

Document No: A479923

Report To: Audit and Risk Committee



Meeting Date: 11 August 2020

Subject: Declaration of Members' Conflicts of Interest

Purpose of Report

- 1.1 The purpose of this business paper is for elected members to –
- 1 Declare interests that may create a 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 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 elected 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 elected member must provide the following information relating to the Declaration:

Name:	
Item of Business on the Agenda:	
Reason for Declaration:	
Is this Declaration – <ul style="list-style-type: none">• Interest Only• Conflict of Interest	



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 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 – 23 February 2013

4.1 The following is an extract from the Procurement Policy:

2.1.11 Conflicts of Interest

WDC procurement process will be conducted with a spirit of probity demonstrating:

- *integrity;*
- *honesty;*
- *transparency;*
- *openness;*
- *independence;*
- *good faith; and*
- *service to the public.*

A conflict of interest occurs where:

A member's or official's duties or responsibilities to Council could be affected by some other interest or duty that the member or official may have.

The other interest or duty might exist because of:

- *holding another public office;*
- *being an employee, advisor, director, or partner of another business or organisation;*
- *pursuing a business opportunity;*
- *being a member of a club, society, or association;*
- *having a professional or legal obligation to someone else (such as being a trustee);*
- *owning a beneficial interest in a trust;*
- *owning or occupying a piece of land;*
- *owning shares or some other investment or asset;*
- *having received a gift, hospitality, or other benefit from someone;*
- *owing a debt to someone;*
- *holding or expressing strong political or personal views that may indicate prejudice or predetermination for or against a person or issue ; or*
- *being a relative or close friend of someone who has one of these interests, or who could otherwise be personally affected by a decision of Council*

A relative or close friend includes:

- *For matters covered by the Local Authorities (Members' Interests) Act 1968, the interests of a spouse, civil union partner, or de facto partner must be considered.*
- *Generally, the interests of any relative who lives with the member or official (or where one is otherwise dependent on the other) must be treated as being effectively the same as an interest of the member or official.*
- *For other relatives, it will depend on the closeness of the relationship, but it will usually be wise not to participate if relatives are seriously affected*
- *Where Council's decision or activity affects an organisation that a relative or friend works for, it is legitimate to take into account the nature of their position or whether they would be personally affected by the decision.*

Examples of potential conflicts of interest include:

- *conducting business on behalf of Council with a relative's company;*
- *owning shares in (or working for) particular types of organisation that have dealings with (or that are in competition with) Council;*

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- *deliberating on a public consultation process where the member or official has made a personal submission (or from making submissions at all, in areas that directly relate to the entity's work);*
- *accepting gifts in connection with their official role; or*
- *influencing or participating in a decision to award grants or contracts where the member or official is connected to a person or organisation that submitted an application or tender.*

All elected members, WDC staff or advisers involved in a procurement process are required to declare any other interests or duties that may affect, or could be perceived to affect, their impartiality. WDC will then decide the steps necessary to manage the conflict, having regard to any relevant statutory requirements. WDC will maintain a register of declarations of conflicts of interest that records any conflicts of interest and how they will be managed.

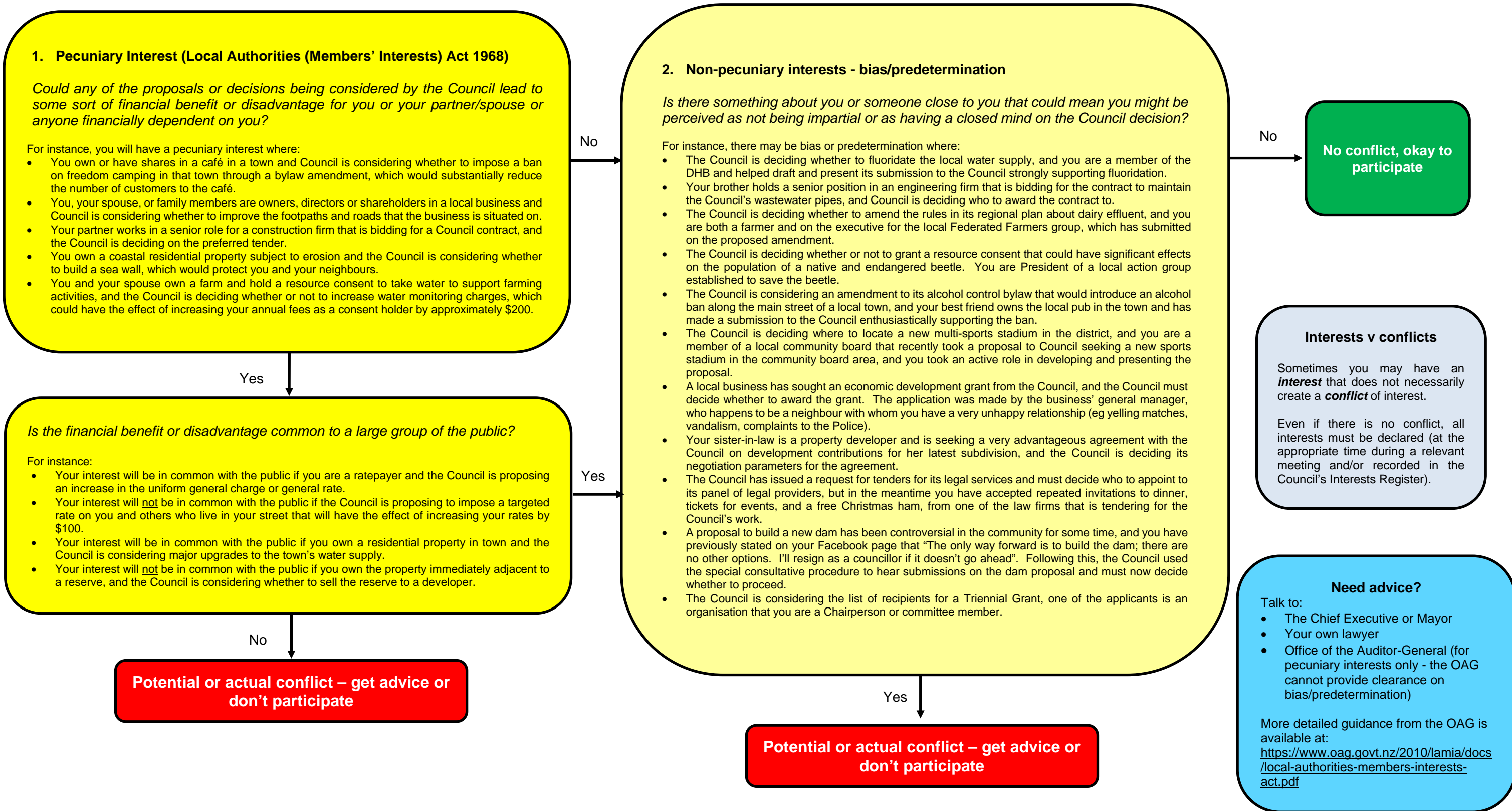
An annual update of the register will be coordinated and maintained by the Executive Office.

Under no circumstances will a procurement process allow as an outcome of that process a circumstance where Council elected members, WDC staff or advisers to receive preferential treatment.

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.



Remember: If in doubt, stay out!

WAITOMO DISTRICT COUNCIL AUDIT, RISK AND FINANCE COMMITTEE

MINUTES OF A MEETING OF THE WAITOMO DISTRICT COUNCIL AUDIT, RISK AND FINANCE COMMITTEE HELD VIA ZOOM ON TUESDAY 5 MAY 2020 AT 9.00AM

PRESENT:

VIA INDIVIDUAL ZOOM: Independent Chairperson Bruce Robertson, Mayor John Robertson, Deputy Mayor Guy Whitaker, Member Janene New

VIA ZOOM FROM THE COUNCIL CHAMBERS: Members Phil Brodie, Allan Goddard, Lisa Marshall and Sue Smith

IN ATTENDANCE:

VIA INDIVIDUAL ZOOM: Bruno Dente and Matthew Laing (Deloitte)
Manager – Governance Support, General Manager – Infrastructure Services (for part only) and General Manager – Community Services (for part only)

VIA ZOOM FROM THE COUNCIL CHAMBERS: Craig Rowlandson and Chris Hayward (Inframax Construction Ltd)
Chief Executive, General Manager – Business Support and Information Technology Administrator

1. Declarations of Member Conflicts of Interest

No declarations of conflicts of interests were made.

2. Confirmation of Minutes – 11 February 2020

Resolution

The Minutes of the Waitomo District Council Audit and Risk Committee meeting of 11 February 2020, including the Public Excluded minutes, be confirmed as a true and correct record.

B Robertson/J Robertson Carried

3. COVID-19 Alert Level 4 – Provision of Essential Services

The Committee considered a business paper providing a brief on the Waitomo District Council's response to the provision of Essential Services during the COVID-19 Alert Level 4 lockdown.

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

Resolution

The business paper on COVID-19 Alert Level 4 – Provision of Essential Services be received.

B Robertson/J New Carried

The General Manager – Infrastructure Services and General Manager – Community Service left the meeting at 9.20am.

Bruno Dente and Matthew Laing (Deloitte) entered the meeting via Zoom at 9.20am

4. Annual Report and Summary Annual Report 2019/20 – Appointment and Engagement of Auditor

The Committee considered a business paper:

1. Presenting the proposal to appoint an auditor to conduct the audit for the 2020, 2021 and 2022 financial years;
2. Presenting the Audit Engagement Letter (AEL) for the audit of the Annual Report and Summary Annual Report 2019/20 and;
3. Presenting a Draft Confirmation of Engagement letter to provide a Limited Independent Assurance Report (IAR) on certain matters in respect to the Debenture Trust Deed (DTD), and;
4. To obtain the Committee's approval for the signing of appointment and engagement letters.

The General Manager – Business Support, Bruno Dente and Matthew Laing (Deloitte) expanded verbally on the business paper and answered Members' questions.

The Chairperson requested the Executive to work with Deloitte in putting a proposal to the Auditor General requesting a reduced increase of 1.5% in year one, in lieu of COVID-19 impacts, and recommended that the proposal be accepted subject to investigating the reduced increase in year one.

Resolution

- 1 The business paper on Annual Report and Summary Annual Report 2019/20 – Appointment and Engagement of Auditor be received.
- 2 The Deloitte Audit Appointment letter be accepted as presented.
- 3 The Deloitte Audit Engagement Letter be accepted as presented.
- 4 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.

- 5 In accordance with the delegation contained in the Terms of Reference of the Audit, Risk & Finance Committee, the Chief Executive be delegated authority to sign on behalf of the Waitomo District Council –
- a) The Deloitte Appointment Letter; and
 - b) The Deloitte Audit Engagement Letter; and
 - c) 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 attached to the business paper.

G Whitaker/A Goddard Carried

5. Audit Plan and Timeline for the 2019/20 Annual Report

The Committee considered a business paper presenting the Deloitte Planning Report detailing the scope of the external audit of Council's 2019/20 Annual Report and the timeline.

Bruno Dente and Matthew Laing (Deloitte) expanded verbally on the business paper and answered Members' questions.

Resolution

- 1 The business paper Draft Audit Planning Report and Timeline for the 2019/20 Annual Report be received.
- 2 The proposed Audit Planning Report for 2019/20 be approved.

P Brodie/G Whitaker Carried

Bruno Dente and Matthew Laing (Deloitte) left the meeting at 10.00am.

6. Civic Financial Services Ltd - Annual Report 2019 and Statement of Intent 2020

The Committee considered a business paper:

- (a) Presenting the Annual Report for Civic Financial Services Limited for the year ended 31 December 2019, and
- (b) Presenting the Civic Financial Services Limited Statement of Intent for the ensuing year.

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

The Chief Executive also raised, for efficiency and cost reasons, attendance at the Civic Financial Services Limited Annual General Meeting in June and suggested that the Committee may wish to consider appointing a Proxy for Waitomo District Council.

Resolution

- 1 The business paper on Civic Financial Services Ltd Annual Report for the year ended 31 December 2019 and Statement of Intent for the Year ended 31 December 2020 be received.
- 2 The Civic Financial Services Ltd Annual Report for the year ended 31 December 2019 be received.
- 3 The Civic Financial Services Ltd Statement of Intent for the Year ended 31 December 2020 be received.
- 4 The Committee approve the Chief Executive appointing Basil Morrison, or such other appropriate person, as Proxy for the Waitomo District Council Proxy at the 2020 Civic Financial Services Ltd Annual General Meeting, noting that Waitomo District Council has no matters it wishes to be raised at the meeting.

L Marshall/G Whitaker Carried

7. Insurance Update Report for the Insurance Year to 31 October 2020

The Committee considered a business paper providing a brief on Council's 2019/2020 insurance arrangements currently in place.

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

Resolution

The business paper on the Insurance Update Report for the Insurance Year to 31 October 2020 be received.

B Robertson/S Smith Carried

The meeting adjourned at 10.42am for morning tea and reconvened at 10.52am.

8. Financial and Non-Financial Report to 31 March 2020

The Committee considered a business paper presenting the financial and non-financial results for the period ended 31 March 2020.

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

Resolution

The business paper on Financial and Non-financial Report for the period ended 31 December 2019 be received.

A Goddard/B Robertson Carried

9. Annual Review – Risk Register and Risk Management Implementation Plan for 2020/21

The Committee considered a business paper presenting the revised Risk Register (reviewed May 2020) and Risk Management Implementation Plan for 2020/21.

The Chairperson noted the time restriction on dealing with this matter at this meeting and the further impacts of COVID-19 on the Risk Management Plan and suggested deferral of the matter until the next meeting of the Committee.

Resolution

- 1 The business paper on Review of the Risk Register and Risk Management Implementation Plan for the 2020/21 year be received.
- 2 The Committee agreed to defer consideration of a revised Risk Management Implementation Plan for 2020/21 until the next meeting of the Committee in order to further address Covid-19 implications.

B Robertson/G Whitaker Carried

10. Local Government Funding Agency Changes to Foundation Policies

The Committee considered a business paper seeking approval to execute legal documents proposed by the Local Government Funding Agency which give effect to changes to the Agency's foundation policies and documents.

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

The Committee agreed to defer a decision on this business paper until after the Public Excluded part of this meeting to enable the General Manager – Business Support to confirm whether or not the Committee's Terms of Reference provide the Committee with delegated authority to execute the documents on Council's behalf.

Resolution

- 1 The business paper on Local Government Funding Agency Changes to Foundation Policies be received.
- 2 The Audit, Risk and Finance Committee recommend to Council the execution of the following Deeds which make changes to the Local Government Funding Agency foundation policies;
 - Amendment and Restatement Deed (Notes Subscription Agreement).
 - Amendment and Restatement Deed (Guarantee and Indemnity).
 - Amendment and Restatement Deed (Multi-issuer Deed).
- 3 Authority to execute the three Deeds is delegated to two elected members.

B Robertson/P Brodie Carried

11. 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 Committee agree the following staff, having relevant knowledge, remain in attendance to assist Council with its decision making:

Chief Executive
 Manager – Governance Support
 General Manager – Business Support
 Information Technology Administration

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

General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Section 48(1) grounds for this resolution
1. Inframax Construction Ltd - Half Annual Report to 31 December 2019	7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	48(1)(d)
2. Waitomo Village Waters – THL Wastewater Pipeline Project Information Proposal	7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	48(1)(d)
3. Waikato Local Authority Shared Services Ltd - Half-yearly Report to 31 December 2019	7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	48(1)(d)

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 or Section 6, Section 7 or Section 9 of the Official Information Act 1982 as the case may require are listed above.

B Robertson/G Whitaker Carried

12. Local Government Funding Agency Changes to Foundation Policies *(continued)*

The General Manager – Business Support confirmed that the Committee Terms of Reference do not provide delegated authority to the Committee to execute documents on Council's behalf and that the suggested resolutions should be amended to reflect a recommendation to Council to execute the documents.

Resolution

- 1 The business paper on Local Government Funding Agency Changes to Foundation Policies be received.
- 2 The Audit, Risk and Finance Committee recommend to Council the execution of the following Deeds which make changes to the Local Government Funding Agency foundation policies;
 - Amendment and Restatement Deed (Notes Subscription Agreement).
 - Amendment and Restatement Deed (Guarantee and Indemnity).
 - Amendment and Restatement Deed (Multi-issuer Deed).
- 3 The Audit, Risk and Finance Committee recommend to Council that authority to execute the three Deeds is delegated to two elected members.

B Robertson/P Brodie Carried

13. Consideration of Public Excluded Items for the purpose of making information Public following Council's decision taking

Resolution

Following consideration and decision taking of items of business with the public excluded, the Committee agreed that the following information be made public:

1 **Inframax Construction Ltd - Half Annual Report to 31 December 2019**

Council's Resolution only be made public as follows:

Resolution

- 1 *The business paper on Inframax Construction Limited - Half Annual Report to the 31 December 2019 be received.*
- 2 *The Inframax Construction Limited – Half Year Report to the 31 December 2019 be received.*

B Robertson/J Robertson Carried

Note: The business paper for this item is not made public for the reasons set out in Item 12 - "Motion to Exclude the Public" of these Minutes.

2 Waitomo Village Waters – THL Wastewater Pipeline Project Information

Council's Resolution only be made public as follows:

Resolution

- 1 *The business paper on Waitomo Village Waters – THL Project information Proposal for a pipeline to convey wastewater from Waitomo Village wastewater treatment plant to Te Kuiti wastewater treatment plant, be received.*
- 2 *The Audit, Risk and Finance Committee notes the THL project information proposal to Crown Infrastructure Partnerships for a pipeline to convey wastewater from Waitomo Village to the Te Kuiti wastewater treatment plant.*

S Smith/L Marshall *Carried*

Note: The business paper for this item is not made public for the reasons set out in Item 12 - "Motion to Exclude the Public" of these Minutes.

3 Waikato Local Authority Shared Services Ltd - Half-yearly Report to 31 December 2019

Council's Resolution only be made public as follows:

Resolution

- 1 *The business paper on Waikato Local Authority Shared Services Limited – Half Annual Report to the 31 December 2019 be received.*
- 2 *The Waikato Local Authority Shared Services Limited – Half Annual Report to the 31 December 2019 be received.*

A Goddard/G Whitaker *Carried*

Note: The business paper for this item is not made public for the reasons set out in Item 12 - "Motion to Exclude the Public" of these Minutes.

B Robertson/G Whitaker Carried

There being no further business the meeting closed at 1.12pm

Dated this day of 2019.

BRUCE ROBERTSON
INDEPENDENT CHAIRPERSON

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Document No: A468222

Report To: Audit and Risk Committee



Meeting Date: 11 August 2020

Subject: **Mastercard Expenditure Report
December 2019 - June 2020**

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 Authorisation Forms for the period December 2019 to June 2020.

Suggested Resolution

The Mastercard Expenditure Report for the period December 2019 to June 2020 be received.



MICHELLE HIGGIE

MANAGER – GOVERNANCE SUPPORT

Attachments: (1) Mastercard Authorisation Forms: December 2019 to June 2020
(2) Credit Card Policy (Doc A207793)



RECEIVED

BUSINESS MASTERCARD

06 DEC 2020

53 GALWAY STREET, AUCKLAND CITY, 1010

TAX INVOICE
GST NO. 93 259 688

WAITOMO DISTRICT COUNCIL

THE DIRECTOR
WAITOMO DISTRICT COUNCIL
P O BOX 404
TE KUITI

3941

Closing Date	Page
29/12/19	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
\$5000	✓ MS M D HIGGIE	0000 0030 2936 5933	724.80
\$5000	✓ MRS H M BEEVER	0000 0030 3956 2081	380.92
\$5000	✓ MR A M DUNCAN	0000 0030 6052 5296	25.00
\$5000	✓ MR A J HALE	0000 0030 6158 3906	1500.56
TOTAL CARDHOLDER LIMIT	\$20000	NET BALANCE	2631.28

WE ADVISE THAT \$2,631.28 WILL BE DIRECTLY CHARGED TO YOUR ACCOUNT
030449 0070201 00 ON 20/01/20, 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.

Mastercard Statement Authorisation Form

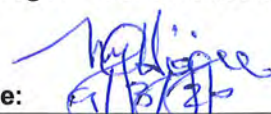
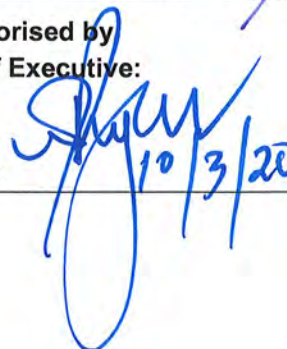
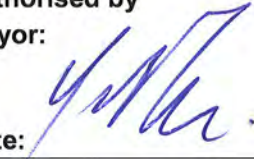


Name:	Michelle Higgle
Position:	Manager – Governance Support
Statement Date:	29 / 12 / 19

(1) Creditor:	NZ Transport Agency
Date:	28 November 2019
Amount:	\$724.80
GL Code:	820 27 761
Expenditure:	10,000km Road User Charges for 2015 Mitsubishi Triton (Rego JHR356)

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: 29/12/19</p>	<p>Authorised by Chief Executive:</p>  <p>Date: 10/3/20</p>	<p>Authorised by Mayor:</p>  <p>Date:</p>
--	---	--

Mastercard Statement Authorisation Form




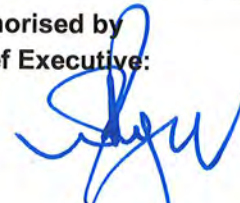
Name: Helen Beever
Position: General Manager – Community Services
Statement Date: 29 / 12 / 19

(1) **Creditor:** DM Jewellery Design
Date: 13 December 2019
Amount: \$374.12
GL Code: 111 40 700
Expenditure: End of Triennium Council Engraved Silver Tray Presentation - Brian Hanna



(2) **Creditor:** NZ Transport Agency
Date: 19 December 2019
Amount: \$6.80
GL Code: 820 27 727
Expenditure: Toll Road Payment, WDC Pool Vehicle HQC728

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: 10/3/2020

**Authorised by
 Chief Executive:**

Date: 10/3/2020

Mastercard Statement Authorisation Form

Name:	Alister Duncan
Position:	General Manager – Business Support
Statement Date:	29 / 12 / 19
(1) Creditor:	Benny Bee, Arataki Honey Ltd, 2490 State Highway 5, Rotorua
Date:	15 December 2019
Amount:	\$25.00
GL Code:	82027757
Expenditure:	Fuel for WDC Fleet Vehicle (Rego MGQ187 2019 Holden Equinox LTZ-V)
I certify that:	
<ol style="list-style-type: none"> 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: 9/3/20.	Authorised by Chief Executive:  Date: 10/3/20

Mastercard Statement Authorisation Form



Name: Tony Hale
Position: General Manager – Infrastructure Services
Statement Date: 29 / 12 / 19

(1) **Creditor:** Te Kuiti New World
Date: 10 December 2019
Amount: \$21.96
GL Code: 721 32 612
Expenditure: Bottled Water for Mokau School during Boil Water Notice Episode

(2) **Creditor:** NZ Transport Agency
Date: 16 December 2019
Amount: \$724.80
GL Code: 820 27 723
Expenditure: 10,000km Road User Charges for WDC Fleet Vehicle (Rego HKG235)

(3) **Creditor:** Hamilton Airport
Date: 20 December 2019
Amount: \$29.00
GL Code: 811 40 545
Expenditure: Airport Parking Fees – WDC Fleet Vehicle (Rego JBL852) – Greg Boyle

(4) **Creditor:** NZ Transport Agency
Date: 20 December 2019
Amount: \$724.80
GL Code: 820 27 732
Expenditure: 10,000km Road User Charges for WDC Fleet Vehicle (Rego JCA987)

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:**

Date: 9/03/20

**Authorised by
 Chief Executive:**

Date: 10/3/20

A462386



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mastercard

31 JAN 2020

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
27/01/20	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
\$5000	MS M D HIGGIE	0000 0030 2936 5933	0.00
\$5000	MRS H M BEEVER	0000 0030 3956 2081	39.95
\$5000	MR A M DUNCAN	0000 0030 6052 5296	0.00
\$5000	MR A J HALE	0000 0030 6158 3906	116.31
TOTAL CARDHOLDER LIMIT	\$20000	NET BALANCE	156.26

WE ADVISE THAT \$156.26 WILL BE DIRECTLY CHARGED TO YOUR ACCOUNT
030449 0070201 00 ON 20/02/20, 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.



