 1 The business paper on Waikato Local Authority Shared Services Limited – Half Annual Report to the 31 December 2020 be received.
- 2 The Waikato Local Authority Shared Services Limited – Half Yearly Report to the 31 December 2020 be received.
- 3 The Waikato Local Authority Shared Services Limited – Half Yearly Report to the 31 December 2020 be published to Council's website.

New/Smith Carried

11. Insurance Update Report for the Insurance Year to 31 October 2021

The Committee considered a business paper providing a brief on the 2020/2021 insurance arrangements currently in place.

The General Manager – Business Support expanded verbally on the business paper and answered Members' questions.

The Committee noted the need for a Council Policy to be developed regarding the insuring of community assets located on Council land.

Resolution

The business paper on the Insurance Update Report for the Insurance Year to 31 October 2021 be received.

Goddard/Smith Carried

12. Progress Report: Three Waters Reform Project Delivery – 31 March 2021 – Preparation for the Reform – Tranche 2

The Committee considered a business paper providing an update on Three Waters Reform (TWR) Project Delivery (Tranche 1) for the period ended 31 March 2021.

The General Manager – Infrastructure Services expanded verbally on the business paper and answered Members' questions.

Resolution

The business paper on Progress Report for the period ended 31 March 2021 be received.

B Robertson/Whitaker Carried

13. Progress Report: WDC Resource Consents – Compliance Monitoring

The Committee considered a business paper providing a progress report on compliance reporting against Resource Consent conditions.

The Acting General Manager – Infrastructure Services expanded verbally on the business paper and answered Members’ questions.

The Chairperson acknowledged the thanks and appreciation of the Committee.

Resolution

The Progress Report: Resource Consent – Compliance Monitoring be received.

Marshall/Smith Carried

14. Motion to Exclude the Public

The Committee considered a business paper pursuant to Section 48 of the Local Government Official Information and Meetings Act 1987 giving Council the right by resolution to exclude the public and/or staff from the whole or any part of a meeting on one or more of the grounds contained within that Section.

Resolution

- 1 The public be excluded from the following part of the proceedings of this meeting.

- 2 The general subject of each matter to be considered while the public is excluded and the reason for passing this resolution in relation to each matter, as specified by Section 48(1) of the Local Government Official Information and Meetings Act 1987 are 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) for the passing of this resolution
1. Annual Report and Summary Annual Report 2020/2021 – Audit Engagement, Plan and Timeline	Section 7(2)(c)(i) – To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 48(1)(a)(1)
2. Progress Report: Health and Safety	Section 7(2)(a) To protect the privacy of natural persons, including that of deceased natural persons	Section 48(1)(a)(1)

- 3 Council agree the following staff, having relevant knowledge to assist in the consideration of the items of business to be public excluded, remain in attendance to assist the Committee with its decision making:

Staff Member	Reason for Remaining in Attendance
Chief Executive	Council CEO
Manager – Governance Support	Committee Secretary
General Manager – Business Support	Portfolio Holder
General Manager – Community Services	Portfolio Holder

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

B Robertson/Whitaker Carried

Andy Campbell (Waitomo News) and the General Manager – Infrastructure Services left the meeting at 10.53am.

15. Consideration of Public Excluded Items for the purpose of making information Public following Council’s decision taking
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Following consideration and decision taking of items of business with the public excluded, the Committee agreed that the following information be made public:

1 Annual Report and Summary Annual Report 2020/2021 – Audit Engagement, Plan and Timeline

The Resolution only be made public as follows:

Resolution

- 1 *The business paper on Annual Report and Summary Annual Report 2020/21 – Audit Engagement, Plan and Timeline be received.*
- 2 *The Deloitte Audit Engagement Letter be accepted as presented.*
- 3 *The Deloitte Draft Confirmation of Engagement – Limited Independent Assurance Report in respect to the Waitomo District Council’s Debenture Trust Deed be accepted as presented.*
- 4 *The Deloitte Audit Planning Report be accepted as presented.*
- 5 *In accordance with the delegation contained in the Terms of Reference of the Audit, Risk and Finance Committee, the Chief Executive be delegated authority to sign on behalf of the Waitomo District Council –*
 - a) *The Deloitte Audit Engagement Letter; and*
 - b) *The Deloitte Confirmation of Engagement – Limited Independent Assurance Report in respect to the Waitomo District Council’s Debenture Trust Deed, subject to no material changes from the draft enclosed.*

Brodie/New Carried

Note: The business paper for this item is not made public for the reasons set out in Item 14 - “Motion to Exclude the Public” of these Minutes.

2 **Progress Report: Health and Safety**

The Resolution only be made public as follows:

Resolution

The Progress Report: Health and Safety be received.

B Robertson/New Carried

Note: The business paper for this item is not made public for the reasons set out in Item 14 - "Motion to Exclude the Public" of these Minutes.

There being no further business the meeting closed at 11.55am.

Dated this day of 2021.

BRUCE ROBERTSON
INDEPENDENT CHAIRPERSON

Confidential Confidential

Confidential Confidential

Confidential

Confidential Confidential

Confidential Confidential

Confidential

Document No: A562263

Report To: Audit, Risk and Finance Committee



Meeting Date: 17 August 2021

**Subject: Mastercard Expenditure Report
April – June 2021**

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to present for the Committee's information and consideration, details of expenditure incurred via WDC issued Corporate Mastercard.

Commentary

2.1 Introduction

2.2 In today's technological climate, the use of credit cards is an everyday norm. The issue of WDC Corporate Mastercards is also deemed a prudent and sometimes necessary form of currency.

2.3 Many purchases can be made online with discounts not applicable through other purchasing avenues, necessitating the use of a credit card. In other circumstances the only purchase method available is online. Online purchases also significantly reduce staff time in making purchases.

2.4 From time to time WDC's Senior Management Team incur work related expenses where the use of a WDC corporate credit card is the most expedient method of payment. The use of corporate credit cards avoids time consuming processes for arranging pre-purchase cheques, petty cash or making payment personally and claiming back the expense after the fact.

2.5 Acknowledgement of Risk

2.6 However, it is also acknowledged that as with dealing with any type of cash equivalent, there is always a risk.

2.7 To mitigate the level of risk in WDC employees utilising credit cards, WDC has an implemented Credit Card Policy.

2.8 Policy

2.9 A copy of the **Credit Card Policy** is attached to and forms part of this business paper for information.

2.10 A summary of the Policy is as follows:

- Provides guidance on the use of a WDC Corporate Credit Card
- Limits approval of the issue of any credit card to the Chief Executive
- Requires a bi-annual review of both Cardholders and the Policy
- Details what is valid expenditure and what is not
- Makes an allowance for exceptional circumstances

- Requires all credit card purchases (both online and telephone) to reflect good security practice, to meet the criteria of WDC's Procurement Policy and comply with authorized Financial Delegations.
- Requires reimbursement of any unauthorized expenditure.
- Details the procedure for documenting monthly statements, monitoring by the Chief Executive and the approval (sign-off) of expenditure.
- Details card "limits" and the process for dealing with lost or stolen cards

2.11 **Presentation of Expenditure Details**

2.12 Copies of the monthly "Mastercard Statement Authorisation Forms" as explained in the Policy, will be presented to each Audit and Risk Committee Meeting.

2.13 Only copies of the actual signed Authorisation Form will be included. The supporting invoices/receipts will not be included in any Agendas, however should a Committee Member wish to view any of this supporting information, that information can be made available by arrangement.

2.14 Attached for the Committee's information are copies of signed Authorization Forms for the period April to June 2021.

Suggested Resolution

The Mastercard Expenditure Report for the period April to June 2021 be received.



MICHELLE HIGGIE

MANAGER – GOVERNANCE SUPPORT

Attachments: (1) Mastercard Authorization Forms: April - June 2021
(2) Credit Card Policy (Doc A207793)



03 MAY 2021

BUSINESS MASTERCARD



mastercard

WAITOMO DISTRICT COUNCIL

53 GALWAY STREET, AUCKLAND CITY, 1010

TAX INVOICE
GST NO. 93 259 688

THE DIRECTOR
WAITOMO DISTRICT COUNCIL
P O BOX 404
TE KUITI

3941

Closing Date	Page
27/04/21	1

Current Annual Percentage Rate	Current Monthly Rate
19.950	1.6625

Card/ Customer No.	0000 0000 0860 2564
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***** CONSOLIDATED SUMMARY *****

LIMIT	CARDHOLDER NAME	ACCOUNT NUMBER	BALANCE
\$10000	MS M D HIGGIE	0000 0030 2936 5933	2231.38
\$5000	✓ MRS H M BEEVER	0000 0030 3956 2081	654.20
\$5000	✓ MR A M DUNCAN	0000 0030 6052 5296	69.60
\$5000	MR A J HALE	0000 0030 6158 3906	0.00
TOTAL CARDHOLDER LIMIT	\$25000	NET BALANCE	2955.18

WE ADVISE THAT \$2,955.18 WILL BE DIRECTLY CHARGED TO YOUR ACCOUNT
030449 0070201 00 ON 20/05/21, PLEASE NOTE THIS TRANSACTION FOR YOUR RECORDS
PLEASE DIRECT ALL ENQUIRIES TO WESTPAC CARD SERVICES
ON 0800 888 111, AVAILABLE 24 HOURS A DAY, 7 DAYS A WEEK.

File 1 - Page 20

Mastercard Statement Authorisation Form

Name:	Michelle Higgin
Position:	Manager – Governance Support
Statement Date:	27 / 04 / 21

✓	(1)	Creditor:	NZTA
		Date:	29 March 2021
		Amount:	\$764.80
		GL Code:	820 27 748
		Expenditure:	10,000km RUC for Mazda BT-50 (Rego LPS822)

✓	(2)	Creditor:	NZTA
		Date:	29 March 2021
		Amount:	\$22.38
		GL Code:	820 27 757
		Expenditure:	Supplementary Number Plate for Holden Equinox (Rego MGQ187)

✓	(3)	Creditor:	Facebook Ireland Ltd
		Date:	31 March 2021
		Amount:	\$186.42
		GL Code:	43224515 (Muster \$136.42) and 11140705 (Citizen of the year award \$50)
		Expenditure:	Facebook advertising for the Great NZ Muster and Citizen of the Year awards.

✓	(4)	Creditor:	Facebook Ireland Ltd
		Date:	11 April 2021
		Amount:	\$63.58
		GL Code:	43224515
		Expenditure:	Muster advert of Facebook

✓	(5)	Creditor:	NZTA
		Date:	15 April 2021
		Amount:	\$6.80
		GL Code:	820 27 771
		Expenditure:	Toll Road Payment for WDC Fleet Vehicle (Registration NHZ58)

✓	(6)	Creditor:	Air New Zealand
		Date:	19 April 2021
		Amount:	\$1,187.40
		GL Code:	111 40 551
		Expenditure:	Airfares: Hamilton - Dunedin Return - Mayoral TUIA Representative (Xavier Turner) attendance at TUIA I RARO WANANGA TWO in Dunedin - Fri 7 May to Sun 9 May 2021

I certify that:

- 1 I have attached the necessary supplementary docket or receipt.
- 2 The account is payable.
- 3 The debt incurred is work related.
- 4 That any private component is identified and the amount has been reimbursed as follows:

**Signature of
Manager – Governance Support**



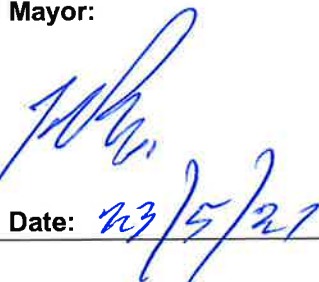
Date: 13/5/21

**Authorised by
Chief Executive:**





Date:

**Authorised by
Mayor:**





Date: 23/5/21

Mastercard Statement Authorisation Form

Name:	Helen Beever
Position:	General Manager – Community Services
Statement Date:	27 / 04 / 21
(1) Creditor:	Hamilton Airport
Date:	29-Mar-21
Amount:	\$60.00
GL Code:	811 40 545
Expenditure:	Airport Parking Fees - Greg Boyle Parking - 26 to 29 March 2021
(2) Creditor:	Air NZ
Date:	1-Apr-21
Amount:	\$259.60
GL Code:	817 39 700
Expenditure:	Flights for Candidate to attend Interview
(3) Creditor:	Air NZ
Date:	16-Apr-21
Amount:	\$334.60
GL Code:	817 38 700
Expenditure:	Flights for Julie O'Toole - Attendance at Library National Forum
I certify that:	
1 I have attached the necessary supplementary docket or receipt.	
2 The account is payable.	
3 The debt incurred is work related.	
4 That any private component is identified and the amount has been reimbursed as follows:	
Signature of GM – Community Services:	Authorised by Chief Executive:
	
Date: 18/5/21	Date: 24/5/21

Mastercard Statement Authorisation Form

Name:	Alister Duncan
Position:	General Manager – Business Support
Statement Date:	27 / 04 / 21
(1) Creditor:	Bunnings Warehouse
Date:	9 April 2021
Amount:	\$69.60
GL Code:	811 35 605
Expenditure:	Stationery - Snap Hook Carabiners
I certify that: 1 I have attached the necessary supplementary docket or receipt. 2 The account is payable. 3 The debt incurred is work related. 4 That any private component is identified and the amount has been reimbursed as follows:	
Signature of GM – Business Support  Date: 24/5/21	Authorised by Chief Executive:  Date: 24/5/21



11 JUN 2021

BUSINESS MASTERCARD

WAITOMO DISTRICT COUNCIL

53 GALWAY STREET, AUCKLAND CITY, 1010

TAX INVOICE
GST NO. 93 259 688

THE DIRECTOR
WAITOMO DISTRICT COUNCIL
P O BOX 404
TE KUITI

3941

Closing Date	Page
27/05/21	1

Current Annual Percentage Rate	Current Monthly Rate
19.950	1.6625

Card/ Customer No.	0000 0000 0860 2564
--------------------	---------------------

***** CONSOLIDATED SUMMARY *****

LIMIT	CARDHOLDER NAME	ACCOUNT NUMBER	BALANCE
\$10000	MS M D HIGGIE	0000 0030 2936 5933	4015.52
\$5000	MRS H M BEEVER	0000 0030 3956 2081	288.60
\$5000	MISS T D KELLY	0000 0030 5326 1230	424.00
\$5000	MR A M DUNCAN	0000 0030 6052 5296	0.00
\$5000	MR A J HALE	0000 0030 6158 3906	80.00
TOTAL CARDHOLDER LIMIT	\$30000	NET BALANCE	4808.12

WE ADVISE THAT \$4,808.12 WILL BE DIRECTLY CHARGED TO YOUR ACCOUNT
030449 0070201 00 ON 20/06/21, PLEASE NOTE THIS TRANSACTION FOR YOUR RECORDS
PLEASE DIRECT ALL ENQUIRIES TO WESTPAC CARD SERVICES
ON 0800 888 111, AVAILABLE 24 HOURS A DAY, 7 DAYS A WEEK.



File 1 - Page 24
Mastercard Statement Authorisation Form

Name: Michelle Higgle
Position: Manager – Governance Support
Statement Date: 27 / 05 / 21

(1) **Creditor:** House of Travel Wellington
Date: 6 May 2021
Amount: -\$30.80
GL Code: 111 42 700 - \$ 15.40 817 38 700 - \$15.40
Expenditure: **Credit:** The reimbursement for accommodation for Cr Brodie and the Chief Executive made due to the Covid-19 cancellation of the LGNZ Rural & Provincial Sector Meeting in Wellington on 4/5 March 2021 was short paid. This is the balance of the refund.

(2) **Creditor:** Air New Zealand
Date: 13 May 2021
Amount: \$491.60
GL Code: 111 42 700
Expenditure: Return Airfares: Cr Phil Brodie - Attendance at LGNZ Rural and Provincial Section Meeting in Wellington on 10 and 11 June 2021

(3) **Creditor:** Orbit Travel
Date: 17 May 2021
Amount: \$234.72
GL Code: 111 42 700
Expenditure: Accommodation and Breakfast: Cr Phil Brodie - Attendance at LGNZ Rural and Provincial Section Meeting in Wellington on 10 and 11 June 2021

(4) **Creditor:** NZ Transport Agency
Date: 17 May 2021
Amount: \$156.80
GL Code: 820 27 762
Expenditure: 2,000km RUC for Mitsubishi Triton (Rego JHR357)

(5) **Creditor:** NZ Transport Agency
Date: 17 May 2021
Amount: \$764.80
GL Code: 820 27 771
Expenditure: 10,000km RUC for Mitsubishi Outlander (Rego NHZ58)

(6) **Creditor:** Air New Zealand
Date: 18 May 2021
Amount: \$873.60
GL Code: 111 42 700
Expenditure: Return Airfares: Mayor Robertson - Attendance at LGNZ Conference and AGM in Blenheim Wednesday 14 July 2021 to Saturday 17 July 2021

(7) **Creditor:** NZ Transport Agency
Date: 18 May 2021
Amount: \$1,524.80
GL Code: 820 27 741
Expenditure: 20,000km RUC for Mazda BT-50 (Rego LHC171)

I certify that:

- 1 I have attached the necessary supplementary docket or receipt.
- 2 The account is payable.
- 3 The debt incurred is work related.
- 4 That any private component is identified and the amount has been reimbursed as follows:

**Signature of
Manager – Governance Support**



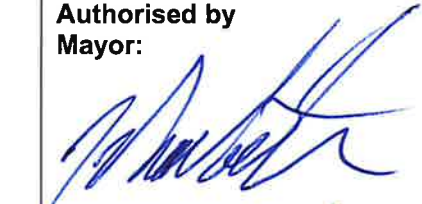
Date: 14/6/21

**Authorised by
Chief Executive:**



Date: 17/6/21

**Authorised by
Mayor:**



Date: 25/6/21

File 1 - Page 26
Mastercard Statement Authorisation Form

Name: Helen Beever
Position: General Manager – Community Services
Statement Date: 27 / 05 / 21

(1) Creditor: Air NZ
Date: 13 May 21
Amount: \$209.60
GL Code: 817 38 700
Expenditure: Return Airfare: Ayla Pratt - Attendance at Library National Forum

(2) Creditor: Air NZ
Date: 13 May 2021
Amount: \$69.00
GL Code: 817 38 700
Expenditure: Amended flight time for Julie O'Toole – Attendance at Library National Forum

I certify that:

- 1 I have attached the necessary supplementary docket or receipt.
- 2 The account is payable.
- 3 The debt incurred is work related.
- 4 That any private component is identified and the amount has been reimbursed as follows:

**Signature of
GM – Community Services:**



Date: 12/06/2021

**Authorised by
Chief Executive:**



Date: 17/6/21


Mastercard Statement Authorisation Form

Name: Terrena Kelly
Position: General Manager – Strategy and Environment
Statement Date: 27 / 05 / 21



(1) Creditor: Barclay Suites
Date: 24/05/21 to 26/05/21
Amount: \$424.00
GL Code: 81738700
Expenditure: Charlene Longden – Attendance at Executive Assistant's Conference on 25 and 26 May 2021. Accommodation (2 nights) - \$378.00. Meals (Breakfast x2) - \$46.00.

I certify that:
1 I have attached the necessary supplementary docket or receipt.
2 The account is payable.
3 The debt incurred is work related.
4 That any private component is identified and the amount has been reimbursed as follows:

Signature of
GM – Strategy and Environment

Date: 15/6/21

Authorised by
Chief Executive:

Date: 17/6/21

File 1 - Page 28
Mastercard Statement Authorisation Form

Name: Tony Hale	
Position: General Manager – Infrastructure Services	
Statement Date: 27 / 05 / 21	
<hr/>	
(1) Creditor:	BP2Go Te Kuiti
Date:	27 April 2021
Amount:	\$80.00
GL Code:	820 27 773
Expenditure:	Fuel for WDC Fleet Vehicle Rego NKG330
<hr/>	
I certify that:	
1 I have attached the necessary supplementary docket or receipt.	
2 The account is payable.	
3 The debt incurred is work related.	
4 That any private component is identified and the amount has been reimbursed as follows:	
Signature of GM – Infrastructure Services: 	Authorised by Chief Executive: 
Date: 14/06/21	Date: 07/6/21



BUSINESS MASTERCARD

53 GALWAY STREET, AUCKLAND CITY, 1010

TAX INVOICE
GST NO. 93 259 688

RECEIVED

05 JUL 2021

WAITOMO DISTRICT
COUNCIL

THE DIRECTOR
WAITOMO DISTRICT COUNCIL
P O BOX 404
TE KUITI

3941

Closing Date	Page
27/06/21	1

Current Annual Percentage Rate	Current Monthly Rate
19.950	1.6625

Card/ Customer No.	0000 0000 0860 2564
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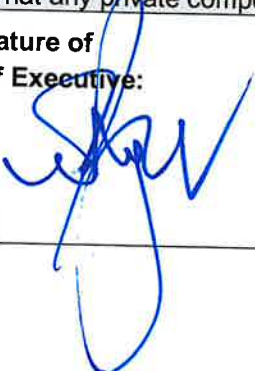
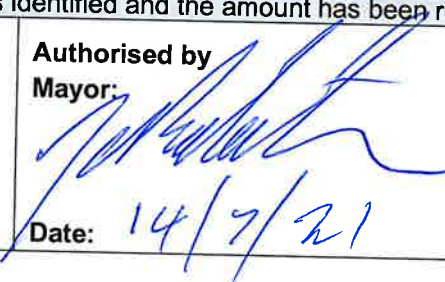
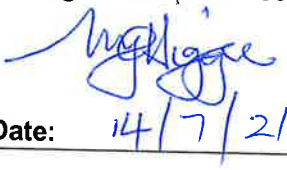
1553001032210101007P09321

***** CONSOLIDATED SUMMARY *****

LIMIT	CARDHOLDER NAME	ACCOUNT NUMBER	BALANCE
\$10000	✓ MR C J RYAN	0000 0030 1565 8580	34.56
\$10000	✓ MS M D HIGGIE	0000 0030 2936 5933	4103.22
\$5000	✓ MRS H M BEEVER	0000 0030 3956 2081	1536.10
\$5000	- MISS T D KELLY	0000 0030 5326 1230	0.00
\$5000	✓ MR A M DUNCAN	0000 0030 6052 5296	247.60
\$5000	✓ MR A J HALE	0000 0030 6158 3906	973.85
TOTAL CARDHOLDER LIMIT	\$40000	NET BALANCE	6895.33

WE ADVISE THAT \$6,895.33 WILL BE DIRECTLY CHARGED TO YOUR ACCOUNT
030449 0070201 00 ON 20/07/21, PLEASE NOTE THIS TRANSACTION FOR YOUR RECORDS
PLEASE DIRECT ALL ENQUIRIES TO WESTPAC CARD SERVICES
ON 0800 888 111, AVAILABLE 24 HOURS A DAY, 7 DAYS A WEEK.

File 1 - Page 30
Mastercard Statement Authorisation Form

Name:	Chris Ryan	
Position:	Chief Executive	
Statement Date:	27 / 06 / 21	
(1) Creditor:	Z Silverdale	
Date:	8 June 2021	
Amount:	\$34.56	
GL Code:	820 27 771	
Expenditure:	Fuel for WDC Mitsubishi Outlander (Registration No. NHZ58)	
<i>No receipt obtained</i> <i>14/7/21</i>		
I certify that:		
1 I have attached the necessary supplementary docket or receipt.		
2 The account is payable.		
3 The debt incurred is work related.		
4 That any private component is identified and the amount has been reimbursed as follows:		
Signature of Chief Executive: 	Authorised by Mayor:  Date: 14/7/21	Authorised by Manager - Governance Support:  Date: 14/7/21

File 1 - Page 31
Mastercard Statement Authorisation Form



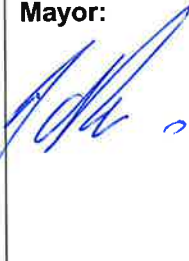
Name:	Michelle Higgle		
Position:	Manager – Governance Support		
Statement Date:	27 / 06 / 21		
(1) Creditor:	NZ Transport Agency		
Date:	2 June 2021		
Amount:	\$764.80		
GL Code:	820 27 765		
Expenditure:	10,000km Road User Charges for Mitsubishi ASX (Registration No. KBU338)		
(2) Creditor:	NZ Transport Agency		
Date:	2 June 2021		
Amount:	\$764.80		
GL Code:	820 27 749		
Expenditure:	10,000km Road User Charges for Mazda BT-50 (Registration No. LPS823)		
(3) Creditor:	Orbit Corporate Travel		
Date:	3 June 2021		
Amount:	\$235.00		
GL Code:	111 42 700		
Expenditure:	Accommodation: CE Chris Ryan - Attendance at LGNZ Rural and Provincial Section Meeting in Wellington on 10 and 11 June 2021		
(4) Creditor:	Air New Zealand		
Date:	4 June 2021		
Amount:	\$536.60		
GL Code:	111 42 700		
Expenditure:	Return Airfares: CE Chris Ryan - Attendance at LGNZ Rural and Provincial Section Meeting in Wellington on 10 and 11 June 2021		
(5) Creditor:	Air New Zealand		
Date:	9 June 2021		
Amount:	-\$536.58		
GL Code:	111 42 700		
Expenditure:	Refund of Return Airfares: CE Chris Ryan – Cancellation of attendance at LGNZ Rural and Provincial Section Meeting in Wellington on 10 and 11 June 2021		
(6) Creditor:	Rubber Tree		
Date:	14 June 2021		
Amount:	\$807.02		
GL Code:	820 27 771 - \$269.00; 820 27 772 - \$269.00; 820 27 776 - \$269.02		
Expenditure:	All Weather Floor Mats and Boot Liners for 3 x Mitsubishi Outlanders (Registration Numbers - NHZ58, NHZ59 and NJS791)		

✓ (7) **Creditor:** NZ Transport Agency
Date: 16 June 2021
Amount: \$6.80
GL Code: 820 27 751
Expenditure: Toll Road Invoice: Building Control Officer – Andrew D'Ath - attendance at Building Officials Institute of New Zealand (BOINZ) Regional Event and ZOG Framing Workshop in Tauranga on Friday 28 May 2021 (WDC Vehicle Rego LMZ559)


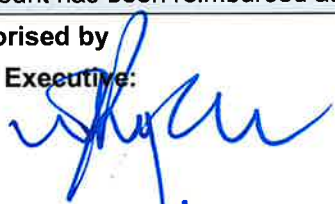
✓ (8) **Creditor:** NZ Transport Agency
Date: 16 June 2021
Amount: \$1,524.80
GL Code: 820 27 773
Expenditure: 20,000km Road User Charges for Mazda BT-50 (Registration No. NKG330)

I certify that:

- 1 I have attached the necessary supplementary docket or receipt.
- 2 The account is payable.
- 3 The debt incurred is work related.
- 4 That any private component is identified and the amount has been reimbursed as follows:

<p>Signature of Manager – Governance Support</p>  <p>Date: 14/7/21</p>	<p>Authorised by Chief Executive:</p>  <p>Date: 14/7/2021</p>	<p>Authorised by Mayor:</p>  <p>Date: 14/7/21</p>
---	--	--

File 1 - Page 33
Mastercard Statement Authorisation Form

Name: Helen Beever	
Position: General Manager – Community Services	
Statement Date: 27 / 06 / 21	
(1) Creditor:	Air NZ
Date:	18 June 2021
Amount:	\$213.60
GL Code:	817 38 700
Expenditure:	Return Airfares: Health and Safety Administrator Nicole Sheward attendance at Health & Safety Association New Zealand (HASANZ) 2021 Conference in Wellington
(2) Creditor:	Conference and Events Limited - HASANZ 2021
Date:	18 June 2021
Amount:	\$1,322.50
GL Code:	817 38 700
Expenditure:	Registration: Health and Safety Administrator Nicole Sheward attendance at Health & Safety Association New Zealand (HASANZ) 2021 Conference in Wellington
I certify that:	
1 I have attached the necessary supplementary docket or receipt.	
2 The account is payable.	
3 The debt incurred is work related.	
4 That any private component is identified and the amount has been reimbursed as follows:	
Signature of GM – Community Services:	Authorised by Chief Executive:
	
Date: 27/6/21	Date: 12/7/21

File 1 - Page 34
Mastercard Statement Authorisation Form

Name: Alister Duncan
Position: General Manager – Business Support
Statement Date: 27 / 06 / 21

(1) Creditor: Air New Zealand
Date: 16 June 2021
Amount: \$202.00
GL Code: 817 38 700
Expenditure: Return Airfares: Building Control Officer Andrew D'Ath – Attendance at Building Officials Institute of New Zealand (BOINZ) Conference in Wellington

(2) Creditor: Hamilton Airport
Date: 16 June 2021
Amount: \$45.00
GL Code: 817 38 700
Expenditure: Airport Parking: Building Control Officer Andrew D'Ath – Attendance at Building Officials Institute of New Zealand (BOINZ) Conference in Wellington

*No Receipt Issued
 3 Days Parking 16-18 Aug 2021*

I certify that:

- 1 I have attached the necessary supplementary docket or receipt.
- 2 The account is payable.
- 3 The debt incurred is work related.
- 4 That any private component is identified and the amount has been reimbursed as follows:

<p>Signature of GM – Business Support</p> <p style="text-align: center;"></p> <p>Date: 14/7/21</p>	<p>Authorised by Chief Executive:</p> <p style="text-align: center;"></p> <p>Date: 21/7/2021</p>
---	--

File 1 - Page 35
Mastercard Statement Authorisation Form

Name:	Tony Hale
Position:	General Manager – Infrastructure Services
Statement Date:	27 / 06 / 21
<hr/>	
(1) Creditor:	Air New Zealand
Date:	21 June 2021
Amount:	\$312.60
GL Code:	817 38 700
Expenditure:	Return Airfares: General Manager – Infrastructure Services attendance at Taituara Infrastructure for the Future Forum in Wellington on 24 June 2021
<hr/>	
(2) Creditor:	Taituara (NZ Society of Local Government Managers)
Date:	21 June 2021
Amount:	\$661.25
GL Code:	817 38 700
Expenditure:	Registration: General Manager – Infrastructure Services attendance at Taituara Infrastructure for the Future Forum in Wellington on 24 June 2021
<hr/>	
I certify that:	
1 I have attached the necessary supplementary docket or receipt.	
2 The account is payable.	
3 The debt incurred is work related.	
4 That any private component is identified and the amount has been reimbursed as follows:	
Signature of GM – Infrastructure Services:	Authorised by Chief Executive:
	
Date: 15/07/21	Date: 21/07/21



Credit Card Policy

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1.0 Policy Background

1.1 This policy is intended to provide guidance on the use of Corporate Credit Cards.

2.0 Eligibility for Credit Cards

2.1 This policy authorises the issue of credit cards to:

- Members of the Executive Management Team
- The Manager – Governance Support
- The Mayor

3.0 Issuance of Additional Cards

3.1 The Chief Executive may approve the issue of additional cards to staff where that is appropriate. Before authorising the issuing of additional cards the Chief Executive must be satisfied that they are strictly necessary and will provide administrative efficiencies.

3.2 In approving the issue of a card, the Chief Executive will also confirm the approved credit limit. The credit limit will be set based on the minimum amount necessary to enable the cardholder to undertake their Council duties.

4.0 Maintenance and Review of Card Holder List

4.1 The Human Resources Officer shall maintain a central register (Doc#A207787) of all cardholders and a review of the register will be undertaken in conjunction with the bi-annual Policy review, or as otherwise required, to ensure that those staff currently holding cards should still do so. This frequency of review is seen as adequate, given the unlikelihood of a staff member moving from a position where they were entitled to hold a credit card to one where they are not entitled to do so.

5.0 Procedure for Issuing Cards

5.1 Upon approval from the Chief Executive, the Human Resources Officer will arrange for the issue of a corporate credit card via the General Manager – Business Support.

6.0 Valid expenditure

6.1 Corporate Credit cards are to be used:

- solely for the payment of business-related expenditure;
- subject to the limits in the appropriate annual operating expenditure budget; and
- in accordance with the Procurement Policy and Delegations Register.

6.2 Credit cards shall **not** be used for the following purposes:

- Personal purchases;
- Cash advances or cash reimbursement;
- Payment for any work attracting PAYE tax;
- Court costs or fines, tax payments, personal services or any other inappropriate spending.

6.3 Exceptional Circumstances

There may be circumstances that lend themselves to an exception to the above - e.g. emergencies where cash advances are required. In these cases an explanation is to be

provided to the Chief Executive, or in the case of the Chief Executive, the Mayor, within two days of the expenditure being incurred and the expenditure is to be fully reimbursed to WDC prior to the monthly credit card payment being due.

6.4 **Internet Purchases**

Purchasing over the internet (using a Credit card) is authorised but the purchase transaction process must reflect good internet security practice. Good security practice involves ensuring the internet site is secure and purchasing only from established reputable companies. Where internet purchases are made, the cardholder is required to keep a copy of any online order forms completed when purchasing, and any purchasing over the internet needs to be consistent with WDC's normal purchasing procedures.

6.5 **Telephone Purchases**

Purchasing over the telephone (using a Credit card) is authorised but the purchase transaction process must reflect good telephone security practice. Good security practice involves ensuring the purchase is via an established and reputable company. Where telephone purchases are made, the cardholder is required to keep a manual record of the transaction. Purchasing over the telephone needs to be consistent with WDC's normal purchasing procedures.

7.0 Liability for Inappropriate Expenditure

- 7.1 WDC will not be liable for any unauthorised transactions incurred by the cardholder. In all cases the cardholder will be liable for the reimbursement to WDC of any inappropriate or unauthorised expenditure charged to the credit/purchasing card. Inappropriate expenditure is deemed to be that specified in this policy.

8.0 Procedure When More Than One Cardholder is Present

- 8.1 Where more than one cardholder is present (for example, at a staff function), it is expected that the most senior staff member will use their card for the payment of expenses incurred.

9.0 Documentation to Accompany Monthly Statements

- 9.1 Each Cardholder must complete a "Mastercard Statement Authorisation Form" (Doc# 317041) for every monthly credit card statement.
- 9.2 All credit card transactions in excess of \$20.00 in value must be supported by original documentation (tax invoices and/or receipts) to corroborate transactions.
- 9.3 For credit card transactions less than \$20.00 in value, the preference is to include supporting documentation, however this is not mandatory.
- 9.4 For transactions less than \$20.00 in value which do not have supporting documentation, or where a transaction is in excess of \$20.00 in value and supporting documentation is not available or has been lost by the cardholder, a note explaining the nature of the transaction and verifying that the expenditure incurred was valid and work-related must be included on the Mastercard Statement Authorisation Form.
- 9.5 For all entertainment and travel transactions, the business reason and other parties (if any) must be recorded along with the purpose of the meeting. This is to ensure that all transactions can be appropriately reviewed by the Authoriser, and to allow WDC to claim back the GST content of qualifying purchases. GST invoices (where relevant) shall be attached to the card statement prior to review by the Authoriser.