13970010330701005099525


Mastercard Statement Authorisation Form




Name: Helen Beever
Position: General Manager – Community Services
Statement Date: 27 / 01 / 2020

(1) **Creditor:** Event Finda Ltd
Date: 27 January 2020
Amount: \$39.95
GL Code: 432 40701
Expenditure: Advertising Great NZ Muster 2020

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: 10/03/2020

**Authorised by
 Chief Executive:**

Date: 10/03/2020

Mastercard Statement Authorisation Form



Name: Tony Hale
Position: General Manager – Infrastructure Services
Statement Date: 27 / 01 / 2020

(1) **Creditor:** Te Kuiti New World
Date: 10 January 2020
Amount: \$38.43
GL Code: 721 32 612
Expenditure: Bottled Water for Mokau School during Boil Water Notice Episode

(2) **Creditor:** Te Kuiti New World
Date: 10 January 2020
Amount: \$5.49
GL Code: 721 32 612
Expenditure: Bottled Water for Mokau School during Boil Water Notice Episode


(3) **Creditor:** Pak N Save Te Awamutu
Date: 18 January 2020
Amount: \$39.45
GL Code: 721 32 612
Expenditure: Bottled Water for Mokau School during Boil Water Notice Episode

(4) **Creditor:** Te Kuiti New World
Date: 21 January 2020
Amount: \$32.94
GL Code: 721 32 612
Expenditure: Bottled Water for Mokau School during Boil Water Notice Episode

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:

Date: 9/03/20

Authorised by Chief Executive:

Date: 10/3/20



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04 MAR 2020

BUSINESS MASTERCARD

53 GALWAY STREET, AUCKLAND CITY, 1010
 WAITOMO DISTRICT COUNCIL

TAX INVOICE
 GST NO. 93 259 688

THE DIRECTOR
 WAITOMO DISTRICT COUNCIL
 P O BOX 404
 TE KUITI

3941

Closing Date	Page
27/02/20	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	✓ MR C J RYAN	0000 0030 1565 8580	324.80
\$5000	✓ MS M D HIGGIE	0000 0030 2936 5933	2899.20
\$5000	✓ MRS H M BEEVER	0000 0030 3956 2081	1270.12
\$5000	✓ MISS T D KELLY	0000 0030 5326 1230	20.00
\$5000	✓ MR A J HALE	0000 0030 6158 3906	2299.92
TOTAL CARDHOLDER LIMIT	\$30000	NET BALANCE	6814.04

WE ADVISE THAT \$6,814.04 WILL BE DIRECTLY CHARGED TO YOUR ACCOUNT
 030449 0070201 00 ON 20/03/20, 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.

Mastercard Statement Authorisation Form



Name: Chris Ryan
Position: Chief Executive
Statement Date: 27 / 02 / 20

(1) **Creditor:** Wairakei Resort
Date: 21 February 2020
Amount: \$324.80
GL Code: 111 42 700
Expenditure: Waikato Mayoral Forum Retreat – 20/21 February 2020: Dinner for Mayor & CEO, Breakfast and Accommodation for ~~CEO~~ *Mayor only when*

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:  Date:	Authorised by Mayor:  Date:	Authorised by Manager – Governance Support  Date: 10/3/20
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Mastercard Statement Authorisation Form



Name: Michelle Higgle
Position: Manager – Governance Support
Statement Date: 27 / 02 / 20



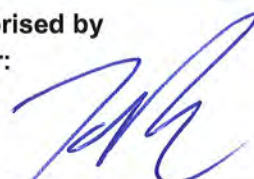
(1) **Creditor:** NZ Transport Agency
Date: 21 February 2020
Amount: \$724.80
GL Code: 820 27 765
Expenditure: 10,000km of Road User Charges for 2016 Mitsubishi ASX (Registration KBU338)

(2) **Creditor:** NZ Transport Agency
Date: 21 February 2020
Amount: \$724.80
GL Code: 820 27 766
Expenditure: 10,000km of Road User Charges for 2016 Mitsubishi Triton (Registration KBU339)

(3) **Creditor:** NZ Transport Agency
Date: 21 February 2020
Amount: \$724.80
GL Code: 820 27 767
Expenditure: 10,000km of Road User Charges for 2016 Mitsubishi Triton (Registration KBU340)

(4) **Creditor:** NZ Transport Agency
Date: 21 February 2020
Amount: \$724.80
GL Code: 820 27 741
Expenditure: 10,000km of Road User Charges for 2018 Mazda BT-50 (Registration 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:

<p>Signature of Manager – Governance Support  Date: 27/3/20</p>	<p>Authorised by Chief Executive:  Date: 10/3/20</p>	<p>Authorised by Mayor:  Date:</p>
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Mastercard Statement Authorisation Form



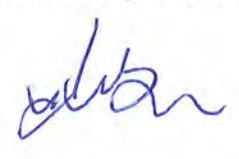
Name: Helen Beever
Position: General Manager – Community Services
Statement Date: 27 / 02 / 20

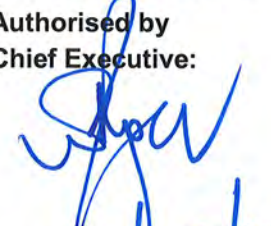
(1) **Creditor:** Nustay Hotel Booking
Date: 12 February 2020
Amount: \$231.46
GL Code: 111 42 700
Expenditure: Accommodation and Breakfast: Cr Sue Smith – Attendance at LGNZ Rural and Provincial Sector Meeting in Wellington on 5/6 March 2020.

(2) **Creditor:** Nustay Hotel Booking
Date: 12 February 2020
Amount: \$231.46
GL Code: 111 42 700
Expenditure: Accommodation and Breakfast: Cr Janene New – Attendance at LGNZ Rural and Provincial Sector Meeting in Wellington on 5/6 March 2020.


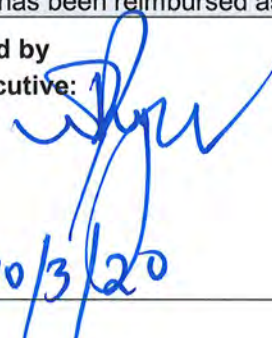
(3) **Creditor:** Air New Zealand
Date: 12 February 2020
Amount: \$807.20
GL Code: 111 42 700
Expenditure: Airfares: Cr Sue Smith and Cr Janene New – Attendance at LGNZ Rural and Provincial Sector Meeting in Wellington on 5/6 March 2020.

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: 10/03/2020

Authorised by Chief Executive:

Date: 10/03/2020

Mastercard Statement Authorisation Form

Name:	Terrena Kelly
Position:	General Manager – Strategy and Environment
Statement Date:	27 / 02 / 20
(1) Creditor:	Centre Plate Carpark
Date:	26 February 2020
Amount:	\$20.00
GL Code:	522 40 550
Expenditure:	Parking: General Manager – Strategy and Environment attendance at CDEM Controllers Meeting in Hamilton
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	Authorised by Chief Executive:
	
Date: 9/3/20.	Date: 10/3/20

Mastercard Statement Authorisation Form



Name:	Tony Hale
Position:	General Manager – Infrastructure Services
Statement Date:	27 / 02 / 20
(1) Creditor:	Te Kuiti New World
Date:	29 January 2020
Amount:	\$17.52
GL Code:	721 329 2 612
Expenditure:	Bottled Water for Mokau School during Boil Water Notice Episode
(2) Creditor:	Hamilton Airport
Date:	2 February 2020
Amount:	\$60.00
GL Code:	811 40 545
Expenditure:	Airport Parking Fees – WDC Fleet Vehicle (Rego JBL852) – Greg Boyle
(3) Creditor:	NZ Transport Agency
Date:	16 December 2019
Amount:	\$724.80
GL Code:	820 27 767
Expenditure:	10,000km Road User Charges for WDC Fleet Vehicle (Rego KBU340)
(4) Creditor:	NZ Transport Agency
Date:	20 December 2019
Amount:	\$724.80
GL Code:	820 27 732
Expenditure:	10,000km Road User Charges for WDC Fleet Vehicle (Rego JCA987)
(5) Creditor:	NZ Transport Agency
Date:	16 December 2019
Amount:	\$724.80
GL Code:	820 27 728
Expenditure:	10,000km Road User Charges for WDC Fleet Vehicle (Rego JAC855)
(6) Creditor:	Hamilton Airport
Date:	17 February 2020
Amount:	\$40.00
GL Code:	811 40 545
Expenditure:	Airport Parking Fees – WDC Fleet Vehicle (Rego JBL852) – Greg Boyle
(7) Creditor:	Garden Place Car Park Auckland
Date:	21 February 2020
Amount:	\$8.00
GL Code:	811 40 545
Expenditure:	Parking Fees: General Manager – Infrastructure Services attendance at Waikato Lifeline Utilities Group Meeting in Hamilton
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: 9/03/20	Date: 10/03/20



RECEIVED

23 APR 2020

WAITOMO DISTRICT COUNCIL

A468588



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BUSINESS MASTERCARD

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
29/03/20	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	- MR C J RYAN	0000 0030 1565 8580	0.00
\$5000	MS M D HIGGIE	0000 0030 2936 5933	2899.20
\$5000	- MRS H M BEEVER	0000 0030 3956 2081	0.00
\$5000	- MISS T D KELLY	0000 0030 5326 1230	0.00
\$5000	MR A J HALE	0000 0030 6158 3906	86.00
TOTAL CARDHOLDER LIMIT	\$30000	NET BALANCE	2985.20

WE ADVISE THAT \$2,985.20 WILL BE DIRECTLY CHARGED TO YOUR ACCOUNT 030449 0070201 00 ON 20/04/20, 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.

Mastercard Statement Authorisation Form


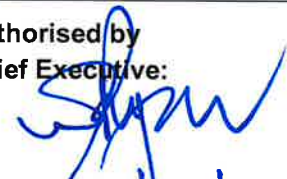
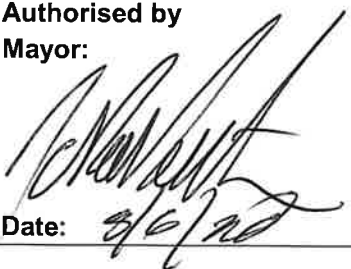


Name: Michelle Higgle
Position: Manager – Governance Support
Statement Date: 29 / 03 / 20

- (1) **Creditor:** NZ Transport Agency
Date: 24 March 2020
Amount: \$724.80
GL Code: 820 27 732
Expenditure: 10,000km of Road User Charges for 2015 Mitsubishi Triton (Registration JCA987)
- (2) **Creditor:** NZ Transport Agency
Date: 24 March 2020
Amount: \$724.80
GL Code: 820 27 721
Expenditure: 10,000km of Road User Charges for 2013 Hyundai iMax (Registration HEM920)
- (3) **Creditor:** NZ Transport Agency
Date: 24 March 2020
Amount: \$724.80
GL Code: 820 27 761
Expenditure: 10,000km of Road User Charges for 2015 Mitsubishi Triton (Registration JHR356)
- (4) **Creditor:** NZ Transport Agency
Date: 24 March 2020
Amount: \$724.80
GL Code: 820 27 742
Expenditure: 10,000km of Road User Charges for 2018 Mazda BT50 (Registration LHC172)

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: 5/6/2020</p>	<p>Authorised by Chief Executive:</p>  <p>Date: 8/6/2020</p>	<p>Authorised by Mayor:</p>  <p>Date: 8/6/20</p>
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Mastercard Statement Authorisation Form



Name: Tony Hale
Position: General Manager – Infrastructure Services
Statement Date: 29 / 03 / 20

(1) **Creditor:** Hamilton Airport
Date: 6 March 2020
Amount: \$6.00
GL Code: 811 40 545
Expenditure: Airport Parking Fees – WDC Fleet Vehicle (Rego JBL852) – Greg Boyle

(2) **Creditor:** Hamilton Airport
Date: 25 March 2020
Amount: \$80.00
GL Code: 811 40 545
Expenditure: Airport Parking Fees – WDC Fleet Vehicle (Rego JBL852) – Greg Boyle

No Receipt Received

Handwritten: AJH. Naled
 sk.

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:
Handwritten signature: MHale
Date: 5/6/20

Authorised by Chief Executive:
Handwritten signature
Date: 8/6/20

A469059



06 MAY 2020

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
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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
\$5000	MS M D HIGGIE	0000 0030 2936 5933	724.80
\$5000	MR A J HALE	0000 0030 6158 3906	0.00
TOTAL CARDHOLDER LIMIT	\$10000	NET BALANCE	724.80

WE ADVISE THAT \$724.80 WILL BE DIRECTLY CHARGED TO YOUR ACCOUNT
030449 0070201 00 ON 20/05/20, 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.


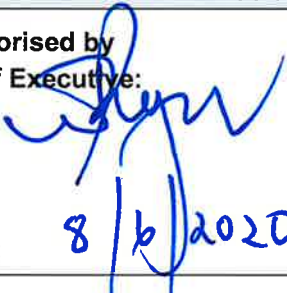
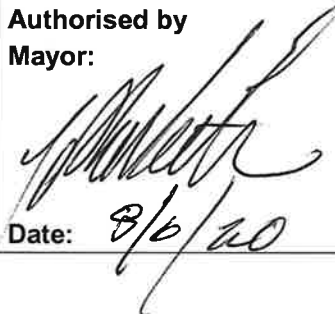
Mastercard Statement Authorisation Form



Name: Michelle Higgle
Position: Manager – Governance Support
Statement Date: 27 / 04 / 20

(1) **Creditor:** NZ Transport Agency
Date: 14 April 2020
Amount: \$724.80
GL Code: 820 27 723
Expenditure: 10,000km of Road User Charges for 2014 Ford Ranger (Registration HKG235)

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: 5/6/2020</p>	<p>Authorised by Chief Executive:</p>  <p>Date: 8/6/2020</p>	<p>Authorised by Mayor:</p>  <p>Date: 8/6/20</p>
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A471573



02 JUN 2020

WAITOMO DISTRICT COUNCIL

BUSINESS MASTERCARD

53 GALWAY STREET, AUCKLAND CITY, 1010



mastercard

TAX INVOICE
GST NO. 93 259 688

THE DIRECTOR
WAITOMO DISTRICT COUNCIL
P O BOX 404
TE KUITI

3941

Closing Date	Page
27/05/20	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
\$5000	MS M D HIGGIE	0000 0030 2936 5933	0.00
\$5000	MRS H M BEEVER	0000 0030 3956 2081	600.00
TOTAL CARDHOLDER LIMIT	\$10000	NET BALANCE	600.00

WE ADVISE THAT \$600.00 WILL BE DIRECTLY CHARGED TO YOUR ACCOUNT
030449 0070201 00 ON 20/06/20, 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 41
Mastercard Statement Authorisation Form



Name: Helen Beever
Position: General Manager – Community Services
Statement Date: 27 / 05 / 20

(1) Creditor: Immigration NZ
Date: 28 April 2020
Amount: \$600.00
GL Code: 817 39 705
Expenditure: Accredited Employer (Renewal) Fee

- 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:

22/6/2020

**Authorised by
Chief Executive:**

Date:

29/6/20



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A475564



mastercard.

02 JUL 2020

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
28/06/20	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
\$5000	MS M D HIGGIE	0000 0030 2936 5933	4095.90
\$5000	MRS H M BEEVER	0000 0030 3956 2081	0.00
TOTAL CARDHOLDER LIMIT	\$10000	NET BALANCE	4095.90

WE ADVISE THAT \$4,095.90 WILL BE DIRECTLY CHARGED TO YOUR ACCOUNT
030449 0070201 00 ON 20/07/20, 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.

Mastercard Statement Authorisation Form



Name: **Michelle Higgie**
 Position: **Manager – Governance Support**
 Statement Date: **28 / 06 / 20**

(1) **Creditor:** NZ Transport Agency
Date: 11 June 2020
Amount: \$1,444.80
GL Code: 820 27 767
Expenditure: 20,000km of Road User Charges for 2016 Mitsubishi Triton (Registration KBU340)

(2) **Creditor:** Air New Zealand
Date: 15 June 2020
Amount: \$413.60
GL Code: 111 42 700
Expenditure: Deputy Mayor Whitaker: Return Airfares for attendance at LGNZ Rural & Provincial Meeting in Wellington on 16-17 July 2020

(3) **Creditor:** Air New Zealand
Date: 15 June 2020
Amount: \$433.60
GL Code: 111 42 700
Expenditure: Cr Brodie: Return Airfares for attendance at LGNZ Rural & Provincial Meeting in Wellington on 16-17 July 2020

(4) **Creditor:** Orbit/LGNZ
Date: 19 June 2020
Amount: \$177.15
GL Code: 111 42 700
Expenditure: Cr Brodie: Accommodation and Breakfast at LGNZ Rural & Provincial Meeting in Wellington on 16-17 July 2020

(5) **Creditor:** Orbit/LGNZ
Date: 19 June 2020
Amount: \$177.15
GL Code: 111 42 700
Expenditure: Deputy Mayor Whitaker: Accommodation and Breakfast at LGNZ Rural & Provincial Meeting in Wellington on 16-17 July 2020

(6) **Creditor:** NZTA
Date: 24 June 2020
Amount: \$724.80
GL Code: 820 27 714
Expenditure: 10,000km Road User Charges for 2012 Mitsubishi Challenger (Rego GPW9)

(7) **Creditor:** NZTA
Date: 24 June 2020
Amount: \$724.80
GL Code: 820 27 766
Expenditure: 10,000km Road User Charges for 2016 Mitsubishi Triton (Rego KBU339)

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><i>Michelle Higgie</i></p> <p>Date: 13/07/2020</p>	<p>Authorised by Chief Executive:</p> <p><i>[Signature]</i></p> <p>Date: 23/07/2020</p>	<p>Authorised by Mayor:</p> <p><i>[Signature]</i></p> <p>Date: 28/7/20.</p>
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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: A479976

Report To: Audit, Risk and Finance Committee



Meeting Date: 11 August 2020

Subject: **Controller and Auditor-General –
Notification of Extension to 30 June 2020
Statutory Timeframes**

Purpose

- 1.1 The purpose of this business paper is to inform the Committee that Parliament passed legislation on Wednesday 5 August to extend the statutory reporting timeframes by up to two months for organisations with a 30 June 2020 balance date that report under the Local Government Act 2020.

Commentary

- 2.1 Attached to and forming part of this business paper is a self-explanatory letter received from the Controller and Auditor-General on 6 August 2020 (Doc A479974).
- 2.2 To summarise, the statutory deadline of 31 October 2020 to adopt the 2019/2020 Annual Report has been extended by two months to 31 December 2020 to provide adequate time for both the year-end financials and performance reporting to reflect the implications of the Covid-19 Pandemic.
- 2.3 As a result of this extension of time, the work programme for development of WDC's 2019/2020 Annual Report will be revised and any recommended changes to the current Road Map Work Programme timeline will be presented to Council for consideration.

Suggested Resolution

The business paper on Controller and Auditor-General – Notification of Extension to 30 June 2020 Statutory Timeframes be received.

A handwritten signature in blue ink, appearing to read "Michelle Higgie".

MICHELLE HIGGIE
MANAGER – GOVERNANCE SUPPORT

Attachment: Controller and Auditor-General letter dated 6 August 2020 (Doc A479974)



| John Ryan

6 August 2020

Tēnā koe

As a result of the Covid-19 pandemic, the amount of work that will be required by your organisations and my auditors to complete statutory reporting is likely to be significantly increased. This letter updates you on the key matters regarding statutory reporting time frames and audits.

30 June 2020 statutory time frames extended

Parliament passed legislation¹ on 5 August to extend the statutory reporting time frames by up to two months for organisations with 30 June 2020 balance dates that report under the Crown Entities Act 2004, Crown Research Institutes Act 1992, Local Government Act 2002, Public Finance Act 1989, and State-Owned Enterprises Act 1986. Some other types of organisations, like ports, have had reporting dates amended without the need to change legislation.

The Financial Markets Authority and the New Zealand Stock Exchange have already extended the reporting time frames for many organisations that they regulate, including some public organisations.

The legislation² extends the reporting time frames for audited annual reports by up to two months as set out in the table below:

Type of organisation	Current deadline	New deadline
Departments and departmental agencies	30 September 2020	30 November 2020
State-owned enterprises	30 September 2020	30 November 2020
Crown research institutes	30 September 2020	30 November 2020
Crown entities	31 October 2020	18 December 2020
Local authorities	31 October 2020	31 December 2020
Council-controlled organisations	30 September 2020	30 November 2020

The statutory time frames have been extended to ensure that there is no reduction in the quality of your financial and performance reporting of our audits because of the impact of Covid-19.

The extension does not apply to the consolidated financial statements of the Government. If your organisation contributes financial information to the financial statements of the Government, you will need to prioritise the end-of-year Crown financial information system (CFIS) reporting, and my auditors will prioritise this as well. This will add another aspect to the audit process and the different reporting dates between the

¹ See the [COVID-19 Response \(Further Management Measures\) Legislation Bill \(No 2\)](#) at legislation.govt.nz.

² The legislation also extends the time frame for presenting end-of-year performance information on appropriations under section 19B of the Public Finance Act 1989 from 31 October 2020 to 21 December 2020.

Government's financial statements and those of public organisations may require a more defined "two step" clearance process this year.

Consequences for you and for my auditors

The effects of Covid-19 on financial and performance reporting have been significant. Many public organisations have had to work under extraordinary circumstances, dealing with changes to their spending, revenue, and their service delivery. Many have also had to address complex issues such as the effect of Covid-19 on valuations, expected credit losses, contractual commitments, going concern considerations, and additional performance information about how Covid-19 has affected their activities. Organisations also need to ensure that systems, processes, and underlying data associated with any new Covid-19 spending and related performance information are sufficiently robust for external reporting and audit purposes.

To ensure a high quality of reporting, you will need time to fully consider all the risks and issues affecting your organisation, make the required judgements, document the rationale for those judgements, and make those judgements transparent through enhanced disclosures. Preparers, governors, and auditors will all need time to properly consider these matters.

We expect the year-end financial and performance reporting to reflect the implications of Covid-19, including the judgements, assumptions, and decisions made by public organisations.

Covid-19 has also affected the work of my auditors. Independent assurance is even more critical at a time when unprecedented amounts of public money are being spent, complex issues are arising, and the public sector is being asked to work at speed and under significant pressure.

Covid-19 has added significant complexity to many audits, which requires more time. To ensure a high-quality audit, auditors need to fully consider the estimates and judgements made by public organisations and the supporting evidence. This is likely to require a change in audit approach and require additional work, including matters relating to fluctuations in revenue patterns, additional expenditure, future expectations and assessments of an organisation's control environment, and changes to delegations and other control processes during the lockdown.

We also expect that, in the current circumstances, the audit report might look different to normal. Auditors will, at a minimum, draw the readers' attention to your organisation's Covid-19 disclosures. In some instances, auditors might need to provide a qualification of the audit opinion (for example, due to a lack of audit evidence or a significant level of uncertainty). Often, this won't be due to any fault of your organisation, but simply a reflection of the circumstances.

Although effects will vary between organisations, the impact is system-wide. For example, the Chief Executive of the External Reporting Board has noted that up to 40% additional audit effort may be needed on certain audits.

We are anticipating a level of inefficiency this year, given the disruption caused by Covid-19. In a Covid environment, there are likely to be several effects on audit time and cost. I have considered those carefully and decided on the following approach:

- Where an auditor has been less efficient than normal (such as through the lockdown or arising because of the different reporting dates), my auditors will not be able to seek additional audit fees from public organisations for those inefficiencies.
- As usual, where inefficiencies result from the public organisations providing poor quality information for audit, or where public organisations have not met the timetable that has been agreed with the auditor, my auditors will be able to seek additional audit fees.
- Where there is additional audit effort for the year ended 30 June 2020 as a result of Covid-related risks and issues affecting judgements and disclosures, my auditors will be able to seek additional audit fees for this work.

As usual, my Office will review the additional fees that auditors seek to recover, to ensure that the fees are reasonable. I expect auditors to keep you and my Office informed during the course of the audit to avoid surprises and allow you to work with them to reduce the impact on audit time, where possible.

As always, I ask you to keep the lines of communication open with your auditor. There are likely to be a number of challenges in completing this year's audits and it will be particularly important for auditors and organisations to work closely together in addressing them.

If you wish to discuss this letter further, please do not hesitate to contact your appointed auditor.

Nāku noa, nā

A handwritten signature in black ink, appearing to read 'John Ryan', with a stylized flourish at the end.

John Ryan

Controller and Auditor-General

Document No: A47434

Report To: Audit, Risk and Finance Committee



Meeting Date: 11 August 2020

Subject: 2021-31 10 Year Plan Project Risks

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to provide an overview of, and the risks associated with the work programme for the development of the 2021-31 10 Year Plan (10YP).

Background

- 2.1 The Local Government Act 2002 (LGA) requires Council to produce a 10YP every three years.
- 2.2 Waitomo District Council's current 10YP was prepared for the period 2018-28 and was adopted in June 2018.
- 2.3 The next 10YP will cover the 2021-2031 period. Given the extensive range of issues to be considered for inclusion in a 10YP, and the discussions required regarding Council's intended direction of travel, the development of the 10YP has already commenced.
- 2.4 This business paper provides an overview of the key building blocks of a 10YP, the project, the risks associated with the project and, the key milestones to report back to the Audit, Risk and Finance Committee.