10.0 Monitoring

- 10.1 Credit card use is monitored monthly by the Chief Executive. The approval process must be structured in accordance with the following clause 11.0 'Approval of Expenditure'.
- 10.2 Credit card use is also monitored by the Audit, Risk and Finance Committee.

11.0 Approval of Expenditure

- 11.1 An approval hierarchy for monthly credit card statement approval, based on a "one-up" procedure where possible, has been defined as part of this policy as follows:
- 1 Executive Management Team statements must be approved by the Chief Executive.
 - 2 The Chief Executive's statements must be approved jointly by the Mayor and Manager - Governance Support.
 - 3 The Mayor's statements must be approved jointly by the Manager - Governance Support and Chief Executive.
 - 4 The Manager - Governance Support's statements must be approved jointly by the Mayor and Chief Executive.

Note: The OAG guidance on sensitive expenditure states that it is essential that there should be no reciprocal arrangement for approving sensitive expenditure - therefore the Chief Executive cannot approve the Mayor's statements alone and vice versa.

- 11.2 The Manager - Governance Support and the Chief Executive will jointly approve the Mayor's statements (i.e. with the Mayor there can be no true "one-up procedure" and by having a joint authorisation any "reciprocal" arrangement is removed).
- 11.3 The Manager - Governance Support is also in the position of knowing the Mayor's daily activities/whereabouts and will know what claims are appropriate on his Mastercard.
- 11.4 The Manager - Governance Support's statements will be jointly approved by both the Chief Executive and Mayor as from time to time there are purchases made on behalf of both the Mayor and Chief Executive on the Manager - Governance Support's credit card (i.e. Airfares, Accommodation, etc.)
- 11.2 Items will be coded by the Cardholder for posting in the accounting system. Credit card payments must be authorised like other invoices and in accordance with the Procurement Policy and Delegations Register.
- 11.3 The approval hierarchy will be as follows:

Expenditure incurred by	Statements approved by
Mayor	Chief Executive and Manager - Governance Support
Chief Executive	Mayor (or Deputy Mayor in the Mayor's absence) and Manager - Governance Support
Manager - Governance Support	Mayor and Chief Executive
Executive Management Team	Chief Executive

12.0 Card Limits

- 12.1 Unless otherwise determined by the Chief Executive, the credit limit of cards shall be as follows:

- Chief Executive \$10,000
- Mayor \$5,000
- Executive Team Members \$5,000
- Manager - Governance Support to CE \$10,000

13.0 Procedure for the Surrender of Cards

- 13.1 All cards will be surrendered by the cardholder on termination of their employment with Council. The credit card is to be returned to the Human Resources Officer in the first instance who will then pass the card on to the General Manager – Business Support for cancellation. This cancellation should be processed to the card issuer within 5 working days of the employee leaving Council and the card destroyed. All final wage/salary payments will be approved upon return of the credit card.

14.0 Lost or Stolen Cards

- 14.1 The cardholder is responsible for immediately reporting a card that is lost or stolen to the Westpac Bank Credit Cards division of the Westpac Bank. The hotline telephone number **0800 888 111** is given to each cardholder when uplifting the card. If a card is lost or stolen outside New Zealand, it must be reported to the nearest VISA member bank or by ringing **+64 09 914 8026 collect**.
- 14.2 Written confirmation of what happened when the card was lost or stolen must be provided to Westpac Bank within a reasonable timeframe. Full details (where, when, how) must be included, as the bank may need to relay these details to police.
- 14.3 Replacement of a lost or stolen card is to be arranged through the Human Resources Officer.

15.0 Breach of Policy

- 15.1 Any breach of this policy will be considered to be serious misconduct. When there is reason to believe that violation of policy or law has occurred disciplinary action may be taken. For repeat offenders, or where the breach of policy is significantly serious, the card will be automatically cancelled and formal disciplinary action taken.

16.0 Policy Review

- 16.1 The Human Resources Advisor is responsible for the administration, revision, interpretation, and application of this Policy. The Policy will be reviewed and revised where necessary every two years.

17.0 Staff Contact

Human Resource Advisor

18.0 Policy Review Date

Next Review: August 2022 (2 years)

Policy Approved:



Chris Ryan
Chief Executive

Date: 6 August 2020

Document No: A547853

Report To: Audit, Risk and Finance Committee



Meeting Date: 17 August 2021

Subject: Progress Report: Procurement Summary Schedule (April 2021 – June 2021)

Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to present to the Committee with a summary of the procurements made in the period 1 April 2021 to 30 June 2021 in accordance with WDC's Procurement Policy.

Background

- 2.1 Waitomo District Council's (WDC) Procurement Register (Register) provides a formal "one stop" reference to record WDC's procurement decisions.
- 2.2 The Register, at an operational level, provides a summary of the procurement decisions together with the associated financial components.
- 2.3 The Register provides procurement information including:
 - Procurement Description
 - Type of Contract: Physical Works, or Professional services, or goods and services
 - Term of contract
 - Procurement Selection process adopted: All of Government (AOG), Syndicated, Tender, Quote or Direct Appointment
 - Reason for exemption (if applicable)
 - Number of tenders/quotes received
 - Tender/quote range
 - Evaluation method
 - Awarded contract value
 - Contractor/supplier
- 2.4 The Register provides key financial information for each procurement including:
 - Total cumulative value
 - Price range of Tenders/Quotes received
- 2.5 The keeping of records is part of an overall Risk Management Framework and assists in the early identification of risks.
- 2.6 All procurement documents such as the quotes, tender responses, notices to tenderers and related correspondence are held in the relevant physical contract folder, captured electronically, and the detail added to the Register.

Commentary

- 3.1 WDC's Procurement Policy (the Policy) was reviewed and adopted with amendments by Council on 27 October 2020. Some of the amendments made to the Policy as part of that review include –
- Incorporating procurements relating to a Recovery Plan in response to both COVID-19 and the Three Waters Reform Programme.
 - Provision that the detail of contracts awarded for an amount greater than \$150,000 + GST may be publicly released.
- 3.2 The Tenders Subcommittee (a subcommittee of WDC's Senior Management Team) operates to assist the Chief Executive in undertaking the management of procedures to ensure sound probity methods are followed, risks are mitigated, and quality documentation is produced in relation to the procurement of goods and services necessary to deliver WDC's work programme and operations as provided for in adopted 10 Year Plans and Annual Plans.

Procurement Summary Schedule

- 4.1 The attached Procurement Summary Schedule (PSS) provides details of procurements completed by the Tenders Subcommittee during the relevant period in accordance with the Policy i.e. awarded for a value over \$150,000 + GST, or pursuant to the COVID-19 Recovery Plan or the Three Waters Reform Programme.

4.2 Exemption Reason

- 4.3 The Audit Risk and Finance Committee have requested that the reason for granting a Procurement Exemption be included in the PSS. As a result, the Headings of the five criteria provided for in the Policy will now be included in the PSS as the reason for granting an exemption.
- 4.4 The Policy extract below provides detail of those five criteria, of which at least one must be met for a Procurement Exemption to be granted.

Procurement Exemption

The process for the relevant level identified above should be followed fully. If deviation from the process is required, the reason for the deviation should comply with one or more of the following criteria:

1. ***Monopoly situation:*** *Where there is a monopoly situation and only one Supplier capable of supplying the requirements (e.g. engaging an arrangement for the supply of electricity on a network where the network is owned by a single party); or*
2. ***Proprietary technology:*** *Where a Supplier is the sole Supplier and/or patent holder of a specific product that is required by WDC. WDC must be satisfied that the proprietary technology is the most appropriate for the needs of WDC; or*
3. ***Benefits and costs of competition:*** *The time and costs of a competitive process outweigh the benefits of competition; or*
4. ***Unique business proposition:*** *Where a Supplier has a unique business proposition that can minimise risks or costs to WDC. This could include existing knowledge relevant to a project; or*

5. **Existing contract:** *If goods, services and/or works are in addition to, or necessary for the completion of, delivery of an existing contract, provided that the original contract was publicly advertised, and a change of Supplier cannot be made for economic, technical, legal or practical reasons.*

The key requirement is the direct appointment represents best value for WDC. Poor planning or organisation of procurement is not justification for deviation from the framework. In all instances a procurement exemption must be signed off by the Tenders Subcommittee.

Suggested Resolution

The Progress Report: Procurement Summary Schedule (January 2021 to March 2021) be received.



TONY HALE
GENERAL MANAGER – INFRASTRUCTURE SERVICES

August 2021

Attachment: Procurement Summary Schedule (Doc A547838 / Sheet 2021_Q2)

PROCUREMENT SUMMARY SCHEDULE
(1 April 2021 to 30 June 2021)

Contract / Order No.	Contract Title / Procurement Description	Type of Contract (Physical Works, Professional Services or Goods and Services)	Term of Contract	One-off or ongoing supply	Selection Process (AOG, Syndicated, Panel, Tender, Quote or Direct Appointment)	Exemption reason	No. of Tenders/ Quotes Received	Tender / Quote Range (GST exclusive)	Evaluation Method	Awarded Contract Value (Total cumulative)	Awarded To	Meeting Date	GM
Contracts Awarded for a value of \$150,000 + GST or greater													
500/20/13	Mayor's Taskforce for Jobs	Professional Services	1 Year	One off	Contract Extension (1 Year) Trance 2	N/A	N/A	N/A	N/A	\$220,000.00	Aotahi Ltd	14/04/2021	Community Services
500/20/006	Te Kuiti Pedestrian Overbridge Replacement	Physical Works	1 Year	One off	Contract Variation - increase in contract price due to inclusion of stage 2	N/A	N/A	N/A	N/A	\$500,000.00	Fulton Hogan Ltd	19/05/2021	Infrastructure Services
500/20/010	Local Roading Professional Services	Professional Services	3 Years	One off	2-stage, ROI and Closed Tender	N/A	3	\$2,800,620 to \$3,448,875	PQM	\$2,800,620.00	Pinnacles Civil Ltd	24/05/2021	Infrastructure Services
500/16/036	Water, Wastewater and Stormwater Reticulation Management Services	Services	9 months	Ongoing	Contract Extension (9 months)	N/A	N/A	N/A	N/A	\$700,000.00	McIndoe Group NPG	28/06/2021	Infrastructure Services
Contracts Awarded pursuant to either the COVID-19 Recovery Plan or Three Waters Reform Programme													
PO 67460	TWR12 Reticulation Renewals Planning	Professional Services	1 Year	One-off	Direct Appointment	In accordance with Three Waters Reform Procurement Policy	N/A	N/A	N/A	\$30,321.00	3 Waters Planning Ltd	N/A	Infrastructure Services
PO 66897	TWR12 Reticulation Renewals Planning	Professional Services	1 Year	One-off	Direct Appointment	In accordance with Three Waters Reform Procurement Policy	N/A	N/A	N/A	\$9,467.00	3 Waters Planning Ltd	N/A	Infrastructure Services
PO 65983	TWR12 Reticulation Renewals Planning	Professional Services	1 Year	One-off	Direct Appointment	In accordance with Three Waters Reform Procurement Policy	N/A	N/A	N/A	\$13,961.00	3 Waters Planning Ltd	N/A	Infrastructure Services
500/21/102	TWR23 Reform preparation Taituara	Professional Services	6 Months	One-off	Direct Appointment	In accordance with Three Waters Reform Procurement Policy	N/A	N/A	N/A	\$25,000.00	Tuhura & Partners Ltd	N/A	Infrastructure Services
PO 66899	TWR4 SCADA storage to cloud	Services	N/A	One-off	Direct Appointment	In accordance with Three Waters Reform Procurement Policy	N/A	N/A	N/A	\$8,620.00	Control Box Ltd	N/A	Infrastructure Services
PO 67368	TWR13 Back-up power supply	Services	N/A	One-off	Direct Appointment	In accordance with Three Waters Reform Procurement Policy	N/A	N/A	N/A	\$9,965.00	Power Solutions Ltd	N/A	Infrastructure Services
PO 67806	TWR5 Pump station renewals	Goods	N/A	One-off	Direct Appointment	In accordance with Three Waters Reform Procurement Policy	N/A	N/A	N/A	\$4,804.00	Stratalign Ltd	N/A	Infrastructure Services
PO 68231	TWR21 Asset data collection and analysis	Services	N/A	One-off	Direct Appointment	In accordance with Three Waters Reform Procurement Policy	N/A	N/A	N/A	\$2,811.75	Inframax Construction Ltd	N/A	Infrastructure Services
PO 67829	TWR10 Design and installation for current upgrade project	Goods and Services	N/A	One-off	Direct Appointment	In accordance with Three Waters Reform Procurement Policy	N/A	N/A	N/A	\$21,785.00	McIndoe Group Ltd	N/A	Infrastructure Services
PO 68342	TWR10 Design and installation for current upgrade project - concrete pad installation	Goods and Services	N/A	One-off	Direct Appointment	In accordance with Three Waters Reform Procurement Policy	N/A	N/A	N/A	\$12,090.74	JP Kearins Ltd	N/A	Infrastructure Services
PO 68093	TWR10 Design and installation for current upgrade project - piping installation	Goods and Services	N/A	One-off	Direct Appointment	In accordance with Three Waters Reform Procurement Policy	N/A	N/A	N/A	\$3,334.00	McIndoe Group Ltd	N/A	Infrastructure Services
PO 67828	TWR1 Security of Supply - Fencing of water dams	Goods and Services	N/A	One-off	Direct Appointment	In accordance with Three Waters Reform Procurement Policy	N/A	N/A	N/A	\$29,350.25	T.C Percival and M.J Maguire	N/A	Infrastructure Services

Document No: A553205

Report To: Audit, Risk and Finance Committee



Meeting Date: 17 August 2021
Subject: **Staff Submission to the Construction Contracts (Retention Money) Amendment Bill**
Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to brief the Audit, Risk and Finance Committee of a Staff submission made to the Construction Contracts (Retention Money) Amendment Bill.
- 1.2 This bill is currently being considered by the Transport and Infrastructure Select Committee, who sort submissions by the 23 July 2021.

Background

- 2.1 An amendment was made in 2017 to the Construction Contracts Act 2015, whereby any retention monies deducted from a contract payment had to be held in trust as a liquid asset for the benefit of the contractor.
- 2.2 The amendment allowed that money to be co-mingled with other money and not held strictly in a separate account.
- 2.3 This new regime applied to all commercial construction contracts entered into on or after the 31 March 2017.

Commentary

- 3.1 On the 1 June 2021, the Construction Contracts (Retention Money) Amendment Bill was introduced, proposing amendments to how the retention money regime operates with the aim to strengthen and clarify it.
- 3.2 The most significant change proposed was for retentions to be held separate from other money and held in a trust account set up, specifically for that purpose.
- 3.3 This proposal was precipitated by issues identified in a High Court decision of *Bennett v Ebert Construction Ltd* [2018] NZHC 2934. Ebert had retentions covered by the Act of \$3.7 million but had retentions owing of \$9.3 million and the receivers sort direction on how the retentions should be allocated.
- 3.4 The amendment bill seeks to strengthen how retention monies are accounted for and provide an assurance the money is there for the contractor, should the principal become insolvent.
- 3.5 While Staff considered the objectives of the bill appropriate, it was considered not to be relevant for councils as principals to construction contracts. The reason being the strong credit rating councils have and unlikelihood of ever being in a position of being unable to pay retentions owing when due.
- 3.6 From an operational perspective it was viewed that the new regime would be unnecessarily onerous and add more administrative cost for councils for no extra benefit to councils' contractors.

- 3.7 A staff submission (rather than a Council Submission) was made to that effect, where it was suggested that councils be excluded from the regime.
- 3.8 A copy of the submission is attached and forms part of this business paper.

Suggested Resolution

The business paper on Staff Submission to the Construction Contracts (Retention Money) Amendment Bill be received.

A handwritten signature in blue ink that reads "W La Roche". The signature is written in a cursive, flowing style.

WAYNE LA ROCHE
SENIOR ACCOUNTANT

6 August 2021

Attachment:

Staff Submission to the Construction Contracts (Retention Money) Amendment Bill (A542116)

23 July 2021

**Staff Submission to the:
Construction Contracts (Retention Money) Amendment Bill**

Contact Person: Wayne La Roche

Submission

Thank you for the opportunity for making a submission to the Construction Contracts (Retention Money) Amendment Bill.

We are of the view that the retentions regime is not necessary for councils.

The reason for this is because of the very strong credit rating of councils and that no council have ever defaulted on any loans or retention obligations to contractors.

The reason councils have a strong rating is because of their ability to offer rates revenues as security for debt and therefore it is highly unlikely that a council would ever be in an insolvent position and unable to pay its retention obligations.

We absolutely agree the retentions regime needs to be tightened as is evidenced by the Bennett v Ebert Construction Ltd case, but we do not think it is necessary for councils to be included in this regime.

Of particular concern is the requirement described in paragraph 8 of "Clause by clause analysis" section;

"If a single account is kept for 2 or more contracts or 2 or more party Bs' (or both), party A must keep proper accounting records showing which party B and which contract each payment into or out of the account relates to".

Our interpretation of this sentence means a complete trust accounting arrangement, where both cash assets and retention liabilities are accounted for and matched. We are of the view that compliance with this arrangement is achievable, however it will require additional capacity and systems and therefore cost, where we cannot see any added benefit for the contractor (Party B), when Party A is a council.

For our compliance under the current Act, we very accurately account for our retention obligations as a liability and have a greater amount of cash held in a separate retentions cash account to adequately cover our liability. We do not maintain a direct link between individual retention amounts and the cash held.

We cannot see how carrying out a full trust account type accounting arrangement will improve the position of our contractors.

We respectfully suggest that councils be excluded from this regime.

Yours sincerely



**WAYNE LA ROCHE
SENIOR ACCOUNTANT**

Document No: A561660

Report To: Audit, Risk and Finance Committee



Meeting Date: 17 August 2021

Subject: Local Government Funding Agency Quarterly Report to Shareholders for the year ended June 2021

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to table the Local Government Funding Agency Quarterly Report to Shareholders for the year ended 30 June 2021.

Background

- 2.1 The LGFA was established in December 2011 principally to borrow domestically or offshore and provide lending to local authorities across New Zealand.
- 2.2 Waitomo District Council (WDC) joined the LGFA as a borrower and guarantor in April 2017. Substantially all its borrowings are now provided from the LGFA.
- 2.3 As a borrower WDC would look to the LGFA as first lender of choice for Council's borrowing requirements. As a guarantor to the LGFA, WDC has ongoing interest in the financial strength of LGFA.

Commentary

3.1 Financial Performance for the twelve months to 30 June 2021.

- 3.2 LGFA performed ahead of budget. The unaudited Net Profit for the year was \$12.01m. Net interest income and operating profit are ahead of SOI forecast and expenses are less than budget for the twelve months ended 30 June 2021.
- 3.3 The ability of the LGFA to maintain its financial strength and high credit rating is important for Council as a borrower, so debt funding can be sourced on favourable terms and as a guarantor because it further reduces the already very low likelihood of the guarantee being exercised.
- 3.4 Total loans to Councils by LGFA are \$12.03 billion as at 30 June 2021. Bonds on issue to investors in LGFA total \$13.68 billion as at 30 June 2021.

3.5 Performance Targets Statement of Intent

2020/21 SOI measures	Target	Result
Net Interest Income	Greater than \$18.28m	\$19.72m
Annual issuance and operation expenses (excluding AIL)	Less than \$6.28m	\$6.66m
Total Lending to Participating Local Authorities	At least \$9.79billion	\$12.04billion
Annual Survey – value added by LGFA	80% satisfaction score	98.8%
Meet lending request were those request meet LGFA operational and covenant requirements	All	All
Market Share of all council borrowing in New Zealand	85% market share	81.6%
Review each Participating Local Authority's financial position	All participating Local Authorities	67 of the 67 councils visited
Treasury Policy Breaches	None	None
Refinance existing loans to councils and LGFA bone maturities	All	All
Maintain credit rating equal to New Zealand Government	AA+	AA+

Suggested Resolutions

- 1 The business paper on Local Government Funding Agency Quarterly Report to Shareholder June 2021 be received.
- 2 The LGFA Quarterly Report to Shareholders, June Quarter 2021 be received.



ALISTER DUNCAN
GENERAL MANAGER - BUSINESS SUPPORT

9 August 2021

Attachments:

- 1 LGFA Quarterly Report to Shareholders (A561662)
- 2 List of LGFA Guarantors (A561661)

LGFA Quarterly Report to Shareholders

June Quarter 2021

Contents	Page
A. June quarter highlights	2
B. LGFA bond issuance during the quarter	3
C. Summary financial information (provisional and unaudited)	6
D. Key performance indicators	7
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Primary Objectives	8
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F. Investor relations	16

A. June quarter highlights

Quarter	Total	Bespoke Maturity	April 2022	April 2023	April 2024	April 2025	April 2026	April 2027	April 2029	May 2031	April 2033	April 2037
Bonds issued \$m	970	N/A	-	-	80	-	40	-	120	650	40	40
Term Loans to councils \$m	829.5	264.6	-	10.7	40.0	26.0	80.5	40.5	240.5	126.7	-	-
Term Loans to councils #.	86	36	-	1	6	5	11	7	17	3	-	-

Financial Year to Date	Total	Bespoke Maturity	April 2022	April 2023	April 2024	April 2025	April 2026	April 2027	April 2029	May 2031	April 2033	April 2037
Bonds issued \$m	3,270	N/A	450	110	280	60	240	160	480	650	140	700
Term Loans to councils \$m	2,858	1022.2	6.0	59.7	90.8	138.2	409.5	224.5	723.5	126.7	4.4	50.0
Term Loans to councils #.	240	97	2	6	17	23	34	25	30	3	1	1

Key points and highlights for the June quarter:

- The LGFA bond yield curve flattened significantly over the quarter as markets brought forward estimates of the first tightening in monetary policy. LGFA 2037 bond yields fell 20 bps while the 2024 yields rose 20 bps.
- LGFA issued \$970 million of bonds during the quarter across two tenders of \$160 million each and a \$650 million syndication of a new May 2031 bond. The average term of issuance during the quarter was 9.28 years.
- LGFA borrowing margins were mixed with spreads to swap narrower by 9 bps (2024s through 2026s) and wider by 1 bps (2033s) during the quarter. LGFA spreads to NZGB narrowed between 3 bps (2024s) and 13 bps (2037s) as net issuance of NZGBs began to increase following the RBNZ tapering purchases of NZGBs under the LSAP.
- Long dated lending to councils during the quarter of \$829.5 million was more than twice the amount in the previous quarter, while the average term of lending at 6.65 years was longer than the previous quarter's 5.97 years. For the 202-21 financial year LGFA lent \$2.858 billion with an average term of 6.65 years.
- LGFA has estimated market share of 81.6% of total council borrowing for the rolling twelve-month period to June 2021 (compared to a historical average since 2012 of 74%).
- Short-term lending to councils has remained unchanged at \$287.6 million of loans outstanding on 30 June 2021 to twenty-five councils.
- LGFA Net Operating Gain (unaudited management estimate) for the twelve-month period to 30 June 2021 was \$12.007 million which was \$1.146 million above budget, comprising total operating income at \$892k above budget and expenses at \$255k below budget.
- We achieved nine out of our ten performance objectives over the financial year with only our market share outcome below our target.
- After a busy first nine months (where five councils joined) we had no new councils join during the June quarter. We signed the accession documents for our first CCO, but they were delayed at their end unfortunately, so we expect them to accede in July 2021. We are expecting another three councils to join in the 2021-22 year.
- Nick Howell was appointed Head of Sustainability and is in the process of rolling out several sustainability initiatives across the organisation. LGFA received carbonzero certification from Toitu Envirocare on 30 June 2021.

B. LGFA bond issuance during quarter

LGFA held two bond tenders and one syndication during the quarter amounting to \$970 million of issuance.

Tender 80: 15 April 2021

\$160 million

Tender 80 - 15 April 2021	15-Apr-24	15-Apr-26	20-Apr-29	15-Apr-37
Total Amount Offered (\$million)	40	40	40	40
Total Amount Allocated (\$million)	40	40	40	40
Total Number of Bids Received	7	12	18	16
Total Amount of Bids Received (\$million)	75	145	168	78
Total Number of Successful Bids	3	3	8	11
Highest Yield Accepted (%)	0.740	1.275	1.925	2.835
Lowest Yield Accepted (%)	0.735	1.265	1.905	2.770
Highest Yield Rejected (%)	0.765	1.310	1.970	2.860
Lowest Yield Rejected (%)	0.740	1.275	1.930	2.835
Weighted Average Accepted Yield (%)	0.739	1.274	1.918	2.805
Weighted Average Rejected Yield (%)	0.749	1.293	1.957	2.845
Amount Allotted at Highest Accepted Yield as Percentage of Amount Bid at that Yield*	77.8	77.8	100	40
Coverage Ratio	1.88	3.63	4.20	1.95
NZGB Spread at Issue (bps)	31.00	41.00	51.00	55.00
Swap Spread at Issue (bps)	10.50	19.50	29.00	50.75
Swap Spread: AA council (bps)	32.75	41.5	49.25	68
Swap Spread: AA- council (bps)	37.75	46.5	54.25	73
Swap Spread: A+ council (bps)	42.75	51.5	59.25	78
Swap Spread: Unrated council (bps)	52.75	61.5	69.25	88
Coverage Ratio	1.88	3.63	4.20	1.95

The smaller than normal bond tender of \$160 million achieved a good outcome with all four tranches well supported and tight pricing achieved. We had held \$200 million bond tenders for the previous eleven tenders, so a smaller tender size was welcomed by the market and achieved a higher than usual volume of bids and improved price tension from recent tenders.

We had delayed the tender by a day to avoid the RBNZ Monetary Policy Review but the downside to this deferral was that it coincided with a NZGB tender of \$300 million. However the large coupon payments being made on 15th April to investors and lack of high-grade bond supply helped sentiment and ensured a good outcome.

LGFA issuance spreads to swap were 8 bps tighter (2029s and 2037s) and 5 bps tighter on the 2026s compared to the previous March 2021 tender so it was a very strong result for our council borrowers. Outright borrowing yields were also 20 bps lower than the previous tender.

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Bidding volume was good with a coverage ratio of 2.91x compared to the 2.3x average for the previous two years despite the average maturity of the LGFA bonds issued being a lengthy 8.01 years.

While we issued \$160 million of LGFA bonds we on-lent \$218.7 million to nine councils with an average term of lending to councils of 6.7 years

Syndication of May 2031 LGFA Bond: 13 May 2021 \$650 million

LGFA successfully issued \$650 million (and a further \$100 million of treasury stock) of a new 15 May 2031 bond via syndication. Syndication is where we use a group of banks to place bonds with investors rather than use a tender. Market conditions were ideal for the launch of a new long dated maturity with a steep curve and coinciding with the maturity of LGFA and NZGBs on 15 May 2021.

This was the largest ten-year bond issue by a borrower other than the New Zealand Government and was well supported by offshore investors, banks and domestic investors.

We lent \$326 million of the proceeds to twenty councils who were refinancing their May 2021 loan maturities although their borrowing term was 7.41 years compared to our issuance term of 10 years.

Tender 81: 9 June 2021 \$160 million

Tender 81 - 9 June 2021	15-Apr-24	20-Apr-29	15-Apr-33
Total Amount Offered (\$million)	40	80	40
Total Amount Allocated (\$million)	40	80	40
Total Number of Bids Received	15	22	24
Total Amount of Bids Received (\$million)	165	195	185
Total Number of Successful Bids	5	8	6
Highest Yield Accepted (%)	0.795	1.905	2.395
Lowest Yield Accepted (%)	0.775	1.875	2.390
Highest Yield Rejected (%)	0.850	1.955	2.430
Lowest Yield Rejected (%)	0.795	1.905	2.395
Weighted Average Accepted Yield (%)	0.785	1.893	2.294
Weighted Average Rejected Yield (%)	0.806	1.920	2.404
Amount Allotted at Highest Accepted Yield as Percentage of Amount Bid at that Yield*	25	12.5	31.8
Coverage Ratio	4.13	2.44	4.63
NZGB Spread at Issue (bps)	28.50	42.00	45.50
Swap Spread at Issue (bps)	5.00	23.00	36.25
Swap Spread: AA council (bps)	26.5	43.25	63.75
Swap Spread: AA- council (bps)	31.5	48.25	68.75
Swap Spread: A+ council (bps)	36.5	53.25	73.75
Swap Spread: Unrated council (bps)	46.5	63.25	83.75
Coverage Ratio	4.13	2.44	4.63

Given the small size of the bond tender we only issued three tranches, and all tranches were well received. Pricing was tight despite a large amount of competing issuance (more than \$6 billion of high-grade bonds) over the previous six weeks.

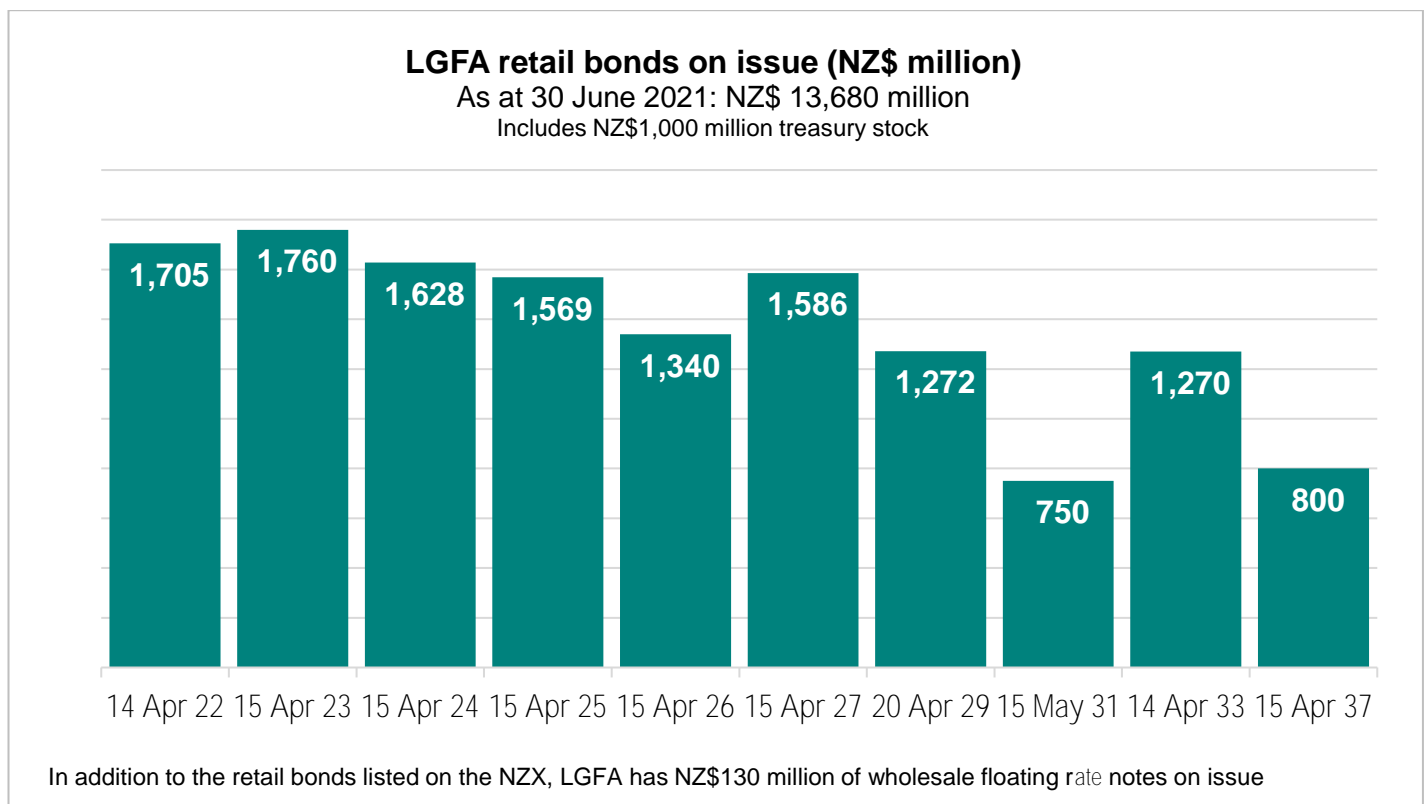
We tendered three tranches to spread the offerings across the curve but also to meet recent demand for 2029s and 2033s from offshore investors.

Price support was strong for all maturities with successful yields 1 bps to 1.5 bps below prevailing mid rates at the time of the tender. Bidding volume was also strong with a coverage ratio of 3.41x which was the second highest coverage over the previous two years and the bid coverage ratios varied between 2.44x (for the larger amount of 2029s) to 4.63x (2033s).