Commentary

- 3.1 **PURPOSE OF THE 10 YP**
- 3.2 The purpose of the 10YP Project is to pull together a large number of complex 'building blocks' to produce an integrated 10YP with a complete and accurate base of underlying financial, asset and performance information. It requires considerable resourcing and careful sequencing of tasks.
- 3.3 The LGA section 93(6) states that the purpose of a 10YP is to:
- (a) describe the **activities** of the local authority; and
 - (b) describe the **community outcomes** of the local authority's district or region; and
 - (c) provide **integrated decision-making** and **co-ordination of the resources** of the local authority; and
 - (d) provide a **long-term focus** for the decisions and activities of the local authority; and
 - (e) provide a **basis for accountability** of the local authority to the community.

3.4 The 10YP must meet the requirements of the LGA. These requirements include:

- Specifications for the content of the plan and the timing for adoption.
- Rules and guidance for decision-making throughout the plan's development, for consultation, and for independent audits.

3.5 **10YP DOCUMENT**

3.6 As a document, the 10YP is required to describe:

- What we do- the activities/services we undertake and fund, detailing the level of service for each and the key measures we will use to show we are delivering on that service.
- Why we do it – the legislative and community mandate that exists, and what outcomes we intend to achieve.
- What each activity costs and how it is funded, over the term of the plan.
- How we manage our finances and coordinate our resources, including reserve funds.
- Rating base information and the impact on all rates.
- Significant forecasting assumptions.
- Council's financial strategy and infrastructure strategy.
- Council's revenue and financing policy and significance and engagement policy
- Details of each council-controlled organisation in which Council is a shareholder
- Steps Council intends to take to foster the development of Māori capacity to contribute to its decision-making processes.

3.7 The level of detail for the prescribed content is a judgement call by each Council and needs to take account of the LGA's decision making requirements and consultation principles; the significance of any matter; and the extent of the Council's resources.

3.8 The process for developing a 10YP provides the community with an opportunity to participate in the Council's decision-making on the activities to be undertaken and how rates, debt and levels of service might be affected.

3.9 **THE 10YP PROJECT**

3.10 Key objectives for this project are to develop a 10YP that:

- reflects Council's strategic direction.
- is a living document used by Council staff and provides a better 'line of sight' for staff.
- is a robust plan (unlikely to need amendments each year and remains a relevant reference for its three year life and forms the basis for developing the next plan).
- complies with legislation and receives an unmodified audit report.

3.11 A structured formal project management approach has been deployed to produce an integrated 10YP. The Project is overseen by the Senior Management Team (Project Governance Group), with guidance and direction provided by a Project Control Group (PCG). Key expertise and input is sourced through a Project Reference Group.

3.12 This Project Structure provides the necessary guidance and appropriate decision making to ensure that the complexities and the resources required are being deployed at the right time towards the right issues. For ease of management the project is subdivided into six work streams.

- Foundations
- Activity Planning
- Performance Measures
- Infrastructure
- Financials
- Engagement

3.13 A Table outlining the milestones and timeframes for the project is included in Attachment 1.

3.14 A Table outlining an overview of the key building blocks and how they are progressing is included in Attachment 2.

3.15 **THE 10YP KEY PROJECT RISKS**

3.16 10YP project risks have been assessed using Waitomo District Council's Risk Matrix (see Attachment 3).

3.17 The following eight key risks have been identified with details relating to the mitigating actions and post mitigation likelihood impact rating outlined below in detail.

- Risk No 1: Capacity **High**
- Risk No 2: COVID-19 lockdown impact on the project **Medium**
- Risk No 3: Unmodified audit opinion **Low**
- Risk No 4: Transitioning to new software **Low**
- Risk No 5: Significant changes to the scope of the 10yp project **Medium**
- Risk No 6: Insufficient engagement with iwi Māori **Medium**
- Risk No 7: Lack of access to data **Low**

3.18 **RISK NO 1: CAPACITY**

RI: High level of organisational reliance on key individual staff; resulting in resource capacity and knowledge gaps when those staff are absent or if they leave the organisation.

3.19 Long term planning is complex, and staff with significant experience is required to navigate through the multiple workstreams, issues and drafting of the document.

While we have some experienced staff, there are a number of staff who are new to local government and or to the long-term planning process. This means that there is a high reliance on key individual staff.

3.20 **Mitigating Actions:**

3.21 To mitigate this issue the following have been put in place;

- Ensuring there is sufficient cover for when key staff require annual leave.
- Implemented the use of an online collaboration tool to ensure that project planning and reporting of progress is visible and transparent to the project team.
- Prioritised communication, to ensure that the project can keep progressing in the instance where key staff are on unplanned leave.
- Time has been factored for quality control and peer review. The establishment of a project structure, especially a reference group helps mitigate this risk to a certain extent by allowing for collaboration and peer review and building of knowledge within the wider organisation.
- All key documentations and communications are saved in Council's Electronic Document Management System. This ensure that any staff could access key documents to ensure continuity of the project.

3.22 **Post Likelihood Impact Rating**

L	Likelihood	C	Consequence	R	Risk	Low	Medium	High	Extreme
L		(3)			Possible				
C		(4)			Major				
R		(12)			High				

3.23 **RISK NO 2: COVID-19 LOCKDOWN IMPACT ON THE PROJECT**

R2: There is a risk that a second COVID-19 lockdown will impact the timing, budget and/or scope of the project due to impacts on various 10YP workstreams

3.24 On 23 March 2020, as a result of the Covid-19 pandemic, the New Zealand government implemented Alert Level 3, with Alert Level 4 coming into effect two days later. This gave the organisation a period of only two full work days to implement business continuity in a 'lockdown' situation (i.e. only essential services working on site within the strict parameters set by COVID-19 and all other business to be carried out remotely (working from home)).

3.25 While overall the WDC organisation functioned relatively well, there were technology challenges, disruption to usual work practices, and disruption to the progression of a range of planned roadmap work programme projects.

3.26 In addition, there was a significant amount of additional unplanned and unresourced work to respond to the COVID-19 emergency, including a number of staff being required to work in the Civil Defence Emergency Management Emergency Operating Centre (EOC). Cumulatively, this meant that across the organisation some planned project delivery work, and normal non-essential operations had to be de-prioritised during lockdown.

3.27 Should a subsequent nationwide or regional lockdown occur this will have implications for the project timelines.

3.28 **Mitigating Actions:**

3.29 Impacts will be re-assessed should a lockdown reoccur, or indications are that a new lockdown (or elevation of the alert level) is imminent. The project timeline will be reorganised and reprioritised if required; and key staff will recommence remote working as required.

3.30 **Post Likelihood Impact Rating**

L	Likelihood	C	Consequence	R	Risk	Low	Medium	High	Extreme
L		(2)			Unlikely				
C		(3)			Moderate				
R		(6)			Medium				

3.31 **RISK NO 3: UNMODIFIED AUDIT OPINION**

R4: There is a risk that an unmodified audit opinion will not be provide, resulting in potential reputational damage and low trust from our communities and stakeholders.

3.32 **Mitigating Actions:**

3.33 The following mitigating actions are in place:

- planning processes have taken into account the legislative requirements and timeframes.
- timeframes allow for early engagement with our auditors to ensure that key issues are identified early, which will allow for any amendments to be factored into the final LTP.
- The material produced is peer reviewed, and where appropriate workshopped with the Senior Management Team and elected members.

3.34 **Post Likelihood Impact Rating**

L	Likelihood	C	Consequence	R	Risk	Low	Medium	High	Extreme
L		(1)			Rare				
C		(4)			Major				
R		(4)			low				

3.35 **RISK NO 4: TRANSITIONING TO NEW SOFTWARE**

R5: There is a risk that transitioning to new software may result in errors or delays in our financial planning for the next 10 years.

3.36 Council's budgeting tool MagiQ Performance 10-year modelling software will be utilised to prepare the financial information for the 10YP. The system has been tested by way of developing the one-year Exceptions Annual Plan (EAP) budget, and using data from the previous 10YP to test functionality and calculations. However, as the software is relatively new, it has not been used previously to develop a 10-year budget. There are unknown variables that may cause unexpected delays in transitioning to the improved software.

3.37 **Mitigating Action:**

3.38 The system is utilised by a number of local authorities and has functioned well in producing WDC's 2020/21 EAP. Additional checks and reconciliations have been factored into the quality and review aspects of the budget process. This involves additional check points for accuracy checks and having a manual back up system.

3.39 It is considered that the improved functionality and usability of the modelling software outweighs the potential risks.

3.40 **Post Likelihood Impact Rating**

L	Likelihood	C	Consequence	R	Risk	Low	Medium	High	Extreme
L			(2)		Unlikely				
I			(2)		Minor				
R			(4)		Low				

3.41 **RISK NO 5: SIGNIFICANT CHANGES TO THE SCOPE OF THE 10YP PROJECT**

R6: There is a risk of unplanned significant changes to the scope of the 10YP project resulting in the legislative timeframes not being met causing reputational damage.

3.42 The 10YP project scope is clear and there is an agreed programme that has been formally endorsed by elected members. Timeframes allow for minor amendments and general resequencing of workstreams and sub-projects. However, any significant change to the project scope will result in timeframes and schedule implications that cannot be mitigated.

3.43 **Mitigating Action:**

3.44 Project planning has been undertaken, with the key deliverable, milestones and associated timeframes mapped. The project plan employs an agile approach, allowing for minor adjustments to timeframes and scope. However, a significant change to the scope cannot be mitigated without impacting on the timeframes and resources available.

3.45 **Post Likelihood Impact Rating**

L	Likelihood	C	Consequence	R	Risk	Low	Medium	High	Extreme
L			(2)		Unlikely				
C			(4)		Major				
R			(8)		Medium				

3.46 **RISK NO 6: INSUFFICIENT ENGAGEMENT WITH IWI MĀORI**

R7: There is a risk that insufficient engagement with iwi Māori will lead to Council not meeting its legislative obligation under the Treaty of Waitangi, the Local Government Act and the Joint Management Agreement with Maniapoto Māori Trust Board, resulting in potential legislative risk and reputational damage.

3.47 The Local Government Act 2002 (LGA) contains several provisions that relate specifically to Māori. The LGA requires that, in order to recognise the crown's responsibilities, councils must take appropriate account of the principles of the

Treaty of Waitangi. The LGA sets out specific requirements for councils to facilitate participation by Māori in local authority decision-making processes.

3.48 Waitomo District Council is also party to a Joint Management Agreement with the Maniapoto Māori Trust Board. Under the principles of this agreement, Council has agreed to:

- Act in a manner consistent to the principles of Te Tiriti o Waitangi
- Commit to open, honest and transparent communication
- Recognise and acknowledge that the Parties will benefit from working together by sharing their respective vision, knowledge and expertise.
- Ensure early engagement and a 'no surprises' approach.

3.49 The crown is currently negotiating a comprehensive redress offer for the settlement of the Maniapoto historical claims on behalf of Maniapoto (inclusive of all within Te Nehenehenui). Maniapoto and the Crown previously entered into an Agreement in Principle (AIP) on 15 August 2017 and intend to initial a Deed of Settlement (DOS) in September 2020.

3.50 Even though the legislation is yet to be finalised, and a new JMA yet to be drafted, the new Post Settlement Governance Entity (PSGE) will have certain expectations from Council in relation to being engaged on key documents that is likely to have an impact on Māori. The LGA requires councils to consult with persons who may be affected by or have an interest in their decisions. Iwi authorities and other representatives of Māori interests must be consulted in relation to any decision or matter of interest to Māori.

3.51 **Mitigating Action:**

3.52 While the scope of the project does not include a formal pre-engagement process due to shortened timeframes post-COVID-19, the project allows for informal engagement (conversations) prior to the formal engagement/consultation period. The formal consultation process will acknowledge the level of engagement (as per Council's significance and engagement policy and engagement framework) with iwi Māori being at a higher level than other stakeholders and more focused, personalised engagement will be factored, in addition to the standard consultation process. It should be noted that should the country go into a second COVID-19 related lockdown, there will be limited staff capacity to undertake focused consultation.

3.53 **Post Likelihood Impact Rating**

L	Likelihood	C	Consequence	R	Risk	Low	Medium	High	Extreme
L			(2)		Unlikely				
C			(3)		Moderate				
R			(6)		Medium				

3.54 **RISK NO 7: LACK OF ACCESS TO DATA**

R8: There is a risk that the 10YP forecasting assumptions are not reflective of the changes in the district due to the delay in release of population projection data and COVID-19 related data.

3.55 The initial release of the Census 2018 data was delayed, and specifically, the population projection data will not be released by the Crown until November 2020, making it too late to be factored into the 10YP forecasting assumptions.

3.56 Council engaged Infometrics to provide initial specific COVID-19 related information earlier this year, based on data available during lockdown. However, COVID-19 related effects are fast moving, and the full economic impacts of the lockdown period are still not known. The second iteration of the report will not be available until September 2020 at the earliest. However, this report will still be based on historical data and will not be able to accurately predict the unknown impacts of the pandemic going forward.

3.57 **Mitigating Action:**

3.58 A Population projection was undertaken for the 2018-28 10YP. The data released to date from Statistic NZ for the 2018 Census indicates that the projection work undertaken for the 2018 10YP is still relevant as there has not been a significant change to the overall demography of the District. The use of the scientific projection even though it was undertaken for the planning two years ago is expected to mitigate the risk of delaying the project timeframes to accommodate the new projections, which are also expected to be on the new statistical geographic breakdown of the district (not by township level). The new geographical boundaries do not line up with the previous statistical boundaries within the District and therefore not easily comparable with the current data and population projection.

3.59 COVID-19 related impacts are still not known. The project will make informed assumptions based on known data.

3.60 **Post Likelihood Impact Rating**

L	Likelihood	C	Consequence	R	Risk	Low	Medium	High	Extreme
L		(4)		Likely					
C		(1)		Insignificant					
R		(4)		Low					

THE 10YP PROJECT REPORT BACK

3.61 The following table outlines the key milestones and timeframes for reporting back to the Audit, Risk and Finance Committee.

Issue	Details	Date
Project update and Project Risks	<ul style="list-style-type: none"> Summary of the project and updates Project Risks and mitigating actions (Tabled today)	11 August 2020

Issue	Details	Date
Forecasting Assumptions	<p>The 10YP must disclose all significant forecasting assumptions, the level of uncertainty associated with each of these assumptions and quantify the potential effect of the uncertainty on the financial estimates. This includes growth and demand assumptions and the strategies for dealing with those.</p> <p>The issues and risks related to the draft forecasting assumption will be reported to the ARFC.</p>	13 October 2020
Compliance	<p>Legislative requirements must be for a range of key workstreams within the 10YP project. A business paper will be tabled with the Committee outlining the legislative requirements and how compliance is achieved for the following work/projects:</p> <ul style="list-style-type: none"> ▪ Development of the Finance related policies ▪ Financial Strategy ▪ Infrastructure Strategy ▪ Significance and Engagement Policy ▪ Consultation Document ▪ Communication and Engagement Plan for Council's formal consultation process. 	16 February 2021

Suggested Resolution

The business paper on 2021-31 10 Year Plan Project Risks be received.



IHSANA AGEEL
MANAGER STRATEGY AND POLICY

11 August 2020

Attachments:	1	10 YP Key Milestones and Timeframes
	2	Overview of the key building blocks and how they are tracking
	3	Waitomo District Council Risk Matrix

ATTACHMENT 1: 10 YP KEY MILESTONES AND TIMEFRAMES

Note: currently under review

Key Milestone	Indicative Timeframe
10YP Workshop #1 Project Structure and Timeframes	10 March 2020 Completed
Council Meeting Endorsement of Project development process and anticipated timeframes	26 May 2020 Completed
10YP Workshop #2 (Full Day) <ul style="list-style-type: none"> Review of Council's Strategic Direction. 	19 May 2020 Completed
10YP Workshop #3 (Full Day) <ul style="list-style-type: none"> Review of Council's Strategic Direction. Context Setting: Business we are in Workshop (context setting on each activity we currently deliver (based on 2018 10YP information) Context setting and overview of Infrastructure Strategy #1 	9 June 2020 Completed
10YP Workshop #4 <ul style="list-style-type: none"> Further consideration of Council's Strategic Framework <p>Context setting and identification of any issues that need to be factored into a review of:</p> <ul style="list-style-type: none"> Financial Strategy #1 Revenue and Financing Policy RFP #1 	14 July 2020 Completed
10YP Workshop #5 <ul style="list-style-type: none"> RFP #2 <p style="color: red;"><i>Continuation of conversation from the 14 July workshop.</i></p>	21 July 2020 (if required) Not required
10YP Workshop #6 <ul style="list-style-type: none"> Context setting – items identified at Workshop 3 on 9 June 2020 <ul style="list-style-type: none"> Alternative Water Source Footpath Upgrade Schedule Harmonisation of Water Charges Waitomo District Landfill Holiday Parks (Te Kuiti and Marokopa) 	28 July 2020 (Following Council meeting) Completed
10YP Workshop #7 <ul style="list-style-type: none"> Plan for the Financial workstream workshops Discussion on the rating factors and District revaluation RFP#2 High level model for Financial Strategy FS#2 Forestry and the impact on roads 	18 August 2020
10YP Workshop #8 <ul style="list-style-type: none"> Review of Community Development Policy Events Policy I-Site Function / District Promotion Waitomo District Library GOA structure 10YP Significant Forecasting Assumptions 	8 September 2020
10YP Workshop #9 Deep Dive into matters raised at previous Workshops i.e. <ul style="list-style-type: none"> Water Metering Elderly Persons Housing Walking Track Strategy Aerodrome Concept Plan Motakiora (Brook Park) Leases 	15 September 2020
10YP Workshop #10 AMPs/LoS #1 Review LoS and AMPs (major work programmes, indication of what will be required in relation to funding, risks etc.) <ul style="list-style-type: none"> Solid Waste Activity Management Plan (specific issue to be highlighted: litters bins at freedom camping sites and the frequency of rubbish collection) 	22 September 2020

Key Milestone	Indicative Timeframe
<ul style="list-style-type: none"> • Rooding • Stormwater • Information Technology 	
<p>Council Meeting Adoption of Community Development / Event Policy</p>	29 September 2020
<p>10YP Workshop #11 AMPs/LoS #2</p> <ul style="list-style-type: none"> • Housing and Other Property • Parks and Reserves • Public Amenities • Recreation and Culture • Community Development (specific issues that need to be addressed through the AMPs – Mowing at Marakopa and the Japanese Garden) 	6 October 2020
<p>10YP Workshop #12 AMPs/LoS #3</p> <ul style="list-style-type: none"> • Wastewater • Water • Compliance/Resource Management • Investments (specific issues that need to be addressed through the AMPs – provision of noise control service to rural communities) 	8 October 2020
<p>10YP Workshop # 13 AMPs/LoS Mop-Up</p> <ul style="list-style-type: none"> • Rates Remission Policy • Appointment of Directors to CCO Policy • Significance and Engagement Policy • Approach to Communications and Engagement • CouncilMark 	15 October 2020
<p>10YP Workshop #14 Policy background and legislative requirements (RFP#3)</p> <ul style="list-style-type: none"> • Coverage of some of the economic theory/rationale for selecting mechanisms • Identification of benefit patterns within services. • Discussion on user fees. • 	20 October 2020
<p>10YP Workshop #15 Analysis of rates options for activities. (RFP#4) Groups of Activities covered in this workshop include:</p> <ul style="list-style-type: none"> • Water Supply • Wastewater • Storm water • Roads and Footpaths <p style="padding-left: 40px;">Workshop will cover: Consideration of major issues with rates including:</p> <ul style="list-style-type: none"> • Certainty for ratepayers • Effects of revaluation and how these may be impacted by rates options • Consideration of new rates for new issues I.e. Forestry • Splits between rating groups and the impact of rates mechanisms. 	2 November 2020
<p>10YP Workshop #16 Analysis of rates options for activities (RFP#5) Groups of Activities covered in this workshop include:</p> <ul style="list-style-type: none"> • Community Development • Community Services • Governance and Leadership • Compliance and Resource management <p>Workshop will cover: Consideration of major issues with rates including:</p> <ul style="list-style-type: none"> • Certainty for ratepayers • Effects of revaluation and how these may be impacted by rates options • Consideration of new rates for new issues I.e. Forestry • Splits between rating groups and the impact of rates mechanisms <p><i>A draft policy for rates will be prepared following this workshop.</i></p>	10 November 2020

Key Milestone	Indicative Timeframe
<ul style="list-style-type: none"> • Infrastructure Strategy #2 • Treasury Policy (noting that Financial Strategy may need to be revisited early 2021)	
10YP Workshop #17 <ul style="list-style-type: none"> • Rates outcomes (RFP#6) <ul style="list-style-type: none"> ◦ Analysis of rates modelling outcomes. • Performance Measures – outcome of reviews • Discussion of big issues to be consulted (the right debate) on and to be included in the CD 	3 December 2020
10YP Workshop #18 <ul style="list-style-type: none"> • Working draft on CD and formal consultation plan • Preliminary draft Financial Strategy (FS#3) • Preliminary Draft Financials 	9 February 2021
Council Meeting Adopt for Audit: <ul style="list-style-type: none"> • Consultation Document • Draft Financials • Supporting Information 	23 February 2021
Audit of CD	8 – 15 March 2021
Hot Review OAG	16-17 March 2021
Council Meeting Adoption of: <ul style="list-style-type: none"> • CD for consultation • Supporting Information for Consultation • Supporting information on proposals for consultation • Financial statements • AMPs • LoS and performance measures • AMPs • Infrastructure strategy • SWAMMP • Financial Strategy • Revenue and Financing policy • Planning assumptions • Rates remission policy • Treasury policy • Appointment of Directors for CCO policy • SEP 	30 March 2021
Public Notification	6 April 2021
Consultation Period	6 April – 5 May 2021
Council Hearings Hearing of Submitters	12-13 May 2021
Council Meeting Deliberation of Submissions	25 May 2021
10YP Council Meeting Adoption of 10YP	29 June 2021

ATTACHMENT 2: OVERVIEW OF THE KEY BUILDING BLOCKS AND HOW THEY ARE TRACKING

Key Building Block	Brief Description	update
Strategic Direction	This is guided by the legislative requirement “to promote the wellbeing of communities in the present and for the future” and provides the direction of travel for the Council to guide the development of the 10YP.	Discussed at three separate Council workshops (19 May, 9 June and 14 July 2020). A reviewed version of the Strategic direction was tabled at the 28 July 2020 Council meeting.
Context Setting	Provides contextual information to elected members on council’s business (what we do, why we do it, how it is funded) and seeks direction on key issues to be considered through the 10YP.	A Council Workshop to provide context was held on 9 June 2020. Three additional workshops have been planned to further discuss issues that have been identified by elected members.
Groups of Activities Structure	Schedule 10 of the Local Government Act 2002 requires all councils to organise their work into groups of activities (GOAs). Staff will provide an assessment of the GOA structure against the new strategic direction/ framework to show the alignment of the activities against the community outcomes.	This work is currently underway.
Engagement Coordination Plan	The Engagement Coordination Plan establishes what engagement is necessary and feasible in the lead up to the 10YP, how we plan to engage on issues and rationalises engagement to the time and resource available.	Work will be undertaken to identify recent engagements, and any upcoming opportunities to engage with key stakeholders. A draft plan will be tabled with Council at the 26 January 2021 Council workshop geared towards formal consultation.
Significance and Engagement Policy (SEP)	The 2014 changes to the Local Government Act (LGA) 2002 required all councils to have a Significance and Engagement Policy. Council’s SEP was reviewed for the 2018-28 10YP and will require a review for this 10YP.	The review is underway and will be discussed at the 10 November Council workshop.
Levels of Service Reviews	Review of each activity to determine whether there should be any changes to levels of service that will better meet the Council’s Strategic Direction (determination of what services and how much of each service we will deliver).	Reviews have commenced now and will be presented to Council alongside Activity Management Plans in the September and October Council workshops.
Infrastructure Strategy	The purpose of the Infrastructure Strategy is to identify the significant infrastructure issues for the Council over a 30-year period, the principal options for managing	An overview of the Infrastructure Strategy was presented to Council on 9 June 2020 with the outcome of the strategy review being

Key Building Block	Brief Description	update
	<p>these issues, and the associated implications. The strategy will provide visibility to the district community of the investment needed beyond the current 10-year long term planning horizon.</p>	<p>presented back to Council at its workshop on 10 November.</p>
Financial Strategy	<p>Required by the LGA to address statement of factors that are expected to have significant impact on the Council during the consecutive financial years covered by the Financial Strategy.</p>	<p>Work is underway and discussion has been tabled with Council across several workshops noting that alongside the Financial Strategy, a number of Council's financial policies will need to be reviewed.</p>
Revenue and Financing Policy	<p>The Revenue and Financing Policy is the mechanism through which Council considers how it will fund the activities it undertakes, in accordance with the Local Government Act 2002.</p>	<p>This review is spread across several workshops with an initial overview being presented to Council on 14 July 2020.</p>

ATTACHMENT 3: WAITOMO DISTRICT COUNCIL RISK MATRIX

		Consequences				
Likelihood	Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Severe (5)	
Almost Certain (5)	Medium (5)	Medium (10)	High (15)	Extreme (20)	Extreme (25)	
Likely (4)	Low (4)	Medium (8)	High (12)	High (16)	Extreme (20)	
Possible (3)	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)	
Unlikely (2)	Low (2)	Low (4)	Medium (6)	Medium (8)	Medium (10)	
Rare (1)	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)	

Document No: A475501

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



Meeting Date: 11 August 2020

Subject: **Building Consent Authority Accreditation**

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to brief Council on the outcome of the recent audit of the Waitomo District Council (WDC) Building Consent Authority (BCA) carried out by International Accreditation New Zealand (IANZ).