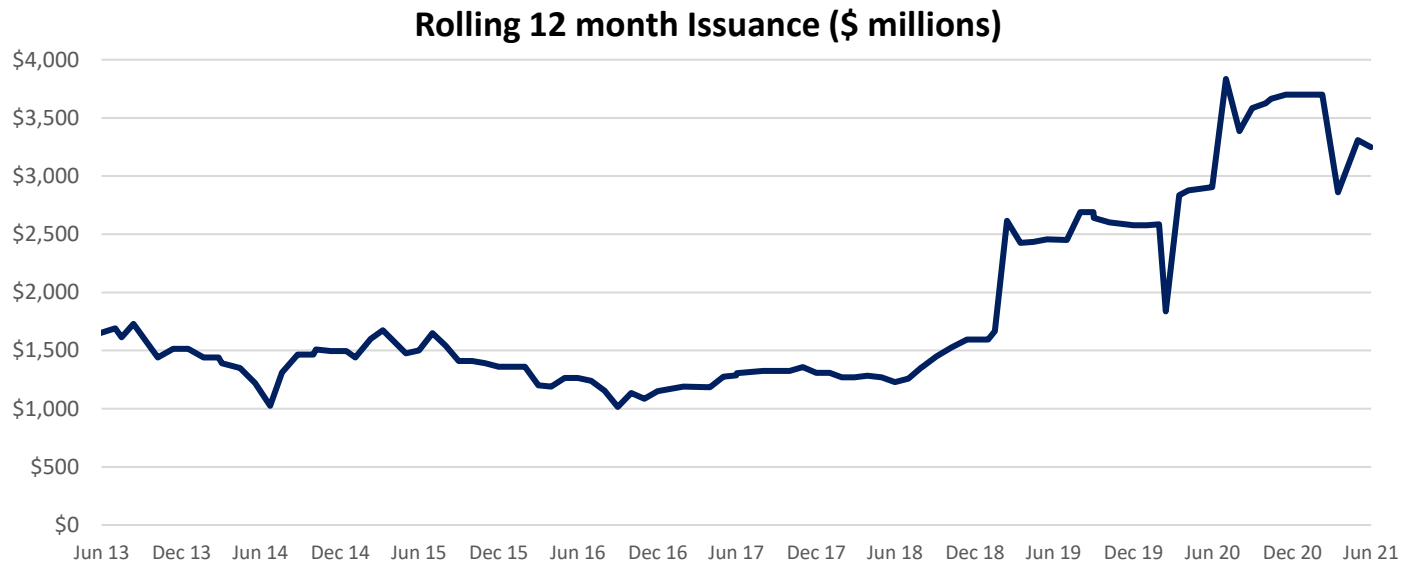
LGFA issuance spreads to swap were 5 bps to 6 bps tighter than the previous April 2021 tender and set new historic lows. Outright yields had been relatively stable over the past two months and were almost unchanged from the April tender.

The average maturity of the LGFA bonds issued was a moderate 7.61 years compared to the average for the 2020-21 financial year of 8.67 years, but this was still longer than the 6.74 years in the prior 2019-20 financial year.

While we issued \$160 million of LGFA bonds we on-lent \$149.6 million to twelve councils with an average term of lending to councils of 6.72 years (81 months), so our issuance term was again longer than the term of our lending.



Our issuance volume on a rolling 12-month basis of \$3.25 billion remains just below historic high levels and over twice the long-term average.



C. Summary financial information (provisional and unaudited)

The following results are management estimates only and are unaudited.

Financial Year (\$m)	YTD as at Q1	YTD as at Q2	YTD as at Q3	YTD as at Q4
	30-Sep-20	31-Dec-20	31-Mar-21	30-June-21
Comprehensive income				
Interest income	93.38	190.41	287.12	377.22
Interest expense	82.22	180.52	271.24	357.69
Net interest revenue	4.16	9.89	15.88	19.54
Other operating Income			0.07	0.18
Total operating income	4.16	9.89	15.96	19.72
Issuance and On-lending costs	0.73	1.40	1.95	2.62
Approved issuer levy	Nil	0.59	0.59	1.055
Operating expenses	0.93	1.95	2.84	4.04
Issuance and operating expenses	1.66	3.94	5.38	7.71
Net Profit	2.51	5.95	10.58	12.01

Financial position (\$m)	30-Sep-20	31-Dec-20	31-Mar-21	30-Jun-21
Retained earnings + comprehensive income	60.25	63.69	68.32	69.75
Total assets (nominal)	13,317.68	13,852.05	14,285.22	13,841.21
Total LG loans (nominal)	11,906.65	12,289.67	12,349.38	12,029.28
Total LGFA bills (nominal)	594.50	612.50	620.00	610.00
Total LGFA bonds (nominal)	12,290.00	12,890.00	13,290.00	12,810.00
Total borrower notes (nominal)	195.92	207.10	210.91	221.75
Total equity	85.24	88.69	93.32	94.76

D. Key performance indicators (Section 5 of SOI)

Section 5 of the SOI sets out the ten key performance targets for LGFA.

We met nine out of our ten performance targets with our market share target the only target we missed. Our market share is slightly lower than expected due to Auckland Council, Christchurch City Holdings and Dunedin City Treasury issuing bonds over the past twelve-month period. It should be noted that we increased this target in this year's SOI and we would have exceeded the previous year's lower target.

Measure	Prior full year to June 2020	Q1 30 Sept 2020	Q2 31 Dec 2020	Q3 31 Mar 2021	Q4 30 June 2021
LGFA net interest income for the period to June 2021 will be greater than \$18.8 million	Target (\$)	\$4.6 m (YTD as at Q1)	\$9.2 m (YTD as at Q2)	\$14.4 m (YTD as at Q3)	\$18.8 m (FULL YEAR)
	Actual (\$)	\$18.28 m \$4.2 m 	\$9.9 m 	\$15.89 m 	\$19.72 m
Annual issuance and operating expenses (excluding AIL) will be less than \$6.30 million	Target (\$)	\$1.63 m (YTD as at Q1)	\$3.4 m (YTD as at Q2)	\$5.0 m (YTD as at Q3)	\$6.8 m (FULL YEAR)
	Actual (\$)	\$6.28 m \$1.65 m On track	\$3.35 m 	\$4.79 m 	\$6.66 m
Total nominal lending (short and long term) to participating councils to be at least \$11.66 billion	Target (\$)	\$11.45 b (YTD as at Q1)	\$12.19 b (YTD as at Q2)	\$12.62 b (YTD as at Q3)	\$11.66 b (FULL YEAR)
	Actual (\$)	\$10.899 b \$11.91 b 	\$12.33 b 	\$12.35 b On track	\$12.04 b
Conduct an annual survey of councils and achieve 85% satisfaction score as to the value added by LGFA to council borrowing activities	Target (\$)	Annual Survey in August each year			
	Actual (%)	100%	August 2020 survey outcome of 98.8% 		
Meet all lending requests from PLAs	Target (%)	100%	100%	100%	100%
	Actual (%)	100%	100% 	100% 	100%
Achieve 85% market share of all council borrowing in New Zealand	Target (%)	>85%	>85%	>85%	>85%
	Rolling annual average				
Actual (%)	85.7%	76.5% 	81.8% 	81.8% 	81.6%
Review each PLA financial position, its headroom under LGFA policies and arrange to	Target (number)	Council visits to total 67 over one year Financial Position + Headroom Review Undertaken in December Quarter			

meet each PLA at least annually	Actual	31	no council visits due to COVID travel difficulties 	22 council visits but behind plan due to COVID travel difficulties 	35 council visits but behind plan due to COVID travel difficulties 	All council visited
No breaches of Treasury Policy, any regulatory or legislative requirements including H&S	Target (zero breaches)		nil	nil	nil	nil
	Actual	Two	Nil 	Nil 	Nil 	Nil
Successfully refinance of existing loans to councils and LGFA bond maturities as they fall due	Target (%)		100%	100%	100%	100%
	Actual (%)	100%	100% 	100% 	100% 	100%
Maintain a credit rating equal to the New Zealand Government rating where both entities are rated by the same credit rating entity	Target (equivalence)		AA+/AA+			
	Actual	AA+/AA+	AA+/AA+ 	AA+/AA+ 	AAA/AA+ 	AAA/AA+

E. Performance against SOI objectives

Primary objectives (Section 3 of SOI)

Primary Objective:

LGFA will optimise the debt funding terms and conditions for Participating Borrowers. Among other things, this includes:

- **Providing interest cost savings relative to alternative sources of financing;**
- **Offering flexible short and long-term lending products that meet Participating Borrowers' borrowing requirements;**
- **Delivering operational best practice and efficiency for its lending services;**
- **Ensuring certainty of access to debt markets, subject always to operating in accordance with sound business practice.**

LGFA lending base margins are 20 bps for all borrowing terms¹. The base margin covers our operating costs and provides for capital to grow in line with the growth in our balance sheet. There is an additional credit margin added to the base margin depending upon whether a council has a credit rating or is a guarantor or non-guarantor of LGFA.

LGFA continues to borrow at very competitive spreads compared to the AAA rated SSA issuers (who borrow in the New Zealand debt capital markets), the domestic banks and our closest peer issuer Kainga Ora.

¹ On 30 June 2021 LGFA announced a 5-bps reduction in its base margin for all short and long-term maturities to take effect from 1 July 2021.

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As at 30 June 2021	Comparison to other high- grade issuers - secondary market spread to swap (bps)													
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2035	2037
LGFA (AA+)	0	-1	2	7	13	15	20	25	29	32	36	39	47	51
Kainga Ora (AA+)		1		10	18		23		30				47	
Asian Development Bank (AAA)		1	4	10	15		23			33				
IADB (AAA)		0	5	11			30							
International Finance Corp (AAA)		2	5	12		20								
KBN (AAA)		2	8	15					39					
Rentenbank (AAA)	1	1	5	13										
World Bank (AAA)	0	1	3	10	16	21	24		32					
Nordic Investment Bank (AAA)		1		11										
ANZ (AA-)		21	26											
BNZ (AA-)		16		22										
Westpac Bank (AA-)	11	17	32	37	52									
SSA Average	1	1	5	12	16	21	26		36					
Bank Average	11	18	29	30										

During the quarter LGFA issued a new May 2031 bond maturity by syndication that now bridges the gap between the 2029 and 2033 bonds and provides councils with a new benchmark bond maturity to borrow into. We continued to issue long dated bonds (April 2033s and 2037s) providing councils with the opportunity to extend their borrowing if desired. Both bond tenders were successful.

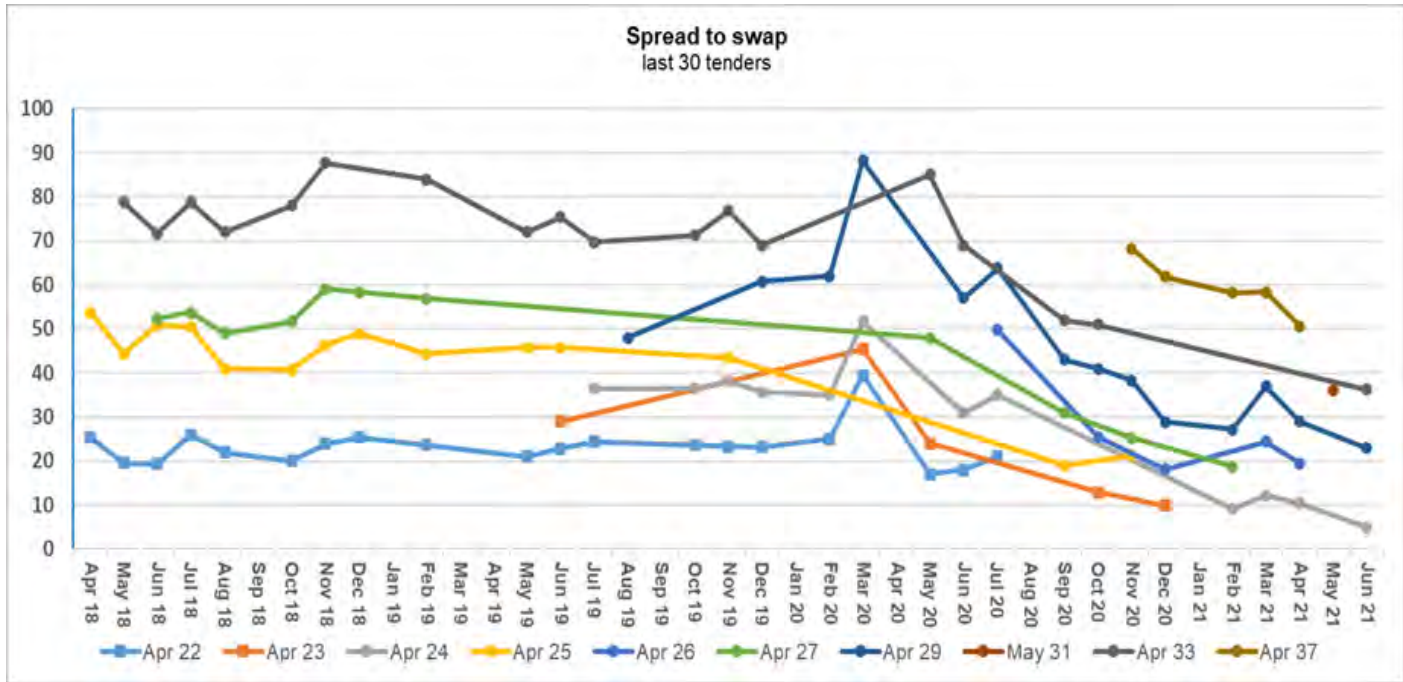
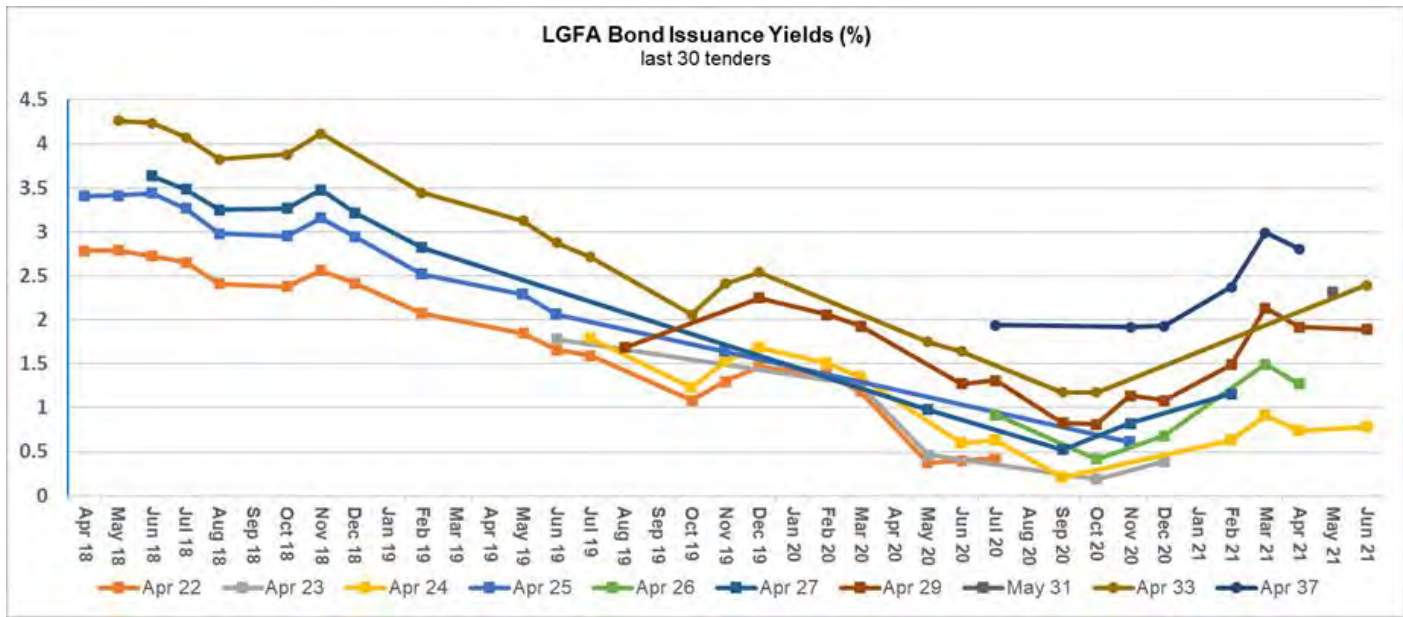
LGFA entered into standby facility agreements of \$420 million during the quarter, bringing total standby facilities outstanding to \$520 million.

The LGFA bond yield curve flattened over the quarter, reversing the steepening that had occurred over the previous six months. Front end yields (2024s) rose by 20 bps while long dated yields (2037s) fell by 20 bps with the curve pivoting near the 2027s. The curve flattening led by a fall in long end rates was the same movements for global bond markets as most central banks began considering tapering Quantitative Easing and markets began pricing in rate hikes by Central Banks.

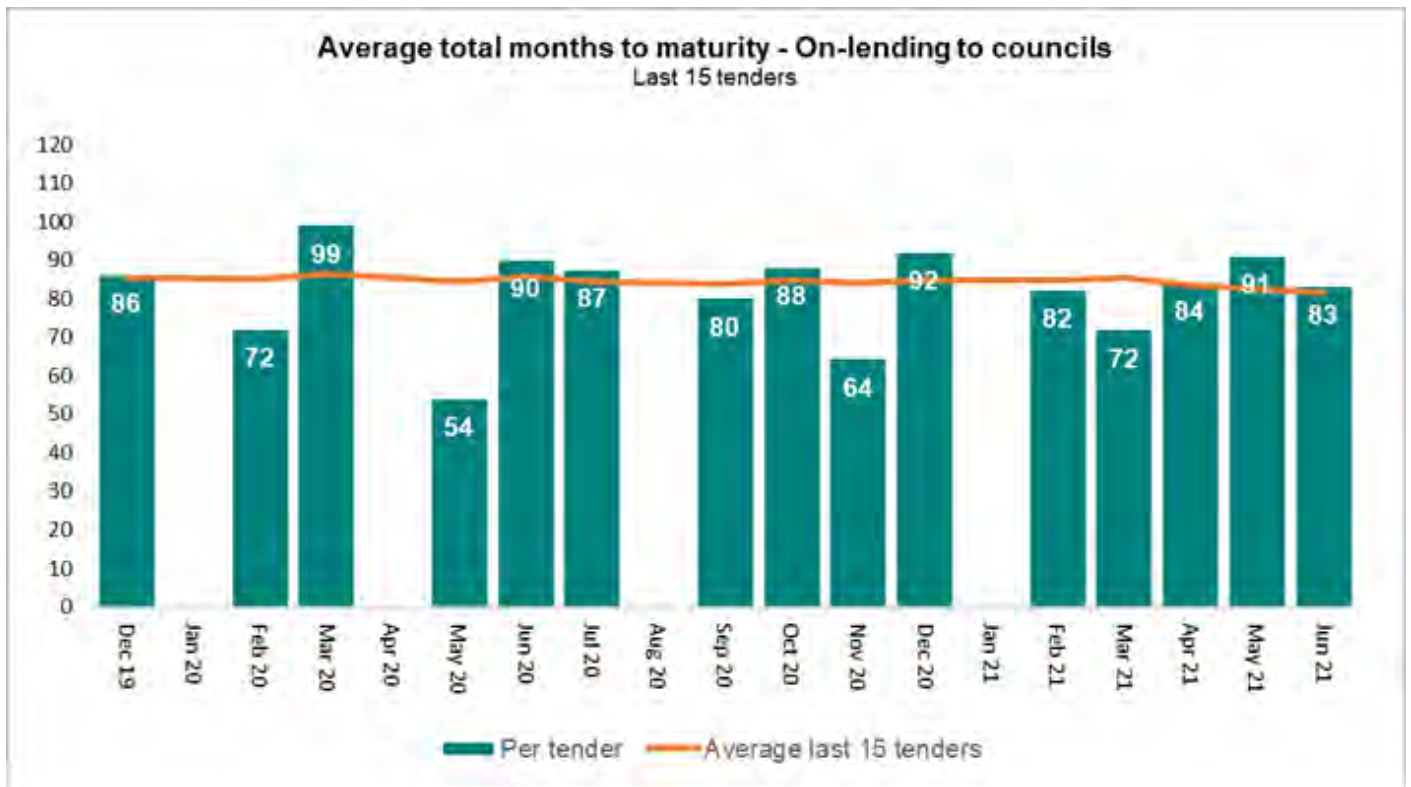
LGFA borrowing margins to swap were mixed with spreads on the 20204 through 2026 maturities narrowing by 9 bps but the spread to swap on the 2037s widened by 1 bps over the quarter. LGFA spreads to NZGB narrowed over the quarter as the RBNZ reduced its weekly purchases of NZGBs bonds through the Large-Scale Asset Purchase (LSAP) programme resulting in net issuance of NZGBs for the first time in over a year.

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We closely monitor the Kauri market for ongoing supply and price action as this other high-grade issuance by “AAA” rated Supranational issuers such as the International Finance Corporation (IFC), Inter-American Development Bank (IADB) and the Asian Development Bank (ADB) influences LGFA demand and pricing. These borrowers are our peer issuers in the NZD market and have the most influence on our pricing. The June quarter was a busy period for Kauri bond issuance with \$3.025 billion of issuance with maturities ranging from 2 years to 10 years. Both the World Bank and our Norwegian peer agency (KBN) issued \$1 billion of bonds each during the quarter. Issuance activity improved on the previous quarters as there were a large amount of maturing Kauri bond issues during the quarter and there had been a smaller than normal amount of issuance the previous quarter.



The average borrowing term (excluding short-dated borrowing) for the March quarter by council members was 5.97 years which was longer than the average term of 5.42 years for the year to June 2020 but shorter than the prior two quarters. Councils for several reasons remain reluctant to borrow beyond ten years despite tight credit spreads.

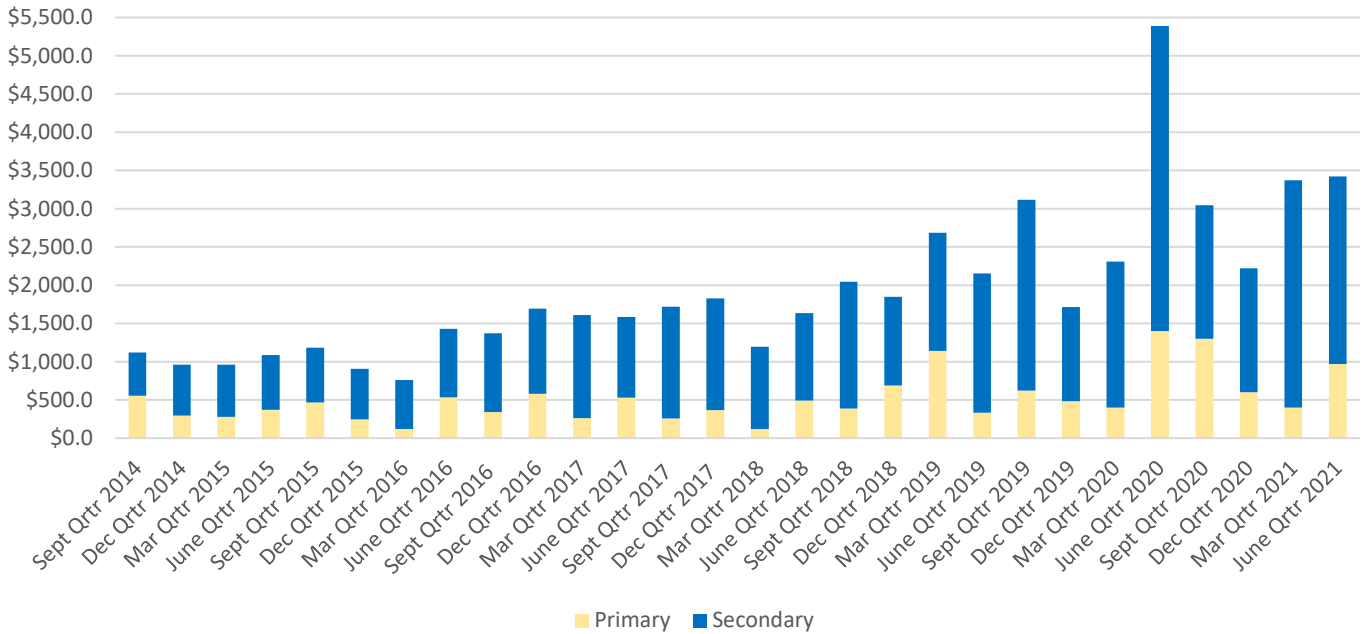


Short-term borrowing by councils with loan terms of between one month and 12 months remains well supported with \$287.6 million outstanding as of 30 June 2021 to twenty-five councils. The number of councils using this product declined by one over the quarter while the total amount outstanding decreased by \$10 million.

For LGFA to provide certainty of access to markets for our council borrowers we need to have a vibrant primary and secondary market in LGFA bonds. The primary market is the new issuance market, and we measure strength with participation by investors at our tenders through bid-coverage ratios and successful issuance yield ranges. The secondary market is the trading of LGFA bonds following issuance and a high turnover implies a healthy market.

Activity in LGFA bonds in both the primary market (tender or syndicated issuance) and secondary market (between banks and investors) during the quarter was the second highest on record and just ahead of the March 2021 quarter. There was \$970 million of primary issuance and \$2.45 billion of secondary market activity in LGFA bonds during the quarter.

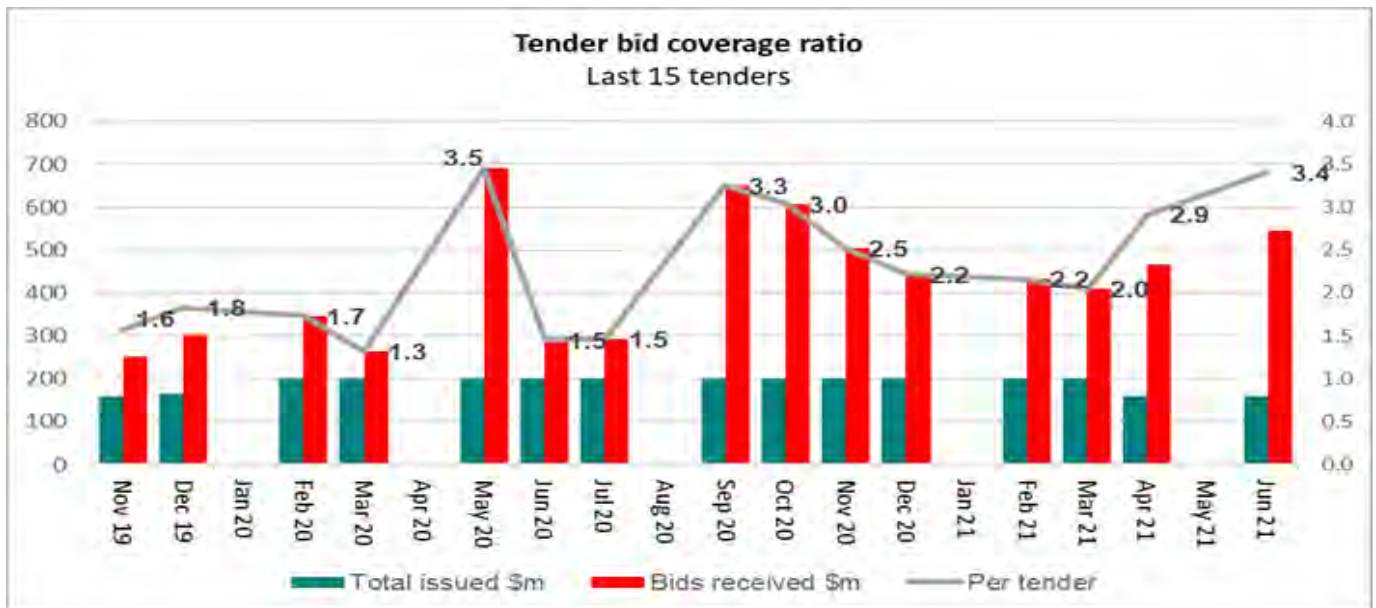
LGFA Primary and Secondary Market Activity - Quarterly (NZ\$ million)

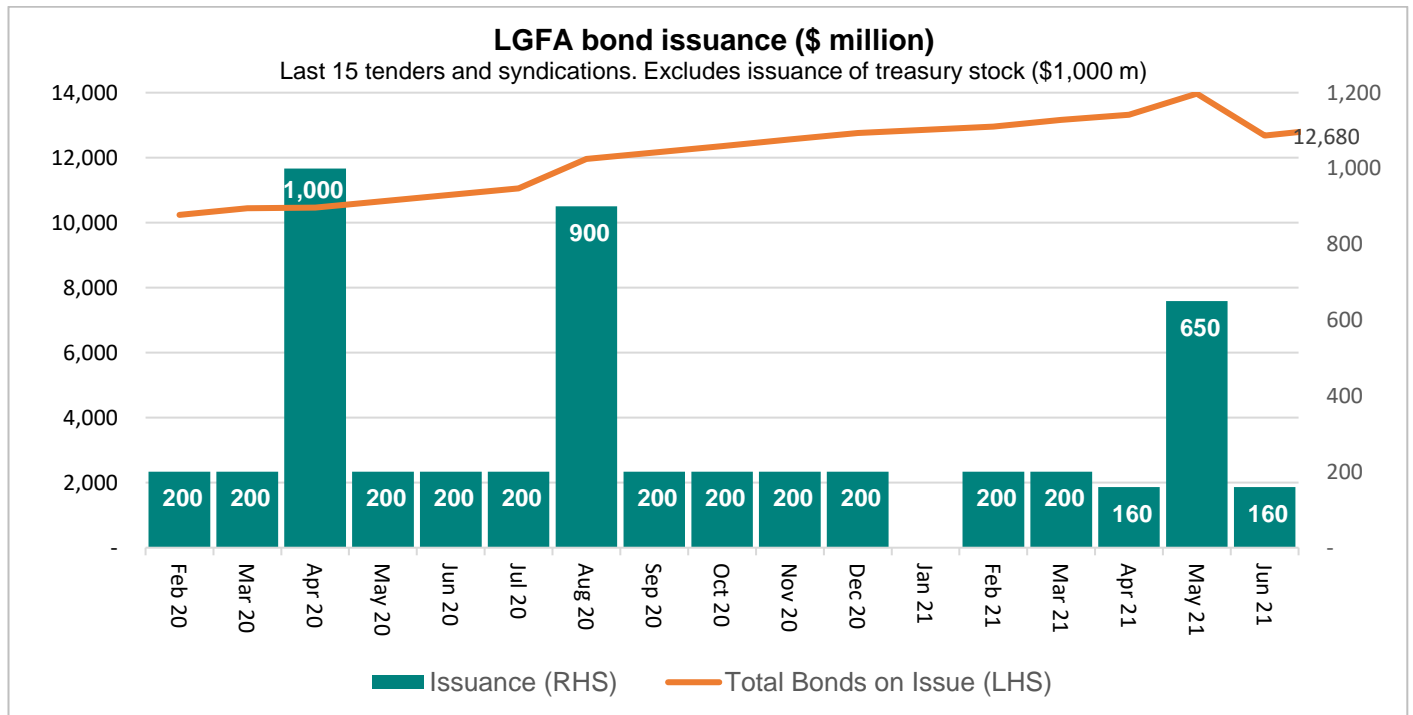


LGFA commenced issuing LGFA Bills and short dated (less than 1 year) lending to councils in late 2015. As at 30 June 2021 there were \$610 million of LGFA Bills on issue. We use proceeds from LGFA bills to fund short term lending to councils and invest the balance in our liquid asset portfolio.

LGFA documented an Australian Medium-Term Notes Programme in November 2017. We have no immediate intention to use this programme, but it provides flexibility if there is a market disrupting event in the future.

Over the past quarter we have seen strong support for our bond tenders with higher-than-normal bid coverage ratios.





We survey our council members each year on their satisfaction with LGFA and the latest stakeholder survey result in August 2020 was a 99% result to the question “How would you rate LGFA in adding value to your borrowing requirements?”. We also received a 97% result to the question “How satisfied are you with the pricing that LGFA has provided to your Council?”

Primary Objective:

LGFA will ensure its asset book remains at a high standard by ensuring it understands each Participating Borrower’s financial position, as well as general issues confronting the Local Government sector. Amongst other things, LGFA will:

- **Proactively monitor and review each Participating Borrower’s financial position, including its financial headroom under LGFA policies;**
- **Analyse finances at the Council group level where appropriate and report to shareholders;**
- **Endeavour to visit each Participating Borrower annually, including meeting with elected officials as required, or if requested; and**
- **Take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.**

We have met with all seventy-two councils over the past fifteen months to June 2021. LGFA continues to review council agendas and management reports on an ongoing basis for those councils on the LGFA borrower watch-list. We have been engaging with councils as they released their Draft and Final Long-Term Plans if we had any concerns with them.

No council has yet to request to LGFA that they be measured on a group basis.

During the quarter, we continued to focus on exploring opportunities in the Green, Social and Sustainable (“GSS”) lending to councils. We appointed Nick Howell to a newly created position as Head of Sustainability and Nick is

working on introducing a GSS lending programme for councils and establishing a Sustainability Committee within LGFA. LGFA was also certified as carbonzero by Toitu Envirocare on 30 June 2021.

The Board and management met with representatives from Central Government on the proposed water reforms and provided feedback. We held investor conference calls for investors and banks relating to bond issuance and provided updates on the impact on the local government sector from COVID-19. We met with NZTA and NZ Green Investment Finance during the quarter to share ideas on local government sector funding and financing.

We continue to assist the sector and their advisers in finding ways for LGFA to play a supporting role in providing solutions to off balance sheet financing for councils. LGFA continues to provide technical expertise to the proposed Ratepayer Financing Scheme (RFS).

Additional objectives (Section 3 of SOI)

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

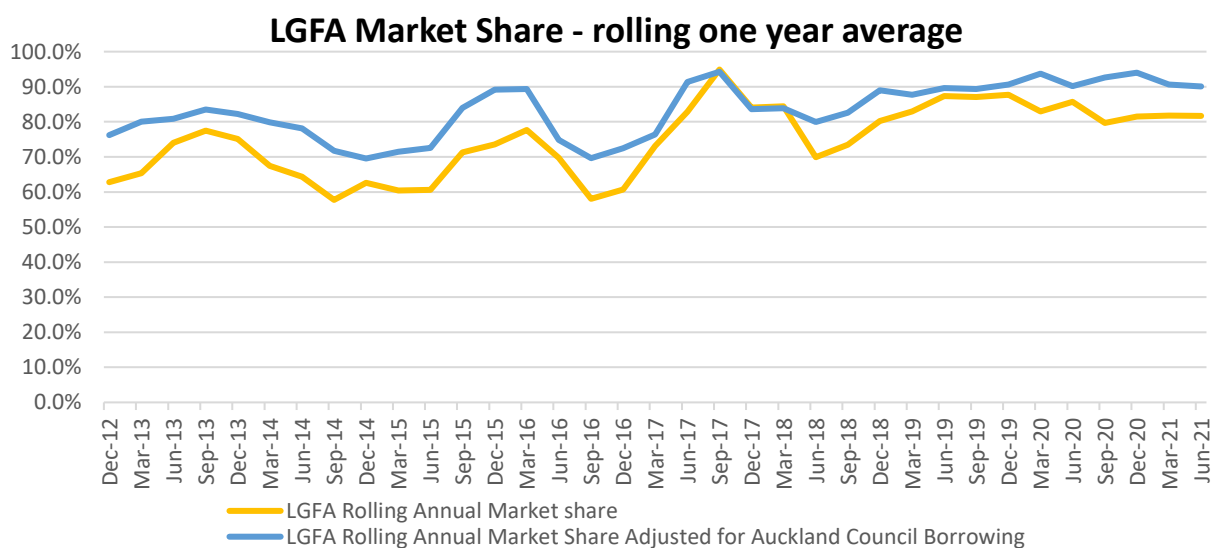
LGFA has an annual review process regarding our credit ratings from Standard and Poor's ("S&P") and Fitch Ratings ("Fitch") and meets with both agencies at least annually.