Background

- 2.1 The purpose of the building consent authority accreditation scheme (administered by the Ministry of Business, Innovation and Employment (MBIE)) is to set out the minimum policies, procedures and systems that a BCA must have, and consistently and effectively implement, to perform its building control functions.
- 2.2 Section 215 of the Building Act 2004 (the Act) requires a BCA to maintain accreditation at all times. In order to retain accreditation, a BCA must maintain compliance with all accreditation requirements, and undergo regular accreditation assessments.
- 2.3 MBIE contracts IANZ to undertake the required BCA assessments / audits, and these are currently conducted on a two-yearly basis.
- 2.4 IANZ conducted its most recent audit of WDC's BCA over five days in June 2020 (15th to 19th of June 2020). During this time all of WDC's BCA systems, procedures, policies and staff competencies were comprehensively audited.
- 2.5 A copy of the IANZ assessment report is attached as Appendix 1.

Commentary

- 3.1 The assessment process undertaken by IANZ is outlined in the diagram attached as Appendix 2. Essentially, each policy, procedure and system is assessed and determined to be either compliant, a 'general non-compliance', or a 'serious non-compliance'.
- 3.2 Non-compliances raised by IANZ must be addressed within a timeframe set by IANZ.
- 3.3 The recent audit of WDC's BCA resulted in continued substantial compliance with the requirements of the Building (Accreditation of Building Consent Authority) Regulations 2006, with only five minor general non-compliances, with 3.5 resolved during the audit and only 1.5 to be addressed by WDC by the 2/10/2020. This is an excellent result in the context of the changes to the accreditation

regulations made in 2017, which significantly increased the workload associated with BCA accreditation; and the recent implementation of Alpha 1, WDC's new online building consenting system.

3.4 It is noted that IANZ staff identified in the report (attached as Appendix 2) the following specific good practice and performance:

"This accreditation assessment found the following aspects of the BCA's operations of particular note as good practice and/or performance which should be maintained:

- *The BCA had well maintained and documented systems*
- *Adoption of the AlphaOne software system for Building Consent processing had been well managed and implemented."*

Suggested Resolution

The business paper on Building Consent Authority Accreditation be received.



TERRENA KELLY
GENERAL MANAGER STRATEGY AND ENVIRONMENT

1 July 2020

Attachment(s):	1	IANZ Building Consent Authority Accreditation Assessment Report- Waitomo District Council (A475502)
	2	Diagram of IANZ Assessment Process (A400745)



**BUILDING CONSENT AUTHORITY ACCREDITATION
ASSESSMENT REPORT**

Waitomo District Council

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INTRODUCTION

This report relates to the accreditation assessment of the Waitomo District Council (WDC) Building Consent Authority (BCA) which took place during June 2020 to determine compliance with the requirements of the *Building (Accreditation of Building Consent Authorities) Regulations 2006* (the Regulations). The assessment was conducted remotely due to COVID-19. This meant that some aspects were unable to be assessed, such as on-site witnessing of building inspections, which were therefore excluded from the scope of this assessment.

This report is based on the document review, witnessing of activities and interviews with the BCA's employees and contractors undertaken during the accreditation assessment.

A copy of this report, and subsequent information regarding progress towards clearance of non-compliance/s, will be provided to the Ministry of Business, Innovation and Employment (MBIE) in accordance with International Accreditation New Zealand's (IANZ) contractual obligations. This report may also be made publicly available by the BCA as long as this is not done in a way that misrepresents the content within. It may also be released under the Local Government Meetings and Official Information Act 1987 consistent with any ground for withholding that might be applicable.

ACCREDITATION FEEDBACK AND CONTINUING ACCREDITATION

Accreditation is a statement, by IANZ, that your organisation complies with the Regulations and MBIE BCA accreditation scheme guidance documents (as relevant). Where non-compliance with the Regulations has been identified, the Act requires that it must be addressed.

This accreditation assessment found that the BCA was non-compliant with a number of accreditation requirements as detailed below. The non-compliances identified must be addressed before accreditation is continued.

Summary of the non-compliances identified during the assessment

Action Plan: Your non-compliances with the Regulations have been summarised and recorded in detail in this report. Please complete the Record of Non-compliance table/s detailing your proposed corrective actions and the evidence that will be provided, and forward a copy to IANZ. This plan of action must be provided to IANZ by 31/07/2020. for IANZ review and acceptance.

Evidence of addressing non-compliances: Evidence, as described in your action plan, must be supplied to IANZ to demonstrate that you have addressed your non-compliances. All non-compliances must be finally addressed and cleared by 2/10/2020. To maintain accreditation you must provide evidence of the actions taken to clear non-compliance to IANZ within the required timeframe. Please allow at least 10 working days for IANZ to respond to any submitted material and allow sufficient time after submission of your evidence in case further evidence is required.

If you do not agree with the non-compliances identified, or if you need further time to address non-compliances, please contact the Lead Assessor as soon as possible. Where you are seeking an extension to an agreed timeframe to address a non-compliance, your Chief Executive is required to make a formal request for an extension of the timeframe. These will only be granted for unpredictable and unmanageable reasons.

If you have a complaint about the assessment process, please refer the BCA Accreditation disagreements guidance which can be found [here](#).

Summary of the good practice and performance identified during the assessment



This accreditation assessment found the following aspects of the BCA's operations of particular note as good practice and/or performance which should be maintained:

- The BCA had well maintained and documented systems
- Adoption of the AlphaOne software system for Building Consent processing had been well managed and implemented

NEXT ACCREDITATION ASSESSMENT

Unless your BCA undergoes a significant change, requiring some form of interim assessment, or the BCA is unable to clear the identified non-compliances within the agreed timeframe, the next assessment of the BCA is planned for June 2022. You will be formally notified of your next assessment six weeks prior to its planned date.

ASSESSMENT SUMMARY

ORGANISATION DETAILS					
Organisation:		Waitomo District Council			
Address for service:		Queen Street Te Kuiti 3910 New Zealand			
Client Number:	7436	Accreditation Number:	77		
Chief Executive:		Chris Ryan			
Chief Executive Contact Details:		Chris.ryan@waitomo.govt.nz			
BCA Responsible Manager:		Darryn Cosford			
BCA Responsible Manager Contact Details:		Darryn.cosford@waitomo.govt.nz			
BCA Authorised Representative:		Darryn Cosford			
BCA Authorised Representative Contact Details:		Darryn.cosford@waitomo.govt.nz			
BCA Quality Manager:		Darryn Cosford			
BCA Quality Manager Contact Details:		Darryn.cosford@waitomo.govt.nz			
Number of BCA FTEs		Technical	3	Admin support	1
Total FTEs should = technical FTEs + admin FTEs + vacancies		Vacancies (Technical)	0	Vacancies (Admin)	0
BCA Activity during the previous 12 months		Building Consents			
		R1	142	R2	8
		C1	29	C2	6
		CCCs			155
		New compliance schedules			3
		BCA Notices to Fix			0
ASSESSMENT TEAM					
Assessment Date:		15 June 2020 to 19 June 2020			
Lead Assessor:		Peter Wakefield			
Lead Assessor Contact Details:		pwakefield@ianz.govt.nz			
Technical Experts:		Colin Pickering			
MBIE observer/s:		None			
ASSESSMENT FINDINGS					
		This assessment:		Last assessment:	
Total # of "serious" non-compliances:		0		0	
Total # of "general" non-compliances:		5		4	
Total # of non-compliances outstanding:		2		3	
Recommendations:		3		4	
Advisory notes:		2		0	
Date clearance plan required from BCA:		31 July 2020			
Date non-compliances must cleared:		2 October 2020			
NEXT ASSESSMENT					
Recommended next assessment type:		Full assessment			
Recommended next assessment date:		June 2022			
IANZ REPORT PREPARATION					
Prepared by: Peter Wakefield		Signature: 			
Checked by: Adrienne Woollard		Signature: 			
IANZ Report Preparation Date:		29 June 2020			

ASSESSMENT OBSERVATIONS

REGULATION 6A NOTIFICATION REQUIREMENTS

Non-compliance? Y/N	No
Non-compliance number/s:	-
Opportunities for improvement? Y/N	No
Number of recommendations:	0
Recommendation number/s:	-
Number of advisory notes:	0
Advisory note number/s:	-
Observations and comments, including good practice and performance	
<p>Procedures address requirements and had been effectively implemented.</p> <p>Notifications had been sent to IANZ or MBIE within the past 24 months when necessary.</p>	

REGULATION 7 PERFORMING BUILDING CONTROL FUNCTIONS

Regulation 7(2)(a): providing consumer information

Non-compliance? Y/N	No
Non-compliance number/s:	-
Opportunities for improvement? Y/N	No
Number of recommendations:	0
Recommendation number/s:	-
Number of advisory notes:	0
Advisory note number/s:	-
Observations and comments, including good practice and performance	
<p>The BCA provided public information regarding how to apply for a consent, and how an application is processed, inspected and certified. The BCAs consumer information was complete and appropriate.</p>	

Regulation 7(2)(b)-(c), and 7(2)(d)(i): receiving, checking and recording applications

Non-compliance? Y/N	No
Non-compliance number/s:	-
Opportunities for improvement? Y/N	No
Number of recommendations:	0
Recommendation number/s:	-
Number of advisory notes:	0
Advisory note number/s:	-
Observations and comments, including good practice and performance	
<p>The BCA had appropriate procedures for receiving, checking and recording applications. These procedures had been appropriately implemented.</p>	

Regulations 7(2)(d)(ii): assessing applications

Non-compliance? Y/N	No
Non-compliance number/s:	-
Opportunities for improvement? Y/N	No
Number of recommendations:	0
Recommendation number/s:	-
Number of advisory notes:	0
Advisory note number/s:	-
Observations and comments, including good practice and performance	
<p>The BCA had a suitably documented procedure for assessing applications. This was appropriately implemented.</p>	

Regulations 7(2)(d)(iii): allocating applications

Non-compliance? Y/N	No
Non-compliance number/s:	-
Opportunities for improvement? Y/N	No
Number of recommendations:	0
Recommendation number/s:	-
Number of advisory notes:	0
Advisory note number/s:	-
Observations and comments, including good practice and performance	
Applications were allocated to processors according to the competence of the assessor, as recorded on the Skills Matrix, and the complexity of the building work. Implementation was appropriate.	

Regulation 7(2)(d)(iv): processing building consent applications and Regulation 7(2)(e): planning inspections

Non-compliance? Y/N	No
Non-compliance number/s:	-
Opportunities for improvement? Y/N	Yes
Number of recommendations:	2
Recommendation number/s:	R1, R2
Number of advisory notes:	0
Advisory note number/s:	-
Observations and comments, including good practice and performance	
<p>The BCA had a documented procedure for processing of building consents. Processed consents generally included appropriate records of decisions, reasons for decisions and outcome of decisions. However, the BCA is recommended to include reference to verifying that proposed specified systems, performance standards and inspection, maintenance and reporting procedures are appropriate, within the wording of the documented procedure. See Recommendation R1.</p> <p>Also, the BCA is recommended to review its recording of reasons for decisions, as in many cases the records are of decisions made and not reasons of how compliance was achieved, due to use of the AlphaOne prepopulated text function and not using supplementary processing notes. See Recommendation R2.</p>	

Regulation 7(2)(d)(v): granting and issuing consents

Non-compliance? Y/N	Yes – Partially resolved on-site, see record of non-compliance for details.
Non-compliance number/s:	GNC 1
Opportunities for improvement? Y/N	No
Number of recommendations:	0
Recommendation number/s:	-
Number of advisory notes:	0
Advisory note number/s:	-
Observations and comments, including good practice and performance	
<p>Compliance with Form 5</p> <p>The BCAs documented procedure for granting of building consents did not adequately cover the following:</p> <ul style="list-style-type: none"> (i) Buildings which involve building on 2 or more allotments did not reflect the requirements of the Building Act. (ii) The procedures did not make reference to ensuring any documentation that may be received by the BCA after the consent is granted and issued is sent to the applicant, after the building consent has been issued. <p>The above parts of GNC 1 are now resolved on-site with a revised BCA procedure PR_CS_18b.</p> <p>The BCA did not always implement the requirement to issue an amended Form 5 when an amendment to a Building Consent had occurred. See GNC 1.</p> <p>Specified systems and/or their performance standards were not always listed in Building Consents, when required. See GNC 1.</p> <p>Lapsing</p> <p>The BCA had documented and implemented its procedure for lapsing of consents where no work had started 12 months after issue of the consent.</p> <p>Compliance with statutory timeframes</p> <p>Compliance with the building consent processing timeframes were recorded. The BCA was seen to meet statutory timeframes.</p>	

Regulation 7(2)(e): planning, performing and managing inspections

Non-compliance? Y/N	Yes - resolved during assessment
Non-compliance number/s:	GNC 2
Opportunities for improvement? Y/N	No
Number of recommendations:	0
Recommendation number/s:	-
Number of advisory notes:	0
Advisory note number/s:	-
Observations and comments, including good practice and performance	
<p>Inspections were planned as part of processing.</p> <p>The BCA's documented procedure did not adequately cover the following:</p> <ul style="list-style-type: none"> (i) How inspections may be requested, received and recorded for work that is not restricted building work. E.g. Owner Builders, commercial. (ii) How building work that does not comply with the Building Code is dealt with. E.g. The procedure does not cover if building consent has been issued but work does not comply with code. (iii) How building work is checked for any warnings or bans issued by MBIE. E.g. Not referenced in relation to performing inspections. <p>The above issues were raised as GNC 2 and were resolved on-site with a revision of the Waikato cluster manual section PR_CS_15. Also the BCAs desk file DF_IN_01b had been revised which addressed parts (ii) and (iii) of GNC 2.</p> <p>This assessment was carried out as a remote assessment due to the COVID-19 virus pandemic and as such, assessment of the implementation of inspection activities by on-site witnessing was outside of the assessment scope.</p>	

Regulation 7(2)(f): code compliance certificates, compliance schedules and notices to fix

Non-compliance? Y/N	Yes - See Record of Non-compliance for details
Non-compliance number/s:	GNC 3
Opportunities for improvement? Y/N	Yes
Number of recommendations:	0
Recommendation number/s:	-
Number of advisory notes:	1
Advisory note number/s:	A1
Observations and comments, including good practice and performance	
<p>Application for a code compliance certificate</p> <p>The BCA's documented procedures did not adequately cover the process by which the AlphaOne system automatically generated an acknowledgement letter on receipt of an application in the Alpha portal. See GNC 3.</p>	
<p>Code compliance certificates</p> <p>The BCA's documented procedures did not adequately cover the inclusion of the reasons for refusing the CCC as required by Building act s95A (b) See GNC 3.</p> <p>The BCA was inconsistent in the issuing of Code Compliance Certificates to the requirements of the Building Act 2004;</p> <p>Inconsistencies were noted in the following:</p> <ul style="list-style-type: none"> - specified systems were not always stated as capable of performing to the required performance standard See GNC 3. - Compliance Schedule attachments were not always referenced correctly when required See GNC 3. - recording of information relating to year first constructed was not always carried out. See GNC 3. 	
<p>24 month CCC decision</p> <p>Procedures addressed requirements. The BCA had been making the decision to issue/not issue CCC at 24 months where there had been no application for CCC.</p>	
<p>Compliance with statutory timeframes</p> <p>The BCA had been substantially compliant with the statutory clock for issue of CCCs, when an application for CCC had been made.</p>	
<p>Compliance schedules</p> <p>The BCA consistently issued Compliance Schedules that were not of the appropriate level of detail to the requirements of the Building Act 2004;</p> <p>Compliance schedules consistently;</p> <ul style="list-style-type: none"> - included performance standards that had not been listed on the Building consent See GNC 3. - included specified systems that had not been listed on the building consent See GNC 3. - included performance standards that were not specific to the specified system See GNC 3. 	

- included performance standards that were not appropriate **See GNC 3.**

Notices to fix

The BCA's documented procedures did not adequately cover making reference to the specified person for the issuing of notices to fix. **See GNC 3.**

The BCA is advised to consider that the following be included into notices to Fix: to reference the specified person as being the owner, and/or as relevant, the person carrying out the work and/or the person supervising work. Also to include a precis of how the contravention was identified and to include if any work is required to make the building comply with the Building Code, and then to apply for a building consent and subsequent CCC. **See Advisory Note A1.**

Regulation 7(2)(g): customer inquiries

Non-compliance? Y/N	No
Non-compliance number/s:	-
Opportunities for improvement? Y/N	No
Number of recommendations:	0
Recommendation number/s:	-
Number of advisory notes:	0
Advisory note number/s:	-
Observations and comments, including good practice and performance	
The BCA had documented its procedure for management of enquiries. Implementation of this procedure appeared to have been appropriate.	

Regulation 7(2)(h): customer complaints

Non-compliance? Y/N	No
Non-compliance number/s:	-
Opportunities for improvement? Y/N	No
Number of recommendations:	0
Recommendation number/s:	-
Number of advisory notes:	0
Advisory note number/s:	-
Observations and comments, including good practice and performance	
Procedures for complaint receipt, recording and management were appropriate. No complaints had been received by the BCA in the past 24 month period.	

REGULATION 8 ENSURING ENOUGH EMPLOYEES AND CONTRACTORS

Regulation 8(1): forecasting workflow

Non-compliance? Y/N	No
Non-compliance number/s:	-
Opportunities for improvement? Y/N	No
Number of recommendations:	0
Recommendation number/s:	-
Number of advisory notes:	0
Advisory note number/s:	-
Observations and comments, including good practice and performance	
<p>The BCA had undertaken a review of the volumes of work carried out, together with any known internal or external factors. It had also made a forecast of upcoming consenting, inspection and compliance work. Procedures for forecasting workflow were appropriate and effectively implemented.</p>	

Regulation 8(2): identifying and addressing capacity and capability needs

Non-compliance? Y/N	No
Non-compliance number/s:	-
Opportunities for improvement? Y/N	No
Number of recommendations:	0
Recommendation number/s:	-
Number of advisory notes:	0
Advisory note number/s:	-
Observations and comments, including good practice and performance	
<p>The BCA had an appropriate documented procedure to consider its capacity and capability. The BCA had undertaken an annual analysis process to consider its capacity and capability, and to determine how to address any identified gaps. The BCA employed contractors to assist the BCA in its processing capability.</p> <p>Compliance with the building consent, inspection and CCC timeframes were recorded. The BCA was seen to substantially meet statutory timeframes.</p>	

REGULATION 9 ALLOCATING WORK

Non-compliance? Y/N	No
Non-compliance number/s:	-
Opportunities for improvement? Y/N	No
Number of recommendations:	0
Recommendation number/s:	-
Number of advisory notes:	0
Advisory note number/s:	-
Observations and comments, including good practice and performance	
<p>The BCA had a documented procedure which included the utilisation of the BCA's skills matrix for the allocation of work to competent employees.</p> <p>Implementation of the BCA's procedure appeared to be appropriate.</p>	

REGULATION 10 ESTABLISHING AND ASSESSING COMPETENCY OF EMPLOYEES

Regulation 10(1) and (3): assessing prospective employees

Non-compliance? Y/N	No
Non-compliance number/s:	-
Opportunities for improvement? Y/N	No
Number of recommendations:	0
Recommendation number/s:	-
Number of advisory notes:	0
Advisory note number/s:	-
Observations and comments, including good practice and performance	
<p>The BCA had documented an appropriate procedure for assessing the competence of prospective employees.</p>	

Regulation 10(2) and (3)(a)to (f): assessing employees performing building control functions

Non-compliance? Y/N	No
Non-compliance number/s:	-
Opportunities for improvement? Y/N	Yes
Number of recommendations:	1
Recommendation number/s:	R3
Number of advisory notes:	0
Advisory note number/s:	-
Observations and comments, including good practice and performance	
<p>The BCA had an appropriate procedure for assessing the competence of employees' performing building control functions.</p> <p>Competency assessments were seen to have been completed, with appropriate records maintained.</p> <p>However, the BCA is recommended to ensure that the recorded reasons for decisions made within Competence Assessments more clearly reference evidence to satisfy the requirements of the regulation in relation to skill in applying, and ability to carry out the activity, where relevant. See Recommendation R3.</p>	

REGULATION 11 TRAINING EMPLOYEES DOING A TECHNICAL JOB

Regulation 11(1) and (2)(a)-(d),(f) and (g): the training system

Non-compliance? Y/N	No
Non-compliance number/s:	-
Opportunities for improvement? Y/N	No
Number of recommendations:	0
Recommendation number/s:	-
Number of advisory notes:	0
Advisory note number/s:	-
Observations and comments, including good practice and performance	
<p>The BCA had documented procedures for the planning of training and the monitoring of training received.</p> <p>Training needs had been reviewed and training plans updated to reflect training needs identified. Training had been given as planned, or rescheduled when necessary.</p> <p>The implementation and uptake of training was monitored through a variety of methods, including observation, interview and assessing examples of work subsequent to the training.</p> <p>Training records had been well maintained.</p>	

Regulation 11(2)(e): supervising employees doing a technical job under training

Non-compliance? Y/N	No
Non-compliance number/s:	-
Opportunities for improvement? Y/N	No
Number of recommendations:	0
Recommendation number/s:	-
Number of advisory notes:	0
Advisory note number/s:	-
Observations and comments, including good practice and performance	
<p>The BCA had a documented system for supervision of employees. The procedure had been implemented appropriately, with good records of supervision activities maintained.</p>	

REGULATION 12(1) and (2)(a) to (f) CHOOSING AND USING CONTRACTORS

Non-compliance? Y/N	No
Non-compliance number/s:	-
Opportunities for improvement? Y/N	No
Number of recommendations:	0
Recommendation number/s:	-
Number of advisory notes:	0
Advisory note number/s:	-
Observations and comments, including good practice and performance	
<p>The BCA had documented appropriate procedures for choosing and using contractors.</p> <p>Contract agreements were in place for the contractors being used. The agreements included the scope of work to be undertaken, requirements for adhering to a quality management system, actions to be taken in the event of unsatisfactory performance and performance measuring processes.</p> <p>When engaging contractors, the BCA had defined the criteria against which its contractors were to be assessed within its documented procedures.</p> <p>Contractor performance was monitored on an ongoing basis and through Contractor Performance Evaluations which had been appropriately recorded.</p>	

REGULATION 13(a) and (b) ENSURING TECHNICAL LEADERSHIP

Non-compliance? Y/N	No
Non-compliance number/s:	-
Opportunities for improvement? Y/N	No
Number of recommendations:	0
Recommendation number/s:	-
Number of advisory notes:	0
Advisory note number/s:	-
Observations and comments, including good practice and performance	
<p>13(a) Identifying competency of individuals to be Technical Leaders</p> <p>Procedures addressed all requirements. Technical leadership positions were identified on the BCA's Skills Matrix for both processing and inspections. These positions were consistent with the outcomes of the competency assessments. Implementation of procedures was effective.</p> <p>13(b) Granting Technical Leaders powers and authorities.</p> <p>Procedures addressed requirements and were effectively implemented.</p>	

REGULATION 14 ENSURING NECESSARY (TECHNICAL) RESOURCES

Non-compliance? Y/N	No
Non-compliance number/s:	-
Opportunities for improvement? Y/N	Yes
Number of recommendations:	0
Recommendation number/s:	-
Number of advisory notes:	1
Advisory note number/s:	A2
Observations and comments, including good practice and performance	
<p>Procedures for ensuring necessary technical resources were appropriate and well implemented. Facilities and equipment had been maintained and calibrated.</p> <p>Advice was provided to the BCA to consider using the suggested Waikato Cluster Manual temperatures for carrying out calibration checks for BCA thermometers. E.g. 45, 55 and 65 degrees Celsius, rather than 45, 65 and 73 as seen in current calibration records. See Advisory Note A2.</p>	

REGULATION 15(1)(a) and (b) and (2): KEEPING ORGANISATIONAL RECORDS

Non-compliance? Y/N	Yes - resolved during assessment
Non-compliance number/s:	GNC 4
Opportunities for improvement? Y/N	No
Number of recommendations:	0
Recommendation number/s:	-
Number of advisory notes:	0
Advisory note number/s:	-
Observations and comments, including good practice and performance	
<p>The BCA had recorded their structure and lines of accountability on an organisational chart. Roles and responsibilities were recorded in position descriptions. Powers and authorities were recorded for each of the BCA's building functions.</p> <p>However, the BCA had not ensured that all delegated powers to perform building control functions had been documented. E.g. Section 51 was not covered by the BCAs Delegations Register.</p> <p>The above was raised as GNC 4 and was resolved on-site with an amended Delegations Register.</p>	

REGULATION 16(1) and (2)(a) to (c): FILING APPLICATIONS FOR BUILDING CONSENT

Non-compliance? Y/N	No
Non-compliance number/s:	-
Opportunities for improvement? Y/N	No
Number of recommendations:	0
Recommendation number/s:	-
Number of advisory notes:	0
Advisory note number/s:	-
Observations and comments, including good practice and performance	
<p>The BCA allocated each application for a building consent and amendment a unique application number. The BCA's AlphaOne monitoring functions were being used well to ensure that all files required to be held were closely controlled.</p> <p>Records were found to be accessible and retrievable. Records were maintained on separate servers with regular backup and retrieval testing.</p>	

REGULATION 17 ASSURING QUALITY

Regulations 17(1) and (2)(a): A quality assurance system that covers management and operations

Non-compliance? Y/N	No
Non-compliance number/s:	-
Opportunities for improvement? Y/N	No
Number of recommendations:	0
Recommendation number/s:	-
Number of advisory notes:	0
Advisory note number/s:	-
Observations and comments, including good practice and performance	
<p>The BCA had appropriately documented a quality assurance system that met the requirements of the Regulations, except as described in this report.</p> <p>There was a small number of instances where the system was not fully implemented. These are detailed elsewhere in this report.</p>	

Regulation 17(2)(b) and (3): A policy on quality and a quality manager

Non-compliance? Y/N	No
Non-compliance number/s:	-
Opportunities for improvement? Y/N	No
Number of recommendations:	0
Recommendation number/s:	-
Number of advisory notes:	0
Advisory note number/s:	-
Observations and comments, including good practice and performance	
<p>The BCA had a documented Quality Policy which included quality objectives and quality performance indicators of the BCA functions at a high level.</p> <p>The BCA had a Quality Manager who was named in the BCA's desk file procedure DF_QM_01.</p>	

Regulation 17(2)(c): Ensuring operation within any scope of accreditation

Non-compliance? Y/N	No
Non-compliance number/s:	-
Opportunities for improvement? Y/N	No
Number of recommendations:	0
Recommendation number/s:	-
Number of advisory notes:	0
Advisory note number/s:	-
Observations and comments, including good practice and performance	
Not applicable to a BCA that is also a Territorial Authority.	