On 22 February 2021, S&P upgraded our long-term local currency credit rating to AAA and our long-term foreign currency credit rating to AA+. Both ratings are the same as the New Zealand Government.

On 28 January 2020 Fitch placed our foreign currency credit rating of AA on positive outlook but left the local currency credit rating unchanged at AA+ with a stable outlook.

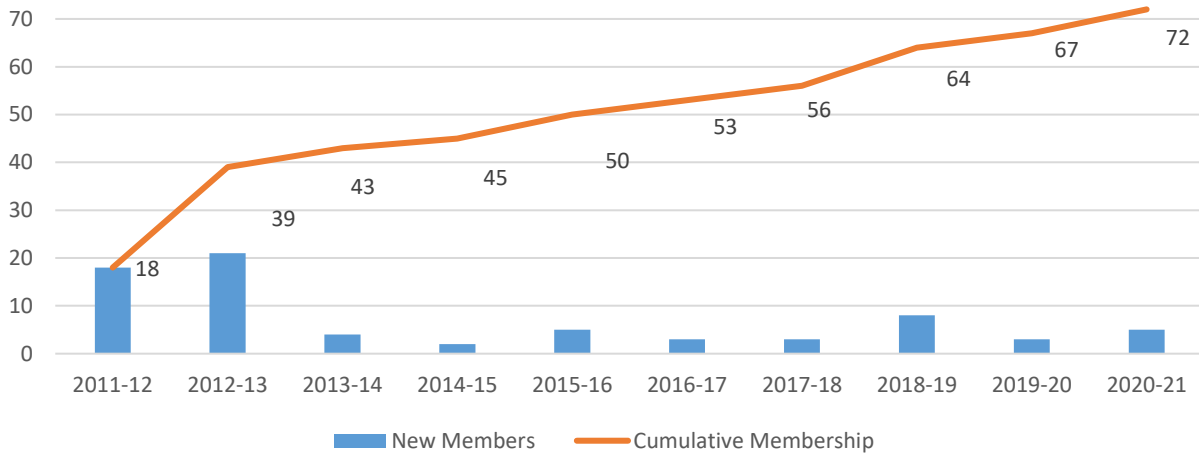
- Provide at least 85% of aggregate long-term debt funding to the Local Government sector.**

We use the PwC Local Government Debt Report as our source of market share. Our estimated market share for the rolling twelve-month period to 30 June 2021 was 81.6%. If we adjust for Auckland Council borrowing, then it increases to 90.1%. This compares to a historical average of 73.7% and our market share remains high compared to our global peers.



As at 30 June 2021, there are seventy-two participating local authority members of LGFA. No councils joined LGFA during the quarter, but we expect a further three councils to become members in the next twelve months. The number of guarantors remained unchanged at sixty-three.

Council Membership (as at 30 June 2021)



3. Achieve the financial forecasts outlined in section 4 for net interest income and operating expenses, including provision for a shareholder dividend payment in accordance with approved dividend policy.

For the twelve-month period to 30 June 2021, Net Interest Income (“NII”) was estimated by management on an unaudited basis to be \$708k above budget while expenses are \$255k below budget. Net Operating Gain of \$12.01 million was \$1.15 million above budget.

Included in the NII is the unrealised mark to market movement in fixed rate swaps that are not designated effective for hedge accounting purposes. We have used these swaps to reduce exposure to fixed rate loans made outside of the normal tender process and to reduce mismatches between borrowing and on-lending terms in our balance sheet. The unrealised loss increases as interest rates fall but turns to a profit if interest rates rise. Due to a rise in interest rates since June 2020, the year-to-date revaluation is a profit of \$1.19 million.

Expenses for the twelve-month period forecast by management and on an unaudited basis were \$7.714 million which is \$255k below budget. This variance is the consequence of:

- Issuance and on-lending costs (excluding AIL) at \$2.62 million were \$90k below budget. A larger amount of bond issuance and short-term lending increased these costs relative to budget, primarily in relation to higher NZX, registry and legal costs. These were offset from lower fees than budgeted relating to the NZ Government Liquidity Facility.
- Operating costs at \$4.04 million were \$13k below budget due to lower travel and IT consulting costs offset by higher legal and personnel costs relative to budget. We have added two part time staff positions in the past year that were not budgeted for.
- Approved Issuer Levy (AIL) payments of \$1.055 million were \$152k below budget. We pay AIL on behalf of offshore investors at the time of semi-annual coupon payment for a small number of LGFA bond maturities and offshore investor holdings are slightly below our SOI forecasts.

4. Meet or exceed the Performance Targets outlined in section 5.

See Section D on page 6 of this report.

For the financial year ended 30 June 2021 we achieved nine out of the ten performance targets.

5. Comply with the Health and Safety at Work Act 2015

LGFA has a Health and Safety staff committee and reporting on Health and Safety issues are made to the LGFA board on a regular basis by the Risk and Compliance Manager. There were no Health and Safety incidents during the quarter.

6. Comply with Shareholder Foundation Polices and the Board-approved Treasury Policy at all times.

There were no compliance breaches during the twelve-month period ending 30 June 2021.

7. Assist the local government sector with their COVID-19 response.

Shareholders on 30 June 2020 approved a change to the Foundation Policy covenants. For the financial year ending 30 June 2021 the net debt/total revenue covenant for council borrowers with an external credit rating of at least 'A+' has been increased from 250% to 300%. This is to provide short term relief from a temporary reduction in revenue and allows councils to coinvest alongside central Government in infrastructure projects in response to COVID-19

As mentioned previously, LGFA has been contributing expertise to the Ratepayer Financing Scheme project that if successful could offer temporary financial relief to ratepayers via rates postponement.

LGFA has introduced a new lending Standby Facility product that will provide greater certainty of access to emergency funding for councils at a lower cost than going to the traditional bank provider. This has been well supported by councils with \$515 million of standbys written with eight councils.

LGFA has extended the longest dated lending maturity for councils from 2033 to 2037 to enable councils to be better match assets with liabilities and to benefit from record lows in interest rates and borrowings spreads.

F. Investor relations

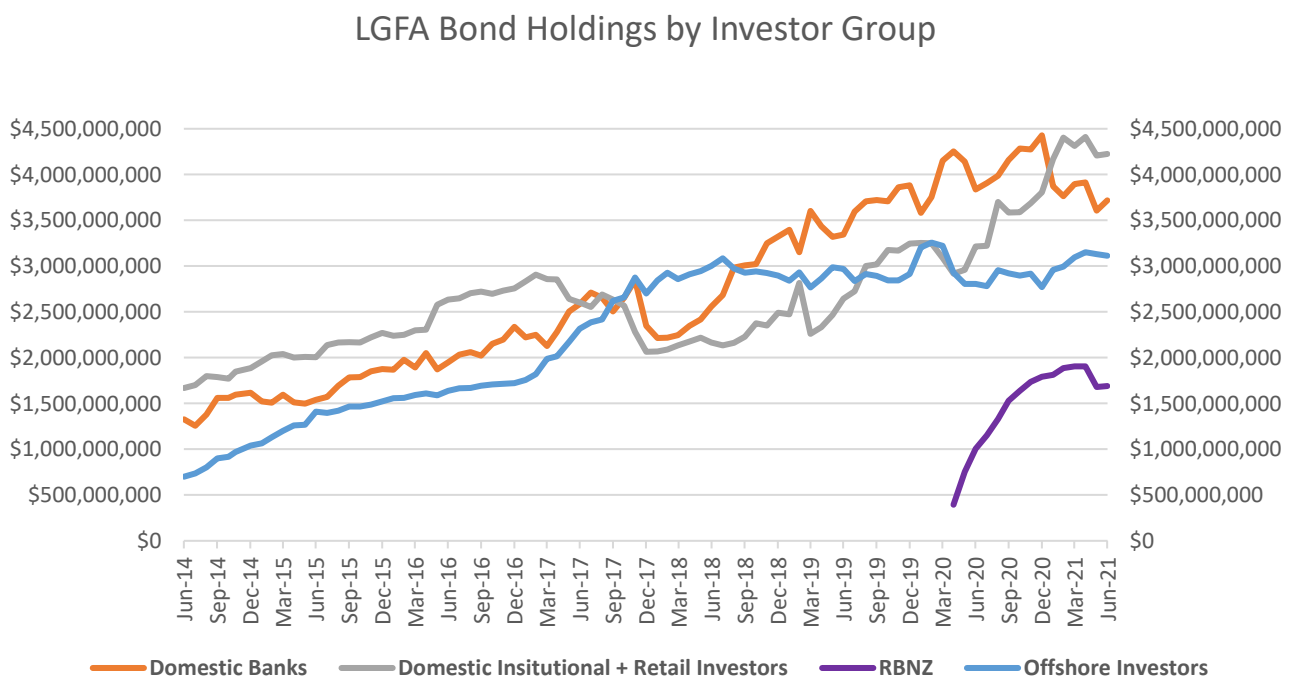
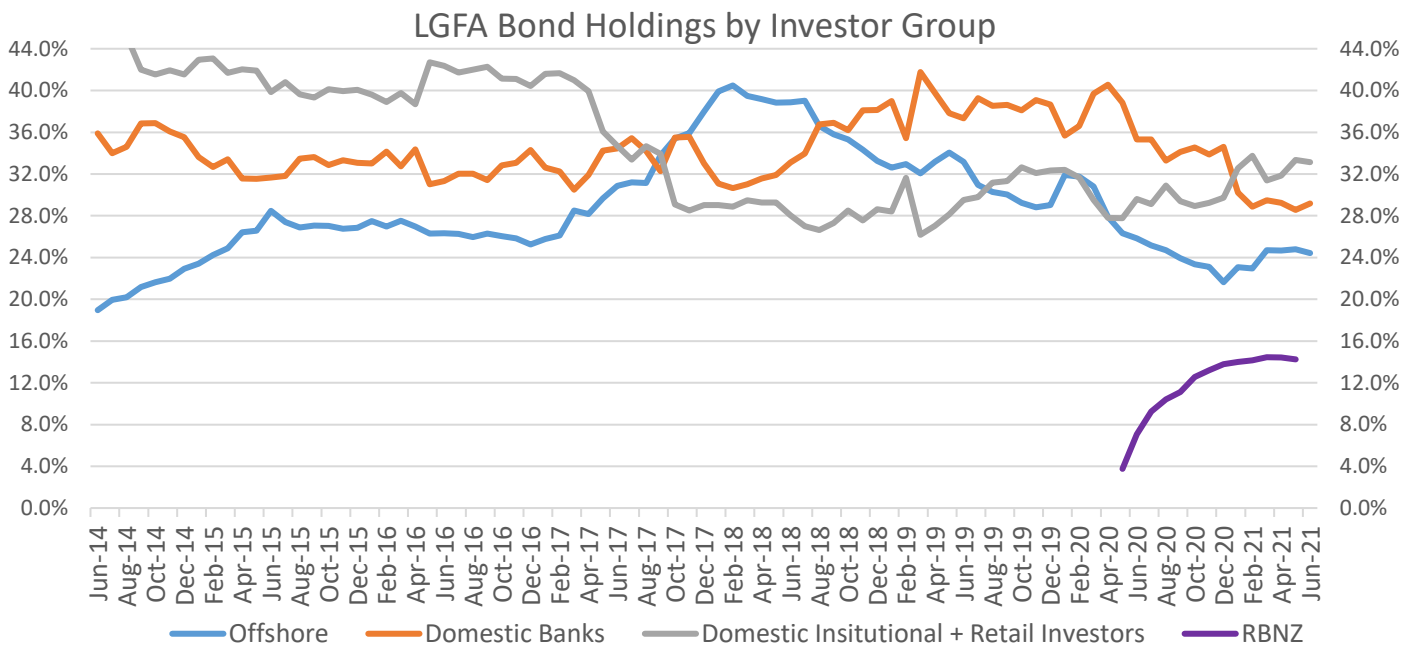
Managing relations with our investor base is very important as the amount of LGFA bonds on issue has yet to peak and we require investors and banks to support our ongoing tender issuance.

Over the three-month period to 30 June 2021 we issued \$970 million of LGFA bonds while the May 2021 LGFA bond maturity of \$1.45 billion was repaid. The change in holdings amongst our investor groups during the quarter was

- Offshore investor holdings decreased by \$147 million (but increased by \$308 million from 30 June 2020) and holdings are estimated to be \$3.11 billion on 30 June 2021.
- Domestic bank holdings decreased by \$178 million (and down \$118 million from 30 June 2020), and holdings are estimated to be \$3.72 billion on 30 June 2021.
- Domestic investor (retail and institutional) holdings increased by \$78 million (and up \$947 million from 30 June 2020), and holdings are estimated to be \$4.22 billion as of 30 June 2021.

- The Reserve Bank of New Zealand (RBNZ) reduced their holdings by \$216 million over the quarter as the May 2021 bonds matured and held \$1.69 billion as of 30 June 2021.

The change in holdings data is distorted by the May 2021 bond maturity with offshore and domestic bank holding a large proportion of this maturity and they did not reinvest all the maturity proceeds into the new ten-year bond (May 2031) on the maturity date. The additional supply of Kauri bonds did however reduce investor demand for LGFA bonds, but LGFA had been the beneficiary of very little Kauri bond issuance in the previous two quarters.





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

LGFA Guarantors as at 26 July 2021 (alphabetical order)	Long Term Issuer Credit Rating		
	S&P Global Ratings	Fitch Ratings	Moodys
Ashburton District Council		AA+	
Auckland Council	AA		Aa2
Bay of Plenty Regional District Council	AA		
Canterbury Regional Council		AA+	
Central Hawke's Bay District Council			
Central Otago District Council			
Christchurch City Council	AA-		
Clutha District Council			
Far North District Council			
Gisborne District Council			
Gore District Council			
Greater Wellington Regional Council	AA+		
Grey District Council			
Hamilton City Council	AA-		
Hastings District Council	AA (negative)		
Hauraki District Council			
Horizons Regional Council			
Hawkes Bay Regional Council			
Horowhenua District Council	A+		
Hurunui District Council			
Hutt City Council	AA		
Invercargill City Council		AA+	
Kaipara District Council			
Kapiti Coast District Council	AA		
Manawatu District Council			
Marlborough District Council	AA+		
Masterton District Council			
Matamata-Piako District Council			
Napier City Council			
Nelson City Council	AA		
New Plymouth District Council	AA+		
Northland Regional Council			
Otorohanga District Council			
Palmerston North City Council	AA		
Porirua City Council	AA		
Queenstown Lakes District Council		AA-	
Rotorua Lakes District Council		AA-	
Ruapehu District Council			
Selwyn District Council		AA+	
Southland District Council			
South Taranaki District Council	AA		
South Waikato District Council			
South Wairarapa District Council			
Stratford District Council			
Taranaki Regional Council			
Tararua District Council			
Tasman District Council	AA (negative)		
Taupo District Council	AA+		
Tauranga City Council	A+		
Thames-Coromandel District Council			
Timaru District Council		AA-	
Upper Hutt City Council			
Waikato District Council			
Waikato Regional Council			
Waimakariri District Council	AA		
Waipa District Council		AA-	
Waitaki District Council			
Waitomo District Council			
Westland District Council			
Wellington City Council	AA+		
Western Bay of Plenty District Council	AA (positive)		
Whakatane District Council			
Whanganui District Council	AA		
Whangarei District Council	AA+		

Document No: A561418

Report To: **Audit, Risk and Finance Committee**



Meeting Date: 17 August 2021

Subject: **Progress Report for Year Ended 30 June 2021**

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to provide an overall progress report on WDC's financial and non-financial activities for the year ended 30 June 2021.
- 1.2 A copy of the Progress Report for the Year ended 30 June 2021 is enclosed separately and forms part of this business paper.

Background

- 2.1 Each quarter, progress reports are prepared to provide high level updates of Council's activities for the Audit, Risk and Finance Committee. The Progress Report includes:
 - Providing progress on Council's activities (quarterly progress reports); and
 - Council's budget (quarterly financial reporting); and
 - How Council is delivering against the service performance measures (quarterly non-financial reporting).
- 2.2 This business paper outlines a high-level summary of progress on the key aspects of both the financial and non-financial activities as detailed fully in the Progress Report.
- 2.3 The financial and non-financial information presented in the Progress Report is prepared based on information available at the time of preparation. The information contained within the report is subject to change as a result of finalising the financial result for the year and the associated audit process. Any changes will be incorporated in the Draft Annual Report for 2020/21.

Commentary

- 3.1 The quarterly report for the period ending 31 March 2021 (as presented to the Audit, Risk and Finance Committee at its meeting on 11 May 2021) reiterated the extenuating circumstances impacting on delivery of the 2020/21 work programme, particularly the capital works programme.
- 3.2 While solid progress has been made across a number of activities during the final quarter of 2020/21, the previously reported impacts will continue to have a residual effect. The key issues are discussed below.
- 3.3 **COVID-19 PANDEMIC AND THREE WATERS REFORM IMPACTS**
- 3.4 **COVID-19 PANDEMIC**
- 3.5 The effects of the Covid-19 pandemic on WDC's work programme are still evident in this end of year report.
- 3.6 The initial disruption caused by the Covid-19 pandemic occurred during the lock-down period in the previous financial year. This has ultimately had a slowing effect on the progression of a range of planned programmes and project delivery during this financial year.

3.7 In particular, a number of 2019/20 programmes and projects were deferred due to the pandemic, which brought a halt to capital works and the related procurement processes during the lockdown period and a sluggish restart in the latter end of the final quarter of 2019/20, extending into 2020/21. The initial sluggish start to this year is still impacting on the delivery of the capital works programme.

3.8 **THREE WATERS REFORM**

3.9 Council resolved at its meeting of 25 August 2020 to enter into a non-binding Memorandum of Understanding (MOU) with Central Government to engage in the first of three tranches of the 3-year, three-waters reform programme.

3.10 Alongside the signing of the funding agreement, a draft delivery plan was submitted to Central Government on 30 September 2020. Implementation of the related capital works had to be commenced before 31 March 2021 and completed by 31 March 2022.

3.11 Information requirements regarding both the overall three-waters reforms, and tranche one of the reforms, is rapidly evolving. Responding to Central Government enquiries, and related information requirements, has generated a significant amount of new work that has impacted across the organisation at arguably the worst possible time of WDC's 3-year planning cycle.

3.12 The implementation of tranche one therefore necessitated re-deployment of some resourcing to this project. As WDC is a small local authority, with limited, finite, resources, this has had implications on the organisation's capacity to deliver some of the planned work programmes, especially capital projects. In addition to that has been the difficulty of sourcing appropriately qualified staff to manage the implementation phase of the tranche one delivery plan, further complicated by the unavailability of contractors to undertake the works.

3.13 That has meant that the initial restart delay caused by the COVID-19 lockdown, compounded by the significant Three Waters Reform funding programme, has stretched capacity and resourcing, and impacted on the delivery of work programmes. Overlaying that has been the simultaneous delivery of the 2020/21 annual plan work programmes and the 3-yearly review and development of the 10 Year Plan 2021-31.

3.14 Consequently, the initial delay in implementation of the capital work programmes and some operational programmes, has continued to impact on project delivery over the final quarter of 2020/21.

3.15 The Capital Expenditure section (3.23) below outlines how some of the major capital expenditure has been phased over quarters 3 and 4.

3.16 **INCOME STATEMENT HIGHLIGHTS**

3.17 **NET OPERATING SURPLUS**

3.18 The net operating surplus of \$7.107 million was \$4.137 million more than budget for the period ended 30 June 2021.

3.19 **Expenditure**

3.20 Total Expenditure was \$2.327 million less than budget for the period ended 30 June 2021. This is less than forecast due to:

- Community Development: \$813,000 less than budget, the \$1 million capital grant for the North King Country Stadium has been delayed until 2021/2022. This is partly offset by the unbudgeted Mayors Taskforce for Jobs expenditure.
- Resource Management: \$651,000 less as legal and consultants' fees for the District Plan Review were less than budget due to timing of this project.
- Sewerage: \$220,000 less than budget for electricity, operations and maintenance and sludge disposal.
- Community Services: \$210,000 less than budget for repairs and maintenance, electricity, water billing charges and ISU costs.

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- Leadership: \$415,000 less than budget for long term plan, risk management due to timing of project implementation and the remuneration for RMA Commissioners for District Plan hearings was not spent during the period.

3.21 **Revenue**

3.22 Total Revenue was \$1,810,000 more than budget for the period ended 30 June 2021.

- Community Development: \$500,000 was received for the Mayors Taskforce for Jobs (MTFJ) community recovery programme grant.
- Water Supply: \$359,000 more than budget as subsidy grant was received for Three Waters Reform Programme.
- Roads and Footpaths: \$374,000 more as subsidy revenue is based on both maintenance and capital expenditure and for most work categories the subsidy rate is 73%. As capital expenditures were more than budget, the subsidy associated was also more than budget.
- Community Services revenue was \$267,000 more than budget due to grant funding received for Responsible Camping initiatives and a gain on the sale of surplus land adjacent to Te Kuiti Cemetery.

3.23 **CAPITAL EXPENDITURE**

3.24 Capital Expenditure was **\$10.243 million** for the period ended 30 June 2021, of which \$7.585 million (74%) relates to Roads, \$966,000 (9%) relates to Water Supply, and \$661,000 (7%) relates to Community Services.

3.25 Outlined below are explanations for the key variances noting the impact of COVID-19 and the Three Waters Reform stimulus funding projects. Project progress across all activities are outlined in the attached quarterly report.

3.26 **Community Services**

3.27 The largest underspend is in the following projects:

- The underspend in Public amenities is largely due to the delays in the Mokau Public toilet project to address land tenure with the Ministry of Education and further investigation of the requirements of the effluent field.
- Development of the amenity areas to compliment the entry and exit points of Te Ara Tika is delayed due to the delay in the delivery of the Te Ara Tika Project.

3.28 **Roads and Footpaths**

- The Te Ara Tika Overbridge Project had a spend of \$2.054 million as at 30 June 2021. Stage 1 construction commenced on site in January 2021. Since then, removal of the old bridge has been completed, all foundation work constructed, and new columns installed ready for installation of the bridge superstructure (pre-stressed concrete beams and ramps and steel handrails/stairs). The next period of work will entail craning the remaining new precast concrete bridge beams and ramps into position on top of the columns, coordinated with the construction of the new basketball half-court alongside the existing skatepark, landscaping, picnic areas and a small carpark. The remaining ramps forming the spiral section are scheduled to be installed by 8 August 2021.
- The annual sealing programme of approximately 37km (8% of sealed network) was scheduled to begin in February 2021. Sealing delays were caused by the level 3 Auckland COVID-19 Lockdown 28 February 2021 to 6 March 2021 and there were subsequent restrictions on mobilisation of the contractor's plant and sealing equipment due to wet weather conditions. In total 25 km were resealed (6% of the sealed network). A number of sensitive sites were not resealed (i.e. these sites have been delayed to next season) as late season sealing would likely lead to early life seal failures. The reduced resealing programme was completed in early May 2021.

- Works have been completed on Eketone St, Hospital Road and Rora St. Mokau village footpaths are substantially completed. Waitomo Village work will require further planning.
- Marokopa road-end repairs have progressed with final stage of work involving construction of a new timber stairway from the top of the wall to the beach are currently under construction

3.29 **Water Supply**

3.30 The largest underspends in Water Supply are - Mokau water upgrade and the Te Kuiti alternative water supply investigation.

- The Three Waters Project capital works programme commenced in March 2021.
- The Mokau renewal project was initially delayed due to the COVID-19 lockdown which impacted on the project being tendered. Further delays have been experienced due to considerable delays in securing the delivery of equipment. Some equipment has now been delivered and awaiting installation. UV disinfection system is expected in Q1 of the 21-22 financial year.
- The Te Kuiti alternative water supply investigation project – drilling operations have been delayed due to the unavailability of the contractor, and this is now expected to commence mid-August 2021, with target finish date of late September 2021.

3.31 **Three Waters Reform Programme**

3.32 A project update is provided on this programme of work in a separate report to the Audit, Risk and Finance Committee.

3.33 **Leadership**

3.34 Seismic Strengthening Improvements and Administration Building renovations were delayed due to changes in the scope of work to incorporate the change in delivery of customer services and final approval of concept plans. This project will be carried over to the 2021/22 year.

3.35 **BORROWINGS**

3.36 At 30 June 2021 public debt was \$34.19 million and net debt was \$27.57 million. At 30 June 2020 it was \$37.26 million and net debt was \$32.9 million.

3.37 **STATEMENT OF SERVICE PERFORMANCE**

3.38 The Statements of Service Performance provide detailed information on the performance measures and targets for each of the significant activities. The performance summary is given on page 5 of the quarterly report with more detailed information disclosed within each activity.

3.39 Of the 76 key performance indicators measured, 52 (70%) have been achieved, 8(11%) not achieved, and 14 (19%) with no data available. Data for these measures are largely derived from the Resident Satisfaction Survey. Results will be reported through the Annual Report.

Suggested Resolution

The business paper on Progress Report for the year ended 30 June 2021 be received.



ALISTER DUNCAN

GENERAL MANAGER – BUSINESS SUPPORT

Attachment: Bancorp Treasury Report for the Quarter ended 30 June 2021 (A561652)
Separate Enclosure: Progress Report for the year ended 30 June 2021 (A541390)

CONFIDENTIAL

TREASURY REPORT

FOR



FOR THE QUARTER ENDED 30 JUNE 2021



BANCORP

BANCORP TREASURY SERVICES LIMITED

AUCKLAND • WELLINGTON • CHRISTCHURCH

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1. MARKET ENVIRONMENT

1.1 GLOBAL MARKETS OVERVIEW (FOR THE JUNE 2021 QUARTER)

Every asset class was a winner in the June quarter. US sharemarkets hit record highs, commodity prices extended their rally to levels not seen since 2011, and bond yields finally slipped after nine months of steepening. Central bankers have altered their tune and adopted a more hawkish stance, calling for rate hikes earlier than previously expected as several Q1 GDP results exceeded expectations and inflationary forces that were deemed 'transitory' could be here to stay.

In the US, the Federal Reserve ("Fed") left its Fed Funds target range unchanged at 0.0-0.25% at the June meeting, although policymakers signalled that rate hikes could come as soon as 2023 after the inclusion of the so-called 'dot plot' of expectations suggested there will be two hikes in 2023. Furthermore, the central bank now forecasts US GDP to grow at 7.0% in 2021. This more optimistic outlook saw the fixed income markets take the 'dot plots' at their projections, although Chair, Jerome Powell, played down the projections saying, *"the dots are not a great forecaster of rate moves. Dots to be taken with a big grain of salt."*

US CPI rose 5.0% in the May year from a year earlier, which was the largest 12-month increase since September 2008. Core inflation came in at 3.8%. The report showed sharp increases in transitory prices for items such as fuel and second-hand motor vehicles, but there was also a residual firmness in core inflation from the likes of rents and hotels, that is hard to ignore.

Despite rising inflation across the globe, the US 10 year Treasury Bond yield has fallen around 0.30% since the last report and finished the quarter at 1.47%. This fall in long term yields is a result of the Fed hikes that are forecasted for 2023, as the market believes these hikes reduce the inflationary pressures in the long term.

In China, the National People's Congress announced an annual GDP growth target of "above 6.0%," and pledged to keep the unemployment rate below 5.5%, while the Chinese Premier, Li Keqiang, reiterated that *"economic growth this year could exceed 6.0%. We need to seek a balance between growth, income, and employment, and we cannot pursue economic growth based on high energy consumption and heavy pollution. China needs growth in employment and income and will have to work more on boosting domestic demand and consumption."*

For all of the comments from members of the Fed over the month, the European Central Bank ("ECB") has been conspicuous by its absence. ECB President, Christine Lagarde, is focussing on a 'green' recovery stating *"we need to add another element to our post-pandemic recovery plan with what I have termed a green capital markets union – a truly green European capital market that transcends national borders."* The German 10 year bund remains entrenched in negative territory, trading in a range between -0.07% to -0.35% during the quarter, finishing June at -0.20%.

1.2 NEW ZEALAND MARKET OVERVIEW (FOR THE JUNE 2021 QUARTER)

	OCR	90 day	2 years	3 years	5 years	7 years	10 years
31 Mar 2021	0.25%	0.35%	0.48%	0.66%	1.10%	1.54%	1.91%
30 Jun 2021	0.25%	0.33%	0.78%	1.00%	1.36%	1.62%	1.88%
Change	0.0%	-0.02%	+0.30%	+0.34%	+0.26%	+0.08%	-0.03%

The tone of the Reserve Bank of New Zealand's ("RBNZ") May's *Monetary Policy Statement* ("MPS") was no doubt more optimistic, with the RBNZ pointing to several areas of an upside, it also emphasised that it would maintain its stimulus *"until it is confident that consumer price inflation will be sustained near the 2 percent per annum target midpoint, and that employment is at its maximum sustainable level. The Committee agreed it will take time before these conditions are met."*

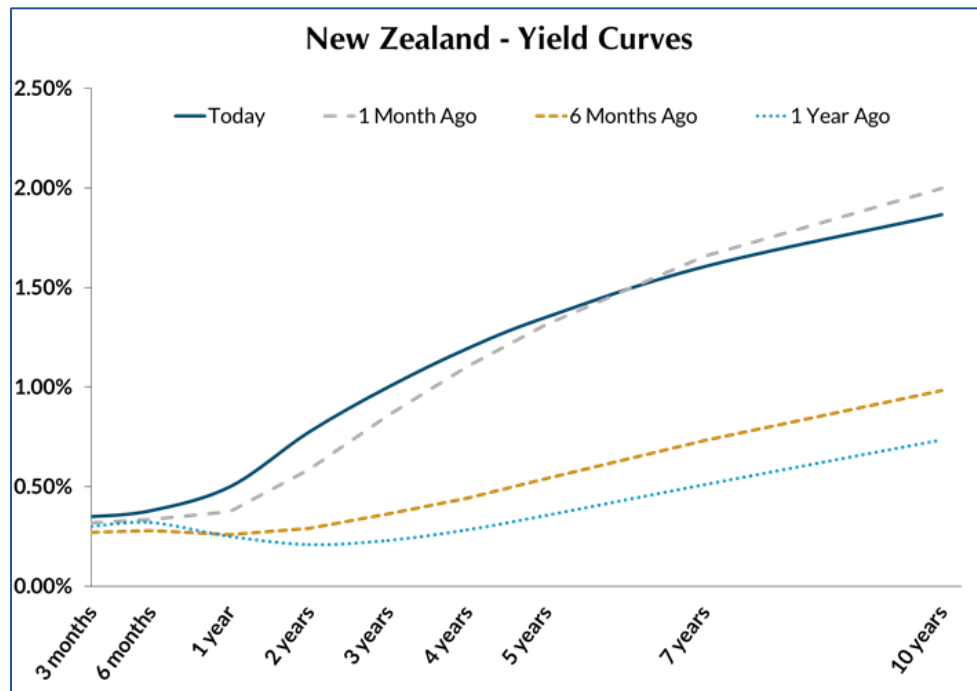
The most interesting aspect of the MPS was the inclusion of the RBNZ's OCR projections beyond 12 months. These projections suggest the OCR may start rising in the second half of 2022, topping out near 1.75% in mid-2024 as the RBNZ gains greater confidence in its outlook for the economy with *"reduced risk of extreme downside shocks."* Following the MPS, New Zealand interest rates climbed between 0.10% and 0.14% across the yield curve.

The economic recovery in New Zealand continues which was confirmed by the sensational March quarter 2021 GDP print. Quite simply, no one forecasted the 1.6% print for the quarter, nor the year on year growth at 2.4%. The RBNZ was projecting a contraction of -0.5% for the quarter, while the banks were calling for +0.5%, highlighting the 'surprise' of this print. On a sector level, the strong housing market, domestic spending, and construction offset the losses from tourism and international students. This saw some of the local banks bring forward their OCR hike projections by a quarter or two.

The unemployment rate and participation rate outperformed market expectations in the first quarter, however underlying weakness might be starting to appear. The unemployment rate decreased to 4.7% and the participation rate increased to 70.4%, while expectations were 4.9% and 70.2%. Overall, the initial labour market recovery has been impressive, however absorption of the remaining slack may be more gradual, resulting in muted wage and inflation pressures for some time.

Offshore bond movements drove down yields in New Zealand. The 10 year swap rate tested the 2.00% mark before declining 0.20% due to offshore drivers, although some of this downward movement has been reversed, finishing the quarter at 1.88%. The 3–5 year swap rates are looking the most expensive after the release of the RBNZ's MPS which illustrated that the OCR projection will reach 1.75% by 2024. The New Zealand 10 year swap rate has bounced off a long term trend line, testing the level of resistance twice within the last few months, both times

being rejected and subsequently falling, suggesting that swap rates have found a trading range. The following graph shows the changes in the shape of the yield curve over the past 12 months.



1.3 LOCAL AUTHORITY SECTOR

Listed in the table below are the credit spreads and interest rates for Commercial Paper (“CP”), Floating Rate Notes (“FRN”) and Fixed Rate Bonds (“FRB”), at which Waitomo District Council (“WDC”) could source debt from the Local Government Funding Agency (“LGFA”).

Maturity	Margin	FRN (or CP) Rate	FRB
3 month CP	0.20%	0.55%	N/A
6 month CP	0.20%	0.63%	N/A
April 2022	0.37%	0.87%	0.82%
April 2023	0.39%	0.89%	1.10%
April 2024	0.41%	0.91%	1.36%
April 2025	0.47%	0.97%	1.62%
April 2026	0.51%	1.01%	1.86%
April 2027	0.59%	1.09%	2.00%
April 2029	0.64%	1.14%	2.35%
May 2031	0.72%	1.22%	2.60%
April 2033	0.82%	1.32%	2.77%
April 2037	0.84%	1.34%	3.12%

Margins for LGFA debt continued to decrease over the June quarter as the favourable conditions in the credit markets continued. The margin for the April 2026 declined by 0.14% and for the April 2037, by 0.10%. For fixed rate debt, outright yields increased at the short to medium end

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of the curve, the April 2023 up 0.16% to 1.10% and the April 2026 up by 0.10% to 1.86%. At the longer end of the curve outright yields decreased with the April 2033 declining by 0.19% to 2.77% and the April 2037 declining by 0.23% to 3.12%.

2. DEBT AND HEDGING

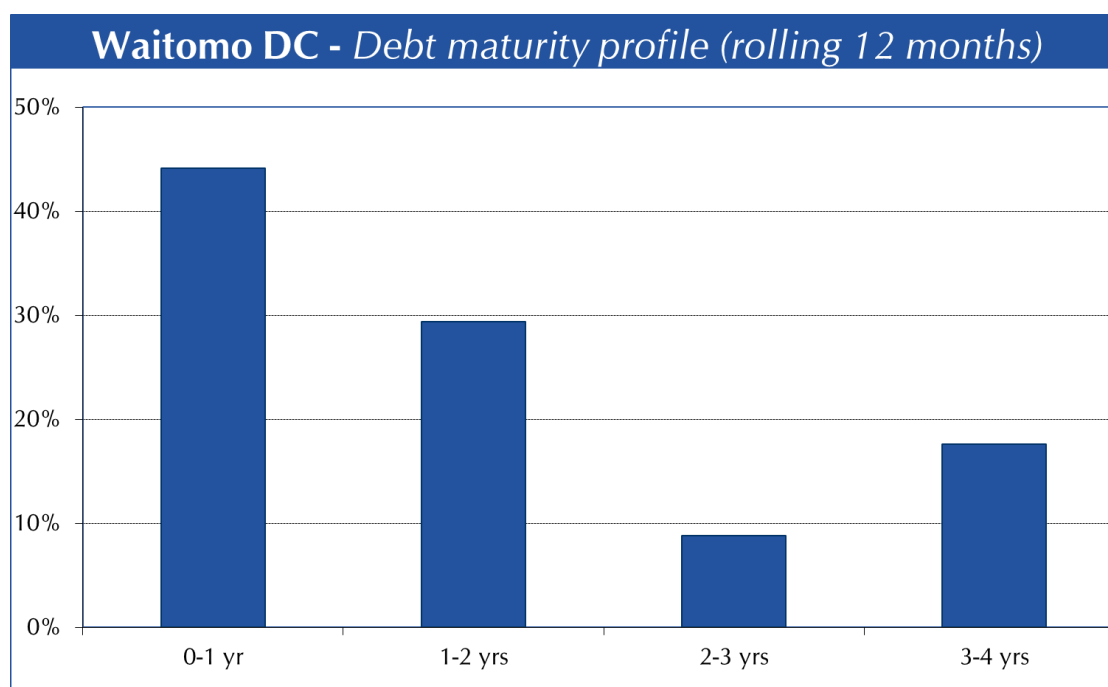
2.1 DEBT

As at 30 June 2021, WDC had \$34.0 million of external debt, unchanged from the end of March.2021. All of WDC’s debt was sourced from the LGFA through a combination of CP, FRNs and one FRB.

WDC also has a Westpac Bank Multi Option Credit Line Facility for \$10.0 million that matures on 1 July 2022, has an annual line fee of 0.35% and a margin of 0.90%. As at 30 June, there were no drawings under the Westpac facility. A breakdown of the funding profile (excluding the Westpac facility) is contained in the table below.

Instrument	Start Date	Maturity Date	Margin	Rate	Amount
LGFA CP	13-May-21	10-Nov-21	25 bps	0.63%	\$4,000,000
LGFA FRN	19-Jun-17	15-Nov-21	55.5 bps	0.905%	\$6,000,000
LGFA FRN	18-Jul-18	18-Apr-22	60 bps	0.935%	\$5,000,000
LGFA FRN	28-Jun-19	30-Aug-22	59.5 bps	0.915%	\$5,000,000
LGFA FRN	19-Jun-17	24-Apr-23	64 bps	0.985%	\$5,000,000
LGFA FRN	19-Jun-17	18-Apr-24	65.5 bps	0.99%	\$3,000,000
LGFA FRN	10-Sep-20	11-Sep-24	69 bps	1.01%	\$5,000,000
LGFA FRB	19-Jun-17	19-Apr-25	71 bps	3.68%	\$1,000,000
			TOTAL		\$34,000,000

The maturity profile of WDC’s drawn debt as at 30 June based on a rolling 12 month basis is depicted in the following chart.



Section 7.2 of WDC’s Liability Management Policy (“LMP”) states that *“to avoid a concentration of debt maturity dates Council will, where practicable, aim to have no more than 33% of debt subject to refinancing in any 12 month period.”* As at 30 June, WDC was not complying with this guideline. This will be rectified in November 2021 when a \$6.0 million FRN matures and will be refinanced into a longer dated maturity.

2.2 HEDGING

As at 30 June, WDC had four interest rate swaps (“swaps”) which convert a portion of the floating interest rate exposures into fixed interest rate exposures. Details of the swaps are contained in the table below:

Start Date	Maturity Date	Rate	Amount	Market Value
18-Apr-2017	18-Apr-2023	3.950%	3,000,000	\$194,769
24-Jan-2017	24-Jan-2024	3.840%	5,000,000	\$401,912
20-Apr-2020	20-Apr-2025	3.930%	5,000,000	\$553,307
11-Sep-2020	11-Sep-2026	2.890%	5,000,000	\$388,594
Total current swap hedging			18,000,000	\$1,538,582

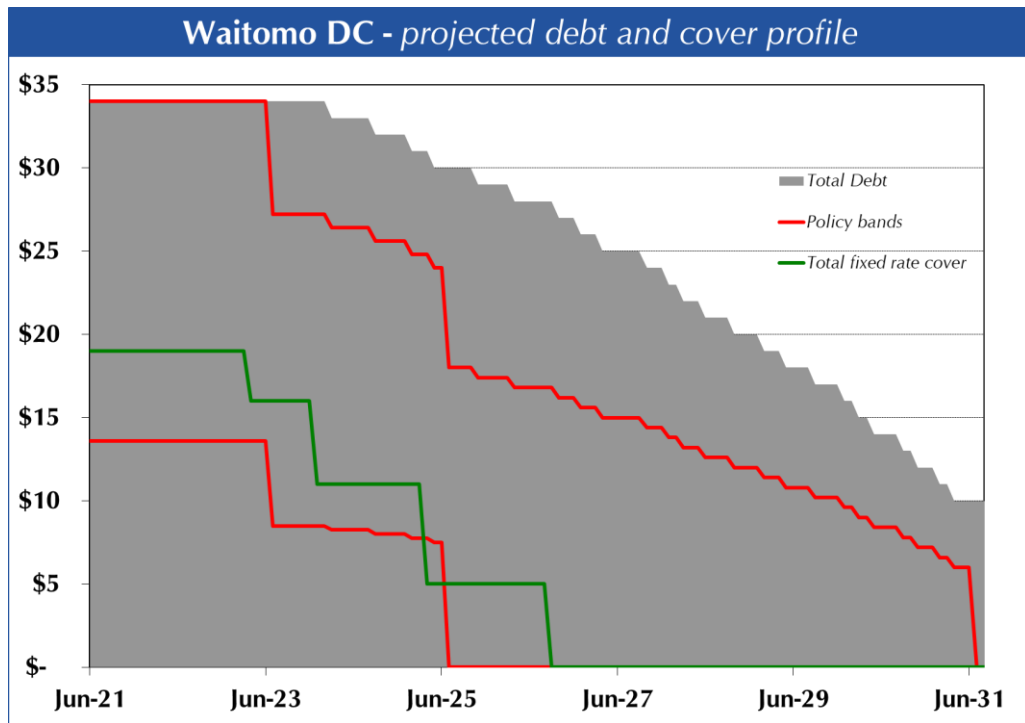
The ‘marked to market’ valuation on the swap portfolio improved noticeably since the last report, from a loss of \$1,883,157 at the end of March, to a loss of \$1,538,582 at the end of June. This improvement was due to the continued increase in interest rates that occurred during the June quarter.

2.3 DEBT AND HEDGING PROFILE

WDC manages the interest rate risk on its debt under the fixed rate hedging parameters detailed in the following table which have been amended and will be applicable from 1 July 2021.

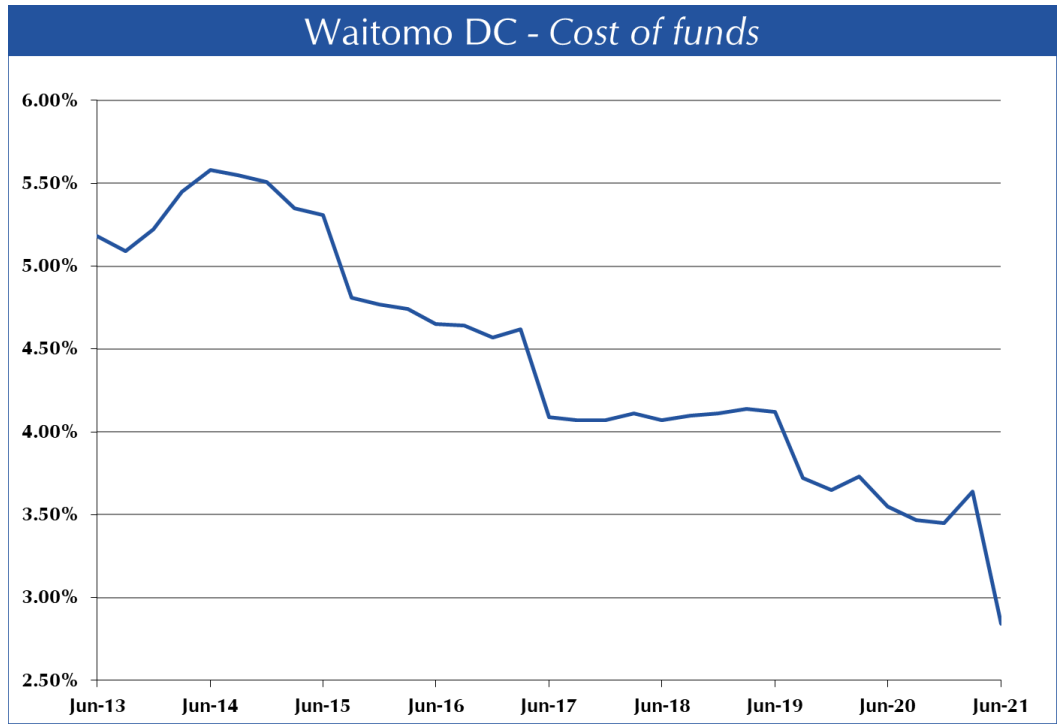
Fixed Rate Hedging Percentages		
	Minimum Fixed Rate Amount	Maximum Fixed Rate Amount
0 – 2 years	40%	100%
2 – 4 years	20%	80%
4 – 10 years	0%	60%

The debt profile incorporating these parameters, the swaps and the FRB, and using the projected debt figures as supplied by WDC, is depicted in the graph on the following page.



The graph indicates that, as at 30 June, WDC had a very minor policy breach, from April 2025 to June 2025 when it was under-covered. The intention is to monitor the breach and if required to rectify it at the appropriate time, using either a fixed rate bond or an interest rate swap.

As at 30 June, WDC's cost of funds, including the line fee on the committed Westpac facility, was 2.84%, down sharply from 3.64% at the end of March. The reason for the decrease in the cost of funds was due to the maturity in May of an interest rate swap for \$6.0 million which was at a rate of 4.90%. WDC's cost of funds is well below that of many other local authorities, a number of which have a credit rating. WDC's cost of funds since June 2013 is depicted in the graph on the following page.



2.4 POLICY COMPLIANCE AS AT 30 JUNE 2021

	Yes/No
<i>Have all transactions been entered into compliance with policy?</i>	√
<i>Are the fixed rate hedging percentages within policy control limits?</i>	x
<i>Is WDC maintaining liquidity within policy control limits?</i>	√
<i>Are all counterparty exposures within policy control limits?</i>	√
<i>Is WDC compliant with the financial covenants contained in the TMP?</i>	√

Document No: A546079

Report To: Audit, Risk and Finance Committee



Meeting Date: 17 August 2021

Subject: Risk Management Framework

Type: Decision Required

Purpose of Report

- 1.1 The purpose of this business paper is to present the Risk Management Framework for adoption.

Background

- 2.1 Council adopted its first Risk Management Framework (RMF) and Risk Management Implementation Plan (RMIP) in May 2019.
- 2.2 Council resolved at its meeting of 28 May 2019:
- "1 *The business paper Risk Management Framework and Implementation Plan - Receipt and Adoption of Audit and Risk Committee Minutes, be received.*
 - 2 *The Risk Management Framework incorporating the overarching and strategic risks identified in the Strategic Risk Register be adopted.*
 - 3 *Council note and agree the proposed controls and treatments needed to address the identified residual strategic risks, and the need for additional resourcing to implement those measures.*
 - 4 *Council note that the additional resourcing requirements will be introduced through the draft 2019/20 Exceptions Annual plan process.*
 - 5 *Council note that monitoring and reporting progress towards developing the maturity of Council's Risk Management Framework will take place in accordance with Council's Road Map Work Programme.*
 - 6 *The Risk Management Implementation Plan for intervention of the strategic residual risks identified in the Strategic Risk Register be adopted.*
 - 7 *Council note that the Audit and Risk Committee will undertake an annual review of the Strategic Risk Register in May of each year, including a review of any externalities impacting on or introducing new, strategic risks, to ensure changing circumstances are anticipated, monitored and mitigated accordingly.*
 - 8 *Council note that the Audit and Risk Committee will develop a monitoring and reporting programme in May for the financial year ahead, linked to the agreed strategic risks, and to form part of Audit and Risk Committee's agenda programme for the year."*
- 2.3 A business paper was presented to the October 2020 Audit Risk and Finance Committee (ARFC) on the progress of the Risk Management Framework – Implementation Plan and Monitoring.

- 2.4 The ARFC at its meeting of the 13 October 2020 resolved:
- "1 The business paper on Progress Report: Risk Management Framework – Implementation Plan and Monitoring be received.
 - 2 The Chair, Chief Executive and Manager – Governance Support be authorised to arrange a workshop of the Audit Risk and Finance Committee for the purpose reviewing Council’s risks."
- 2.5 Progress was provided to the October Audit Risk and Finance Committee (ARFC) on the Risk Management Framework – Implementation Plan and Monitoring.
- 2.6 At the workshop on 9 December 2020;
- The definitions for the risk categories were refined and updated and ‘project risk’ was included as a category of risk in addition to strategic risk, operational risk and health and safety risk,
 - Internal and external drivers were discussed within the context of the impact on the risk profile for Council, and
 - Eight strategic risk themes were discussed alongside identified risk drivers for each theme.
- 2.7 Proposed risks were discussed and clarification of the Risk Framework, consequence ratings was requested.
- 2.8 At a workshop on the on the 11 May 2021 the Risk Framework was discussed to clarify the Consequence Ratings for each of the Risk Types.

Commentary

- 3.1 Following the discussion and guidance provided to staff at the 11 May 2021 workshop, the Risk Management Framework has been updated.
- 3.2 The following are the risk categories that required updates to incorporate the guidance;

Health and Safety / Wellness				
Potential risk event that adversely impacts on the health and safety of staff, contractors, visitors or the community. These also include risk that impact the health and safety of staff, as well as contractors & volunteers, including work health and safety issues, resourcing, human resources, industrial relations, organisational culture, staff values, public accountability.				
Insignificant Insignificant injury; no first aid required; no impact on staff morale / performance	Minor Minor injury/wellness issue; first aid required; minor impact on individual staff morale / performance. Requires staff to take no time off.	Moderate Injury or illness requiring medical attention; 1-5 days leave (consecutive or cumulative); short term impact on staff morale / performance An incident that requires reporting to worksafe.	Major Long term illness or injury; extensive medical attention and leave required (more than 5 days); medium term impact on staff morale/performance within multiple business areas An injury/illness that requires reporting to worksafe.	Severe Fatality; permanent disability, illness or disease; (unable to return to work) long term impact on staff morale/performance across organisation An injury/illness that requires reporting to worksafe.
Reputational				
Risks that could improve/compromise the trust, confidence and reputation Council has and affect the way Council and Council personnel are perceived by stakeholders/partners. (stakeholder and partners means, industry groups, iwi, councils, government departments, and entities that there is an established relationship with)				

Insignificant	Minor	Moderate	Major	Severe
<p>Single stakeholder sector expresses a concern directly to WDC.</p> <p>* No further impact</p>	<p>Single stakeholder or stakeholder sector dissatisfied and express their satisfaction through media or directly to WDC.</p> <p>* No impact on work programmes and minimal effort required to mend the relationship</p>	<p>Stakeholders/ partners dissatisfied and express their dissatisfaction directly and or through media.</p> <p>* Minor impact on work programmes and moderate effort required to mend the relationship</p>	<p>Major loss of stakeholder/ partner confidence and/or extensive stakeholder dissatisfaction expressed resulting in long period of disengagement (more than 2 months) and significant effort required to mend the relationship.</p> <p>*Impact on work programme</p>	<p>Extreme dissatisfaction and loss of confidence by stakeholders, partners and/or regulatory body investigation and/or statutory management installed and/or significant sanctions against the WDC.</p>
<p>Legislative</p> <p>A risk event that results in WDC unknowingly or knowingly breaching statutes and stipulations or exposed to liability.</p>				
Insignificant	Minor	Moderate	Major	Severe
<p>Isolated non-compliance of minimal significance; internal staff warning</p> <p>(no penalty or fine)</p>	<p>Minor breach of legal obligations; improvement notice;</p> <p>(no penalty or fine, however may have to engage legal expertise)</p>	<p>Substantial breach of legal obligations; adverse finding; substantial fine / penalty</p> <p>(penalties upto \$50k)</p>	<p>Significant breach of legal obligations; adverse finding with long term significance; significant fine / penalty</p> <p>(penalties between \$50k to \$200k)</p>	<p>Major breach of legal obligations; adverse findings against Council and / or individuals; major fines or penalties (>\$200k); possible imprisonment.</p>

- 3.3 The risk categories Infrastructure and Project were deleted.
- 3.4 The proposed Health and Safety category, consequence ratings were evaluated to ensure consistency with the Health and Safety at Work Act 2015 and current operational practice.
- 3.5 Sections 23 and 24 of the Health and Safety at Work Act 2015 define a “notifiable injury or illness” and a “notifiable incident”.

23 Meaning of notifiable injury or illness

(1) *In this Act, unless the context otherwise requires, a **notifiable injury or illness**, in relation to a person, means —*

- a) *any of the following injuries or illnesses that require the person to have immediate treatment (other than first aid):*
 - a. *the amputation of any part of his or her body:*
 - b. *a serious head injury:*
 - c. *a serious eye injury:*
 - d. *a serious burn:*
 - e. *the separation of his or her skin from an underlying tissue (such as degloving or scalping):*
 - f. *a spinal injury:*
 - g. *the loss of a bodily function:*
 - h. *serious lacerations:*

- b) *an injury or illness that requires, or would usually require, the person to be admitted to a hospital for immediate treatment:*

24 Meaning of notifiable incident

- (1) *In this Act, unless the context otherwise requires, a notifiable incident means an unplanned or uncontrolled incident in relation to a workplace that exposes a worker or any other person to a serious risk to that person's health or safety arising from an immediate or imminent exposure to —*
- a) an escape, a spillage, or a leakage of a substance; or*
 - b) an implosion, explosion, or fire; or*
 - c) an escape of gas or steam; or*
 - d) an escape of a pressurised substance; or*
 - e) an electric shock; or*
 - f) the fall or release from a height of any plant, substance, or thing; or*
 - g) the collapse, overturning, failure, or malfunction of, or damage to, any plant that is required to be authorised for use in accordance with regulations; or*
 - h) the collapse or partial collapse of a structure; or*
 - i) the collapse or failure of an excavation or any shoring supporting an excavation; or*
 - j) the inrush of water, mud, or gas in workings in an underground excavation or tunnel; or*
 - k) the interruption of the main system of ventilation in an underground excavation or tunnel; or*
 - l) a collision between 2 vessels, a vessel capsize, or the inrush of water into a vessel; or*
 - m) any other incident declared by regulations to be a notifiable incident for the purposes of this section.*

- 3.6 The outcome of the evaluation was that the Consequence Rating for "Minor" required first aid and staff would not need time off, not the 1 to 5 days as discussed.
- 3.7 Moderate rating was changed to include the requirement to report a "notifiable incident", not a "notifiable injury / illness" and the time off was reduced from 6-10 days to 1-5 days.
- 3.8 The Major and Severe consequences were updated to include the requirement to report a "notifiable injury / illness".

Considerations

4.1 RISK

- 4.2 No risks have been identified as a consequence of the adoption of the Risk Management Framework.

4.3 CONSISTENCY WITH EXISTING PLANS AND POLICIES

- 4.4 The decision to adopt the Risk Management Framework is consistent with Council's plans and policies.

4.5 SIGNIFICANCE AND COMMUNITY VIEWS

- 4.6 The decision is not considered to require public engagement as per Council's Significance and Engagement Policy.

Suggested Resolutions

- 1 The business paper on Risk Management Framework be received.
- 2 The Audit, Risk and Finance Committee adopt the Risk Management Framework.



ALISTER DUNCAN
GENERAL MANAGER - BUSINESS SUPPORT

5 August 2021

Attachment(s): 1 Risks Types and Likelihoods (A546080)

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Risk Types What could be the consequences if the risk occurs?	Consequence Rating					
	Insignificant 1	Minor 2	Moderate 3	Major 4	Severe 5	
	Financial	Negligible financial impact < \$10,000	Minor financial impact \$10,000 - \$100,000	Substantial financial impact \$100,000 - \$500,000	Significant financial impact \$500,000 - \$1million	Major financial impact >\$1million
Health and Safety / Wellness	Potential risk event that adversely impacts on the health and safety of staff, contractors, visitors or the community. These also include risk that impact the health and safety of staff, as well as contractors & volunteers, including work health and safety issues, resourcing, human resources, industrial relations, organisational culture, staff values, public accountability.	Insignificant injury; no first aid required; no impact on staff morale / performance	Minor injury/ wellness issue; first aid required; minor impact on individual staff morale / performance. Requires staff to take no time off.	Injury or illness requiring medical attention; 1-5 days leave (consecutive or cumulative); short term impact on staff morale / performance An incident that requires reporting to worksafe.	Long term illness or injury; extensive medical attention and leave required (more than 5 days); medium term impact on staff morale/ performance within multiple business areas An injury/illness that requires reporting to worksafe	Fatality; permanent disability, illness or disease; (unable to return to work) long term impact on staff morale/performance across organisation An injury/illness that requires reporting to worksafe
Environmental	Potential or actual negative environmental or ecological impacts, regardless of whether these are reversible or irreversible in nature.	Adverse event that can be remedied immediately which can be met by current budget and /or internal resources	Adverse event requiring additional work to remedy in the short term which can be met by current budget and / or internal resources.	Adverse event requiring additional work to remedy in the short to medium term which cannot be met by current budget and external resources may be required to resolve.	Adverse event requiring additional work to remedy in the medium term which cannot be met by current budget and external resources are required to resolve. The event may also put council at the risk of prosecution.	Adverse event requiring significant additional work to remedy in the long term or that cannot be remedied which cannot be met by current budget and external resources are required to resolve. The event may have breached legislation requirements.
Reputation	Risks that could improve/compromise the trust, confidence and reputation Council has with our community, and affect the way Council and Council personnel are perceived by the community. (Community means the public, community groups and lobby groups)	Negative feedback from individuals or small groups in the community.	Loss of confidence among sections of the community.	Manageable loss in community confidence.	Large loss in community confidence that will take significant time to remedy.	Insurmountable loss in Community confidence.

Risk Types What could be the consequences if the risk occurs?	Consequence Rating				
	Insignificant	Minor	Moderate	Major	Severe
	1	2	3	4	5
Risks that could improve/compromise the trust, confidence and reputation Council has and affect the way Council and Council personnel are perceived by the media.	Local negative multimedia coverage for a day requiring not requiring additional work to resume stakeholder confidence.	Local negative multimedia coverage for 1-5 days requiring additional work to resume stakeholder confidence.	Regional negative multimedia coverage for upto one week requiring significant additional work to repair stakeholder confidence.	National negative multimedia coverage for more than one week requiring significant additional work to repair stakeholder confidence.	National negative multimedia coverage for more than two weeks requiring significant additional work which may not result in repairing stakeholder confidence.
	Risks that could improve/compromise the trust, confidence and reputation Council has and affect the way Council and Council personnel are perceived by stakeholders/partners. (stakeholder and partners means, industry groups, iwi, councils, government departments, and entities that there is an established relationship with)	Single stakeholder sector expresses a concern directly to WDC. * No further impact	Single stakeholder or stakeholder sector dissatisfied and express their satisfaction through media or directly to WDC. * No impact on work programmes and minimal effort required to mend the relationship	Stakeholders/ partners dissatisfied and express their dissatisfaction directly and or through media. *minor impact on work programmes and moderate effort required to mend the relationship	Major loss of stakeholder/ partner confidence and/or extensive stakeholder dissatisfaction expressed resulting in long period of disengagement (more than 2 months) and significant effort required to mend the relationship. *Impact on work programme
Legislative	A risk event that results in WDC unknowingly or knowingly breaching statutes and stipulations or exposed to liability.	Minor breach of legal obligations; improvement notice; <i>(no penalty or fine, however may have to engage legal expertise)</i>	Substantial breach of legal obligations; adverse finding; substantial fine / penalty <i>(penalties upto \$50k)</i>	Significant breach of legal obligations; adverse finding with long term significance; significant fine / penalty <i>(penalties between \$50k to \$200k)</i>	Major breach of legal obligations; adverse findings against Council and / or individuals; major fines or penalties (>\$200k); possible imprisonment.
Service Delivery	Risk events that impacts WDC's ability to function and deliver its general services as expected. General services are services outside of core functions.	Minor interruption to a service with minimal impact to customers/ business	Moderate Interruption to service delivery. Customer impact up to 48 hrs. Partial BCP action may be needed	Major interruption to service delivery, Customer impact > 7 days. Component of BCP action may be needed.	Major interruption to delivery of all or most services for more than 14 days. Full BCP action required.
	Risk events that impacts WDC's ability to function and deliver its core services as expected. Core services are lifeline utilities within the WDC context, they are water, wastewater, roading IT infrastructure.	Disruption of service levels for upto 30 minutes (individual activity or site)	Disruption of service levels for upto 4 hours (individual activity or sites)	Disruption of service levels for upto 1 day (multiple activities or sites)	Disruption of service levels for more than 1 day (multiple activities or sites)

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Risk likelihood rating

Likelihood Rating		Description -operations	Estimated Probability (%)
Rare	1	May occur in exceptional circumstances. Could be incurred in a 5-30 year timeframe	5%
Unlikely	2	Could occur in a 2-5 year timeframe	6- 25%
Possible	3	Could occur within a 1-2 year period	26-50%
Likely	4	Will probably occur in most circumstances – several times are year	51 -90%
Almost Certain	5	It is expected to occur again, immediately or within a short period – likely to occur most weeks or months.	>90%

Document No: A561846

Report To: Audit, Risk and Finance Committee



Meeting Date: 17 August 2021

Subject: **Progress Report: Three Waters Reform Project Delivery 30 June 2021 and Preparation for Reform - Tranche 2**

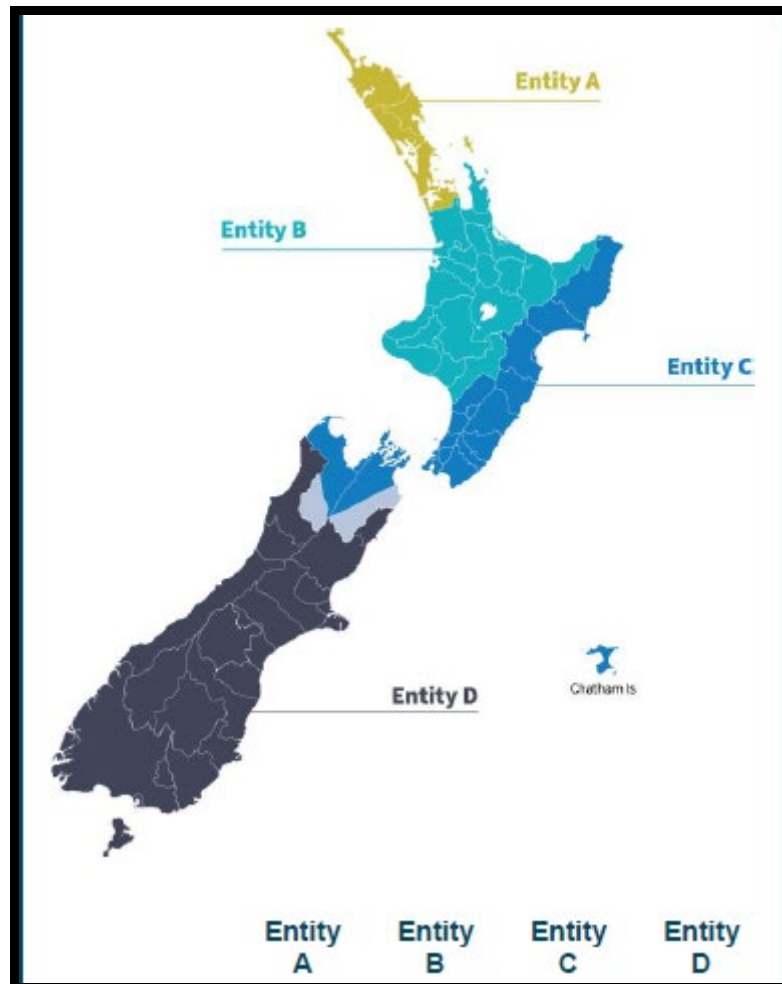
Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to provide an updated progress report on Three Waters Reform (TWR) Project Delivery (Tranche 1) for the period ended 30 June 2021.
- 1.2 This paper will also provide an update on Preparation for Reform (Tranche 2).

Background

- 2.1 WDC has received \$3.5M of Central Government funding for Water and Wastewater projects, to be expended by 30 June 2022. The Funding Agreement attaching to that requires, inter alia, a rigorous reporting regime, with the first quarterly report submitted on 2 February 2021, the second on 16 April 2021, and the third on 14 July 2021.
- 2.2 The period covered by this third quarterly report is 1 November 2020 to 30 June 2021 for actuals on approved TWR projects, and 1 July 2020 to 30 June 2021 for LTP spend (2020/21 Annual Plan). The report also covers project forecasts out to 31 March 2022.
- 2.3 Cabinet has released the number of new water entities (four in total), their core design and boundaries, though these are yet to be finalised. Individual financial analysis and a summary dashboard for each Council has been released by DIA. Council has been given 8-weeks from 2 August 2021 to digest the information, provide feedback, and complete an analysis report including an informal conclusion on whether to 'opt-in' or 'opt-out' of the designated water entity. WDC has been included in Entity B covering central North Island, comprising some 22 local authorities, extending from Hamilton City Council in the north through to Rangitikei DC in the south, and from New Plymouth in the west through to Thames Coromandel in the east – see map below.



Commentary

- 3.1 A copy of the detailed July 2021 quarterly progress report, in the format required by DIA, is attached to and forms part of this business paper.
- 3.2 Projects are reported separately for Water and Wastewater (required by DIA) even though they may be run as one project in practice e.g., P2020-13 and P2020-019 -Back-up Generators.
- 3.3 The report template comprises three sections – Inputs, Commentary and LTP Information.
- 3.4 Inputs**
- 3.5 The Inputs Section for each project covers:
- Project Funding – crown funding and payment portions
 - Cash Position – actuals and forecasts
 - Worker Hours – actuals and forecasts
 - Project Output - actuals and forecasts
- Note: Territorial Summary/Inputs shows overall funding and master checks – rounding errors to be resolved due to amounts under \$10,000 rounding incorrectly - DIA is yet to correct this issue.
- 3.6 Forecasts are inputted by month, based on best estimate of project costs and outputs. WDC will need to deliver against these and provide commentary on any variation to actuals.

3.7 Funding requests are allocated quarterly based on expenditure milestones being met. The report will display a warning if a negative cash position is forecasted so that the appropriate adjustments can be made before submitting the report.

3.8 Commentary

3.9 The Commentary Section covers:

- Risks – Top 5 and 1 Mandatory
- Conditions
- Commencement status
- Programme costs
- Reform funding
- Scope and Progress

3.10 The following risks have been identified (in order of priority):

- Completion of programme by 31 March 2022 (mandatory date set by DIA)
- Internal staff capacity
- Contractor and goods availability
- Unforeseen expenditure
- Poor contractor performance
- Health and Safety procedures not followed.

3.11 A more specific risk has been identified around supply of goods. This is now included with the contractor risk applying specifically to goods as well as services.

3.12 Conditions specific to individual project funding:

- A requirement to consult with other Councils on procurement of SCADA.

3.13 LTP Information

3.14 The LTP Information Section covers:

- FY19/20 Actuals
- FY20/21 Annual Plan
- FY21/22 LTP
- Monthly LTP spend of related projects.

3.15 The information provided will allow DIA to track expenditure against WDC's Annual Plan budget and TWR funding to ensure both are spent to create a net economic stimulus for the community.

3.16 Therefore, all the figures are calculated only from relevant LTP actuals or budgets e.g., unplanned renewals are not considered relevant (confirmed by DIA) so are not included.

3.17 The amounts shown in the Nov-20 Column as YTD are actual expenditure.

3.18 Committed Funds

3.19 Additional information was requested by DIA for the quarter 3 report to provide "committed" expenditure in the stimulus programme.

3.20 This includes all contracts entered since the commencement of the programme and will therefore include works that have already been completed as well as those that are underway, or about to get underway. The total committed should therefore be more than the actual expenditure to date and in the last couple of months of the programme we would expect to see the commitments equalling the funding available.

3.21 Works that are not subject to a signed contract, e.g., being undertaken by internal resources, can be included if there is a clear understanding that the works are required, and the necessary resourcing will be provided.