Regulation 17(2)(d): Regular management reporting and review, including of the quality system

Non-compliance? Y/N	No
Non-compliance number/s:	-
Opportunities for improvement? Y/N	No
Number of recommendations:	0
Recommendation number/s:	-
Number of advisory notes:	0
Advisory note number/s:	-
Observations and comments, including good practice and performance	
<p>An annual strategic review was scheduled and held with the last review occurring in August 2019. The format of this review was clearly defined within the BCA's documented procedure.</p> <p>Implementation of management reporting, review and records appeared to be appropriate.</p>	

Regulation 17(2)(e) Supporting continuous improvement

Non-compliance? Y/N	No
Non-compliance number/s:	-
Opportunities for improvement? Y/N	No
Number of recommendations:	0
Recommendation number/s:	-
Number of advisory notes:	0
Advisory note number/s:	-
Observations and comments, including good practice and performance	
<p>The organisation had documented an appropriate procedure for supporting continuous improvement (CI) of the organisation's performance. CI items were recorded on the BCA's CI forms. Cluster related issues were recorded on the Waikato Building Control Group cluster CI Log.</p> <p>Implementation of CI actions and CI records was appropriate.</p>	

Regulation 17(2)(h): Undertaking annual audits

Non-compliance? Y/N	No
Non-compliance number/s:	-
Opportunities for improvement? Y/N	No
Number of recommendations:	0
Recommendation number/s:	-
Number of advisory notes:	0
Advisory note number/s:	-
Observations and comments, including good practice and performance	
<p>The BCA's procedure for internal audit was found to be appropriate, with internal audits occurring to schedule and to a generally appropriate standard. Internal audit records in the form of internal audit reports and technical audits had been retained. Follow up processes on issues raised during internal audits was seen to have been implemented.</p>	

Regulation 17(2)(i): Identifying and managing conflicts of interest

Non-compliance? Y/N	No
Non-compliance number/s:	-
Opportunities for improvement? Y/N	No
Number of recommendations:	0
Recommendation number/s:	-
Number of advisory notes:	0
Advisory note number/s:	-
Observations and comments, including good practice and performance	
<p>The BCA had documented a procedure for management of conflicts of interest (COI) which appeared to be appropriate.</p> <p>COIs had been raised by staff where necessary. These were logged onto the WDC COI Register. Records appeared to have been well maintained. Each COI was recorded, reviewed by management and the method by which the COI was to be managed was held on record.</p>	

Regulation 17(2)(j): Communicating with internal and external persons

Non-compliance? Y/N	No
Non-compliance number/s:	-
Opportunities for improvement? Y/N	No
Number of recommendations:	0
Recommendation number/s:	-
Number of advisory notes:	0
Advisory note number/s:	-
Observations and comments, including good practice and performance	
<p>The BCA had documented procedures for communicating with internal and external persons.</p> <p>The BCA were implementing communication requirements with internal and external persons appropriately.</p>	

Regulation 17(3A): Complaints about building practitioners

Non-compliance? Y/N	No
Non-compliance number/s:	-
Opportunities for improvement? Y/N	No
Number of recommendations:	0
Recommendation number/s:	-
Number of advisory notes:	0
Advisory note number/s:	-
Observations and comments, including good practice and performance	
<p>The BCA had developed an appropriate procedure for raising concerns regarding building practitioners and making complaints as required.</p> <p>The BCA's Performance Reports took into consideration any problematic practitioners as an agenda item.</p> <p>No complaints about practitioners had been raised.</p>	

Regulation 17(4): Compliance with a quality assurance system

Non-compliance? Y/N	No
Non-compliance number/s:	-
Opportunities for improvement? Y/N	No
Number of recommendations:	0
Recommendation number/s:	-
Number of advisory notes:	0
Advisory note number/s:	-
Observations and comments, including good practice and performance	
<p>The BCA used a number of measures to ensure compliance with its quality system, such as in process checking, internal audit and management reviews.</p> <p>The BCA communicated about its quality system to its employees and contractors.</p> <p>The measures that the BCA used to ensure compliance with the quality system were found to be appropriate.</p>	

Regulation 17(5): Strategic management reporting and review

Non-compliance? Y/N	No
Non-compliance number/s:	-
Opportunities for improvement? Y/N	No
Number of recommendations:	0
Recommendation number/s:	-
Number of advisory notes:	0
Advisory note number/s:	-
Observations and comments, including good practice and performance	
<p>The BCA conducted annual strategic management reviews to consider the appropriateness and effectiveness of its quality system and the performance of the BCA's functions. BCA Performance Reports were being raised and reviewed.</p> <p>Minutes of the most recent meeting (August 2019) demonstrated that the requirements of this regulation were being met.</p>	

REGULATION 18 TECHNICAL QUALIFICATIONS

Non-compliance? Y/N	Yes - resolved during assessment
Non-compliance number/s:	GNC 5
Opportunities for improvement? Y/N	No
Number of recommendations:	0
Recommendation number/s:	-
Number of advisory notes:	0
Advisory note number/s:	-
Observations and comments, including good practice and performance	
<p>The BCA had documented a procedure for ensuring employees and contractors doing a technical job, held, or were working towards an appropriate qualification.</p> <p>However, the BCA's documented procedures for requiring Technical Qualifications did not align with the MBIE guidance for the circumstances in which it may be unreasonable or impractical for a BCO to hold a qualification. Examples from the existing procedures included:</p> <ul style="list-style-type: none"> • An officer is already receiving superannuation (Not specific to retirement date) • An officer is within the first 2 years of employment within the BCA (1 year in MBIE guidance) <p>The above was raised as GNC 5 and had been resolved on-site with a revised BCA procedure DF_HR_01a.</p> <p>Staff who had been exempted had been appropriately recorded.</p>	

RECORD OF NON-COMPLIANCE

Non-compliance number:	GNC 1	
Breach of regulatory requirement:	Regulation 7(2)(d)(v)	
Finding:	General Non-compliance	
Finding details:	<p>The BCA did not always implement the requirement to issue an amended Form 5 when an amendment to a Building Consent had occurred.</p> <p>Specified systems and/or their performance standards were not always listed in Building Consents, when required.</p>	
BCA Actions required:	<p>Please analyse the cause of the above finding and then develop and implement an action plan to address the finding.</p> <p>Please provide the action plan to IANZ for acceptance (Plan of action), along with details of the records of the evidence that will be supplied to address the non-compliance (Proposed evidence of implementation), by the Plan of action from BCA date indicated below .</p> <p>Once the action plan has been accepted and implemented please provide complete evidence to demonstrate that the findings have been addressed (Evidence of implementation) <u>no later than</u> the Evidence of implementation from BCA date indicated below. Please allow sufficient time to ensure that the non-compliance can be cleared by the Non-compliance to be cleared by date.</p>	
IMPORTANT DATES		
Non-compliance to be cleared by:	2/10/2020	
	Due by:	Accepted by IANZ:
Plan of action from BCA date:	31/07/2020	Click here to enter a date.
Evidence of implementation from BCA date:	18/09/2020	Click here to enter a date.
EVIDENCE		
Plan of action: <i>To be provided by BCA</i>		
Proposed evidence of implementation: <i>To be provided by BCA</i>		
Evidence of implementation:		
Non-compliance cleared? Y/N	Choose an item.	
Signed:		
Date:	Click here to enter a date.	

RECORD OF NON-COMPLIANCE

Non-compliance number:	GNC 3
Breach of regulatory requirement:	Regulation 7(2)(f)
Finding:	General Non-compliance
Finding details:	<p>The BCA's documented procedures did not adequately cover the following:</p> <ul style="list-style-type: none"> - The process by which the AlphaOne system automatically generated an acknowledgement letter on receipt of an application for CCC in the Alpha portal - recording the reasons for refusing the CCC as required by Building Act section 95A (b) - making reference to the specified person for the issuing of notices to fix <p>The BCA consistently issued Compliance Schedules that were not of the appropriate level of detail to the requirements of the Building Act 2004;</p> <p>Compliance schedules consistently;</p> <ul style="list-style-type: none"> - included performance standards that had not been listed on the Building consent - included specified systems that had not been listed on the building consent - included performance standards that were not specific to the specified system - included performance standards that were not appropriate <p>The BCA was inconsistent in the issuing of Code Compliance Certificates to the requirements of the Building Act 2004;</p> <p>Inconsistencies were noted in the following:</p> <ul style="list-style-type: none"> - specified systems were not always stated as capable of performing to the required performance standard - Compliance Schedule attachments were not always referenced correctly when required - recording of information relating to year first constructed was not always carried out.

BCA Actions required:	<p>Please analyse the cause of the above finding and then develop and implement an action plan to address the finding.</p> <p>Please provide the action plan to IANZ for acceptance (Plan of action), along with details of the records of the evidence that will be supplied to address the non-compliance (Proposed evidence of implementation), by the Plan of action from BCA date indicated below .</p> <p>Once the action plan has been accepted and implemented please provide complete evidence to demonstrate that the findings have been addressed (Evidence of implementation) <u>no later than</u> the Evidence of implementation from BCA date indicated below. Please allow sufficient time to ensure that the non-compliance can be cleared by the Non-compliance to be cleared by date.</p>	
IMPORTANT DATES		
Non-compliance to be cleared by:	2/10/2020	
	Due by:	Accepted by IANZ:
Plan of action from BCA date:	31/07/2020	Click here to enter a date.
Evidence of implementation from BCA date:	18/09/2020	Click here to enter a date.
EVIDENCE		
Plan of action: <i>To be provided by BCA</i>		
Proposed evidence of implementation: <i>To be provided by BCA</i>		
Evidence of implementation:		
Non-compliance cleared? Y/N	Choose an item.	
Signed:		
Date:	Click here to enter a date.	

SUMMARY OF RECOMMENDATIONS

Recommendations are intended to assist your BCA to maintain compliance with the Regulations. They are **not** conditions for accreditation but a failure to make changes may result in non-compliance with the Regulations in the future.

It is recommended that:

- R1 The BCA is recommended to include reference to verifying that specified systems, performance standards and inspection, maintenance and reporting procedures are appropriate within the wording of the documented procedure. Regulation 7(2)(d)(iv).
- R2 The BCA is recommended to review its recording of reasons for processing decisions, as in many cases the records are of decisions made and not reasons of how compliance was achieved, due to use of AlphaOne prepopulated text function and not using supplementary processing notes. Regulation 7(2)(d)(iv).
- R3 The BCA is recommended to ensure that the recorded reasons for decisions made within Competence Assessments more clearly reference evidence to satisfy the requirements of the regulation in relation to skill in applying, and ability to perform the task, where relevant. Regulation 10(3)(c).

SUMMARY OF ADVISORY NOTES

Advisory notes are intended to assist your BCA to improve compliance with accreditation requirements based on IANZ's experience. They are **not** conditions for accreditation and do not have to be implemented to maintain accreditation.

IANZ advises that:

- A1 The BCA is advised to consider that the following be considered for inclusion into Notices to Fix:
- To reference the specified person as being the owner, and/or as relevant, the person carrying out the work and/or the person supervising the work.
 - To include a precis of how the contravention was identified and to include if any work is required to make the building comply with the Building Code.
 - To apply for a building consent and subsequent CCC. Regulation 7(2)(f).
- A2 The BCA is advised to consider using the suggested Waikato Cluster Manual temperatures for carrying out calibration checks for BCA thermometers. E.g. 45, 55 and 65 degrees Celsius, rather than 45, 65 and 73 as seen in current calibration records. Regulation 14.

SUMMARY TABLE OF NON-COMPLIANCE

The following table summarises the non-compliance identified with the accreditation requirements in your BCA's accreditation assessment. Where a non-compliance has been identified, a Record of Non-compliance template has been prepared detailing the issue, and to enable you to detail your proposed corrective actions to IANZ. You must update and return a template for each non-compliance identified.

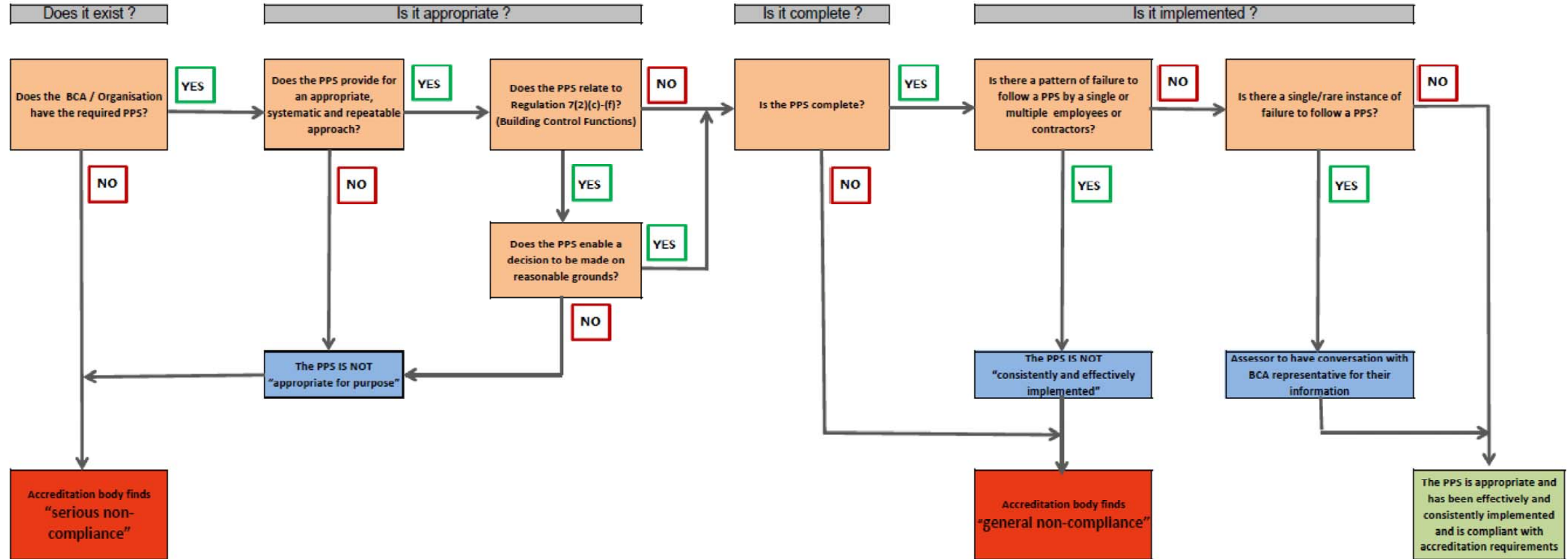
Regulatory requirement	Non-compliance (Serious / General)	Non-compliance identification number	Breach of regulation 5/6? Enter "Yes" where applicable						Resolved On-site? Yes/No	Date Non-compliance to be cleared by (DD/MM/YYYY)	Date Non-compliance cleared (DD/MM/YYYY)	Number of		Brief comment (one sentence/line only to get to the heart of the issue)
			5(a)	5(b)	5(c)	6(b)	6(c)	6(d)				Recs	Advisory notes	
6(A)(1)	Choose an item.													
6(A)(2)	Choose an item.													
Regulation 7														
7(1)	Choose an item.													
7(2)(a)	Choose an item.													
7(2)(b)	Choose an item.													
7(2)(c)	Choose an item.													
7(2)(d)(i)	Choose an item.													
7(2)(d)(ii)	Choose an item.													
7(2)(d)(iii)	Choose an item.													
7(2)(d)(iv)	Choose an item.										2			
7(2)(d)(v)	General	GNC 1			Yes			No	2/10/2020					BCA did not always implement the requirement to issue an amended Form 5 when an amendment to a Building Consent had occurred. Specified systems and/or their performance standards were not always listed in Building Consents, when required.
7(2)(e)	General	GNC 2	Yes	Yes				Yes		19/06/2020				BCA's procedure did not adequately cover: How inspections may be requested, received and recorded for work that is not restricted building work. How building work that does not comply with the Building Code is dealt with. How building work is checked for any warnings or bans issued by MBIE.
7(2)(f)	General	GNC 3	Yes	Yes	Yes			No	2/10/2020			1		BCA's procedures did not adequately cover: the process by which the AlphaOne system automatically generates an acknowledgement letter, including the reasons for refusing the CCC, reference to the specified person for the issuing of notices to fix. BCA consistently issued Compliance Schedules that were not of the appropriate level of detail. BCA was inconsistent in the issuing of Code Compliance Certificates with many details missing or incorrect.
7(2)(g)	Choose an item.													
7(2)(h)	Choose an item.													
Regulation 8														
8(1)	Choose an item.													
8(2)	Choose an item.													
Regulation 9														
9	Choose an item.													
Regulation 10														
10(1)	Choose an item.													
10(2)	Choose an item.													
10(3)(a)	Choose an item.													

Regulatory requirement	Non-compliance (Serious / General)	Non-compliance identification number	Breach of regulation 5/6? Enter "Yes" where applicable						Resolved On-site? Yes/No	Date Non-compliance to be cleared by (DD/MM/YYYY)	Date Non-compliance cleared (DD/MM/YYYY)	Number of		Brief comment (one sentence/line only to get to the heart of the issue)
			5(a)	5(b)	5(c)	6(b)	6(c)	6(d)				Recs	Advisory notes	
10(3)(b)	Choose an item.													
10(3)(c)	Choose an item.											1		
10(3)(d)	Choose an item.													
10(3)(e)	Choose an item.													
10(3)(f)	Choose an item.													
Regulation 11														
11(1)	Choose an item.													
11(2)(a)	Choose an item.													
11(2)(b)	Choose an item.													
11(2)(c)	Choose an item.													
11(2)(d)	Choose an item.													
11(2)(e)	Choose an item.													
11(2)(f)	Choose an item.													
11(2)(g)	Choose an item.													
Regulation 12														
12(1)	Choose an item.													
12(2)(a)	Choose an item.													
12(2)(b)	Choose an item.													
12(2)(c)	Choose an item.													
12(2)(d)	Choose an item.													
12(2)(e)	Choose an item.													
12(2)(f)	Choose an item.													
Regulation 13														
13(a)	Choose an item.													
13(b)	Choose an item.													
Regulation 14														
14	Choose an item.											1		
Regulation 15														
15(1)(a)	Choose an item.													
15(1)(b)	Choose an item.													
15(2)	General	GNC 4	Yes	Yes				Yes		19/06/2020			BCA had not ensured that all delegated powers to perform building control functions had been documented	
Regulation 16														
16(1)	Choose an item.													
16(2)(a)	Choose an item.													
16(2)(b)	Choose an item.													
16(2)(c)	Choose an item.													
Regulation 17														
17(1)	Choose an item.													
17(2)(a)	Choose an item.													
17(2)(b)	Choose an item.													
17(2)(c)	Choose an item.													
17(2)(d)	Choose an item.													
17(2)(e)	Choose an item.													

Regulatory requirement	Non-compliance (Serious / General)	Non-compliance identification number	Breach of regulation 5/6? Enter "Yes" where applicable						Resolved On-site? Yes/No	Date Non-compliance to be cleared by (DD/MM/YYYY)	Date Non-compliance cleared (DD/MM/YYYY)	Number of		Brief comment (one sentence/line only to get to the heart of the issue)
			5(a)	5(b)	5(c)	6(b)	6(c)	6(d)				Recs	Advisory notes	
17(2)(h)	Choose an item.													
17(2)(i)	Choose an item.													
17(2)(j)	Choose an item.													
17(3)	Choose an item.													
17(3A)(a)	Choose an item.													
17(3A)(b)	Choose an item.													
17(3A)(c)	Choose an item.													
17(4)(a)	Choose an item.													
17(4)(b)	Choose an item.													
17(5)(a)	Choose an item.													
(a)17(5)(b)	Choose an item.													
Regulation 18														
18(1)	Choose an item.													
18(3)(a)	General	GNC 5	Yes	Yes				Yes		19/06/2020				BCA's procedures for requiring Technical Qualifications did not align with the MBIE guidance for the circumstances in which it may be unreasonable or impractical for a BCO to hold a qualification.
18(3)(b)	Choose an item.													

Compliance Status Decision Tree

PPS = Policy, Procedure, System



Explanatory Notes :

- 1) The ultimate requirement is for an assessment to be made against the Building (Accreditation of Building Consent Authorities) Regulations 2006 (the regulations).
- 2) The MBIE Guidance Tool located on the www.building.govt.nz website has a detailed specific criteria which MBIE has assessed to be the minimum components to meet the requirements of the regulations.
- 3) The self-assessment checksheets are a prompting tool for checking the various components, but require users to read the full description in the guidance tool for clarification.
- 4) BCAs can demonstrate compliance with specific regulations being covered across a range of places within their Policies, Procedures and Systems.
- 5) Non-compliances which are found and subsequently cleared during an assessment will still be recorded in the detailed reporting sheet but will not have a full "record of non-compliance" sheet written up.

Outcomes

The intended outcome of this accreditation system is accurate and robust building consenting decisions - made routinely with appropriate recording of reasons for decisions. Competency assessment, training planning and delivery, and internal audits of processes and outcomes are very important components.

Last updated: 14 March 2018

Document No: A479275

Report To: Audit, Risk and Finance Committee



Meeting Date: 11 August 2020

Subject: Progress Report – District Plan Review

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to provide the Audit Risk and Finance Committee (ARFC) an overview of the progress of the District Plan Review and the associated work programme risks.

Background

2.1 DISTRICT PLAN REVIEW

- 2.1 In September 2015, Council resolved to undertake a full review of the Operative Waitomo District Plan (ODP). This is provided for in Council's 2018-28 Long Term Plan. The District Plan Review commenced in 2017.
- 2.2 The Proposed Waitomo District Plan (PDP) must be legally robust and provide guidance for long term resource management in the District.
- 2.3 District Plan Reviews are inherently complex, with many associated workstreams. The usual complexities have been further complicated by central government introducing new National Planning Standards which define and mandate a wide range of district plan structure, formatting and content.
- 2.4 For cost efficiency and effectiveness reasons, the PDP has been drafted using the new National Planning Standards, which will result in Waitomo District Council being one of the first councils to notify a PDP in accordance with the mandatory requirements.

Commentary

3.1 DISTRICT PLAN REVIEW PROGRESS

3.2 FINANCIAL

- 3.3 The costing for the District Plan Review was assessed as part of the Long Term Plan 2018-28 (LTP) and totaled \$3.745 million. In addition to this, the amount included in the 17/18 year gave a total project budget of \$4.081 million (excluding interest). The budget allocation comprised direct expenditure, which includes consultant and experts' costs, legal costs and advertising costs of \$1.66 million; and a total of \$2.42 million in allocated internal resourcing costs.
- 3.4 The District Plan Review was forecast to span six years, starting 1 July 2017 and concluding 30 June 2023. It is noted that some minor expenditure was incurred within existing budget allocation prior to 1 July 2017.

- 3.5 Total expenditure as at 30 June 2020 is \$1.661 million. This comprises direct costs of \$477,000, mainly in relation to expert consultant input into required workstreams (i.e. ecology, natural hazards); and \$1.184 million of allocated expenditure. Noting that as June 2020 numbers are still being finalised, these costs are still subject to change.
- 3.6 It is noted that funding contributions from Waikato Regional Council (which were not anticipated at the time of budget development) have been received. This results in a net project cost as at 30 June 2020 of \$1.561 million.
- 3.7 The following table presents a summary of actual costs (and Revenues) against total project budget.

District Plan Development Project Budget	Project Budget	Interim Actual To Date
<i>Project Life (Years)</i>	6	<i>2 years 6 months</i>
Direct Expenditure	1,661	477
Allocated Costs	2,420	1,184
Gross Cost of Project	4,081	1,661
Less Funding Contributions	0	(100)
Net Project Cost	4,081	1,561

- 3.8 As outlined to Council at the commencement of the District Plan Review (DPR), DPRs are very complex projects, with many associated technical workstreams. The timing of key stages of the District Plan Review is therefore highly dependent on a wide range of matters, including those which are mandated by the Resource Management Act 1991. It is noted that for cost efficiency reasons, the PDP has been drafted in the statutorily required National Planning Standard (NPS) Format prior to the mandated timeframe prescribed. This will significantly reduce post-operative implementation costs.
- 3.9 As discussed above, if formal notification occurs later than currently anticipated, this will likely result in a need to re-sequence proposed district plan budgets across the 2020/21 and 2021/22 financial years. This will not affect the Annual Plan 2020/21, due to the District Plan being loan funded.
- 3.10 **KEY PROJECT RISKS**
- 3.11 The key project risks and mitigating actions are outlined below. The project risks have been assessed utilising Waitomo District Council's risk matrix (attached as Appendix 1).
- 3.12 The following five key risks have been identified with details relating to the mitigating actions and post mitigation likelihood impact rating outlined below in detail.

- Risk No 1: Capacity High
- Risk No 2: COVID-19 lockdown impact on the project Medium
- Risk No 3: Iwi Authority response time for final review of PDP Medium
- Risk No 4: District Plan Review budget exceeded Medium
- Risk No 5: RMA Reform and new national policy direction Medium

3.13 Risk No 1: Capacity

RI: High level of organisational reliance on key individual staff, resulting in resource capacity and knowledge gaps when those staff are absent, or if they leave the organisation.

3.14 District Plan Reviews (DPRs) are inherently complex, and planners with significant experience and expertise are required to successfully navigate the multiple workstreams, issues and technical drafting requirements. WDC is fortunate to have very experienced planners dedicated to the project, who have all undertaken a full District Plan Review from drafting through to resolution of appeals in the past.

3.15 Should any of these team members require extended unplanned absences or leave the organisation, WDC would almost certainly need to rely heavily on experienced external senior consultant planners to undertake the complex work required. This would affect project timelines and result in significant budgetary implications (depending on the quantum of time consultant planners were needed for). It is probable that should key staff leave the organisation permanently, WDC would find recruitment challenging due to the shortage of suitably qualified and experienced principal / senior planners with experience in District Plan Reviews.

3.16 Mitigating Actions

3.17 All PDP documentation (including emails) is saved in WDC's corporate document management system in a logical system. This ensures that if required, any person could access key documents to ensure continuity of the project. Expert consultants have been contracted for the life of the project to ensure that as far as possible, continued technical expertise is available for the timeframe of the DPR.

3.18 Post Likelihood Impact Rating

L	Likelihood	C	Consequence	R	Risk	Low	Medium	High	Extreme
	L		(3)						Possible
	C		(4)						Major
	R		(12)						High

3.19 Risk No 2: Covid-19 lockdown impact on the project

R2: There is a risk that a second COVID-19 pandemic lockdown will impact the timing of the project, and potentially the budget due to impacts on various workstreams.

3.20 On 23 March 2020, as a result of the Covid-19 pandemic, the New Zealand government implemented Alert Level 3, with Alert Level 4 coming into effect two days later. This gave the organisation a period of only two full work days to implement business continuity in a 'lockdown' situation (i.e. only essential services working on site within the strict parameters set by COVID-19 and all other business to be carried out remotely (working from home)).

3.21 While overall the WDC organisation functioned relatively well, there were technology challenges, disruption to usual work practices, and disruption to the progression of a range of planned projects.

- 3.22 In addition, there was a significant amount of additional unplanned and unresourced work to respond to the COVID-19 emergency, including a number of staff being required to work in the Civil Defence Emergency Management Emergency Operating Centre (EOC). Cumulatively, this meant that across the organisation some planned project delivery work, and normal non-essential operations had to be de-prioritised during lockdown.
- 3.23 During the previous lockdown, this included some of the DPR team being required to work in the Civil Defence Emergency Management Emergency Operating Centre (EOC) over the entire lockdown period. There were resulting delays in consultant workstreams and with iwi engagement.
- 3.24 Should a subsequent nationwide or regional lockdown occur this will have implications on the project timelines, and potentially implementation of key steps (i.e. notification), depending on what stage of the DPR was impacted.

3.25 **Mitigating Actions**

- 3.26 Impacts will be re-assessed should a lockdown reoccur, or indications are that a new lockdown (or elevation of the alert level) is imminent. The project timeline will be reorganised and reprioritised if required and key staff will recommence remote working as required.

3.27 Post Likelihood Impact Rating

L	Likelihood	C	Consequence	R	Risk	Low	Medium	High	Extreme
	L		(2)				Unlikely		
	C		(3)				Moderate		
	R		(6)				Medium		

3.28 **Risk No 3: Iwi Authority response time for final review of PDP**

R3: Iwi are unable to respond to the final review of the PDP in a timely manner, and this significantly delays the formal notification of the PDP.

- 3.29 Schedule 1, 4A(1)(a) of the Resource Management Act 1991 (RMA) requires councils to provide a copy of the draft Proposed District Plan (PDP) to Iwi Authorities. The RMA does not specify a timeframe within which Iwi Authorities must complete this review.
- 3.30 In line with the Maniapoto Māori Trust Board (MMTB) Engagement Strategy, a working group comprising members of the Regional Marae Committees (RMC) was convened to provide input into the DPR. The RMC working group has been involved in the development of the PDP since the first workshop was convened on 7 December 2018.
- 3.31 On 9th July 2020 the Principal Planner attended the MMTB meeting of Te Mana Taiao to discuss this important process requirement and to ask MMTB to confirm the process they wished to pursue to review the PDP. MMTB have verbally indicated that staff will undertake this review, but this is yet to be confirmed in writing. Staff will ask Waikato Tainui to adopt the same review process as MMTB but this cannot be mandated. The choice of process is entirely in the hands of the Iwi Authority. WDC has asked for the review to be completed within 2 months of receipt of the PDP.
- 3.32 While MMTB undertakes the review, the DPR team will continue with section 32 drafting.

3.33 Mitigating Actions

3.34 The DPR team has established an excellent working relationship with MMTB and will work with MMTB representatives during the review stage as required (for example, meetings may be required to work through the chapters). No other mitigating actions are proposed, as the RMA does not set statutory timeframes for the completion of the Iwi Authority review.

3.35 Post Likelihood Impact Rating

L	Likelihood	C	Consequence	R	Risk	Low	Medium	High	Extreme
L			(2)						Unlikely
C			(3)						Moderate
R			(6)						Medium

3.36 **Risk No 4: District Plan Review budget exceeded**

R4: District Plan Review budget exceeded resulting in additional costs, and the subsequent budgetary effects of this.

3.37 The DPR budget has been developed based on several factors:

- (a) The likely costs at various stages in the project (for example, drafting, hearings, appeals);
- (b) The assumption that the PDP will be developed in-house by expert planners, and that those in-house planners will be available right throughout the process to the resolution of appeals; and
- (c) The assumption that any future RMA reform will not be implemented in a timely manner.

3.38 The largest cost component of the DPR is the expert consultant workstreams, and the appeals phase of the PDP. The budget allocation has factored in additional consultant time that may be required for expert input into the hearings phase. The budget allocation for legal costs associated with appeals (mediation, hearings etc) was based on the team's previous DPR appeals experience.

3.39 As previously outlined to Council, the actual costs which will be incurred is highly dependant on the quantum of submissions, further submissions and appeals received; and the complexity of the issues raised.

3.40 Mitigating Actions

3.41 The DPR team developed the budget based on experience, and the issues that are likely to be contested through the process. The PDP has been developed in a way that carefully balances the legal requirements of the RMA, and other higher-level documents (i.e. the Regional Policy Statement (RPS)) with the resource management needs of the district to ensure that the PDP is fit for purpose.

3.42 Submissions and appeals are a normal part of any DPR. Submissions will be considered through the formal hearings process, and the hearings panel will comprise an experienced independent RMA Commissioner Chair, two RMA accredited Councillors, and an Iwi representative (noting that the Iwi representative may not attend all hearings topics). The panel has been formally endorsed by Council resolution.

3.43 Any appeals will be managed by the General Manager Strategy and Environment (GMSE) and Principal Planner, with support from an experienced RMA solicitor. The GMSE and Principal Planner have extensive experience in PDP appeals processes, including mediation. It is usual practice for the Environment Court (EC) to direct mediation processes for PDP appeals, with most appeals generally being able to be addressed via this process (and subsequent Environment Court Consent Order), rather than full EC Court hearing processes.

3.44 Post Likelihood Impact Rating

L	Likelihood	C	Consequence	R	Risk	Low	Medium	High	Extreme
	L		(2)						Unlikely
	C		(3)						Moderate
	R		(6)						Medium

3.45 **Risk No 5: RMA Reform and New National Policy Direction**

R4:

(1) Central Government’s RMA reform is extensive and progresses at a faster pace than anticipated.

(2) Central Government enacts additional new national policy direction that District Plans must give effect to.

3.46 The RMA reform risk was identified in November 2018 and July 2019 when the reform was announced by central government and discussed with the Council at its workshop on 17 September 2019.

3.47 On 29 July 2020, the government released a report on the proposed new regime for resource management in New Zealand, titled “New Directions for Resource Management in New Zealand – Report of the Resource Management Review Panel June 2020” (“the Report”).

3.48 The Report recommends an entirely new approach to resource management in NZ. It proposes:

- The repeal of the RMA and replacement of new legislation called the ‘Natural and Built Environments Act’;
- New legislation called the ‘Strategic Planning Act’; and
- New legislation called the ‘Managed Retreat and Climate Change Adaptation Act’ (MRCCAA).

3.49 The purpose of the Natural and Built Environments Act would be to enhance the quality of the environment to support the wellbeing of current and future generations and to recognise the concept of Te Mana o te Taiao. It would be focussed on achieving high-quality outcomes, which would be specified. These outcomes would relate to the quality of the natural and built environments, rural areas, tikanga Māori, historic heritage, natural hazards and climate change.

3.50 Mandatory national direction would guide how these matters must be reflected in plans, including through the use of targets.

3.51 The Natural and Built Environments Act would also require regional councils and territorial authorities to work together to produce one combined regulatory plan for each region.

- 3.52 The purpose of the Strategic Planning Act, would be to promote the strategic integration of legislative functions across the resource management system, including those exercised under the RMA, Local Government Act (LGA), Land Transport Management Act (LTMA) and Climate Change Response Act 2002 (CCRA), and wider infrastructure provision by central government. This legislation would require the development of long-term regional spatial strategies, which would be jointly developed and agreed by central government, councils and mana whenua (with a Ministerial decision-making power to resolve disputes).
- 3.53 High-level patterns of development would be set, including objectives and policies consistent with the purposes of the Natural and Built Environments Act, LGA and LTMA, national direction, the national adaptation plan under the CCRA and relevant government policy statements. Regulatory plans would be required to be consistent with regional spatial strategies.
- 3.54 The MRCCAA would establish an adaptation fund to enable central and local government to support necessary steps to address the effects of climate change and would also deal with the many complex legal and technical issues involved in the process of managed retreat.
- 3.55 It is noted that while the (531 page) Report recommends how the RMA should be reformed, central government has not currently committed to all or any of the recommendations. The government has indicated that decisions on the reform will not be made until post the 2020 general election. The next step in the reform process will be consultation to develop government policy and the form of future legislation. Given the Report recommendations, the submissions and select committee stage of the reform process will be significant.
- 3.56 Once a decision has been taken by the government, it will take a significant amount of time to draft any legislation required, and consult on that legislation etc. It is estimated that this process would take at least 2 years.
- 3.57 Should legislation eventually be passed, mandating, for example, one combined Regional Plan, there would need to be a transitional period to allow that process to be worked through. It is estimated that the necessary transitional period would practically take at least another 2+ years or longer. By way of example, the National Planning Standards give most Councils 7 years to implement the new requirements. In the meantime, the current district and regional plans still need to be administered and they must still meet the ongoing requirements of National Policy Statements, National Environmental Standards and give effect to Regional Policy Statements (which the ODP does not achieve).
- 3.58 **Mitigating Actions:**
- 3.59 National Policy Direction
- 3.60 There is currently an unprecedented level of national policy direction (National Policy Statements and National Environmental Standards) coming through from central government. Where new national policy directly influences the PDP, their provisions will be provided for in the PDP as appropriate. An example of national policy direction currently being incorporated into the PDP is the National Planning Standards.
- 3.61 However, in some instances, the timing of the policy direction means that the matter cannot be provided for in the PDP. This is specifically the case in relation to the Proposed National Policy Statement on Highly Productive Land which is likely to influence the commercial, future urban and residential zones.
- 3.62 Where national policy direction cannot be provided for due to timing, it will be incorporated into the District Plan at a later date, as required by the RMA. It is

noted incorporating national policy direction too early (i.e. before it is enacted) creates risks in relation to submissions and appeals as national policy direction is often contentious. This would mean that WDC would likely end up defending national policy direction in advance of its mandatory national status.

3.63 However, incorporation once the national policy direction is enacted represents little risk, as councils legally must update their District Plans without using the Schedule 1 (RMA) process (i.e. no submissions or hearings processes are allowed, and the District Plan simply gets updated).

3.64 RMA reform

3.65 The RMA reform risk was assessed by the PDP team when the review was first announced by central government in November 2018 and July 2019. At that time the significant uncertainty around any final form of the review and its timing meant that staff recommended the PDP continue as planned.

3.66 The Report recently announced does not change the previous advice given. It is considered that there is still substantial uncertainty regarding the RMA reform, as discussed above. Council's current Operative District Plan (ODP) is over 20 years old and does not give effect to higher order statutory requirements, such as the Waikato Regional Council Regional Policy Statement (RPS). Planning has advanced significantly since the ODP was first drafted.

3.67 Delaying the PDP is likely to incur more costs than would be saved by altering a future Operative District Plan to comply with any future reforms.

3.68 The DPR team will maintain awareness of the proposed reform as it is advanced by central government. If required, a submission will be prepared to ensure WDC's interests are considered.

3.69 Post Likelihood Impact Rating

L	Likelihood	C	Consequence	R	Risk	Low	Medium	High	Extreme
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L	(2)	Unlikely
C	(3)	Moderate
R	(6)	Medium

Suggested Resolution

The Progress Report – District Plan Review be received.



TERRENA KELLY
GENERAL MANAGER STRATEGY AND ENVIRONMENT



CATHY O'CALLAGHAN
PRINCIPAL PLANNER

11 August 2020

Attachment:	1	Waitomo District Council Risk Matrix
	2	District Plan Review workshops to date

ATTACHMENT 1: WAITOMO DISTRICT COUNCIL RISK MATRIX

		Consequences				
Likelihood	Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Severe (5)	
Almost Certain (5)	Medium (5)	Medium (10)	High (15)	Extreme (20)	Extreme (25)	
Likely (4)	Low (4)	Medium (8)	High (12)	High (16)	Extreme (20)	
Possible (3)	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)	
Unlikely (2)	Low (2)	Low (4)	Medium (6)	Medium (8)	Medium (10)	
Rare (1)	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)	

ATTACHMENT 2 - DISTRICT PLAN REVIEW WORKSHOPS TO DATE

The following table summarises the matters that the Council has considered and provided direction on since 27 March 2017.

Matters Council has workshopped and provided direction on:	Date of Workshop
Application of the purpose of the Resource Management Act Application of the hierarchy of statutory documents The purpose of the rural zone Planning maps	12 April 2017
Structure planning and Town Concept planning – Te Kuiti, Waitomo, Benneydale, Piopio and Mokau The purpose of the rural-residential zone The purpose of the residential zone	20 June 2017
Maniapoto Maori Trust Board Engagement Strategy The Designation process	20 July 2017
Consultant scope – Coastal hazards, landscapes, natural hazards, ecology, heritage and archaeology projects. Maniapoto Maori Trust Board Engagement Strategy The Communication Strategy Coastal hazards, coastal flooding and adaptive management strategies	15 August 2017
Consultation – Te Kuiti and Mokau Reserve Management Plan alignment The purpose of the settlement zone The purpose of the Industrial zone Special Industrial Areas	19 September 2017
Waitomo District Natural Hazards Summary	10 October 2017
Local Indigenous Biodiversity Strategies (LIBS) Te Kuiti Town Concept Plan and Mokau Structure Plan – Draft versions The purpose of the papakaainga zone	17 October 2017
Te Kuiti Town Concept Plan and Mokau Structure Plan – Final versions	21 November 2017
Te Kuiti Town Concept Plan and Mokau Structure Plan – consideration of feedback from open days Heritage structures and buildings – proposed project approach	13 February 2018
The purpose of the conservation zone The purpose of the open space zone	20 February 2018
The purpose of the subdivision chapter The purpose of the commercial zone Progress on coastal hazards consultation – Mokau/Awakino, Marokopa/Kiritehere, Te Waitere/Kinohaku Progress on Significant Natural Area identification Progress on the Structure Planning and Town Concept Planning work	6 March 2018

Matters Council has workshopped and provided direction on:	Date of Workshop
<p>The purpose of the works and utilities chapter</p> <p>The purpose of the transport chapter</p> <p>Initial rezoning approach</p> <p>The Waitomo Structure Plan, The Benneydale Town Concept Plan and the Piopio Town Concept Plan</p> <p>New national environmental standards for plantation forestry</p>	17 April 2017
<p>Strategic guidelines for the District Plan</p> <p>Progress on Significant Natural Area identification - stakeholders</p> <p>Reserves Management Plan progress</p> <p>Town centre survey</p> <p>Rezoning project</p> <p>National Planning Standards</p> <p>Coastal hazards, coastal flooding and adaptive management strategies update</p> <p>The Waitomo Structure Plan, the Benneydale Town Concept Plan and the Piopio Town Concept Plan – Final versions</p>	5 June 2018
<p>The purpose of the tourism zone</p> <p>The purpose of the deferred zone</p> <p>The purpose of the hazards chapter</p> <p>The purpose of the landscapes chapter</p> <p>The flooding and instability hazards project</p> <p>Coastal hazards – community open days</p> <p>Summary of feedback from the Piopio, Waitomo Caves Village and Benneydale Planning processes</p> <p>The MAP process for Te Kuiti and Mokau</p>	24 July 2018
<p>The Te Kuiti Town Concept Plan – Final Version for Round 2 Consultation.</p> <p>The Mokau Structure Plan – Final Version for Round 2 Consultation.</p> <p>Consultation - Te Kuiti Town Concept Plan and Mokau Structure Plan</p> <p>Te Kuiti Town Centre Retail Assessment.</p> <p>Cultural Sites Identification.</p> <p>The purpose of the Heritage Chapter.</p> <p>The purpose of the Indigenous Biodiversity Chapter.</p>	21 August 2018
<p>The purpose of the lakes and water bodies chapter (Now Natural Environmental Values & Activities on the Surface of Water)</p> <p>The purpose of the amenity chapter (Now General District Wide Matters)</p> <p>The purpose of the strategic direction chapter</p> <p>The Piopio Town Concept Plan – Final Version for Round 2 Consultation.</p> <p>The Waitomo Caves Village Structure Plan – Final Version for Round 2 Consultation.</p> <p>The Benneydale Town Concept Plan – Final Version for Round 2</p>	18 September 2018

Matters Council has workshopped and provided direction on:	Date of Workshop
Consultation.	
The purpose of the Landscape, Landforms and Natural Character Chapter	20 November 2018
Confirmation of the Town Concept Plans and proposed amendments resulting from Round Two Consultation Feedback – Te Kuiti, Waitomo Caves Village, Piopio, Benneydale and Mokau Significant Natural Areas and resequencing of the District Plan	19 March 2019
The draft structure of the Proposed Waitomo District Plan; The precincts; SNAs; Landscapes; The Reserve Management Plan; Coastal Hazards	23 July 2019
Flood hazard modelling; Land instability modelling; Hearing the Proposed District Plan; Notification of the Proposed District Plan Resource management reforms and proposed/draft NPS/NES; One Plan – Proposed Plan Change 2 – Existing intensive farming land uses; Provision for tiny houses and co-housing; Railway Cottage Character Cluster; SNAs; landscapes and coastal landscapes; Coastal Environment Line; The Maori Purpose Zone; Coastal hazard management – update	17 September 2019
Contaminated land chapter; Hazardous substances chapter; Activities on the surface of water chapter; Earthworks chapter; Light chapter; Noise chapter; Signs chapter; Temporary activities chapter; Financial contributions chapter; Amateur radio chapter; Relocated buildings chapter.	12 November 2019
Draft chapters: Description of the district, purpose, mana whenua chapter, activities on the surface of water, amateur radio, earthworks, light, relocated buildings, signs, transport, general rural zone, Maori purpose zone.	19 February 2020
Draft chapters: National Policy Statements and New Zealand Coastal Policy Statement, National Environmental Standards, regulations, contaminated land, hazardous substances, general amenity, temporary activities, rural lifestyle zone, industrial zone, natural open space zone, open space zone, rural industry zone, final draft reserve management plan 2020.	10 March 2020
Draft chapters: subdivision chapter, commercial zone, tourism zone.	19 May 2020
Draft chapters: ecosystems and indigenous biodiversity, natural features and landscapes, coastal environment, natural character, historic heritage, sites and areas of significance to Maori.	23 June 2020

Document No: A479914	
Report To:	Audit and Risk Committee
	Meeting Date: 11 August 2020
Subject:	Progress Report: WDC Resource Consents – Compliance Monitoring
Type:	Information Only

1.0 Purpose of Report

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

2.0 Local Government Act S.11A Considerations

- 2.1 Section 11A of the LGA reads as follows:

11A Core services to be considered in performing role

In performing its role, a local authority must have particular regard to the contribution that the following core services make to its communities:

- (a) network infrastructure:
- (b) public transport services:
- (c) solid waste collection and disposal:
- (d) the avoidance or mitigation of natural hazards:
- (e) libraries, museums, reserves, and other recreational facilities and community amenities.

- 2.2 Compliance and monitoring against Resource Consent conditions is consistent with Section 11A of the Local Government Act 2002.

3.0 Risk Considerations

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

4.0 Commentary

- 4.1 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.
- 4.2 The following tables set out details of the compliance reporting requirements for WDC's resource consents.