3.22 The total value of work reported to DIA to the end of the July 2021 quarter was \$1,824,808.

3.23 Substitution requests

- 3.24 A substitution request was submitted with the quarterly report to reallocate funding within the projects and to remove one project from the programme.
- 3.25 The request proposed to remove the treatment plant access track repair project, with a budget of \$80,000, from the programme, and to reduce the scope of the SCADA to Cloud project by \$100,000. Due to internal capacity restrictions and contractor unavailability, these two projects carry high risks of not being completed by March 2022.
- 3.26 The request is for the funds to be reallocated to the Back-up Generator projects, increasing the budget from \$300,000 to \$480,000 to deliver this project, which is deemed high priority. The original budget will only cover the water treatment plant sites, the additional funds will allow 7 out of 8 water and wastewater sites to have generators installed. Te Kuiti WWTP was identified as low priority as there is storage capacity on site that can be utilized during power outages, and the treatment plant has been set up for connection to a temporary back-up generator on a hire basis, if required.
- 3.27 A change of scope for the reticulation planning project was also requested to include water treatment plants.
- 3.28 DIA have not yet confirmed if the request has been approved and have not been able to give a date for the decision.

3.29 Preparation for Reform – Tranche 2

- 3.30 There are four workstreams identified for Tranche 2, the first two are currently active:
- Communication and Engagement
 - Transition
 - Integration
 - Implementation
- 3.31 A substitution request was submitted with Quarter 2 report to the DIA for \$25,000 to be taken from Project 20 – Contract and Project Management and used for Project 23 – Preparation for Reform. This will cover the fee to join phase 2 of the Taituarā (formerly SOLGM) group.
- 3.32 The purpose of joining this group was to co-ordinate with Waikato and Bay of Plenty councils to develop a regional approach to the reforms and ensure a robust due diligence process is used to make final decisions on participation in the water reform. There are 11 participating councils currently and 5 additional councils to be confirmed for phase 2.
- 3.33 This request was declined by CIP (Crown Infrastructure Partners) to all councils that made this submission. The cost has now been allocated internally to Water Consultant Fees.
- 3.34 Taituarā have provided an Impact Assessment template (balanced scorecard) to assist councils in evaluating through a holistic approach, the 'opt-in' and 'opt-out' scenarios.

3.35 Communication and Engagement

- 3.36 Entity B met as a group in Taupo on 5 August 2021 including Mayors, Chief Executives and Water leaders. WDC was represented by Elected Members and WDC staff. Presentations were given by DIA, LGNZ, as well as discussion panels from participants. Topics covered were funding announcements from Central Government, case for change, transition entities, working with iwi and question and answer sessions. A key issue of discussion was the process and timetable for community engagement, initially over the current eight-week period, and beyond that if the reform proposals are to proceed. DIA representatives described the initial eight-week period as "fact finding", with no specific requirement to undertake public consultation. Related discussion took place on whether it was Central Government (as the proposer) or local government's responsibility to carry out the consultation.
- 3.37 A nationwide public information and education campaign led by Central Government has commenced. Feedback to Central Government from Councils was unfavorable and the messaging of this campaign has been modified as a result.

3.38 The final communication and engagement programme has been received which includes collateral that can be used for any general communication such as websites and press releases.

3.39 Transition

3.40 DIA has indicated they will setup the transitional water entities as soon as possible if the reform is confirmed. In the early stages, this will comprise a team of chief executives and senior management.

3.41 DIA funding will be available for transitional costs including staff involvement in working with the establishment entities and transition unit, and provision for reasonable legal, accounting and audit costs.

3.42 WDC is currently conducting 3 Waters asset revaluations for June 2021. The revaluation is due early September 2021.

Suggested Resolution

The business paper on Progress Report for the period ended 30 June 2021 be received.



TONY HALE
GENERAL MANAGER – INFRASTRUCTURE SERVICES

10 August 2021

Attachment: WKT-09 Waitomo July 14, 2021, Q3 Report (A541558)

Three Waters Stimulus Funding - Cash Flow Profile

Territorial Summary/Inputs

Territorial Authority	Waitomo District Council
Territorial Code	WKT-09
Reporting date	Jul-21
Reporting period	Quarter 3
Total funding allocated	3.50
Total cofunding	0.06
Total estimated programme costs	3.56
Upfront payment	1.75
Total final payments	0.04
Milestone payment total	1.71

KEY

	Primary/forecast inputs
	Actuals inputs

Master checks

Master check	Warning	
Spend = Cost	0.06	Funding exceeds spend
Cofunding check	0.01	Not all cofunding spent
Upfront funding	-	Ok
Final payments	0.01	Not all final allocated
Total Crown funding	0.08	Not all funding allocated
Capex/Opex	0.10	Too much capex/opex/other allocated
Cash position	1.00	One or more projects have a negative cash position

Territorial contact

Project Manager	Charmaine Ellery
Email	Charmaine.Ellery@waitomo.govt.nz
Phone	07 878 0849
Lead Engineer	David Locke
Email	David.Locke@waitomo.govt.nz
Phone	07 878 0831

Project Inputs

	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22							
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total					
1 Project Name	TWR Security of supply P2020-001																							
Project Type	WATER - Water security / fencing																							
Start date	Dec-20		Capex																	0.08				
End date	Apr-21		Opex																					
Total upfront payment	0.04		N/A																					
Total final payment	0.00		Check																	Ok				
Total project spend	0.07																							
Total project funding	0.08																							
Check	0.01																							
Project Spend																								
Spend from Crown funding	\$NZ'm						0.007360	-	0.013887	0.015927	0.02	0.02							0.07					
Spend from cofunding	\$NZ'm																			-				
Total project spend	\$NZ'm						0.01	-	0.01	0.02	0.02	0.02							0.07					
Project Funding																								
Upfront payment portion	\$NZ'm	0.04																		0.04				
Crown funding required	\$NZ'm		0.02			0.02														0.04				
Cofunding required	\$NZ'm																			-				
Final payment portion	\$NZ'm						0.00													0.00				
Total project funding	\$NZ'm	0.04		0.02			0.02													0.08				
Cash position																								
Opening cash position	\$NZ'm		0.04	0.04	0.06	0.06	0.05	0.07	0.06	0.04	0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01					
Project spend	\$NZ'm					(0.01)		(0.01)	(0.02)	(0.02)														
Project funding	\$NZ'm	0.04		0.02			0.02																	
Closing cash position	\$NZ'm	0.04	0.04	0.06	0.06	0.05	0.07	0.06	0.04	0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	Ok					
Worker hours	Hours					40.00		88.50	136.50	94.00	40.00								399.00					
Length (metres)	# or %					250.00		300.00	450.00	750.00	65.00								1,815.00					
N/A	# or %																		-					
N/A	# or %																		-					

2 Project Name TWR Critical spares WTP P2020-002
Project Type WATER - Water Treatment Plant upgrades

Start date	Mar-21	Capex	0.15
End date	Oct-21	Opex	
Total upfront payment	0.08	N/A	
Total final payment	0.00	Check	Ok
Total project spend	0.15		
Total project funding	0.15		
Check	-		

Project Spend

Spend from Crown funding	\$NZ'm										0.05	0.03		0.05		0.03				0.15	
Spend from cofunding	\$NZ'm																				-
Total project spend	\$NZ'm											0.05	0.03		0.05		0.03				0.15

Project Funding

Upfront payment portion	\$NZ'm	0.08																			0.08
Crown funding required	\$NZ'm										0.04			0.04							0.07
Cofunding required	\$NZ'm																				-
Final payment portion	\$NZ'm													0.00							0.00
Total project funding	\$NZ'm	0.08									0.04			0.04							0.15

Cash position

Opening cash position	\$NZ'm	-	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.12	0.07	0.05	0.09	0.04	0.04	0.02	0.02			
Project spend	\$NZ'm	-	-	-	-	-	-	-	-	-	(0.05)	(0.03)	-	(0.05)	-	(0.03)	-	-			
Project funding	\$NZ'm	0.08	-	-	-	-	-	-	-	0.04	-	-	0.04	-	-	-	-	-			
Closing cash position	\$NZ'm	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.12	0.07	0.05	0.09	0.04	0.04	0.02	0.02				Ok

Worker hours

Number of WTP upgrades #	# or %																				-
Physical works % complete	# or %										0.30	0.10		0.30		0.30					1.00
m3/day processing capacity	# or %																				-

3 Project Name TWR Additional monitoring capacity P2020-003
Project Type WATER - Water Treatment Plant upgrades

Start date	Mar-21	Capex	0.14
End date	Jul-21	Opex	
Total upfront payment	0.07	N/A	
Total final payment	0.00	Check	0.01
Total project spend	0.14		
Total project funding	0.13		
Check	(0.01)		

Project Spend

Spend from Crown funding	\$NZ'm										0.030	0.080	0.025								0.14
Spend from cofunding	\$NZ'm																				-
Total project spend	\$NZ'm										0.03	0.08	0.03								0.14

Project Funding

Upfront payment portion	\$NZ'm	0.06750																			0.07
Crown funding required	\$NZ'm										0.06615										0.07
Cofunding required	\$NZ'm																				-
Final payment portion	\$NZ'm										0.00										0.00
Total project funding	\$NZ'm	0.07									0.07										0.1350

Cash position

Opening cash position	\$NZ'm	-	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.11	0.03	0.01	0.01	0.01	0.01	0.01	0.01			
Project spend	\$NZ'm	-	-	-	-	-	-	-	-	-	(0.03)	(0.08)	(0.03)	-	-	-	-	-			
Project funding	\$NZ'm	0.07	-	-	-	-	-	-	-	0.07	-	-	-	-	-	-	-	-			
Closing cash position	\$NZ'm	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.11	0.03	0.01	0.01	0.01	0.01	0.01	0.01	0.01			Ok

Worker hours

Number of WTP upgrades #	# or %									80.00	160.00	40.00									280.00
Physical works % complete	# or %									1.00	2.00	1.00									4.00
m3/day processing capacity	# or %																				-

4 Project Name TWR SCADA storage to cloud P2020-004
Project Type OTHER - SCADA upgrades or new

Start date	Feb-21	Capex	0.28
End date	Sep-21	Opex	
Total upfront payment	0.14	N/A	
Total final payment	0.00	Check	0.01
Total project spend	0.27		
Total project funding	0.27		
Check	-		

Project Spend

Spend from Crown funding	\$NZ'm							0.00862			0.03400	0.01000				0.06000	0.08000	0.08000	0.27
Spend from cofunding	\$NZ'm																		-
Total project spend	\$NZ'm							0.01			0.03	0.01				0.06	0.08	0.08	0.27

Project Funding

Upfront payment portion	\$NZ'm	0.14																	0.14
Crown funding required	\$NZ'm					0.07				0.07									0.13
Cofunding required	\$NZ'm											0.00							-
Final payment portion	\$NZ'm																		0.00
Total project funding	\$NZ'm	0.14				0.07				0.07		0.00							0.27

Cash position

Opening cash position	\$NZ'm	-	0.14	0.14	0.14	0.14	0.14	0.21	0.20	0.20	0.27	0.24	0.23	0.23	0.23	0.23	0.17	0.09	
Project spend	\$NZ'm	-	-	-	-	-	-	(0.01)	-	-	(0.03)	(0.01)	-	-	-	(0.06)	(0.08)	(0.08)	
Project funding	\$NZ'm	0.14	-	-	-	-	0.07	-	-	0.07	-	0.00	-	-	-	-	-	-	
Closing cash position	\$NZ'm	0.14	0.14	0.14	0.14	0.14	0.21	0.20	0.27	0.24	0.23	0.23	0.23	0.23	0.17	0.09	0.01	Ok	

Worker hours

Number of sites #	# or %							75.00			8.00	80.00				160.00	160.00	80.00	563.00
Physical works % complete	# or %															1.00	2.00	1.00	4.00
N/A	# or %																		-

5 Project Name TWR Pump station renewals (Water supply) P2020-005
Project Type WATER - Pump station upgrades

Start date	Jun-21	Capex	0.05
End date	Dec-21	Opex	
Total upfront payment	0.03	N/A	
Total final payment	0.00	Check	0.00
Total project spend	0.05		
Total project funding	0.05		
Check	-		

Project Spend

Spend from Crown funding	\$NZ'm							0.0016	0.0040			0.0220				0.0220			0.05
Spend from cofunding	\$NZ'm																		-
Total project spend	\$NZ'm							0.00	0.00			0.02				0.02			0.05

Project Funding

Upfront payment portion	\$NZ'm	0.03																	0.03
Crown funding required	\$NZ'm												0.03						0.03
Cofunding required	\$NZ'm																		-
Final payment portion	\$NZ'm														0.00				0.00
Total project funding	\$NZ'm	0.03											0.03		0.00				0.05

Cash position

Opening cash position	\$NZ'm	-	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.01	0.04	0.04	0.02	0.02	0.02	
Project spend	\$NZ'm	-	-	-	-	-	-	-	(0.00)	(0.00)	-	(0.02)	-	-	(0.02)	-	-	-	
Project funding	\$NZ'm	0.03	-	-	-	-	-	-	-	-	-	-	0.03	-	0.00	-	-	-	
Closing cash position	\$NZ'm	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.01	0.04	0.04	0.02	0.02	0.02	0.02	Ok

Worker hours

Number of PS upgrades #	# or %											320.00			320.00				640.00
Physical works % complete	# or %											1.00			1.00				2.00
N/A	# or %																		-

6 Project Name TWR Backflow prevention P2020-006
Project Type WATER - Boundary backflow preventors

Start date	Dec-20	Capex	0.81
End date	Mar-22	Opex	
Total upfront payment	0.38	N/A	
Total final payment	0.01	Check	0.01
Total project spend	0.79		
Total project funding	0.80		
Check	0.01		

Project Spend

Spend from Crown funding	\$NZ'm																		0.73
Spend from cofunding	\$NZ'm																		0.06
Total project spend	\$NZ'm																		0.79

Project Funding

Upfront payment portion	\$NZ'm	0.38																	0.38
Crown funding required	\$NZ'm									0.1875			0.1800						0.37
Cofunding required	\$NZ'm											0.06							0.06
Final payment portion	\$NZ'm																	0.01	0.01
Total project funding	\$NZ'm	0.38								0.19		0.06	0.18					0.01	0.80

Cash position

Opening cash position	\$NZ'm	-	0.38	0.38	0.38	0.38	0.33	0.32	0.31	0.29	0.45	0.35	0.29	0.36	0.26	0.19	0.18	0.05	
Project spend	\$NZ'm	-	-	-	-	(0.05)	(0.01)	(0.01)	(0.02)	(0.03)	(0.10)	(0.12)	(0.11)	(0.10)	(0.07)	(0.01)	(0.13)	(0.03)	
Project funding	\$NZ'm	0.38	-	-	-	-	-	-	-	0.19	-	0.06	0.18	-	-	-	-	0.01	
Closing cash position	\$NZ'm	0.38	0.38	0.38	0.38	0.33	0.32	0.31	0.29	0.45	0.35	0.29	0.36	0.26	0.19	0.18	0.05	0.03	Ok

Worker hours

New boundary backflow prevent # or %	Hours					1.75	-	1.75		280.00	832.00	912.00	912.00	832.00	572.00	832.00	1,032.00	200.00	6,407.50
Existing boundary backflow prev # or %	Hours									60.00	200.00	220.00	220.00	200.00	95.00	60.00	80.00	40.00	25.00
N/A	Hours																		1,175.00
	Hours																		-

7 Project Name TWR WTP Piopio Improvements P2020-007
Project Type WATER - Water Treatment Plant upgrades

Start date	Nov-21	Capex	0.05
End date	Mar-22	Opex	
Total upfront payment	0.03	N/A	
Total final payment	0.00	Check	Ok
Total project spend	0.05		
Total project funding	0.05		
Check	-		

Project Spend

Spend from Crown funding	\$NZ'm																		0.05
Spend from cofunding	\$NZ'm																		-
Total project spend	\$NZ'm																		0.05

Project Funding

Upfront payment portion	\$NZ'm	0.03																	0.03
Crown funding required	\$NZ'm																	0.02	0.02
Cofunding required	\$NZ'm																		-
Final payment portion	\$NZ'm																	0.00	0.00
Total project funding	\$NZ'm	0.03																0.00	0.05

Cash position

Opening cash position	\$NZ'm	-	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.02	0.01	0.03	0.02	
Project spend	\$NZ'm	-	-	-	-	-	-	-	-	-	-	-	-	(0.01)	(0.01)	-	(0.01)	(0.02)	
Project funding	\$NZ'm	0.03	-	-	-	-	-	-	-	-	-	-	-	-	-	0.02	-	0.00	
Closing cash position	\$NZ'm	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.02	0.01	0.03	0.02	-	Ok

Worker hours

Number of WTP upgrades #	Hours													80.00	80.00		80.00	160.00	400.00
Physical works % complete	# or %													0.20	0.20		0.20	0.40	-
m3/day processing capacity	# or %																		1.00
	# or %																		-

8 Project Name TWR Piopio water supply intake improvements P2020-008
Project Type WATER - Water Treatment Plant upgrades

Start date	Apr-21	Capex	0.05
End date	May-21	Opex	
Total upfront payment	0.03	N/A	
Total final payment	0.00	Check	Ok
Total project spend	0.05		
Total project funding	0.05		
Check	-		

Project Spend

Spend from Crown funding	\$NZ'm									0.005	0.005			0.025	0.015					0.05	
Spend from cofunding	\$NZ'm																				-
Total project spend	\$NZ'm									0.01	0.01			0.03	0.02					0.05	

Project Funding

Upfront payment portion	\$NZ'm	0.03																			0.03
Crown funding required	\$NZ'm													0.02							0.02
Cofunding required	\$NZ'm																				-
Final payment portion	\$NZ'm								0.00												0.00
Total project funding	\$NZ'm	0.03							0.00					0.02							0.05

Cash position

Opening cash position	\$NZ'm	-	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.02	0.02	0.02	0.02	0.02	0.02	
Project spend	\$NZ'm	-	-	-	-	-	-	-	-	(0.01)	(0.01)	-	(0.03)	(0.02)	-	-	-	-	-	-	
Project funding	\$NZ'm	0.03	-	-	-	-	-	-	0.00	-	-	-	-	0.02	-	-	-	-	-	-	
Closing cash position	\$NZ'm	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.02	0.02	0.02	0.02	0.02	0.02	0.02	Ok

Worker hours

Opening cash position	Hours										30.00	30.00			80.00	80.00					220.00	
Number of WTP upgrades #	# or %																					-
Physical works % complete	# or %														50%	50%						100%
m3/day processing capacity	# or %																					-

9 Project Name TWR Maniati Benneydale UV install P2020-009
Project Type WATER - Water Treatment Plant upgrades

Start date	Feb-22	Capex	0.03
End date	Mar-22	Opex	
Total upfront payment	0.02	N/A	
Total final payment	0.00	Check	Ok
Total project spend	0.03		
Total project funding	0.03		
Check	-		

Project Spend

Spend from Crown funding	\$NZ'm																				0.01	0.02	0.03
Spend from cofunding	\$NZ'm																						-
Total project spend	\$NZ'm																				0.01	0.02	0.03

Project Funding

Upfront payment portion	\$NZ'm	0.02																					0.02
Crown funding required	\$NZ'm																					0.01	0.01
Cofunding required	\$NZ'm																						-
Final payment portion	\$NZ'm																					0.00	0.00
Total project funding	\$NZ'm	0.02																			0.01	0.00	0.03

Cash position

Opening cash position	\$NZ'm	-	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.03	0.02	
Project spend	\$NZ'm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.01)	(0.02)	
Project funding	\$NZ'm	0.02	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01	0.00	
Closing cash position	\$NZ'm	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.03	0.02	-	Ok

Worker hours

Opening cash position	Hours																				40.00	80.00	120.00
Number of WTP upgrades #	# or %																						-
Physical works % complete	# or %																				0.33	0.67	1.00
m3/day processing capacity	# or %																						-

10 Project Name	TWR Mokau WTP upgrade design and install P2020-010																	
Project Type	WATER - Water Treatment Plant upgrades																	
Start date	Mar-21	Capex	0.13															
End date	Jul-21	Opex																
Total upfront payment	0.06	N/A																
Total final payment	0.00	Check	0.01															
Total project spend	0.13																	
Total project funding	0.12																	
Check	(0.01)																	
Project Spend																		
Spend from Crown funding	\$NZ'm							0.00115		0.05405	0.02500	0.03500	0.02					0.13
Spend from cofunding	\$NZ'm																	-
Total project spend	\$NZ'm							0.00		0.05	0.03	0.04	0.02					0.13
Project Funding																		
Upfront payment portion	\$NZ'm	0.063																0.06
Crown funding required	\$NZ'm						0.031			0.030								0.06
Cofunding required	\$NZ'm																	-
Final payment portion	\$NZ'm									0.001								0.00
Total project funding	\$NZ'm	0.06					0.03			0.03								0.12
Cash position																		
Opening cash position	\$NZ'm	-	0.06	0.06	0.06	0.06	0.06	0.09	0.09	0.04	0.05	0.02	0.01	0.01	0.01	0.01	0.01	0.01
Project spend	\$NZ'm	-	-	-	-	-	(0.00)	-	(0.05)	(0.03)	(0.04)	(0.02)	-	-	-	-	-	-
Project funding	\$NZ'm	0.06	-	-	-	-	0.03	-	-	0.03	-	-	-	-	-	-	-	-
Closing cash position	\$NZ'm	0.06	0.06	0.06	0.06	0.06	0.09	0.09	0.04	0.05	0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Worker hours																		
Number of WTP upgrades #	Hours								150.00	100.00	160.00	100.00						510.00
Physical works % complete	# or %										0.25	0.50	0.25					-
m3/day processing capacity	# or %																	100%

11 Project Name	TWR Mokau WTP backwash treatment P2020-011																	
Project Type	WATER - Water Treatment Plant upgrades																	
Start date	Mar-21	Capex	0.15															
End date	Jul-21	Opex																
Total upfront payment	0.08	N/A																
Total final payment	0.00	Check	Ok															
Total project spend	0.15																	
Total project funding	0.15																	
Check	-																	
Project Spend																		
Spend from Crown funding	\$NZ'm										0.05	0.08	0.03					0.15
Spend from cofunding	\$NZ'm																	-
Total project spend	\$NZ'm										0.05	0.08	0.03					0.15
Project Funding																		
Upfront payment portion	\$NZ'm	0.08																0.08
Crown funding required	\$NZ'm						0.04			0.04								0.07
Cofunding required	\$NZ'm																	-
Final payment portion	\$NZ'm									0.00								0.00
Total project funding	\$NZ'm	0.08					0.04			0.04								0.15
Cash position																		
Opening cash position	\$NZ'm	-	0.08	0.08	0.08	0.08	0.08	0.12	0.12	0.12	0.11	0.03	0.01	0.01	0.01	0.01	0.01	0.01
Project spend	\$NZ'm	-	-	-	-	-	-	-	-	(0.05)	(0.08)	(0.03)	-	-	-	-	-	-
Project funding	\$NZ'm	0.08	-	-	-	-	0.04	-	-	0.04	-	-	-	-	-	-	-	-
Closing cash position	\$NZ'm	0.08	0.08	0.08	0.08	0.08	0.12	0.12	0.12	0.11	0.03	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Worker hours																		
Number of WTP upgrades #	Hours									100.00	160.00	100.00						360.00
Physical works % complete	# or %										0.25	0.50	0.25					1.00
m3/day processing capacity	# or %																	-

12 Project Name TWR Water and wastewater planning and design P2020-012
Project Type PRGRM - Programme management

Start date	Mar-21	N/A	0.10
End date	Jun-21	N/A	
Total upfront payment	0.05	Other/Reform	
Total final payment	0.00	Check	Ok
Total project spend	0.10		
Total project funding	0.10		
Check	-		

Project Spend

Spend from Crown funding	\$NZ'm					0.0139610	0.0101210	0.0094670	0.0101070	0.0118650	0.01	0.01	0.01	0.01							0.10
Spend from cofunding	\$NZ'm																				-
Total project spend	\$NZ'm					0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01							0.10

Project Funding

Upfront payment portion	\$NZ'm	0.05																			0.05
Crown funding required	\$NZ'm						0.05														0.05
Cofunding required	\$NZ'm																				-
Final payment portion	\$NZ'm									0.00											0.00
Total project funding	\$NZ'm	0.05					0.05			0.00											0.10

Cash position

Opening cash position	\$NZ'm	-	0.05	0.05	0.05	0.04	0.03	0.07	0.06	0.05	0.04	0.03	0.02	0.01	0.01	0.01	0.01	0.01	0.01	
Project spend	\$NZ'm	-	-	-	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	-	-	-	-	-	-	
Project funding	\$NZ'm	0.05					0.05			0.00										
Closing cash position	\$NZ'm	0.05	0.05	0.05	0.04	0.03	0.07	0.06	0.05	0.04	0.03	0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.01	Ok

Worker hours

Opening cash position	Hours					80.00	61.25	58.25	62.25	15.25	60.00	60.00	60.00	60.00							517.00
% complete	# or %					0.14	0.11	0.10	0.11	0.04	0.25	0.25	0.25	0.25							1.50
N/A	# or %																				-
N/A	# or %																				-

13 Project Name TWR Back-up Power supplies WTPs P2020-013
Project Type WATER - Water Treatment Plant upgrades

Start date	Feb-21	Capex	0.15
End date	Sep-21	Opex	
Total upfront payment	0.08	N/A	
Total final payment	0.00	Check	Ok
Total project spend	0.15		
Total project funding	0.15		
Check	-		

Project Spend

Spend from Crown funding	\$NZ'm								0.00		0.02		0.06		0.04	0.03					0.15
Spend from cofunding	\$NZ'm																				-
Total project spend	\$NZ'm								0.00		0.02		0.06		0.04	0.03					0.15

Project Funding

Upfront payment portion	\$NZ'm	0.08																			0.08
Crown funding required	\$NZ'm										0.07										0.07
Cofunding required	\$NZ'm																				-
Final payment portion	\$NZ'm											0.00									0.00
Total project funding	\$NZ'm	0.08									0.07		0.00								0.15

Cash position

Opening cash position	\$NZ'm	-	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.14	0.14	0.08	0.08	0.04	0.01	0.01	0.01	0.01	
Project spend	\$NZ'm	-	-	-	-	-	-	(0.00)	-	(0.02)	-	(0.06)	-	(0.04)	(0.03)	-	-	-	-	
Project funding	\$NZ'm	0.08								0.07		0.00								
Closing cash position	\$NZ'm	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.14	0.14	0.08	0.08	0.04	0.01	0.01	0.01	0.01	0.01	Ok

Worker hours

Opening cash position	Hours							20.00		20.00				160.00	160.00						360.00
Number of WTP upgrades #	# or %													2.00	2.00						4.00
Physical works % complete	# or %																				-
m3/day processing capacity	# or %																				-

14 Project Name TWR Te Kuiti WWTP Sludge press lifting equipment P2020-014
Project Type WASTE - Wastewater Treatment Plant upgrades

Start date	Mar-21	Capex	0.05
End date	May-21	Opex	
Total upfront payment	0.03	N/A	
Total final payment	0.00	Check	Ok
Total project spend	0.06		
Total project funding	0.05		
Check	(0.01)		

Project Spend

Spend from Crown funding	\$NZ'm										0.02	0.02	0.02							0.06
Spend from cofunding	\$NZ'm																			-
Total project spend	\$NZ'm										0.02	0.02	0.02						0.06	

Project Funding

Upfront payment portion	\$NZ'm	0.03																	0.03
Crown funding required	\$NZ'm									0.02									0.02
Cofunding required	\$NZ'm																		-
Final payment portion	\$NZ'm							0.00											0.00
Total project funding	\$NZ'm	0.03						0.00		0.02									0.05

Cash position

Opening cash position	\$NZ'm	-	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.05	0.04	0.02	-	-	-	-	-	
Project spend	\$NZ'm	-	-	-	-	-	-	-	-	-	(0.02)	(0.02)	(0.02)	-	-	-	-	-	
Project funding	\$NZ'm	0.03	-	-	-	-	-	0.00	-	-	0.02	-	-	-	-	-	-	-	
Closing cash position	\$NZ'm	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.05	0.04	0.02	-	-	-	-	-	-	Ok

Worker hours

Number WWTP upgrades #	# or %										80.00	80.00	80.00						240.00
Physical works % complete	# or %										0.33	0.33	0.33						1.00
m3/day processing capacity	# or %																		-

15 Project Name TWR Te Kuiti WWTP Sludge pond P2020-015
Project Type WASTE - Sludge removal from ponds #

Start date	Mar-21	Capex	
End date	Mar-22	Opex	0.150
Total upfront payment	0.08	N/A	
Total final payment	0.00	Check	0.07
Total project spend	0.08		
Total project funding	0.08		
Check	0.00		

Project Spend

Spend from Crown funding	\$NZ'm										0.0200	0.0075	0.0075	0.0075	0.0075	0.0075	0.0075	0.0075	0.0800
Spend from cofunding	\$NZ'm																		-
Total project spend	\$NZ'm										0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.080

Project Funding

Upfront payment portion	\$NZ'm	0.0750																	0.08
Crown funding required	\$NZ'm															0.0050			0.01
Cofunding required	\$NZ'm																		-
Final payment portion	\$NZ'm																	0.00	0.00
Total project funding	\$NZ'm	0.08														0.01		0.00	0.081

Cash position

Opening cash position	\$NZ'm	-	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.06	0.05	0.04	0.03	0.02	0.01	0.01	-	
Project spend	\$NZ'm	-	-	-	-	-	-	-	-	-	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	
Project funding	\$NZ'm	0.08	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01	-	0.00	
Closing cash position	\$NZ'm	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.06	0.05	0.04	0.03	0.02	0.01	0.01	-	(0.01)	Warning

Worker hours

Number of ponds desludged #	# or %										100.00	160.00	70.00	60.00	60.00	60.00	50.00	60.00	680.00
Volume of sludge removed (m3)	# or %										6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	5,000.00	6,000.00	1.00
N/A	# or %																		53,000.00

16 Project Name **TWR Additional monitoring capacity P2020-16**
 Project Type **WASTE - Wastewater Treatment Plant upgrades**

Start date	Apr-21	Capex	0.15
End date	Jul-21	Opex	
Total upfront payment	0.08	N/A	
Total final payment	0.00	Check	Ok
Total project spend	0.15		
Total project funding	0.15		
Check	-		

Project Spend

Spend from Crown funding	\$NZ'm									0.03		0.09	0.03							0.15
Spend from cofunding	\$NZ'm																			-
Total project spend	\$NZ'm									0.03		0.09	0.03						0.15	

Project Funding

Upfront payment portion	\$NZ'm	0.08																		0.08
Crown funding required	\$NZ'm									0.04			0.04							0.07
Cofunding required	\$NZ'm																			-
Final payment portion	\$NZ'm									0.00										0.00
Total project funding	\$NZ'm	0.08								0.04			0.04							0.15

Cash position

Opening cash position	\$NZ'm	-	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.09	0.09	-	0.01	0.01	0.01	0.01	0.01		
Project spend	\$NZ'm	-	-	-	-	-	-	-	-	(0.03)	-	(0.09)	(0.03)	-	-	-	-	-	-	
Project funding	\$NZ'm	0.08	-	-	-	-	-	-	-	0.04	-	-	0.04	-	-	-	-	-	-	
Closing cash position	\$NZ'm	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.09	0.09	-	0.01	0.01	0.01	0.01	0.01	0.01		Ok

Worker hours

Opening cash position	Hours									80.00		160.00	80.00							320.00
Number WWTP upgrades #	# or %									1.00		2.00	1.00							4.00
Physical works % complete	# or %																			-
m3/day processing capacity	# or %																			-

17 Project Name **TWR Critical spares WWTP P2020-017**
 Project Type **WASTE - Wastewater Treatment Plant upgrades**

Start date	Mar-21	Capex	0.20
End date	Apr-21	Opex	
Total upfront payment	0.10	N/A	
Total final payment	0.00	Check	Ok
Total project spend	0.20		
Total project funding	0.20		
Check	-		

Project Spend

Spend from Crown funding	\$NZ'm										0.03		0.10	0.07						0.20
Spend from cofunding	\$NZ'm																			-
Total project spend	\$NZ'm										0.03		0.10	0.07						0.20

Project Funding

Upfront payment portion	\$NZ'm	0.10																		0.10
Crown funding required	\$NZ'm												0.10							0.10
Cofunding required	\$NZ'm																			-
Final payment portion	\$NZ'm									0.00										0.00
Total project funding	\$NZ'm	0.10								0.00			0.10							0.20

Cash position

Opening cash position	\$NZ'm	-	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.07	0.07	0.07	-	-	-	-	-	
Project spend	\$NZ'm	-	-	-	-	-	-	-	-	-	(0.03)	-	(0.10)	(0.07)	-	-	-	-	-	
Project funding	\$NZ'm	0.10	-	-	-	-	-	-	-	-	-	-	0.10	-	-	-	-	-	-	
Closing cash position	\$NZ'm	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.07	0.07	0.07	-	-	-	-	-		Ok

Worker hours

Opening cash position	Hours																			-
Number WWTP upgrades #	# or %																			-
Physical works % complete	# or %																			-
m3/day processing capacity	# or %																			-

18 Project Name	TWR Pump station renewals (Wastewater) P2020-018																	
Project Type	WASTE - Pump station upgrades																	
Start date	Jul-21	Capex	0.16															
End date	Dec-21	Opex																
Total upfront payment	0.08	N/A																
Total final payment	0.00	Check	(0.00)															
Total project spend	0.16																	
Total project funding	0.16																	
Check	-																	
Project Spend																		
Spend from Crown funding	\$NZ'm										0.02	0.06		0.04	0.04			0.16
Spend from cofunding	\$NZ'm																	-
Total project spend	\$NZ'm										0.02	0.06		0.04	0.04			0.16
Project Funding																		
Upfront payment portion	\$NZ'm	0.08																0.08
Crown funding required	\$NZ'm												0.08					0.08
Cofunding required	\$NZ'm																	-
Final payment portion	\$NZ'm														0.00			0.00
Total project funding	\$NZ'm	0.08											0.08		0.00			0.16
Cash position																		
Opening cash position	\$NZ'm	-	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.07	0.01	0.09	0.05	0.01	0.01	0.01
Project spend	\$NZ'm	-	-	-	-	-	-	-	-	-	(0.02)	(0.06)	-	(0.04)	(0.04)	-	-	-
Project funding	\$NZ'm	0.08	-	-	-	-	-	-	-	-	-	-	0.08	-	0.00	-	-	-
Closing cash position	\$NZ'm	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.07	0.01	0.09	0.05	0.01	0.01	0.01	Ok
Worker hours																		
Number of PS upgrades #	Hours											80.00		80.00	80.00			240.00
Physical works % complete	# or %											1.00		1.00	1.00			3.00
N/A	# or %																	-