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
No. 107477 - Piopio Water Treatment Plant Conditions 6 and 9 (Water Take) (Nov-April, May-Oct)	May/November

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RESOURCE CONSENT	REPORT DUE
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
Annually	
No. 118813 - Benneydale Wastewater Treatment Plant Condition 26 (Discharge to Land and Water)	31March
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)	1 of May
No. 105054/55/56/57/58/59/60 - Waitomo Stormwater Schedule A (22) Conditions 4,5 & 6	31 May
No. 105054 - Te Kuiti Stormwater Condition 6	31 May
No. 116274 - Benneydale Water Treatment Plant Conditions 2, 3, 4 & 7 (Groundwater Take)	1of 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.	1 September
No. 140685 - Rangitoto Quarry Landfill, William Street, Te Kuiti Annual Report Consents 78 Independent Peer Reviewer	1 October
No. 120048 - Te Kuiti Wastewater Treatment Plant Condition 6 (Groundwater b1 to b7)	September 30
No. 112639 - Te Kuiti Wastewater Treatment Plant Condition 20 (Discharge)	September 30
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>

RESOURCE CONSENT	REPORT DUE
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>)

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

1. **RC 118813, Benneydale Wastewater Treatment Plant, Effluent discharge – July 2019 to December 2019 (Doc A462758).**
 - Partial compliance achieved.
 - There were three exceedances to the daily threshold of 85 m³/day during the current assessment period, during the month of August 2019. Rainfall data during those days at Ngaroma (closest rainfall station to Benneydale), approximately 80 mm on the 11 and 12, and 60 mm on the 22, indicates the influence of rain infiltration within the system which is reflected in the total daily inflow volume during those days.
 - All quality parameters showed excellent results, below trigger limits, during the current assessment period.
2. **RC 116844, Benneydale WTP – Surface Water Take, January 2020 (Doc A462824).**
 - Full compliance achieved.
3. **RC 117290, Piopio WWTP – Discharge to Water, December 2019 & January 2020 (Doc A463622).**
 - Partial compliance achieved.
 - Faecal Coliform concentrations showed an increasing trend. Values increased from 1 to 3300 MPN/100ml from November to December 2019.
 - The exceedance was due to a broken pipe connected to one of the four discharge pumps, this caused a recirculation of treated wastewater within the discharge chambers and reduction of pumping capacity of treated wastewater to the river, which eventually overflowed the UV System due to high levels on the discharge chamber.
 - The issue was detected during the scheduled monthly sampling on the 18 December and it was attended and fixed the following morning 19 December. The Piopio WWTP has been fully compliant since then.
4. **RC 107478 & 107477, Piopio WTP Water Take and Backwash Discharge (Doc A464354).**
 - Exceedance report, water take and backwash discharge.
 - Backwash Discharge: the cause of the higher volume discharge from the settling pond was due to a faulty clarifier drain valve. WDC will schedule preventative maintenance to the valve and actuator every 6 months. Once WDC identifies a preferred option on how to manage the residual solids, funding availability will be considered to redesign/improve the settlement pond and backwash discharge structure overall, and use the long term plan or the annual plan to obtain the funding.

- Water take: There were exceedances to the water take limits during December 2019, January and February 2020 mainly due to several water leaks around town, and the necessity to fill up the town reservoir which reach critical low levels during that period. The identification of water leaks is highly dependent on the public collaboration, and in addition summer is a high consumption season. The only available tool to detect, fix and localise leaks is Council's service request system. A daily comparison of water take, production and reservoir levels will be set up as part of the daily monitoring. This will help review the trends and identify possible leaks.
5. **RC 112639, Te Kuiti WWTP, Conditions 27 & 28 – Ecological enhancement (A464108).**
- Update on Riparian planting along the Mangaokewa Stream in collaboration with WRC & IWI.
 - Fish Passage Assessment completed and data entered on NIWA website.
6. **RC 116844, Benneydale WTP – Surface Water Take, February 2020 (Doc A465839).**
- Full compliance achieved.
7. **RC 117290, Piopio WWTP – Discharge to Water, February 2020 (Doc A467400).**
- Full compliance achieved.
8. **RC 112639, Te Kuiti WWTP Discharge to Water, December 2019 to February 2020 (A467502).**
- Partial compliance achieved.
 - E.coli results presented an irregular trend. Values remained well below trigger limits during December 2019 and the first week of January 2020, before exceeding trigger limits during the third week of January 2020.
 - E.coli fell below trigger limits after several remedial actions were put in place, and has been fully compliant since the last week of February 2020.
 - WDC has been working tirelessly to remediate several issues related to drinking water around the district during this dry summer, this has reduced the availability of experienced treatment plant operators to perform regular basic maintenance at the TKWWTP, however, a new treatment plant technician has been recently trained to operate the TKWWTP as part of the remedial actions put in place after the exceedance.
9. **RC 112639, Te Kuiti Wastewater Treatment Plant (TKWWTP) Discharge to Water, December 2019 to February 2020 (Doc A467502).**

- Partial compliance achieved.
 - Overall, most of discharge quality parameters remained within trigger limits from December 2019 to February 2020.
 - E.coli concentrations were exceeded at the end of January and beginning of February. Values fell below trigger limits after several remedial actions put in place from WDC.
 - WDC resources have been stretched over this reporting period with operators focussing on drinking water compliance issues in Mokau and district drought conditions. This has reduced the availability of experienced treatment plant operators to perform regular basic maintenance at the TKWWTP, however, a new treatment plant technician has been recently trained to operate the TKWWTP as part of the remedial actions put in place after the exceedance.
 - Te Kuiti WWTP has remained within compliance since the end of February.
10. **RC 116844, Benneydale WTP – Surface Water Take, March 2020 (Doc A467771).**
- Full compliance achieved.
11. **RC 118813, Benneydale Wastewater Treatment Plant Discharge to Land and Water – January to December 2019, Annual report (Doc A468327).**
- Partial compliance achieved
 - Discharge flow daily total was exceeded three times during August 2019 due to rainfall during those days at approximately 80 mm on the 11 and 12, and 60 mm on the 22, this indicate the influence of rain infiltration within the system which is reflected in the total daily inflow volume during those days.
 - All discharge quality parameters remained below trigger limits during the annual reporting period.
12. **RC 117290, Piopio WWTP – Discharge to Water, March 2020 (Doc A468800).**
- Full compliance achieved.
13. **RC 107478 Piopio WTP Backwash Discharge November 2019 to April 2020 (Doc A471800).**
- Partial compliance achieved.
 - There were several exceedances to the maximum backwash water filter discharge during January and February 2020. There has been no exceedances since the remedial actions were put in place during February 2020.

- Dissolved aluminium threshold of 0.08 mg/l have been continuously exceeded since November 2019. However, the concentration of dissolved aluminium 20 m downstream of the backwash discharge during the exceedance's instances were well below the 0.055 mg/l ANZECC limits for 95% species protection ANZECC 2000 downstream of discharge, and therefore the environmental effects would be negligible.
 - WDC developed a Remedial Action Strategy (short and long term) to implement in early 2020.
14. **RC 107477, Piopio Water Treatment Plant – Surface Water take (Doc A472865).**
- Partial compliance achieved.
 - The plant produces water according to demand and to maintain the town reservoir to an adequate level to supply for town daily usage, however, when the usual number of leaks is exceeded, and the water demand is above normal, the plant will produce accordingly and the water take threshold will be exceeded.
 - There were no exceedances in the yearly water take allowance. The total water volume taken during the last twelve months, from May to October 2019, was 95290 m3.
15. **RC 112639, Te Kuiti Wastewater Treatment Plant (TKWWTP) Discharge to water, March to May 2020 (Doc A473127).**
- Full compliance achieved.
16. **RC 116274, Benneydale Water Supply – Groundwater Take, June 2019 to May 2020 (Doc A476991).**
- Partial compliance achieved.
 - The exceedances were related to water leaks within the town (Service Requests N 201485 & 201346), which was reflected on the increment of water take to satisfy demand. Water take daily total flow decreased substantially, below trigger limits, the following days after the repair, and remained within limits for the rest of the compliance period.
17. **RC 116844 Benneydale WTP – Surface Water Take, May to June 2020 (Doc A477004).**
- Full compliance achieved.
18. **RC 117290, Piopio WWTP – Discharge to water, May to June 2020 (Doc A477021).**
- Full compliance achieved.

19. **RC 118813, Benneydale WWTP Discharge to water and land (Doc A477875).**
 - Partial compliance achieved
 - There were four exceedances to the daily discharge threshold of 85 m³/day during the current assessment period during the month of May and June 2020, the exceedances are coincidental with high rainfall periods, which indicates rain infiltration within the system.

20. **WRC Report 105054-105060 Annual Stormwater Report 1st June 2019 to 31st May 2020 (Doc A478351).**
 - Full compliance achieved.

21. **RC 133317 - Te Kuiti WTP water take - January to June 2020 (Doc A478628).**
 - Full compliance achieved

22. **RC 140685 - Te Kuiti Landfill, Leachate monitoring Condition 62, November 2019 to April 2020 (Doc A478754).**
 - No threshold, characterization only.

23. **RC 113544 Mokau WTP – surface water take, Condition 4 1st July 2019 to 30th June 2020 (Doc A479113).**
 - Full compliance achieved.

24. **RC 113545 Mokau WTP – Backwash discharge, July 2019 to June 2020 (Doc A479124).**
 - Partial compliance achieved.
 - WDC is working on the final design for the upgrade of the treatment process.

Suggested Resolution

The Progress Report: Resource Consent – Compliance Monitoring - 11 August 2020 be received.



TONY HALE
GENERAL MANAGER – INFRASTRUCTURE SERVICES

Document No: A479945

Report To: Audit, Risk and Finance Committee



Meeting Date: 11 August 2020

Subject: Progress Report – Development of Business Continuity Plans

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to inform the Committee on progress with the development of business continuity plans.

Background

- 2.1 Council's Risk Management Framework prioritises two strategic risks that have a high residual risk - Council's investment in Inframax Construction Ltd and Business Continuity.
- 2.2 The second highest residual risk priority relates to Council's business continuity (Strategic Risks 6.3 and 6.4). Interruption to business functionality and vulnerability of critical IT infrastructure are high residual risk exposures that would benefit from dedicated business continuity planning.
- 2.3 Council agreed to a programme to develop the necessary Business Continuity Plans being scheduled for 2020/21.

Commentary

- 3.1 An initial investigation was completed in early 2020 during the development of the 2020/2021 Exceptions Annual Plan to identify the budget required to develop and implement Business Continuity Plans. Sufficient budget has been included to progress this project.
- 3.2 Procurement of the project is progressing with the development of a Request for Proposal document in draft form which will be presented to WDC's Tenders Subcommittee in the near future.

Suggested Resolution

The Progress Report – Development of Business Continuity Plans be received.

A handwritten signature in blue ink, appearing to read "Alister Duncan", with a long horizontal stroke extending to the right.

ALISTER DUNCAN
GENERAL MANAGER BUSINESS SUPPORT

6 August 2020

Document No: A479940

Report To: Audit, Risk and Finance Committee



Meeting Date: 11 August 2020

Subject: Progress Report: Review of Council's Investments

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to report the progress on the review of Council's Investments.

Background

- 2.1 At its Workshop on 11 February 2020, the Audit, Risk and Finance Committee (ARFC) discussed Council's investment in its 100% shareholding Company – Inframax Construction Limited ("the Company") for the following reasons:

- (1) Council's shareholding Company is identified in Council's Adopted Risk Management Framework (RMF) as a strategic risk with a high level of residual risk; and
- (2) Council has held its investment in the Company for some 25 years, therefore it is financially prudent to review this investment at this time; and
- (3) It is important to undertake a review in 2020, before key decisions are reached with respect to the development of Council's 2021-31 Long Term Plan (LTP).

2.2 Setting the Scene - The Risk Management Framework

- 2.3 Council adopted a Strategic Risk Management Framework (RMF) at its meeting on 28 May 2019, following a number of workshops and subsequent meetings by the Audit and Risk Committee during the period late 2018 to May 2019.
- 2.4 The RMF identified a number of strategic risks, the majority of which, after allowing for existing controls and measures, had a low level of residual risk. However, two strategic risks were assessed as having a high level of residual risk, one of which was Council's 100% investment in its shareholding Company.
- 2.5 The reason the Company was identified as having a high level of residual risk was that the likelihood and consequence of the investment not achieving its financial and strategic objectives was high, even after allowing for current risk controls and treatments.
- 2.6 The RMF identified the risk in relation to its Company as *"WDC's shareholding investment does not meet financial and strategic objectives"*.

2.7 The residual risk controls for Council’s risk in relation to its Company, as adopted by Council in its RMF were:

- *“Quarterly reporting of performance by Inframax to Investment Committee against its Annual Statement of Intent.*
- *Quarterly reporting by Investment Committee to Audit and Risk Committee to demonstrate appropriate management of investment.*
- *Establish policy based rationale for continued ownership of Inframax”.*

2.8 At the ARFC Committee meeting on the 11 February the committee considered the review process and resolved.

1 *The business paper on Council Investments be received.*

2 *The Audit, Risk and Finance Committee appoint a Working Party comprising:*

*Mayor Robertson
Deputy Mayor Whitaker
Cr Goddard*

to provide governance oversight over the development of an Investment Policy.

3 *The Working Party appointed is authorised to engage with Council’s 100% Shareholding Company Board, as required, to advise and inform the development of a Council Investment Policy noting that the current form of Council’s investment is a 100% shareholding in Inframax Construction Ltd as a Shareholder Company.*

4 *The Audit, Risk and Finance Committee note the indicative project timeline as follows:*

Step	When
<i>Governance engagement with Company Board</i>	<i>TBA (subject to advice)</i>
<i>Discussion with external expert on process and timeline</i>	<i>Late Feb/ early March</i>
<i>Working Party review and authorise project plan and timeline</i>	<i>Mid-March – early April</i>
<i>Audit, Risk and Finance Committee review and consider advice/report received from external experts</i>	<i>5 May 2020</i>

Commentary

3.1 The Covid-19 Pandemic and associated Covid-19 Level restrictions have impacted the project planning and timetable for the review of Council’s investments.

- 3.2 WDC has retained the services of an Independent Advisor to conduct this review.
- 3.3 An initial desktop review was undertaken reporting on Council's Investment Policy with a key issue to focus on Council's investment in ICL, this was presented to Council at its 28 July 2020 meeting.
- 3.4 A Project Plan and Timetable has now been prepared for discussion with the Working Party.

Suggested Resolution

The Progress Report: Review of Council's Investments be received.



ALISTER DUNCAN
GENERAL MANAGER BUSINESS SUPPORT

6 August 2020

Document No: A477498

Report To: Audit, Risk and Finance Committee



Meeting Date: 11 August 2020

Subject: **Unaudited Interim Financial and Non-Financial Report for the Year ended 30 June 2020**

Type: Information Only

Purpose of Report

1.1 The purpose of this business paper is to present the unaudited interim financial and non-financial report for the period ended 30 June 2020.

Background

2.1 The period covered by this report is 1 July 2019 to 30 June 2020.

2.2 The order of the report is as follows:

- **Summary Income Statement** with comments detailing significant variances to budget on Council's operating performance for the period ended 30 June 2020.
- **Summary Balance Sheet** with comments detailing significant balance sheet movements from 1 July 2019 to 30 June 2020.
- **Capital Expenditure** summary with commentary the proposed projects to be carried over to the 2020/2021 Financial Year.
- **Summary Treasury Management** which reports on the Public Debt position, cash position and significant treasury transactions.
- **Cost of Service Statement** Summary and Cost of Service Statements for Council's ten significant activities are presented in **Appendix 1**.
- **Unaudited Interim Balance Sheet** as at 30 June 2020 is presented in **Appendix 2**.
- **Treasury Management Report** from Bancorp Treasury Services Limited, Council's treasury management advisors is enclosed as **Attachment 1**.
- **Performance Management Report** on the Levels of Service and Key Performance Indicators is enclosed as **Attachment 2**.

2.3 All figures in the tables, except percentages, are expressed in thousands of dollars (\$000s).

Risk Considerations

- 3.1 This financial 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 as part of the audit process. Any changes will be incorporated in the final Annual Report for 2019/20.
- 3.2 There is potential risk that some revenue included in the financial statements is subsequently not converted to cash or cash equivalents due to dispute by the customer or ratepayer. The raising of invoices and recognition of income is carried out with management review and approval to minimise this risk and trade debtors and other receivables are actively monitored and reviewed. This risk is also mitigated by the recognition of a provision for doubtful debt at 30 June 2020.
- 3.3 Depreciation could be materially different in this report compared with the final year end result due to asset additions and disposals in the process of being completed. The depreciation on for Stormwater, Sewerage and Water Supply and Roads assets are **estimated** for the purposes of this report.
- 3.4 There is a risk that the financial results and position stated within this report is materially different for those assets were not revalued at 30 June 2020. To minimise this risk, an assessment of the fair value of significant assets in between revaluation years (stormwater, water, sewerage, land and buildings) has been undertaken by external valuers who have confirmed that the carrying value of the asset classes not revalued this year is consistent with the fair value of the assets.
- 3.5 Included in financial assets is the carrying value for Council's investment in Inframax Construction Limited. Valuers have been engaged to carry out a valuation of Council's investment in ICL as required under the accounting standards. This valuation will be included in the final annual report.

Financial Report to 30 June 2020

4.1 INCOME STATEMENT HIGHLIGHTS

- 4.2 Set out below is the summary of financial information for the period ended 30 June 2020. Detailed Cost of Service Statements are attached as Appendix 1.

FINANCIAL HIGHLIGHTS	Actual	EAP Budget	Interim Unaudited Actual	Variance	%
(Amounts in \$000's)	2018/19	2019/20	2019/20	2019/20	Variance
Total Expenditure					
- Direct Operating	16,133	17,042	15,351	(1,691)	
- Indirect Operating	12,434	13,291	12,985	(306)	
Total Expenditure	28,567	30,333	28,336	(1,997)	-7%
Total Revenue					
- Operating Revenue	(13,586)	(14,920)	(12,852)	2,068	
- Rates Revenue	(19,905)	(20,538)	(20,612)	(74)	
Total Revenue	(33,491)	(35,458)	(33,464)	1,994	-6%
Net Operating Cost/(Surplus)	(4,924)	(5,125)	(5,128)	(3)	0%
Other Comprehensive Revenue and Expense					
- Revaluation of Property, plant and equipment	0	(6,004)	0	6,004	
-(Gains)/Losses from Cash Flow Hedges	727	0	420	420	
- Revaluation of available for sale assets	365	0	0	0	

Total Other Comprehensive Revenue and Expense	1,092	(6,004)	420	6,424	
Total Comprehensive Revenue and Expense	(3,832)	(11,129)	(4,708)	6,421	-58%

4.3 **Net Operating Surplus:** The net operating surplus of \$5,128,000 was \$3,000 more than budget for the period ended 30 June 2020. The Cost of Service Statements for each activity are included as Appendix 1.

4.4 **Total Expenditure** was \$1,997,000 less than budget for the period ended 30 June 2020.

- **Direct operating expenditure** was \$1,691,000 less than budget. The main contributors to this variance in order of magnitude are:

- Community Development: \$1,174,000 less due to the timing of expenditure relating to the capital contribution grant to Game On Charitable Trust that has been re-sequenced to next financial year and a range of economic development and district promotion work programmes that were re-prioritised or impacted by unforeseen delays due to COVID-19.
- Sewerage: \$458,000 less as expenditures for chemicals, electricity, and plant and reticulation maintenance costs were less than budget.
- Community Service: \$278,000 less than budget for repairs and maintenance, parks and reserves expenditure, legal expenses and electricity.

- **Indirect expenditure** was \$306,000 less than budget:

- Interest was less as more favourable interest rates were secured than forecast resulting in a lower cost of funds. Further to this, the budgeted interest cost was based on 1 July 2019 projected public debt of \$42.8 million while the actual public debt at 30 June 19 was \$40.26 million and less external debt was raised during the year as the capital expenditure programme was not fully spent.

4.5 **Total Revenue** was \$1,994,000 less than budget for the period ended 30 June 2020.

- **Operating revenue** \$2,068,000 less than budget. The main contributors to this variance are:

- Roads and Footpaths: \$2,510,000 less than forecast as capital expenditure was less than budget and therefore the associated subsidy revenue is also below budget.
- Leadership: \$195,000 less than budget as no dividend revenue was received from ICL. This was partly offset by additional revenue recognised for quarry royalties, rates penalties revenue and the Civic Assurance dividend.

These reductions in revenue were offset by:

- Solid Waste Management: \$233,000 more than budget due to an increase in revenue from general refuse charges, green waste, special waste and recovered materials.

- Community Services: \$129,000 more than forecast due grants funding for public toilets and netball courts renewals and an increase in campground revenue.
 - Sewerage: \$119,000 more than forecast due to an increase in trade waste revenue and sewerage connection fees from Te Kuiti.
- **Rates revenue** \$74,000 more than budget due mostly for water meter revenue.

4.6 **BALANCE SHEET HIGHLIGHTS**

4.7 Balance Sheet highlights presented below show the movement in Council's financial position from 30 June 2019 to 30 June 2020. The full Unaudited Interim Balance Sheet is attached as **Appendix 2**.

UNAUDITED INTERIM BALANCE SHEET HIGHLIGHTS (Amounts in \$000's) -	Actual Position 30 Jun 2019	Actual Position 30 Jun 2020	Movement from 30 Jun 2019
Assets			
- Cash and cash equivalents	1,819	4,243	2,424
- Receivables	5,097	3,927	(1,170)
- Other current assets	193	385	192
- Other financial assets	11,961	11,965	4
- Non-current assets	346,648	346,679	31
TOTAL ASSETS	365,718	367,198	1,480
Liabilities			
- Other Liabilities	5,015	4,369	(646)
- Total Borrowings	40,261	37,260	(3,001)
- Derivative financial instruments	2,522	2,941	419
Total Liabilities	47,798	44,570	(3,228)
Equity			
- Equity	317,920	322,628	4,708
TOTAL LIABILITIES AND EQUITY	365,718	367,198	1,480

4.8 Total Assets have increased from \$365.7 million to \$367.2 million.

- Cash and cash equivalents have increased by \$2,424,000 from \$1,819,000 to \$4,243,000.
- Receivables decreased by \$1,170,000 since 30 June 2019 from \$5.10 million to \$3.93 million. There was a decrease in the receivable from Sundry Debtors and the GST refund receivable at 30 June, noting that the GST refund receivable at 30 June 2020 has not yet been accrued.
- Other current assets increased by \$192,000. The increase is due to the transfer of \$342,000 of assets from Property, Plant and Equipment to Assets Held for Sale partly offset by the disposal of the historic Queen Street building and a revaluation loss of \$114,000 of Assets Held for Sale.
- Non-current assets have increased by \$31,000. The increase is due to the net effect of asset additions of \$6,359,000, recognition of a finance lease for the photocopiers \$66,000 and revaluation of investment properties \$117,000. This was partly offset by depreciation of \$5,938,000 and asset disposal of \$231,000 and the transfer of assets to Assets Held of Sale of \$342,000.

4.9 Total Liabilities decreased from \$47.80 million to \$44.57 million.

- Other Liabilities decreased by \$646,000 due to a general decrease in Payables at 30 June 2020 compared to June 2019. Included in the prior year balance were contract payments for road reseals and pavement rehabilitations, Te Kuiti water treatment plant upgrade and bridge structural repairs.
- Total Borrowings decreased by \$3,001,000 from \$40.261 million to \$37.260 million. The decrease relates to debt repayment as the capital expenditure programme was not fully spent and a minor decrease in accrued interest for the period.

4.10 Total equity increased by \$4.71 million to \$322.61 million, which was the total comprehensive revenue and expense for the period.

4.11 ADJUSTMENTS AND OTHER CONSIDERATIONS FOR THE ANNUAL REPORT

4.12 The following adjustments have yet to be made to the accounts and will be completed as part of development of the Annual Report.

- Roads and solid waste assets revaluation: This valuation is underway, but draft results have not been received for review and inclusion into the accounts.
- Valuation of Council's Investment in Inframax Construction Limited: The annual valuation of the company is underway, however the revaluation results have not been received for inclusion in this report.
- Landfill aftercare provision is still to be finalised and incorporated into the final accounts.
- Provision for doubtful debt has been estimated for the purposes of this report and will be further refined for the final report.
- Completion of the asset ledger which involves finalising asset additions, disposals and depreciation expense for the year.
- Other minor adjustments: Throughout finalising the annual report minor adjustments may be required. These changes are not expected to materially alter the financial result reported in this report.
- This report includes rates paid on Council owned properties, as both rates revenue and expenditure. These transactions will be eliminated in the final Annual Report.

5.0 CAPITAL EXPENDITURE

5.1 The 2019/2020 year has provided a number of challenges to deliver the budgeted capital works program. These challenges include senior staff changes, internal capacity, availability of contractors and the delays created by the COVID-19 pandemic.