19 Project Name	TWR Backup power supply WWTPs P2020-19																	
Project Type	WASTE - Wastewater Treatment Plant upgrades																	
Start date	Feb-21	Capex	0.15															
End date	Sep-21	Opex																
Total upfront payment	0.08	N/A																
Total final payment	0.00	Check	Ok															
Total project spend	0.15																	
Total project funding	0.15																	
Check	-																	
Project Spend																		
Spend from Crown funding	\$NZ'm							0.0050			0.0050				0.1000	0.04		0.15
Spend from cofunding	\$NZ'm																	-
Total project spend	\$NZ'm							0.00			0.01				0.10	0.04		0.15
Project Funding																		
Upfront payment portion	\$NZ'm	0.08																0.08
Crown funding required	\$NZ'm											0.07						0.07
Cofunding required	\$NZ'm																	-
Final payment portion	\$NZ'm												0.00					0.00
Total project funding	\$NZ'm	0.08										0.07		0.00				0.15
Cash position																		
Opening cash position	\$NZ'm	-	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.15	0.15	0.15	0.15	0.05	0.01	0.01	0.01
Project spend	\$NZ'm	-	-	-	-	-	-	(0.00)	-	(0.01)	-	-	-	(0.10)	(0.04)	-	-	-
Project funding	\$NZ'm	0.08	-	-	-	-	-	-	-	0.07	-	0.00	-	-	-	-	-	-
Closing cash position	\$NZ'm	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.15	0.15	0.15	0.15	0.05	0.01	0.01	0.01	Ok
Worker hours																		
Number WWTP upgrades #	Hours							20.00			20.00			160.00	80.00			280.00
Physical works % complete	# or %													2.00	1.00			3.00
m3/day processing capacity	# or %																	-

20 Project Name TWR Project and Contract Management P2020-20
Project Type PRGRM - Programme management

Start date	Dec-20	N/A
End date	Mar-22	N/A
Total upfront payment	0.18	Other/Reform 0.35
Total final payment	0.00	Check 0.01
Total project spend	0.35	
Total project funding	0.34	
Check	(0.01)	

Project Spend

Spend from Crown funding	\$NZ'm									0.04	0.06	0.04	0.04	0.04	0.04	0.03	0.03	0.03	0.35
Spend from cofunding	\$NZ'm																		-
Total project spend	\$NZ'm		0.00	-	0.00	0.00	-	-	-	0.04	0.06	0.04	0.04	0.04	0.04	0.03	0.03	0.03	0.35

Project Funding

Upfront payment portion	\$NZ'm	0.17500																	0.18
Crown funding required	\$NZ'm									0.08125						0.07800			0.16
Cofunding required	\$NZ'm																		-
Final payment portion	\$NZ'm																	0.00	0.00
Total project funding	\$NZ'm	0.18	-	-	-	-	-	-	-	0.08	-	-	-	-	-	0.08	-	0.00	0.34

Cash position

Opening cash position	\$NZ'm	-	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.22	0.16	0.12	0.08	0.04	-	0.05	0.03	
Project spend	\$NZ'm	-	(0.00)	-	(0.00)	(0.00)	-	-	-	(0.04)	(0.06)	(0.04)	(0.04)	(0.04)	(0.03)	(0.03)	(0.03)	
Project funding	\$NZ'm	0.18	-	-	-	-	-	-	0.08	-	-	-	-	-	0.08	-	0.00	
Closing cash position	\$NZ'm	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.22	0.16	0.12	0.08	0.04	-	0.05	0.03	0.01	Ok

Worker hours

Opening cash position	Hours		12.20	-	10.10	9.80				120.00	140.00	80.00	80.00	80.00	80.00	70.00	70.00	70.00	822.10
% complete	# or %		0.01	-	0.01	0.01				0.10	0.18	0.10	0.10	0.10	0.10	0.10	0.10	0.10	100%
N/A	# or %																		-
N/A	# or %																		-

21 Project Name TWR Asset data collection P2020-021
Project Type OTHER - Asset data and GIS improvements/update/maintenance

Start date	Apr-21	Capex	
End date	Dec-21	Opex	0.11
Total upfront payment	0.06	N/A	
Total final payment	0.00	Check	0.00
Total project spend	0.11		
Total project funding	0.11		
Check	-		

Project Spend

Spend from Crown funding	\$NZ'm								0.0028120	0.0150000	0.0200000	0.0200000	0.0200000	0.0200000	0.0100000	0.0040000			0.11
Spend from cofunding	\$NZ'm																		-
Total project spend	\$NZ'm								0.00	0.02	0.02	0.02	0.02	0.02	0.01	0.00			0.11

Project Funding

Upfront payment portion	\$NZ'm	0.06																	0.06
Crown funding required	\$NZ'm									0.03			0.03						0.06
Cofunding required	\$NZ'm																		-
Final payment portion	\$NZ'm														0.00				0.00
Total project funding	\$NZ'm	0.06	-	-	-	-	-	-	-	0.03	-	-	0.03	-	0.00	-	-	-	0.11

Cash position

Opening cash position	\$NZ'm	-	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.07	0.05	0.03	0.04	0.02	0.01	0.01	0.01	
Project spend	\$NZ'm	-	-	-	-	-	-	-	(0.00)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.01)	(0.00)	-	-	
Project funding	\$NZ'm	0.06	-	-	-	-	-	-	0.03	-	-	-	0.03	-	0.00	-	-	-	
Closing cash position	\$NZ'm	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.07	0.05	0.03	0.04	0.02	0.01	0.01	0.01	0.01	0.01	Ok

Worker hours

Opening cash position	Hours								40.00	320.00	320.00	320.00	320.00	320.00	160.00	80.00			1,880.00
% complete	# or %								0.02	0.17	0.17	0.17	0.17	0.17	0.09	0.04			1.00
N/A	# or %																		-
N/A	# or %																		-

22 Project Name TWR Track access repairs WTP and WWTP P2020-022
Project Type WATER - Water security / fencing

Start date	Feb-21	Capex	0.08
End date	Jul-21	Opex	
Total upfront payment	0.04	N/A	
Total final payment	-	Check	Ok
Total project spend	-		
Total project funding	0.08		
Check	0.08		

Project Spend

Spend from Crown funding	\$NZ'm																			-
Spend from cofunding	\$NZ'm																			-
Total project spend	\$NZ'm																			-

Project Funding

Upfront payment portion	\$NZ'm	0.04																		0.04
Crown funding required	\$NZ'm					0.04														0.04
Cofunding required	\$NZ'm																			-
Final payment portion	\$NZ'm																			-
Total project funding	\$NZ'm	0.04				0.04														0.08

Cash position

Opening cash position	\$NZ'm	-	0.04	0.04	0.04	0.04	0.04	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	-
Project spend	\$NZ'm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project funding	\$NZ'm	0.04	-	-	-	-	0.04	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing cash position	\$NZ'm	0.04	0.04	0.04	0.04	0.04	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	Ok

Worker hours

Length (metres)	Hours																			-
N/A	# or %																			-
N/A	# or %																			-
N/A	# or %																			-

23 Project Name
Project Type

Start date		Capex	
End date		Opex	
Total upfront payment		N/A	
Total final payment	-	Check	
Total project spend	-		
Total project funding	-		
Check	-		

Project Spend

Spend from Crown funding	\$NZ'm																			-
Spend from cofunding	\$NZ'm																			-
Total project spend	\$NZ'm																			-

Project Funding

Upfront payment portion	\$NZ'm	-																		-
Crown funding required	\$NZ'm																			-
Cofunding required	\$NZ'm																			-
Final payment portion	\$NZ'm																			-
Total project funding	\$NZ'm																			-

Cash position

Opening cash position	\$NZ'm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project spend	\$NZ'm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project funding	\$NZ'm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing cash position	\$NZ'm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Ok

Worker hours

#/N/A	Hours																			-
#/N/A	# or %																			-
#/N/A	# or %																			-
#/N/A	# or %																			-

24 Project Name	[Project name]																
Project Type	[Select project type]																
Start date			Capex														
End date			Opex														
Total upfront payment			N/A														
Total final payment	-		Check	Ok													
Total project spend	-																
Total project funding	-																
Check	-																
Project Spend																	
Spend from Crown funding	\$NZ'm																-
Spend from cofunding	\$NZ'm																-
Total project spend	\$NZ'm																-
Project Funding																	
Upfront payment portion	\$NZ'm																-
Crown funding required	\$NZ'm																-
Cofunding required	\$NZ'm																-
Final payment portion	\$NZ'm																-
Total project funding	\$NZ'm																-
Cash position																	
Opening cash position	\$NZ'm																-
Project spend	\$NZ'm																-
Project funding	\$NZ'm																-
Closing cash position	\$NZ'm																Ok
Worker hours																	
[Select project type]	Hours																-
[Select project type]	# or %																-
[Select project type]	# or %																-

25 Project Name	[Project name]																
Project Type	[Select project type]																
Start date			Capex														
End date			Opex														
Total upfront payment			N/A														
Total final payment	-		Check	Ok													
Total project spend	-																
Total project funding	-																
Check	-																
Project Spend																	
Spend from Crown funding	\$NZ'm																-
Spend from cofunding	\$NZ'm																-
Total project spend	\$NZ'm																-
Project Funding																	
Upfront payment portion	\$NZ'm																-
Crown funding required	\$NZ'm																-
Cofunding required	\$NZ'm																-
Final payment portion	\$NZ'm																-
Total project funding	\$NZ'm																-
Cash position																	
Opening cash position	\$NZ'm																-
Project spend	\$NZ'm																-
Project funding	\$NZ'm																-
Closing cash position	\$NZ'm																Ok
Worker hours																	
[Select project type]	Hours																-
[Select project type]	# or %																-
[Select project type]	# or %																-

26 Project Name		<input type="text" value="[Project name]"/>															
Project Type		<input type="text" value="[Select project type]"/>															
Start date	<input type="text"/>	Capex	<input type="text"/>														
End date	<input type="text"/>	Opex	<input type="text"/>														
Total upfront payment	<input type="text"/>	N/A															
Total final payment	-	Check	<input type="text" value="Ok"/>														
Total project spend	-																
Total project funding	-																
Check	<input type="text" value="-"/>																
Project Spend																	
Spend from Crown funding	\$NZ'm															-	
Spend from cofunding	\$NZ'm															-	
Total project spend	\$NZ'm															<input type="text" value="-"/>	
Project Funding																	
Upfront payment portion	\$NZ'm															-	
Crown funding required	\$NZ'm															-	
Cofunding required	\$NZ'm															-	
Final payment portion	\$NZ'm															-	
Total project funding	\$NZ'm															<input type="text" value="-"/>	
Cash position																	
Opening cash position	\$NZ'm															-	
Project spend	\$NZ'm															-	
Project funding	\$NZ'm															-	
Closing cash position	\$NZ'm															<input type="text" value="Ok"/>	
Worker hours																	
[Select project type]	Hours															-	
[Select project type]	# or %															-	
[Select project type]	# or %															-	
[Select project type]	# or %															-	

27 Project Name		<input type="text" value="[Project name]"/>															
Project Type		<input type="text" value="[Select project type]"/>															
Start date	<input type="text"/>	Capex	<input type="text"/>														
End date	<input type="text"/>	Opex	<input type="text"/>														
Total upfront payment	<input type="text"/>	N/A															
Total final payment	-	Check	<input type="text" value="Ok"/>														
Total project spend	-																
Total project funding	-																
Check	<input type="text" value="-"/>																
Project Spend																	
Spend from Crown funding	\$NZ'm															-	
Spend from cofunding	\$NZ'm															-	
Total project spend	\$NZ'm															<input type="text" value="-"/>	
Project Funding																	
Upfront payment portion	\$NZ'm															-	
Crown funding required	\$NZ'm															-	
Cofunding required	\$NZ'm															-	
Final payment portion	\$NZ'm															-	
Total project funding	\$NZ'm															<input type="text" value="-"/>	
Cash position																	
Opening cash position	\$NZ'm															-	
Project spend	\$NZ'm															-	
Project funding	\$NZ'm															-	
Closing cash position	\$NZ'm															<input type="text" value="Ok"/>	
Worker hours																	
[Select project type]	Hours															-	
[Select project type]	# or %															-	
[Select project type]	# or %															-	
[Select project type]	# or %															-	

28 Project Name	[Project name]																
Project Type	[Select project type]																
Start date	<input type="text"/>	Capex	<input type="text"/>														
End date	<input type="text"/>	Opex	<input type="text"/>														
Total upfront payment	<input type="text"/>	N/A															
Total final payment	-	Check	<input type="text" value="Ok"/>														
Total project spend	-																
Total project funding	-																
Check	<input type="text" value="-"/>																
Project Spend																	
Spend from Crown funding	\$NZ'm																-
Spend from cofunding	\$NZ'm																-
Total project spend	\$NZ'm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<input type="text" value="-"/>
Project Funding																	
Upfront payment portion	\$NZ'm																-
Crown funding required	\$NZ'm																-
Cofunding required	\$NZ'm																-
Final payment portion	\$NZ'm																-
Total project funding	\$NZ'm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<input type="text" value="-"/>
Cash position																	
Opening cash position	\$NZ'm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project spend	\$NZ'm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project funding	\$NZ'm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing cash position	\$NZ'm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<input type="text" value="Ok"/>
[Select project type]	# or %																<input type="text" value="-"/>
[Select project type]	# or %																<input type="text" value="-"/>
[Select project type]	# or %																<input type="text" value="-"/>

29 Project Name	[Project name]																
Project Type	[Select project type]																
Start date	<input type="text"/>	Capex	<input type="text"/>														
End date	<input type="text"/>	Opex	<input type="text"/>														
Total upfront payment	<input type="text"/>	N/A															
Total final payment	-	Check	<input type="text" value="Ok"/>														
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Project Spend																	
Spend from Crown funding	\$NZ'm																-
Spend from cofunding	\$NZ'm																-
Total project spend	\$NZ'm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<input type="text" value="-"/>
Project Funding																	
Upfront payment portion	\$NZ'm																-
Crown funding required	\$NZ'm																-
Cofunding required	\$NZ'm																-
Final payment portion	\$NZ'm																-
Total project funding	\$NZ'm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<input type="text" value="-"/>
Cash position																	
Opening cash position	\$NZ'm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project spend	\$NZ'm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project funding	\$NZ'm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing cash position	\$NZ'm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<input type="text" value="Ok"/>
Worker hours	Hours																<input type="text" value="-"/>
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30 Project Name	[Project name]																
Project Type	[Select project type]																
Start date	<input type="text"/>	Capex	<input type="text"/>														
End date	<input type="text"/>	Opex	<input type="text"/>														
Total upfront payment	<input type="text"/>	N/A															
Total final payment	-	Check	<input type="text" value="Ok"/>														
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Project Spend																	
Spend from Crown funding	\$NZ'm																-
Spend from cofunding	\$NZ'm																-
Total project spend	\$NZ'm																<input type="text" value="-"/>
Project Funding																	
Upfront payment portion	\$NZ'm																-
Crown funding required	\$NZ'm																-
Cofunding required	\$NZ'm																-
Final payment portion	\$NZ'm																-
Total project funding	\$NZ'm																<input type="text" value="-"/>
Cash position																	
Opening cash position	\$NZ'm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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Project funding	\$NZ'm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing cash position	\$NZ'm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<input type="text" value="Ok"/>
Worker hours																	
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31 Project Name	[Project name]																
Project Type	[Select project type]																
Start date	<input type="text"/>	Capex	<input type="text"/>														
End date	<input type="text"/>	Opex	<input type="text"/>														
Total upfront payment	<input type="text"/>	N/A															
Total final payment	-	Check	<input type="text" value="Ok"/>														
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Project funding	\$NZ'm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing cash position	\$NZ'm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<input type="text" value="Ok"/>
Worker hours																	
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32 Project Name		[Project name]														
Project Type		[Select project type]														
Start date		Capex														
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Total upfront payment		N/A														
Total final payment	-	Check	Ok													
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Upfront payment portion	\$NZ'm															-
Crown funding required	\$NZ'm															-
Cofunding required	\$NZ'm															-
Final payment portion	\$NZ'm															-
Total project funding	\$NZ'm															-
Cash position																
Opening cash position	\$NZ'm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project spend	\$NZ'm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project funding	\$NZ'm															
Closing cash position	\$NZ'm															Ok
Worker hours																
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33 Project Name		[Project name]														
Project Type		[Select project type]														
Start date		Capex														
End date		Opex														
Total upfront payment		N/A														
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Spend from cofunding	\$NZ'm															-
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Upfront payment portion	\$NZ'm															-
Crown funding required	\$NZ'm															-
Cofunding required	\$NZ'm															-
Final payment portion	\$NZ'm															-
Total project funding	\$NZ'm															-
Cash position																
Opening cash position	\$NZ'm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project spend	\$NZ'm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project funding	\$NZ'm															
Closing cash position	\$NZ'm															Ok
Worker hours																
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34 Project Name	[Project name]															
Project Type	[Select project type]															
Start date		Capex														
End date		Opex														
Total upfront payment		N/A														
Total final payment	-	Check	Ok													
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Spend from Crown funding	\$NZ'm															-
Spend from cofunding	\$NZ'm															-
Total project spend	\$NZ'm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Funding																
Upfront payment portion	\$NZ'm															-
Crown funding required	\$NZ'm															-
Cofunding required	\$NZ'm															-
Final payment portion	\$NZ'm															-
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Cash position																
Opening cash position	\$NZ'm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project spend	\$NZ'm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project funding	\$NZ'm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing cash position	\$NZ'm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Worker hours																
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35 Project Name	[Project name]															
Project Type	[Select project type]															
Start date		Capex														
End date		Opex														
Total upfront payment		N/A														
Total final payment	-	Check	Ok													
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Project Spend																
Spend from Crown funding	\$NZ'm															-
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Project Funding																
Upfront payment portion	\$NZ'm															-
Crown funding required	\$NZ'm															-
Cofunding required	\$NZ'm															-
Final payment portion	\$NZ'm															-
Total project funding	\$NZ'm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash position																
Opening cash position	\$NZ'm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project spend	\$NZ'm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project funding	\$NZ'm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing cash position	\$NZ'm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Worker hours																
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36 Project Name		<input type="text" value="[Project name]"/>															
Project Type		<input type="text" value="[Select project type]"/>															
Start date	<input type="text"/>	Capex	<input type="text"/>														
End date	<input type="text"/>	Opex	<input type="text"/>														
Total upfront payment	<input type="text"/>	N/A															
Total final payment	-	Check	<input type="text" value="Ok"/>														
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Project Spend																	
Spend from Crown funding	\$NZ'm																-
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Upfront payment portion	\$NZ'm																-
Crown funding required	\$NZ'm																-
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Final payment portion	\$NZ'm																-
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Cash position																	
Opening cash position	\$NZ'm																-
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Closing cash position	\$NZ'm																<input type="text" value="Ok"/>
Worker hours																	
[Select project type]	Hours																-
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37 Project Name		<input type="text" value="[Project name]"/>															
Project Type		<input type="text" value="[Select project type]"/>															
Start date	<input type="text"/>	Capex	<input type="text"/>														
End date	<input type="text"/>	Opex	<input type="text"/>														
Total upfront payment	<input type="text"/>	N/A															
Total final payment	-	Check	<input type="text" value="Ok"/>														
Total project spend	-																
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Project Spend																	
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Spend from cofunding	\$NZ'm																-
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Upfront payment portion	\$NZ'm																-
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Cofunding required	\$NZ'm																-
Final payment portion	\$NZ'm																-
Total project funding	\$NZ'm																<input type="text" value="-"/>
Cash position																	
Opening cash position	\$NZ'm																-
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Project funding	\$NZ'm																-
Closing cash position	\$NZ'm																<input type="text" value="Ok"/>
Worker hours																	
[Select project type]	Hours																-
[Select project type]	# or %																-
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38 Project Name	[Project name]															
Project Type	[Select project type]															
Start date		Capex														
End date		Opex														
Total upfront payment		N/A														
Total final payment	-	Check													Ok	
Total project spend	-															
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Project Spend																
Spend from Crown funding	\$NZ'm															-
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Total project spend	\$NZ'm															-
Project Funding																
Upfront payment portion	\$NZ'm															-
Crown funding required	\$NZ'm															-
Cofunding required	\$NZ'm															-
Final payment portion	\$NZ'm															-
Total project funding	\$NZ'm															-
Cash position																
Opening cash position	\$NZ'm															-
Project spend	\$NZ'm															-
Project funding	\$NZ'm															-
Closing cash position	\$NZ'm															Ok
Worker hours																
[Select project type]	Hours															-
[Select project type]	# or %															-
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39 Project Name	[Project name]															
Project Type	[Select project type]															
Start date		Capex														
End date		Opex														
Total upfront payment		N/A														
Total final payment	-	Check													Ok	
Total project spend	-															
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Project Spend																
Spend from Crown funding	\$NZ'm															-
Spend from cofunding	\$NZ'm															-
Total project spend	\$NZ'm															-
Project Funding																
Upfront payment portion	\$NZ'm															-
Crown funding required	\$NZ'm															-
Cofunding required	\$NZ'm															-
Final payment portion	\$NZ'm															-
Total project funding	\$NZ'm															-
Cash position																
Opening cash position	\$NZ'm															-
Project spend	\$NZ'm															-
Project funding	\$NZ'm															-
Closing cash position	\$NZ'm															Ok
Worker hours																
[Select project type]	Hours															-
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40 Project Name	[Project name]																	
Project Type	[Select project type]																	
Start date		Capex																
End date		Opex																
Total upfront payment		N/A																
Total final payment	-	Check	Ok															
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Project Spend																		
Spend from Crown funding	\$NZ'm																	-
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Total project spend	\$NZ'm																	-
Project Funding																		
Upfront payment portion	\$NZ'm																	-
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Cofunding required	\$NZ'm																	-
Final payment portion	\$NZ'm																	-
Total project funding	\$NZ'm																	-
Cash position																		
Opening cash position	\$NZ'm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project spend	\$NZ'm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project funding	\$NZ'm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing cash position	\$NZ'm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Ok
Worker hours																		
[Select project type]	Hours																	-
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Pre-work / Long term commentary

Question #	Initial Update				
Top 5 Risks and Contractor Claims					
	Risk # (Highest to lowest)	Risk Name	Impact	Likelihood	Commentary on mitigants
1	Mandatory	Completion of programme by 31 March 2022	High	Medium	Project and/or Contract Manager (PM/CM) for each project Project Control Group (PCG) setup Delivery Planning (DP) in place
2	1	Internal staff capacity	High	Medium	Engaging consultants Recruitment of roles
3	2	Contractor and goods availability	High	Medium	Discussion with contractors early during scoping and planning to check availability
4	3	Unforeseen expenditure	Medium	Low	Project plans in place sign-off process Detailed scoping of complex projects, e.g. SCADA
5	4	Poor contractor performance	Medium	Low	Contract Manager - currently scoping, contract being drafted Use contractors with proven reliability
6	5	Health and Safety procedures not followed	High	Low	Contract terms and conditions Site audits of Health and Safety (H+S) compliance

Conditions agreed upon in delivery plan	
Condition	Commentary
7	Consult with other Councils on SCADA Currently attending Waikato/BoP working group on SCADA upgrades
8	Condition [i.e. consult on water meters] No smart metering projects
9	[Condition] [Commentary]
10	[Condition] [Commentary]
11	[Condition] [Commentary]

Pre-work commencement status		
Roadblock	Status	Commentary
12	RMA	[Select] [Commentary]
13	Building Consent	[Select] [Commentary]
14	Other Consents (i.e. CARs, iwi, Heritage)	[Select] [Commentary]
15	Design	Yet to commence Project 7 - Scoping for wastewater connection prior to design Project 10 - Initial scope drafted Project 13 & 19 Scoping and design consultant engaged
16	Procurement	RFP in preparation Projects 1, 5, 6, 12, 13, 14, 19, 21, 22, 23 have requests prepared
17	Main Contract	Contract evaluation Project 6 - Backflow installation contract being drafted Project 23 - Contract Management contract being drafted

Quarterly commentary

18	Programme costs	Commentary on Government Funded programme
19		Commentary on LTP programme
20	Reform funding	Reform Funding Activities
21		RFI funding (\$60k)
22	Scope and Progress commentary	Commentary
23		Media Announcements

Question #	Quarter 1 (January 2021) Update		
Top 5 Risks and Contractor Claims			
	Risk Name	Risk Level	Commentary
1	Completion of programme by 31 March 2022	Medium	PM assigned to each project, project plans in place PCG meeting weekly to promptly address escalations DP weekly meeting to track progress and action plans
2	Internal staff capacity	High	3-waters planning and contract drafting consultants engaged Recruitment in sign-off phase
3	Contractor and goods availability	Medium	Local and specialist contractors scoped for availability Commencement of some works due to local contractor availability
4	Unforeseen expenditure	Medium	Project plans going through 2 phase sign-off process High value and complex projects evaluated through Tender Sub Committee
5	Poor contractor performance	Low	Terms and conditions drafted for Contract Management Contractor templates specifically for 3 waters reform projects setout clear requirements for delivery of projects
6	Health and Safety procedures not followed	Low	Contract templates include H+S requirements H+S audits to be undertaken by PM or CM

Conditions agreed upon in delivery plan		
	Condition	Commentary
7	Consult with other Councils on SCADA	Will utilise one of the councils in the group (e.g. Western Bays) to audit SCADA upgrade approach
8	Condition [i.e. consult on water meters]	[Commentary]
9	[Condition]	[Commentary]
10	[Condition]	[Commentary]
11	[Condition]	[Commentary]

Pre-work commencement status			
	Roadblock	Status	Commentary
12	RMA	In Preparation	Project 8 (Piopio Water Supply Improvements) - checking allowed activities under current consent
13	Building Consent	[Select]	[Commentary]
14	Other Consents (i.e. CARs, iwi, Heritage)	[Select]	[Commentary]
15	Design	[Select]	Project 7 - Site visit to begin draft design Project 10 - Project meeting onsite 9 Feb to scope design work Project 13 & 19 consultant to book site visits (2 days)
16	Procurement	RFP issued	Projects 1, 5, 6, 12, 13, 14, 19, 21, 22, 23 quotes requested
17	Main Contract	Contract negotiation	Project 6 - Contract ready for closed tender process Project 23 - Contract Management contract being drafted

Programme costs commentary	
18	Limited expenditure to date, Project 1 - one site commenced early due to contractor availability Order placed for backflow manifolds Project 15 - Recruitment options being scoped
19	Spend on track, some overspend on wastewater pump renewals due to increased complexity of the renewal. Overspend on backflow preventors due to allocation of contractors claims, will be corrected with new backflow installation contract. Actuals will also be corrected once final claim is processed under old contract.

Reform funding commentary	
20	N/A
21	N/A

Scope and Progress commentary commentary	
22	Project 1 commenced Project 2, 3, 16, and 17 scoping work nearly completed Project 4 Scoping work commenced, meeting with consultant 11 Feb Project 5 and 14 lifting gear scoped and to be trialled Project 6 Supply of backflow manifolds secured, contract to tender. Project 8 Consent conditions being verified with Waikato Regional Council. Projects 10 and 11 procurement for Mokau WTP upgrade approved required to commence Project 12 Scope change from physical works at Mokau to design and planning for all schemes. Project 13 and 19 scoping and design consultant on site February. Project 20 two consultants engaged, Contract Manager contract being drafted. Project 21 scoping completed, contract being drafted. Project 22 scoping completed, quotes being received.
23	General media release on the \$3.5M funding for 3 waters, Published in Waitomo News on Thurs 17/12/2020 General media release for upcoming backflow installation to announce awarding of contract and commencement date. Scope of work confirmed for project 15 - recruitment to commence

Quarter 2 (April 2021) Update

Top 5 Risks and Contractor Claims			
Risk Name	Risk Level	Commentary	
1	Completion of programme by 31 March 2022	High	Dependant on risks below
2	Internal staff capacity	Medium	Recruitment successful for Treatment Plant Technician, Environmental Technician, Network Engineer. Successful contractor recruitment for Project/Contract management, data
3	Contractor and goods availability	High	Accuflo Manifolds delivery not met due to supply issue, smaller weekly deliveries secured. Close monitoring of supply required. Capacity issues for specialist contractors causing delay, has not impacted completion dates.
4	Unforeseen expenditure	Medium	Increased pricing of plant and equipment - reduced additional monitoring and critical spares project outputs.
5	Poor contractor performance	Low	Contract templates including specific requirements for 3 Waters reform programme in place. Any procurement exemptions approved by Tender Submission Committee.
6	Health and Safety procedures not followed	Low	Procurement policy includes Health Safety requirements. Contract/Project Management contract in place to conduct H+S audits on site.

Conditions agreed upon in delivery plan		
Condition	Commentary	
7	Consult with other Councils on SCADA	Knowledge base increasing from work with SCADA forum. Baseline document and the upgrade will be discussed with SCADA specialist made available through forum.
8	Condition [i.e. consult on water meters]	[Commentary]
9	[Condition]	[Commentary]
10	[Condition]	[Commentary]
11	[Condition]	[Commentary]

Pre-work commencement status		
Roadblock	Status	Commentary
12	RMA	[Select] [Commentary]
13	Building Consent	[Select] [Commentary]
14	Other Consents (i.e. CARs, iwi, Heritage)	[Select] [Commentary]
15	Design	Underway Project 10 - Mokau upgrade - hydraulic modelling in progress Project 12 - Reticulation design and planning - design drawings phase 1 completed Projects 13 + 19 Scoping report completed, suppliers to provide quotes Project 4 - Scoping work extended, baseline document in progress
16	Procurement	RFP issued Projects 3 + 16 equipment priced, installation to be provided Projects 1 and 22 - phase 2 and 3 sites quoted. Project 14 - equipment ordered due April, alterations scoped Project 5 - prices received
17	Main Contract	Contract negotiation Project 6 - Backflow installation tender evaluation delayed due to probity checks Project 23 - Contract Management agreement signed. Project 21 - staff to commence training week of 20 April

arterly commenta

Programme costs commentary	
18	Project under spend compared to forecast: Project 20 - delay with securing contractor for project/contract management. Project 21 - Unsuccessful recruitment resulting in a delay to start date, staff to be provided via contractor, full production date pushed out. Project 6 - Contract yet to be awarded through closed tender process, delays relating to internal capacity, probity being worked through currently. Commencement date for physical works moved to May 2021. Delay in supply of manifolds reduced expected expenditure for this quarter.
19	LTP spend tracking well overall some delay in spending due to internal capacity and scoping of SCADA. Forecasted spend moved further out for water security - project 1 (works completed invoice to be issued) and SCADA upgrades.

Reform funding commentary	
20	Request submitted to allocate funding from project 15 to Taituara SOLGM phase 2 Preparation for Water Reform costs
21	[Commentary]

Scope and Progress commentary commentary	
22	Works in progress - fencing, track repair, asset data collection devices and process in place, manifolds in stock, generator report completed, design and planning for reticulation, hydraulic modelling, contract templates for all suppliers/contractors completed. Project/Contract umbrella agreement signed. Delay with securing project /contract management and internal capacity issues resulting in moving forecasted spend of projects 3,16,8,12,17. Additional monitoring equipment pricing higher than budgeted, installation still to be priced, sites to be prioritised as number of sites may be reduced to fit budget. SCADA scoping work extended, extensive baseline document required - in progress, forecasted spend moved further out to accommodate.
23	Drafted media release for backflow installation project, final version and individual letters to be confirmed once contract awarded. Late April/early May release

Quarter 3 (July 2021) Update

Top 5 Risks and Contractor Claims			
Risk Name	Risk Level	Commentary	
1	Completion of programme by 31 March 2022	Medium	Adjustment to Delivery Plan, additional internal staff, awarding of a number of contracts, obtaining supplies has reduced the risk from high to medium as detailed below.
2	Internal staff capacity	Medium	Treatment Plant and Environmental technicians established in new roles. Network Engineer commenced Network assessments. Programme Delivery Manager commenced role. With the additional staff in and around the Waters Manifolds supply issue has been addressed with Accuflo. An additional 200 manifolds have been sourced bringing the stock levels up to 600 (50% of required numbers). Contractors have been engaged for Backflow installations, Asset Data collection, Sludge removal, SCADA/compliance analysis
3	Contractor and goods availability	Medium	SCADA project has additional expenditure for reporting software and compliance analysis. Due to reduced scope of this project these additions can be covered with existing project budget
4	Unforeseen expenditure	Medium	Backflow and asset data projects are being project managed by one contractor, this will ensure planning and delivery of both projects is optimised and efficiencies are to be gained by running both simultaneously. Monthly reporting
5	Poor contractor performance	Low	The majority of contractors engaged have SHE qual certification and have proven track record with previous or current contracts with WDC. WDC staff are currently undergoing H+S refresher workshops including specific contractor
6	Health and Safety procedures not followed	Low	

Conditions agreed upon in delivery plan		
Condition	Commentary	
7	Consult with other Councils on SCADA	SCADA project to reduce in scope to include reporting software and cloud data storage. Consultant engaged to cover gap analysis for compliance going forward.
8	Condition [i.e. consult on water meters]	Media release to reinforce message that manifold (with backflow preventers) installations do not include water meters.
9	[Condition]	[Commentary]
10	[Condition]	[Commentary]
11	[Condition]	[Commentary]

Pre-work commencement status			
Roadblock	Status	Commentary	
12	RMA	In Preparation	Consent could be required to remedy bank erosion at PioPio water intake. Request for evaluation logged with WRC, site visit may or may not be required.
13	Building Consent	[Select]	[Commentary]
14	Other Consents (i.e. CARs, iwi, Heritage)	[Select]	[Commentary]
15	Design	Completed	Mokau WTP installation designs completed. SCADA baseline report completed. Contractor engaged to assess compliance and monitoring requirements
16	Procurement	RFP closed	Back-up Generator prices received, evaluation (external) of suppliers completed. Equipment ordered for critical spares, pump renewals, lifting equipment, and additional monitoring WTP and WWTP
17	Main Contract	Construction started	Significant contracts underway: Asset data collection, Mokau WTP upgrade, Project and Contract Management Significant contracts commencing in July: Backflow installations and Sludge removal

Quarterly commentary

Programme costs commentary	
18	Spend is still tracking behind forecast due to the later than expected commencement of some larger projects (backflow, asset data, sludge removal, project/contract management) Also delays in equipment supply across a number of projects has reduced spend compared to forecast (pump renewals, manifolds, lifting equipment). Delays in design work for Mokau WTP has also caused spending to be pushed further out than originally forecasted. Due to internal staff capacity the additional monitoring and critical spares projects are also delivering later than forecasted.
19	LTP overall is slightly below budget, there are outstanding invoices for June that will be processed with the end of the FY and will be updated in the next quarterly report. Another main contributor is the Sludge removal in wastewater. Due to the delay in recruitment and being able to secure contracted staff there has been very limited sludge removal costs against the LTP budget. The backflow overspend will be processed through the end of FY journaling to allocate the installation costs only. Requests to carryover unspent budget into 21/22 FY will be considered, any increased 21/22 budgets will be updated in the next quarterly report.

Reform funding commentary	
20	Request to increase the budget for the back-up generator project due to higher than budgeted prices received. Additional \$154,000 Request submitted to remove track repair project (\$80,000) and reduce scope and budget (by \$74,000) of the SCADA project and allocate these funds to the Back-up generator project.
21	[Commentary]

Scope and Progress commentary	
22	Fencing project 3 sites completed, 2 remaining sites prepared. Equipment ordered for additional monitoring and critical spares for WTP and WWTP. SCADA report completed. Control Box no longer have capacity to install due to a recent vacancy so scope of SCADA project needs to be reduced. Contracts awarded for backflow installation installations to commence in July, additional manifolds secured. Mokau WTP upgrade, design and planning completed, site preparation underway. Assembly to begin in July and commissioned by late August. Reticulation planning continuing with assessing critical sites. Back-up generators all prices received, external report to assess options completed. Reduced scope to 7 sites due to prices being over budget, additional funding required to complete 7 sites. Procurement approval with Tender Sub-Committee. Sludge removal will commence in July, training to begin 17 July. WWTP pump station renewals due to commence August. Project and Contract Managers engaged for backflow and asset data projects, back-up generator installation and Piopio WTP improvements. Asset data collection commenced with water assets. Track repair project to be removed due to capacity to deliver, annual maintenance will be applied instead.
23	Media release on the backflow installations and the asset data collection to inform the public on the purpose of these projects and the contractors involved. General update on projects will be posted on the website alongside the Three Waters Reform information.

Quarter 4 (October 2021) Update

Top 5 Risks and Contractor Claims		
Question #	Risk Name	Commentary
1	Completion of programme by 31 March 2022	[Select risk] [Commentary]
2	Internal staff capacity	[Select risk] [Commentary]
3	Contractor and goods availability	[Select risk] [Commentary]
4	Unforeseen expenditure	[Select risk] [Commentary]
5	Poor contractor performance	[Select risk] [Commentary]
6	Health and Safety procedures not followed	[Select risk] [Commentary]

Conditions agreed upon in delivery plan	
Question #	Commentary
7	Consult with other Councils on SCADA [Commentary]
8	Condition [i.e. consult on water meters] [Commentary]
9	[Condition] [Commentary]
10	[Condition] [Commentary]
11	[Condition] [Commentary]

Pre-work commencement status		
Question #	Roadblock	Commentary
12	RMA	[Select] [Commentary]
13	Building Consent	[Select] [Commentary]
14	Other Consents (i.e. CARs, Iwi, Heritage)	[Select] [Commentary]
15	Design	[Select] [Commentary]
16	Procurement	[Select] [Commentary]
17	Main Contract	[Select] [Commentary]

Quarterly commentary

Programme costs commentary	
18	[Commentary on spend to date how its tracking to plan and explanations for under/over spend]
19	[Commentary on spend to date how its tracking to plan and explanations for under/over spend]

Reform funding commentary	
20	[Commentary]
21	[Commentary]

Scope and Progress commentary	
22	[Commentary on progress during period, i.e. consents gained, work done etc... Progress towards scope and any major changes to scope]
23	[Any major media announcements or upcoming opportunities for media announcements, with estimated timing i.e. commencement of major works or completion]

Question # Quarter 5 (January 2022) Update

Top 5 Risks and Contractor Claims

Question #	Risk Name	Risk Level	Commentary
1	Completion of programme by 31 March 2022	[Select risk]	[Commentary]
2	Internal staff capacity	[Select risk]	[Commentary]
3	Contractor and goods availability	[Select risk]	[Commentary]
4	Unforeseen expenditure	[Select risk]	[Commentary]
5	Poor contractor performance	[Select risk]	[Commentary]
6	Health and Safety procedures not followed	[Select risk]	[Commentary]

Conditions agreed upon in delivery plan

Question #	Condition	Commentary
7	Consult with other Councils on SCADA	[Commentary]
8	Condition [i.e. consult on water meters]	[Commentary]
9	[Condition]	[Commentary]
10	[Condition]	[Commentary]
11	[Condition]	[Commentary]

Pre-work commencement status

Question #	Roadblock	Status	Commentary
12	RMA	[Select]	[Commentary]
13	Building Consent	[Select]	[Commentary]
14	Other Consents (i.e. CARs, Iwi, Heritage)	[Select]	[Commentary]
15	Design	[Select]	[Commentary]
16	Procurement	[Select]	[Commentary]
17	Main Contract	[Select]	[Commentary]

Quarterly commentary

Programme costs commentary

18	[Commentary on spend to date how its tracking to plan and explanations for under/over spend]
19	[Commentary on spend to date how its tracking to plan and explanations for under/over spend]

Reform funding commentary

20	[Commentary]
21	[Commentary]

Scope and Progress commentary

22	[Commentary on progress during period, i.e. consents gained, work done etc... Progress towards scope and any major changes to scope]
23	[Any major media announcements or upcoming opportunities for media announcements, with estimated timing i.e. commencement of major works or completion]

Free Waters Stimult

Pre-work / Long term

Question # Final (March 2022) Update

Top 5 Risks and Contractor Claims

	Risk Name	Risk Level	Commentary
1	Completion of programme by 31 March 2022	[Select risk]	[Commentary]
2	Internal staff capacity	[Select risk]	[Commentary]
3	Contractor and goods availability	[Select risk]	[Commentary]
4	Unforeseen expenditure	[Select risk]	[Commentary]
5	Poor contractor performance	[Select risk]	[Commentary]
6	Health and Safety procedures not followed	[Select risk]	[Commentary]

Conditions agreed upon in delivery plan

	Condition	Commentary
7	Consult with other Councils on SCADA	[Commentary]
8	Condition [i.e. consult on water meters]	[Commentary]
9	[Condition]	[Commentary]
10	[Condition]	[Commentary]
11	[Condition]	[Commentary]

Pre-work commencement status

	Roadblock	Status	Commentary
12	RMA	[Select]	[Commentary]
13	Building Consent	[Select]	[Commentary]
14	Other Consents (i.e. CARs, Iwi, Heritage)	[Select]	[Commentary]
15	Design	[Select]	[Commentary]
16	Procurement	[Select]	[Commentary]
17	Main Contract	[Select]	[Commentary]

Quarterly commentary

Programme costs commentary

18	[Commentary on spend to date how its tracking to plan and explanations for under/over spend]
19	[Commentary on spend to date how its tracking to plan and explanations for under/over spend]

Reform funding commentary

20	[Commentary]
21	[Commentary]

Scope and Progress commentary

22	[Commentary on progress during period, i.e. consents gained, work done etc... Progress towards scope and any major changes to scope]
23	[Any major media announcements or upcoming opportunities for media announcements, with estimated timing i.e. commencement of major works or completion]

Three Waters Stimulus Funding - LTP information collection

LTP information				Actual LTP Spend																		
		FY19/20	FY20/21	FY21/22	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	
		Actual	Plan	Plan																		
Water Supply																						
Potable water mains / pipes upgraded / renewed or new	\$NZ'm	0.02	0.18	0.19	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.01										
Water pipe inspections	\$NZ'm	0.00	0.00	0.00																		
Leak detection	\$NZ'm	0.00	0.00	0.00																		
Water Treatment Plant upgrades	\$NZ'm	0.12	0.43	0.06	0.05	0.03	0.00	0.17	0.03	0.00	0.00	0.12										
Pump station upgrades	\$NZ'm	0.00	0.00	0.00																		
Bore upgrades	\$NZ'm	0.00	0.00	0.00																		
New water source added	\$NZ'm	0.00	0.00	0.00																		
Raw water storage	\$NZ'm	0.00	0.00	0.00																		
Treated water storage (refurbished or new)	\$NZ'm	0.00	0.00	0.00																		
Boundary backflow preventors	\$NZ'm	0.08	0.06	0.06	0.05	0.03	0.00	0.00	0.03	0.00	0.02	0.01										
Water meters installed	\$NZ'm	0.00	0.00	0.00																		
Water filling station	\$NZ'm	0.00	0.00	0.00																		
Water security / fencing	\$NZ'm	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00										
Other	\$NZ'm	0.00	0.00	0.00																		
Total Water Supply		0.22	0.68	0.30	0.19	0.06	0.00	0.17	0.06	0.01	0.02	0.13	-	-	-	-	-	-	-	-	-	-
Wastewater																						
Wastewater pipes upgraded / renewed or new	\$NZ'm	0.00	0.00	0.00																		
Wastewater pipe inspections	\$NZ'm	0.00	0.00	0.00																		
Sludge removal from ponds #	\$NZ'm	0.01	0.06	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00										
Pump station upgrades	\$NZ'm	0.04	0.01	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00										
Wastewater Treatment Plant upgrades	\$NZ'm	0.04	0.04	0.01	0.01	0.00	0.00	0.01	0.00	0.00	0.00	0.00										
Other	\$NZ'm																					
Total Wastewater		0.09	0.10	0.08	0.02	0.00	-	0.02	0.01	-	0.00	0.00	-	-	-	-	-	-	-	-	-	-
Storm																						
Stormwater pipe inspections	\$NZ'm	0.00	0.01	0.00																		
Stormwater pipes upgraded / renewed or new	\$NZ'm	0.03	0.13	0.13	0.01	0.00	0.00	0.01	0.04	0.00	0.00	0.00										
Stormwater treatment	\$NZ'm	0.00	0.00	0.00																		
Other	\$NZ'm																					
Total Storm		0.03	0.13	0.13	0.01	0.00	-	0.01	0.04	-	0.00	0.00	-	-	-	-	-	-	-	-	-	-
Other																						
Asset data and GIS improvements/update/maintenance	\$NZ'm	0.00	0.00	0.02																		
SCADA upgrades or new	\$NZ'm	0.01	0.07	0.03	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00										
Hydraulic modelling of network	\$NZ'm																					
Strategy Study or Report	\$NZ'm																					
Co-ordination initiatives undertaken	\$NZ'm																					
Preparation for Reform	\$NZ'm																					
Programme management	\$NZ'm																					
Total Other		0.01	0.07	0.04	-	0.03	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	\$NZ'm	0.35	0.98	0.55	0.21	0.09	0.00	0.20	0.11	0.00	0.03	0.13	-	-	-	-	-	-	-	-	-	-
											0.61	63%										

Document No: A543381

Report To: Audit, Risk and Finance Committee



Meeting Date: 17 August 2021

Subject: Progress Report: WDC Resource Consents – Compliance Monitoring

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to brief Council on compliance reporting against Resource Consent conditions.

Risk Considerations

- 2.1 This is a progress report only, and as such no risks have been identified in regard to the information contained in this business paper.

Commentary

- 3.1 WDC is required to report on resource consent compliance to Waikato Regional Council (WRC) in accordance with the conditions that regulate the various resource consents held by WDC.
- 3.2 The following tables set out details of the compliance reporting requirements for WDC's resource consents.

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RESOURCE CONSENT	REPORT DUE
Monthly	
No. 116844 - Benneydale Water Treatment Plant Condition 9 (Surface Water Take)	Monthly
No. 117290 - Piopio Wastewater Treatment Plant Condition 26 (Discharge)	Monthly
No. 140685 - Rangitoto Quarry Landfill, William Street, Te Kuiti Condition 65 - Ring Drain	Monthly
No. 140685 - Rangitoto Quarry Landfill, William Street, Te Kuiti Condition 66 – SW2	Monthly
Quarterly	
No. 112639 - Te Kuiti Wastewater Treatment Plant Conditions 7 to 19 (Discharge) Condition 30 (Reasonable Mixing)	December, March, June, September
No. 140685 - Rangitoto Quarry Landfill, William Street, Te Kuiti Condition 66 – SW1, SW2, SW3	February, May, August, November
No. 140685 - Rangitoto Quarry Landfill, William Street, Te Kuiti Condition 72 – SW – Ring Drain & Groundwater	February, May, August, November
Six Monthly	
No. 133317 - Te Kuiti Water Treatment Plant Condition 11 (Water Take)	January/July
No. 118813 - Benneydale Wastewater Treatment Plant Condition 16 to 23	January/July
No. 117945 - Benneydale Water Treatment Plant (Backwash)	April/October
No. 140685 - Te Kuiti Landfill (William Street) Condition 63 and 14 DH2/3/4/7 (Oct to March, April to Nov)	May/November

File 1 - Page 128

RESOURCE CONSENT	REPORT DUE
No. 107477 - Piopio Water Treatment Plant Conditions 6 and 9 (Water Take) (Nov-April, May-Oct)	May/November
No. 107478 - Piopio Water Treatment Plant (Backwash) (Nov-April, May-Oct)	May/November
No. 140685 - Rangitoto Quarry Landfill, William Street, Te Kuiti Condition 62 - LEACHATE	June/November
Annual	
No. 118813 - Benneydale Wastewater Treatment Plant Condition 26 (Discharge to Land and Water)	31st March
No. 120340 - Mokau Closed Landfill Condition 3, 6 & 10	Monitoring Ceased by mutual agreement with WRC (11/2017)
No. 113038 - Te Kuiti Water Treatment Plant Conditions 1 & 2 (Ground Water Take)	1st of May
No. 105054/55/56/57/58/59/60 - Waitomo Stormwater Schedule A (22) Conditions 4,5 & 6	31st May
No. 105054 - Te Kuiti Stormwater Condition 6	31st May
No. 116274 - Benneydale Water Treatment Plant Conditions 2, 3, 4 & 7 (Groundwater Take)	1st of June
No. 113544 - Mokau Water Treatment Plant (Water Take)	July
No. 113545 - Mokau Water Treatment Plant (Backwash)	July
No. 140685 - Rangitoto Quarry Landfill, William Street, Te Kuiti Annual Report Condition 71.	1st September
No. 140685 - Rangitoto Quarry Landfill, William Street, Te Kuiti Annual Report Consents 78 Independent Peer Reviewer	1st October

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RESOURCE CONSENT	REPORT DUE
No. 120048 - Te Kuiti Wastewater Treatment Plant Condition 6 (Groundwater b1 to b7)	September 30 th
No. 112639 - Te Kuiti Wastewater Treatment Plant Condition 20 (Discharge)	September 30 th
No. 103287, 103288 and 103289 - Te Kuiti Walker Road - Closed Landfill Discharge to Land, Air and Divert (Nov, Jun)	November (<i>within two months of sampling</i>)
No. 103193 - Benneydale Closed Landfill SH30 Conditions 2, 3 and 5 No. 103194 - Conditions 2 and 3	Monitoring Ceased by mutual agreement with WRC (08/2018)
No. 103196 - Piopio Closed Landfill Condition 2, 3 and 4	Monitoring Ceased by mutual agreement with WRC (08/2018)
No. 103198 - Aria Closed Landfill Conditions 2 and 4	Monitoring Ceased by mutual agreement with WRC (08/2018)
Biennial	
No. 117290 - Piopio Wastewater Treatment Plant Condition No 7 and 9 (Discharge) (Operations and Management)	September 2014, 2016, 2018, etc.
No. 112639 - Te Kuiti Wastewater Treatment Plant Condition 24	June 2015 (<i>and every two years after</i>)
No. 118813 - Benneydale Wastewater Treatment Plant Condition 27 (Management Plan Review)	from 2010 every two years
Other	
No. 112639 - Te Kuiti Wastewater Treatment Plant Condition 28 (after 3 years Fish Passage/Migration Barrier Assessment)	Monday, 18 December 2017 (<i>Work in progress</i>)

3.3 The following Resource Consent Compliance Reports have been made to WRC:

1. AUTH118813.01.01 – Maniaiti/Benneydale Wastewater Treatment Plant

Activity Description	Discharge up to 85 cubic metres per day of treated municipal wastewater on to land on a seasonal basis or discharge to the Mangapehi Stream
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Reporting period: 1 January 2020 to 31 December 2020

Compliance status: High Level of Compliance

WDC Reference: Maniaiti/Benneydale WWTP Discharge – Condition 26 – 1 January 2020 to 31 December 2020 Annual Report (A519378).

2. AUTH116844.01.01 – Maniaiti/Benneydale Water Treatment Plant

Activity Description	Take up to 180 cubic metres per day of water from an unnamed tributary of the Mangahepi Stream for Benneydale water supply purposes
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a. **Reporting period:** April 2021

Compliance status: Full Compliance

WDC Reference: WRC Report 11684 Mainaiti/Benneydale WTP – Surface water take – April 2021 (A525382)

b. **Reporting period:** May 2021

Compliance status: High Level of Compliance

WDC Reference: WRC Report 11684 Mainaiti/Benneydale WTP – Surface water take – May 2021 (A529768)

c. **Reporting period:** June 2021

Compliance status: Full Compliance

WDC Reference: WRC Report 11684 Mainaiti/Benneydale WTP – Surface water take – June 2021 (A529768)

3. AUTH117290.01.01 – Piopio Wastewater Treatment Plant

Activity Description	Discharge up to 135.4 cubic metres of treated municipal sewage in any 24-hour period from the Piopio Wastewater Treatment System to the Mokau River
----------------------	---

a. **Reporting period:** March and April 2021

Compliance status: High Level of Compliance

WDC Reference: WRC Report 117290 Piopio WWTP Discharge March and April 2021 (A526915).

Faecal Coliform and Total Ammoniacal Nitrogen exceedances

- Faecal coliform and total ammoniacal nitrogen parameters were above trigger limits during March 2021.

- This was due to pumps and sequence valves failures which contributed to reduced treatment efficiency. This was detected during routine maintenance and identified several pumps and sequence valves needed replacing.
- 2 complaints/service requests were received (Request no. 211666 and 212823) related to the septic tanks on individual properties, which was attended to and solved in due time. No complaints due to the Wastewater Treatment Plant site itself or the effluent discharge outlet were received.

Remedial actions

- Weekly maintenance and cleaning of UV System and Pods resume as per April 2021.
- New pumps have been ordered and replacement is due during the last week of May 2021.
- Sequence valves have been replaced.
- InnoFlow is currently performing the maintenance of the septic tanks on individual properties, after this is completed, an assessment on the plant will be performed.
- A Treatment Plant Technician has been recruited and started in May 2021 to support and increase the capacity of the operations team.

b. **Reporting period:** May and June 2021

Compliance status: High Level of Compliance

WDC Reference: WRC Report 117290 Piopio WWTP Discharge May and June 2021 (A541249).

- Total ammoniacal nitrogen parameters were above trigger limit during May and June 2021, however the sequence valves have now been replaced accordingly.
- Regular testing of ammoniacal nitrogen has been undertaken during July 2021 since the sequence valves were replaced with positive results recording below the consented trigger limit.
- Weekly maintenance and cleaning of UV System and Pods are currently being undertaken by Council's Treatment Plant Technicians.
- Access to the Three Waters funding has been sourced and allocated to the Piopio Wastewater Treatment Plant upgrades.
- All recruitment for Treatment Plant Technicians have been completed, with a fully functional team.

4. **AUTH107477.01.02 – Piopio Water Treatment Plant**

Activity Description	Take up to 165,929 cubic metres per year of water from the Kuratahi Stream for municipal water supply purposes
----------------------	--

Reporting period: 1 January 2021 to 30 June 2021

Compliance status: High Level of Compliance

WDC Reference: 107477 – Piopio WTP six monthly compliance report – 1 Jan to 30 June 2021 (A534231).

- There was one exceedance of the daily take limit on 22 February 2021. This was in relation to reported water leaks around Piopio between 17 February and 22 February. As a result of the leaks, service request no. 211138 was raised on 23 February and immediately rectified by an external contractor on 24 February.
- There were no exceedances to the yearly water take allowance being 165,929 cubic metres.

5. AUTH133317.01.01 – Te Kuiti Water Treatment Plant

Activity Description	To take water from the Mangaokewa Stream for domestic and municipal water supply purposes
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Reporting period: 1 January 2021 to 30 June 2021

Compliance status: High Level of Compliance

WDC Reference: WRC Report 133317 TKWTP Water Take Condition 11 January 2021 to June 2021 (A541809).

- The telemetry system set up in liaison with Waikato Regional Council has stopped reporting automatically since July 2020.
- Follow up communication with Waitomo District Council's service provider is ongoing and a service request has been lodged with Waikato Regional Council to investigate the issue within their FTP system. In accordance with condition 11 of this consent, water take reports will be sent to WRC until telemetry is fully functional.

Suggested Resolution

The Progress Report: WDC Resource Consents – Compliance Monitoring be received.



TONY HALE
GENERAL MANAGER – INFRASTRUCTURE SERVICES

Document: A553211

Report To: Audit, Risk and Finance Committee



Date: 17 August 2021
Subject: **Progress Report: Health and Safety**
Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to brief the Committee on Waitomo District Council's (WDC) health and safety performance.

Background

- 2.1 Everyone has a health and safety responsibility. Workers are required to follow procedures and work safely using resources provided. Management are responsible for providing fit for purpose resources, supervision, information and monitoring performance to ensure risks are being effectively managed. The Senior Management Team and Elected Members are responsible for having an understanding of the critical risks and ensuring these are being effectively managed, ensuring the provision of resources, tools, information and education for workers to be safe and healthy at work.
- 2.2 WDC has elected to adopt the Waikato Local Authority Shared Services (LASS) Health and Safety Framework. The Framework has been adopted by the Waikato LASS Board.
- 2.3 The Framework consists of several documents covering the essential components of managing health and safety in the workplace, e.g. risk management, contractor management, event reporting and investigation.
- 2.4 The Audit, Risk and Finance Committee receive regular Progress Reports to inform and provide visibility of WDC's health and safety performance.

Commentary

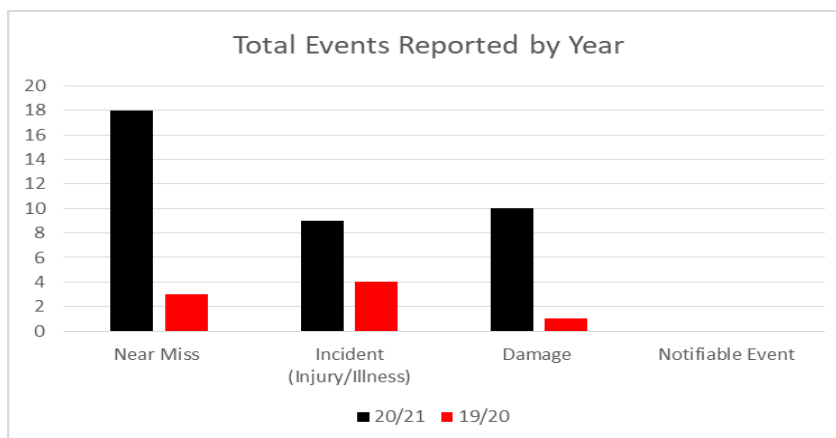
3.1 LEADERSHIP COMMITMENT

- 3.2 Management is committed to ensuring health and safety is managed effectively. Support and guidance is provided, to influence our people to actively participate in health and safety, develop processes to manage health and safety and monitor levels of compliance.
- 3.3 The Waikato LASS Health and Safety Framework has been implemented and underlying Desk Files developed to support the Framework. A range of in-house training and education sessions have been held with staff. Desk files include:
 - Contractor Management
 - Audits and Inspections
 - Event Reporting and Investigations
 - Roles and Responsibilities
 - Worker Engagement
 - Risk Management
 - Health Monitoring
 - Personal Protective Equipment (training, procurement, issue, register)
 - Injury Management and Rehabilitation
 - Training and Competency (inductions, assessments, register, providers)

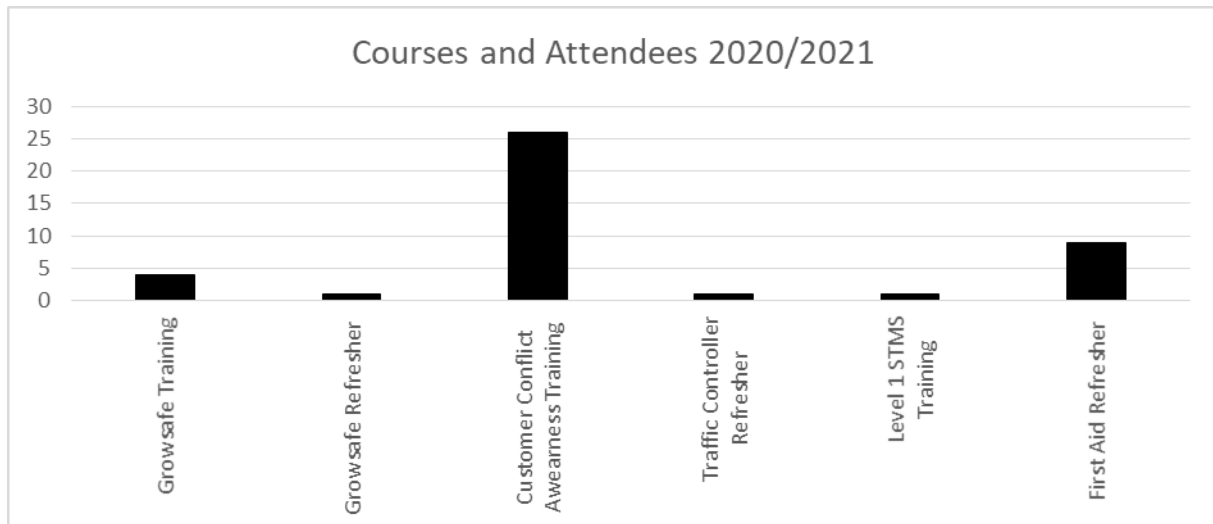
- 3.4 Management need to demonstrate their commitment to health and safety, engage in health and safety conversations with staff, feedback to staff on health and safety matters and obtain assurances that contractors and staff are using safe work practices. This includes using the right tools/equipment for the task and compliant plant/machinery. While site inspections have increased in recent months, this continues to be a focus area.
- 3.5 The WDC Health and Safety Annual Plan has been developed for the 2021/2022 year. Key performance indicators, aligned to the Plan, will be reported to the Committee each quarter (refer Attachment 1).

3.6 WORKER ENGAGEMENT PARTICIPATION AND REPRESENTATION

- 3.7 In line with the Worker Participation and Representation Regulations, a Health and Safety Representative (HSR) re-election occurred in June 2021, providing opportunities for staff to nominate HSR's. This has resulted in three new members joining the Health and Safety Committee.
- 3.8 To support and encourage worker participation and representation WDC continues to maintain an active Health and Safety Committee. The Committee consists of elected Health and Safety Representatives (HSR's) from Business Support, Community Services, Infrastructure Services (x2), Strategy and Environment, a Senior Management Representative and the Health and Safety Administrator.
- 3.9 The Health and Safety Committee meetings are scheduled to occur monthly. Operational matters can be raised, and improvements discussed, agreed and implemented. Meeting actions are recorded in the Health and Safety Action Plan to monitor progress and close off.
- 3.10 Formal worker consultation processes have been implemented as part of the development of a suite of Desk Files outlining processes for managing all aspects of health and safety. HSR's and relevant staff have been engaged to review and provide input/feedback for consideration. This is a beneficial process in getting buy-in from staff who are required to implement the process. Positive feedback has been received from staff.
- 3.11 As a result of an active focus to promote near-miss reporting, an increase in reporting has been achieved during 2020/2021. This will continue to be encouraged, enabling WDC to identify preventative actions rather than corrective actions.



- 3.12 Several formal training courses have been attended during 2020/2021 to ensure compliance is maintained and to provide tools and education to frontline workers in dealing with aggressive members of public. Refer table below.
- 3.13 In-house delivered Health and Safety Workshops commenced in June 2021 with 60 staff attending the Event Reporting and Investigation Workshop.
- 3.14 Further in-house Workshops will be held over the next six months.



3.15 **RISK MANAGEMENT**

- 3.16 New Risk Registers have been developed and rolled out to each relevant area for review and input into risk assessments. The registers have been developed to align with the organisational risk register.
- 3.17 Risk Registers include a Generic Risk Register covering risks relevant to all areas and all staff at WDC, and Group Risk Registers covering risks applicable to Group operational activities and workplaces.
- 3.18 The top five risks that have previously been identified by Management remain unchanged:
- 1 **Working Alone** – Lone worker devices are in place, and monitored to provide staff with security/support, all hours. Vehicle monitoring devices (Smartrak) are installed in vehicles to provide vehicle location (in cell network coverage areas only).
 - 2 **Contractor Management** – The SHE Pre-Qualification used by WDC provides an assurance that contractors are managing health and safety. The undertaking to complete site safety inspections on contractor worksites remains a focus area.
 - 3 **Confined Spaces** - Training is current. A Job Safety Analysis and permit system has been set up for staff to use when planning a confined space entry. Site safety inspections are required during this activity to ensure safe work practices and procedures are being followed.
 - 4 **Aggressive Behaviour** – Training for customer facing roles occurred in May/June 2021. Lone worker devices are provided to all front facing staff. Any aggressive behaviour is recorded as a near miss and investigated.
 - 5 **Driving and Vehicle Usage** – Driver training has been delivered to those staff who drive off-road and for those who tow trailers.
- 3.19 WDC's COVID-19 Response Plans remain actively in place and reviewed as required.

Continuous Improvement - Looking forward to 2021/2022

- 4.1 Approved Fire Evacuation Schemes are in place for Treatment Plants where the quantities of hazardous substances meet the threshold.
- 4.2 Completion of rollout of Desk Files and educational Workshops for the Waikato LASS Health and Safety Framework. Ongoing implementation.
- 4.3 Quarry operations – due diligence.
- 4.4 Support and encourage a continued increase in site safety inspections and near miss recording.
- 4.5 Implementation of the WDC Health and Safety Annual Plan 2021/2022.

Suggested Resolution

The Progress Report: Health and Safety be received.



HELEN BEEVER
GENERAL MANAGER – COMMUNITY SERVICES

August 2021

Attachment:

1. Health and Safety Annual Plan 2021/2022

File 1 - Page 137

VISION: Encouraging health and safety leadership and participation to support a vibrant organisation

The Senior Management Team (SMT) are committed to providing a safe and healthy work environment. As part of this commitment SMT will lead health and safety by ensuring the delivery of this Plan.

OUR COMMITMENT – we will

- | | |
|--|---|
| <ul style="list-style-type: none">• Provide a safe and healthy work environment | <ul style="list-style-type: none">• Demonstrate commitment and create a positive culture |
| <ul style="list-style-type: none">• Ensure all hazards/risks are effectively managed | <ul style="list-style-type: none">• Be held accountable for health and safety organisational wide |
| <ul style="list-style-type: none">• Recognise behavioural and safety excellence | <ul style="list-style-type: none">• Provide a safe environment for our customers and community |

GOALS – we will


- | | |
|--|---|
| <ul style="list-style-type: none">• Ensure our people go home safe and well everyday | <ul style="list-style-type: none">• Ensure management demonstrate their commitment |
| <ul style="list-style-type: none">• Have systems and processes in place that meet legislative requirements | <ul style="list-style-type: none">• Ensure hazards are identified and risks are managed effectively |
| <ul style="list-style-type: none">• Empower our people to actively participate in health and safety | <ul style="list-style-type: none">• Consult with our people on health and safety matters |

OBJECTIVES – we will

- | | |
|---|--|
| <ul style="list-style-type: none">• Implement the Waikato LASS regional health and safety framework | <ul style="list-style-type: none">• Educate our people on the new health and safety management processes |
| <ul style="list-style-type: none">• Monitor health and safety performance onsite and in the workplace | <ul style="list-style-type: none">• Identify and share learnings |
| <ul style="list-style-type: none">• Engage with workers on health and safety matters affecting their role | <ul style="list-style-type: none">• Encourage management to engage in health and safety conversations |

MEASURES – we will

- | | |
|--|---|
| <ul style="list-style-type: none">• Develop desk files/forms for Waikato LASS framework | <ul style="list-style-type: none">• Deliver workshops to communicate new health and safety processes |
| <ul style="list-style-type: none">• Complete annual workplace inspections and monthly worksite inspections | <ul style="list-style-type: none">• Investigate all events and communicate learnings/preventative actions |
| <ul style="list-style-type: none">• Implement a documented consultation process | <ul style="list-style-type: none">• Record management health and safety conversations |

Document No: A562315	
Report To: Audit, Risk and Finance Committee	
	Meeting Date: 17 August 2021 Subject: Motion to Exclude the Public for the Consideration of Council Business

Purpose

- 1.1 The purpose of this business paper is to enable consideration as to whether or not the public should be excluded from the consideration of Council business.
- 1.2 The Committee may choose whether or not to consider any of the items in the public or public excluded portion of the meeting.

Commentary

- 2.1 Section 48 of the Local Government Official Information and Meetings Act 1987 gives the right, by resolution, to exclude the public from the whole or any part of the proceedings of any meeting, only on one or more of the grounds contained within that Section.

Suggested Resolutions

- 1 The public be excluded from the following part of the proceedings of this meeting.
- 2 The general subject of each matter to be considered while the public is excluded and the reason for passing this resolution in relation to each matter, as specified by Section 48(1) of the Local Government Official Information and Meetings Act 1987 are 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) for the passing of this resolution
1. Presentation – King Country Indoor Sport and Recreation Centre – Steering Group	Section 7(2)(c)(i) – To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 48(1)(a)(1)
2. Bank Deposit – 8 June 2021	Section 7(2)(a) To protect the privacy of natural persons, including that of deceased natural persons	Section 48(1)(a)(1)

- 3 Council agree the following staff, having relevant knowledge to assist in the consideration of the items of business to be public excluded, remain in attendance to assist the Committee with its decision making:

Staff Member	Reason for Remaining in Attendance
Chief Executive	Council CEO
Manager – Governance Support	Committee Secretary
General Manager – Community Services	Business Paper Author
General Manager – Business Support	Business Paper Author

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



MICHELLE HIGGIE
MANAGER – GOVERNANCE SUPPORT