5.2 All capital projects and related tenders were suspended during the COVID-19 lockdown. This will now require additional work to complete tenders and projects in the 2020/2021 financial year.

5.3 Set out below is the Capital Expenditure budget for the year compared to actual expenditure for the period ended 30 June 2020.

CAPITAL EXPENDITURE SUMMARY (Amounts in \$000's)	EAP 2019/20	2019/20 Revised Forecast	Actual To Jun 2020	Variance Actual to 2019/20 Revised Forecast
Governance: Leadership and Investments				
- Investments	41	41	0	(41)
- Corporate Support	877	1,453	524	(929)
Community Service				
- Parks and Reserves	192	309	182	(127)
- Housing and Other Property	142	149	46	(103)
- Recreation and Culture	207	444	361	(83)
- Public Amenities	460	908	145	(763)
Community Development				
- District Development	2	2	2	0
Solid Waste Management				
- Landfill Management	1,046	1,144	363	(781)
Stormwater				
- Urban	138	138	32	(106)
- Rural	5	5	0	(5)
Sewerage				
- Te Kuiti Sewerage	337	452	122	(330)
- Te Waitere Sewerage	15	15	4	(11)
- Maniaiti / Benneydale Sewerage	54	54	11	(43)
- Piopio Sewerage	30	30	22	(8)
Water Supply				
- Te Kuiti Water	380	431	137	(294)
- Mokau Water	76	76	109	33
- Piopio Water	216	216	38	(178)
- Maniaiti / Benneydale Sewerage	4	4	19	15
Roads and Footpaths				
- Subsidised Roads	7,995	8,592	4,182	(4,410)
- Unsubsidised Roads	166	478	60	(418)
TOTAL CAPITAL EXPENDITURE	12,383	14,941	6,359	(8,582)

- 5.4 Capital Expenditure was \$6.359 million for the period ended 30 June 2020, of which \$4.242 million (67%) relates to Roads, \$734,000 (12%) relates to Community Services, and \$524,000 (8%) relates to Leadership.
- 5.5 Significant work has been completed to determine a realistic capital works program for 2020/2021 and it is anticipated that of the \$8.6 million unspent capital expenditure, \$6.4 million can be incorporated into the 2020/2021 program.
- 5.6 Set out on the following page is the proposed list of carry over projects.

PROPOSED CARRYOVER CAPITAL EXPENDITURE (Amounts in \$000's)	Amount
Community Service	
- Parks and Reserves	
Bridge/Pontoon/Jetty Renewals	33
Development Coastal Reserves	65
Playground Renewals	7
Cemeteries Access Way Renewals	23
TK Cemetery Development Improvements	52
- Housing and Other Property	
Unspecified Improvements	40
- Public Amenities	
Railway Security Fencing Renew	5
Security Camera Renewal	7
Mokau Toilet Renewal	300
Solid Waste Management	
- Landfill Management	
Cell Development	519
Sewerage	
- Te Kuiti Sewerage	
Resource Consent Vegetation Planting	15
Minor Renewal Treatment Plant	22
Aeration System Renewal	26
I & I Rehabilitation Renewal	28
Bulk Lime Silo Improvement	66
Te Kuiti Sewer Renewals	100
- Te Waitere Sewerage	
Renew & Extend Soakage Field	11
- Piopio Sewerage	
PP Treatment Plant Improvement	5
PP SCADA Renewals	3
Water Supply	
- Te Kuiti Water	
Investigate Raw Storage Dam on	51
TK Reticulation Unplanned Rene	99
Renewal Plants - Mechanical an	20
Roads and Footpaths	
- Subsidised Roads	
Footpath Renewals	58
Footpath Improvements	102
Structures Components Renewals	200
Sealed Road Surfacing Renewals	463
Minor Improvements (341)	866
TK Railway Overbridge	993
Pavement Rehabs Renewals	1,215
- Unsubsidised Roads	
Marokopa River Erosion Project	360
Governance: Leadership and Investments	
- Corporate Support	
Administration Building Renovation	144
Administration Building Seismic Works	374
IT Hardware and Software Development and Renewals	206
TOTAL PROPOSED CARRYOVER	6,479

- 5.7 Analysis of the proposed carryovers identified that \$2.88 million or 44% of the proposed carryovers were impacted by a variety of factors ranging from internal capacity to staff changes. This initially impacted the project delivery and was further compounded by the COVID-19 pandemic.
- 5.8 Since returning to the office on 26th May once Level One was implemented, there has been a focus to complete the outstanding tender process and awarded contracts, the result is \$1.1 million of these projects have had contracts awarded. A further \$2.9 million of the proposed carryovers will be tendered in the near future including Te Ara Tika and the Marokopa River Erosion Project.
- 5.9 Te Ara Tika was delayed to enable further community consultation and represents \$992k or 15% of the proposed carryover.
- 5.10 Availability of contractors or the timing of completion of other projects has delayed \$1.5 million or 25% of the proposed carryover.
- 5.11 The impact of COVID-19 has prompted the need to reassess the scope of 9% or \$585k of the proposed carryover.
- 5.12 The projects that have not been proposed to be carried over into the 2020/2021 capital works program will be assessed and incorporated into the development of the 2021/2031 10 Year Plan.
- 5.13 Of the \$6.4 million proposed to be carried over, the significant projects that are proposed are:
- \$2.7 million for Road and Footpath renewals and improvements, noting that these projects have either had contracts awarded or will be tendered in the near future.
 - \$992k for Te Ara Tika, this has been reported to the Council Meeting on the 26th May 2020 and the project is progressing.
 - \$519k for cell development at the Te Kuiti Landfill. The development of the cell is a staged process to meet consent conditions.
 - \$300k for the Mokau Toilet block. This project was delayed pending acquisition of a suitable site. Negotiations with MOE are continuing.
 - \$206K for Information Technology as a number of projects that were programmed for the fourth quarter were delayed as the Information Technology team focused on enabling staff to be able to work remotely and provide support during the lockdown period.
 - \$517k for the seismic strengthening and renovation of the Administration Building. This project has been carried over while further investigation is completed.
- 5.13 The significant project or budgets that have either not been carried over or only partially carried over are:
- Waitomo Village Toilets \$326k, as there is a need to identify and secure a suitable location and funding before the project can progress.
 - \$200k of the \$369k unspent budget for bridge renewal, this is to align with the accepted tender.
 - \$206k of the \$301k underspent budget for Information Services, noting there is capacity to deliver the 2020/2021 program and the additional \$206k.

- A number of projects have been reassessed and scopes redefined to reflect the capacity available to deliver the 2020/2021 Capital Works Program and the proposed carryovers.

6.0 TREASURY REPORT

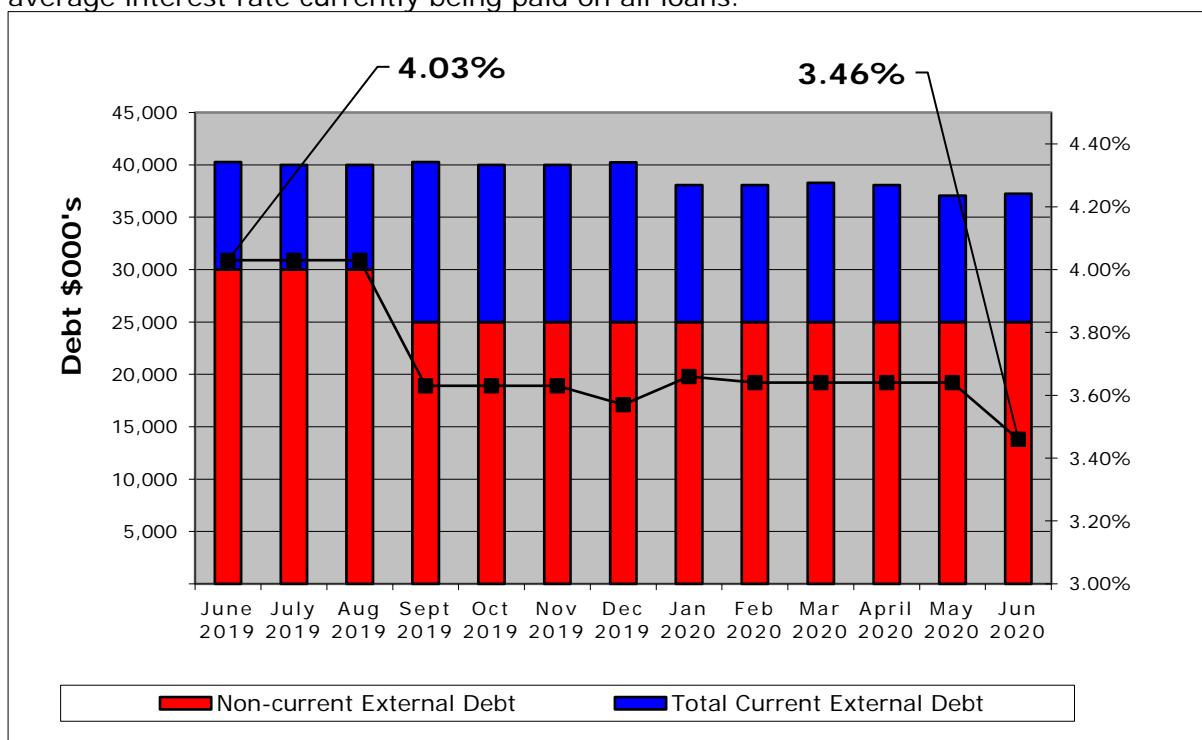
6.1 Set out in the following sections is the Treasury Report which provides details on Council's public debt position and debt financing costs.

6.2 CASH POSITION

6.3 Council's cash position at 30 June 2020 was \$4,243,000 in funds, at 30 June 2019 it was \$1,819,000. Included in the cash balance are some funds that are subject to restrictions. These include unspent waste minimisation levy funds and retention monies held.

6.4 SUMMARY OF PUBLIC DEBT POSITION

6.5 Set out below is a graph recording trends in Council's current and non-current debt for the year ended June 2020. The trend line overlaid is the effective weighted average interest rate currently being paid on all loans.



6.6 Since June 2019 Public debt has decreased by \$3 million from \$40 to \$37 million (excluding accrued interest and finance leases). The reduction has been through reduced issuances of Commercial Paper, with a \$2 million decrease in January and another \$1 million in May.

6.7 At 30 June 2020 the effective weighted average interest rate for all loans excluding accrued interest and Call Advance facility costs was 3.46%, a decrease from 30 June 2019 when it was 4.03%.

6.8 A number of events contributed to the reduced weighted average interest rate;

- An interest rate swap finishing in August, which converted a fixed interest rate of 4.495% to a floating interest rate of 1.82% on \$5 million debt.

- The effect of reducing the amount of CP on issue by \$2 million in January caused an increase in weighted average interest rate across the debt portfolio as shown in the increase from December to January.
- An interest rate swap converting an effective fixed interest rate of 4.915% terminated and was followed on by a new swap with an effective fixed interest rate of 4.53%.
- Floating interest rates decreased significantly during the last quarter of the financial year.

6.9 At 30 June 2020 the debt portfolio has \$12 million on a floating interest rate exposure and \$25 million is effectively fixed.

6.10 PUBLIC DEBT POSITION COMPARISON TO BUDGETS

6.11 Forecast public debt at 30 June 2020 in the EAP 2019/20 is \$44,140,000, actual public debt at 30 June 2020 was significantly less at \$37,260,000. This was mainly due to the unspent capital programme, impacted by the COVID-19 pandemic, which brought a halt to capital works during the lock down and a sluggish restart in the final quarter of the year.

6.12 WHOLESALE ADVANCE FACILITY (Call Advance Facility)

6.13 Council has a Call Advance facility with Westpac with a facility limit of \$10 million, with an expiry date of 1 July 2021.

6.14 The facility has a Line of Credit fee of 0.35% and an annual cost of \$35,000.

6.15 Interest is charged on a daily basis at a rate of 0.90% credit margin plus the Westpac Prime rate (which is similar to the BKBM rate). At 30 June the rate charged was 1.45% (As at 31 March it was at 2.20%).

6.16 The facility is used to finance capital expenditure prior to a loan draw down, (such as a Floating Rate Note or Fixed Rate Bond) and to meet Council's working capital requirements between each of the quarterly rates instalments. There is an additional requirement to maintain at least a 10% credit facility headroom above debt levels held.

6.17 At 30 June 2020 there was no draw down of the facility.

6.18 DETAILS OF THE LOAN PORTFOLIO

6.19 The following table records the public debt position and the key dates for each loan as at 30 June 2020. The classification of current and non-current loans is based on when repayment is due, with current loans being those that are due for refinancing or repayment within 12 months of the balance sheet date, being 30 June 2021.

At 30 June 2020	Interest Rate Exposure	Loan Start Date	Loan Maturity Date	Effective Interest Reprice Date	Loan Balance	Effective Interest Rate
Current Loans						
Finance Leases					11,586	7.500%
Accrued Interest					198,708	0.000%
Call Advance	Floating		1/07/2020		0	1.450%
LGFA: Commercial Paper	Floating	28/01/2020	27/07/2020	27/07/2020	3,000,000	1.475%
LGFA: Commercial Paper	Floating	18/05/2020	13/11/2020	13/11/2020	4,000,000	0.670%
LGFA: Floating Rate Note	Hedged	19/06/2017	10/09/2020	11/09/2020	5,000,000	4.260%
Total Current Loans					12,210,294	
Non-current Loans						
Finance Leases					49,415	7.500%

LGFA: Floating Rate Note	Hedged	18/07/2018	18/04/2022	22/04/2025	5,000,000	4.530%
LGFA: Floating Rate Note	Hedged	19/06/2017	15/11/2021	17/05/2021	6,000,000	5.455%
LGFA: Floating Rate Note	Hedged	19/06/2017	18/04/2024	18/04/2023	3,000,000	4.605%
LGFA: Floating Rate Note (ICL)	Floating	28/06/2019	30/08/2022	31/08/2020	5,000,000	0.850%
LGFA: Floating Rate Note	Hedged	19/06/2017	24/04/2023	24/01/2024	5,000,000	4.480%
LGFA: Fixed Rate Bond (ICL)	Fixed	19/06/2017	19/04/2025	19/04/2025	1,000,000	3.680%
Total Non-current Loans					25,049,415	
Total Public Debt					37,259,709	3.46%
Cash & Liquid Investments						
Cash Held on Trust for Retention Obligations					470,000	
Cash					3,772,777	
Total Cash & Liquid Investments					4,242,777	
Public Debt Net of Investments					33,016,932	

6.20 Total public debt was \$37,259,709 and cash assets were \$4,242,777 at 30 June 2020 giving a net debt position of **\$33,016,932**.

6.21 The Effective Interest Rate details given in the table above is the total interest applicable to each tranche of debt; it is either the fixed rate on a Bond, or the credit margin and BKBM rate on unhedged Commercial Paper (or FRN) or the credit margin on the FRN plus the fixed rate in the associated interest rate swap contract.

6.22 All of Council's debt is now with the LGFA apart from the Call Advance facility which is with Westpac.

6.23 TREASURY EVENTS SINCE 30 JUNE 2020

6.24 This treasury report portrays the debt position of Council at 30 June 2020.

6.25 Since that date to the date of this report the \$3 million Commercial paper that matured on the 27 July 2020 has been repaid, funded through the issue of \$2 million of CP and the balance settled in cash. The CP has been issued for 182 days, with a maturity of 26 January and an interest rate of 0.64%.

6.26 The changes made to LGFA's founding documents; the Multi Issuer Deed, Notes subscription Agreement, Shareholders Agreement and Guarantee and Indemnity Deed has been completed with an effective date of 6 July 2020.

6.27 Copies of these documents were presented to the AR & F Committee and Council approved their execution at the May meeting and were duly signed by the Mayor and Deputy Mayor.

- 6.28 All 67 member councils and the LGFA have signed and the changes allow:
- Lending to CCO's (With Parent Council's guarantee in place and bespoke lending covenants agreed).
 - Councils can now apply their financial covenant testing at group level rather than parent level.
 - Increase in Borrower Notes investing rate from 1.6% to 2.5%. (Note this means for council that next time it issues long term debt, such as floating rate notes or fixed rate bonds, the new rate will apply).
 - Other minor changes, including the provision to allow LGFA to provide standby lending facilities to councils.

6.29 INTEREST COSTS

6.30 The total actual interest paid for the period was \$1,421,000 against the budget of \$2,035,000; **\$613,000** (or 30%) **less** due to a lower debt position and securing better interest rates than forecast in the EAP.

6.31 COMPLYING WITH FINANCIAL COVENANTS AND TREASURY MANAGEMENT POLICY

6.32 The following financial parameters are contained in Council's Financial Strategy for the management of its liabilities (as part of the LTP 2018-28). Measurement of these parameters are undertaken as part of the quarterly financial reporting process and interim results for year ended 30 June are detailed in the following table.

Measure	Limit	Actual to June 2020	Met
Total borrowing costs will not exceed 10% of total revenue	10%	4%	✓
Net interest to total revenue will not exceed 20%	20%	4%	✓
Total borrowings must not exceed 20% of total assets	20%	10%	✓
Net debt to total (cash) revenue will not exceed 170%	170%	100%	✓
Net interest will not exceed 20% of annual rates	20%	7%	✓

6.33 The Treasury Management Policy contains the following parameters that must be complied with.

Policy Requirement	Met
Have all transactions been entered into compliance with policy?	✓
Are the fixed rate hedging percentages within policy control limits?	✗
Is WDC maintaining liquidity within policy control limits?	✓
Are all counterparty exposures within policy control limits?	✓
Is WDC compliant with the financial covenants contained in the Treasury Management Policy?	✓

6.34 There was a policy inconsistency for the level of fixed rate hedging required for the interest rate exposures with this forecast to occur in early 2024 and in mid 2025.

6.35 The policy inconsistency was noted in February and steps were discussed on how to remedy this without fixing more of the interest rate exposure which included the review of the policy bands. The advice received was that extending fixed rate cover makes no economic sense.

6.36 Subsequent to that advice, the COVID-19 pandemic has resulted in interest rates decreasing to historic lows, which has further heightened the economic reason not to extend cover.

6.37 FINANCIAL DERIVATIVES AND HEDGE ACCOUNTING

6.38 Included in the balance sheet are valuation amounts for Derivative Financial Instruments (interest rate swaps). The valuation amount is componentized into current and non-current liabilities held at balance date. At 30 June 2019 the value of the swaps was a total net liability of \$2,522,000 and at 30 June 2020 the value was a total net liability of \$2,941,000. In accordance with the Treasury Policy the interest rate swaps valuation is recognised in the balance sheet at 30 June 2020 as Derivative financial instruments.

6.39 The notional value of swap contracts in place at 30 June was \$24 million providing current interest rate risk cover plus \$5 million notional value with a future start date.

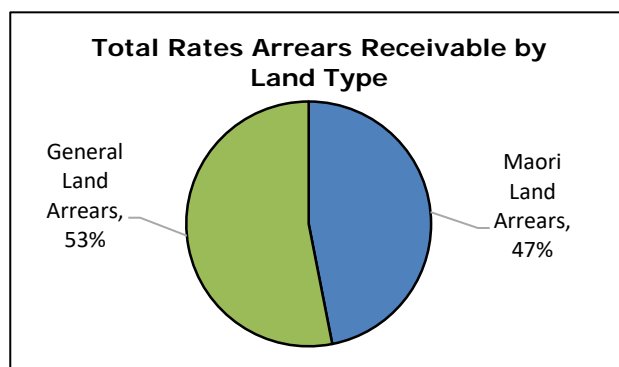
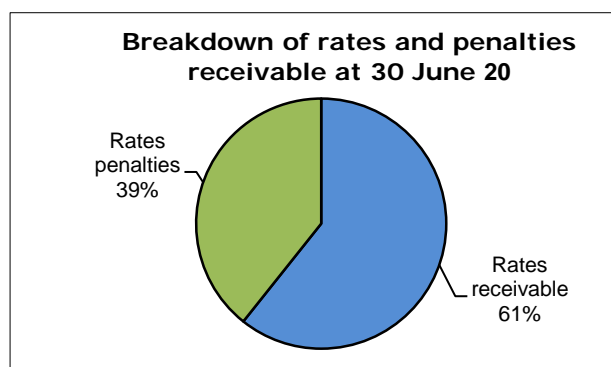
7.1 DEBTORS AND OTHER RECEIVABLES

7.2 Set out below is the summary of Debtors and Other Receivables (i.e. unpaid rates and other debtor amounts owing) as at 30 June 2020 with comparatives from June 2019. Rates receivables exclude rates paid in advance (to give a more accurate picture of the receivables owing).

Receivables (Amounts in \$000's)	As at 30.06.19	As at 30.06.20	(Inc)/Dec \$	(Inc)/Dec %
Rates Receivable	2,283	2,313	(30)	-1%
Rates Penalties	1,478	1,498	(20)	-1%
Rates and Penalties Receivable	3,761	3,811	(50)	-1%
Metered Water Rates	310	343	(33)	-11%
Total Rates receivable	4,071	4,154	(83)	-2%
NZ Transport Agency Subsidy	1,451	924	527	-100%
Other Receivables	1,398	776	622	44%
Other Receivables	2,843	1,700	1,143	40%
Gross Receivables	6,920	5,854	1,066	15%
Less Provision for Doubtful Debts	(1,823)	(1,927)	104	-6%
Total Receivables	5,097	3,927	1,170	23%

7.3 RATES AND PENALTIES RECEIVABLE (excluding metered water rates)

7.4 There was \$3.8 million of rates and penalties outstanding at 30 June 2020. This amount excludes rates paid in advance on future instalments. This total is made up of rates of \$2.3 million and penalties of \$1.5 million.



7.5 Rates and penalties receivable has increased by \$50,000 since June 2019. Of this increase, rates receivable increased by \$30,000 and rates penalties increased by \$20,000.

7.6 The following table shows the Total Rates Arrears broken down by Category Code (as determined by Quotable Value for valuation purposes).

7.7 It is also important to note that the category code does not always reflect the actual use of the property as the code is assigned by QV on the basis of the 'highest and best use' of the property.

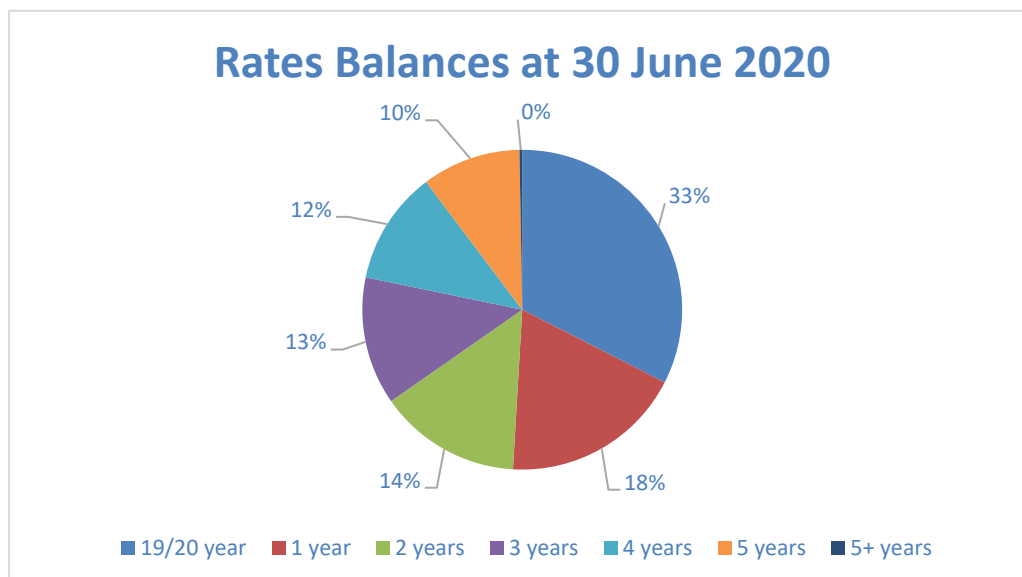
Category	Number of Properties	Total Balance Outstanding 30 June 20 (000's)
Residential	433	1,966

Lifestyle	212	1,011
Pastoral	69	389
Dairy	6	3
Utility	1	1
Commercial	14	68
Industrial	5	27
Forestry	23	161
Horticulture	0	0
Other	37	184
Mining	1	1
Total	801	3,811

7.8 The table shows that a significant portion of the total arrears outstanding relates to Residential and Lifestyle properties.

7.9 For the Residential category \$392,000 (77 properties) relates to Maori Land and \$1,574,000 (356 properties) relates to General Land. For the Lifestyle Category \$610,000 (74 properties) relates to Maori Land and \$401,000 (138 properties) relates to General Land. For the Forestry Category \$116,000 (18 properties) relates to Maori Land and \$45,000 (5 properties) relates to General Land.

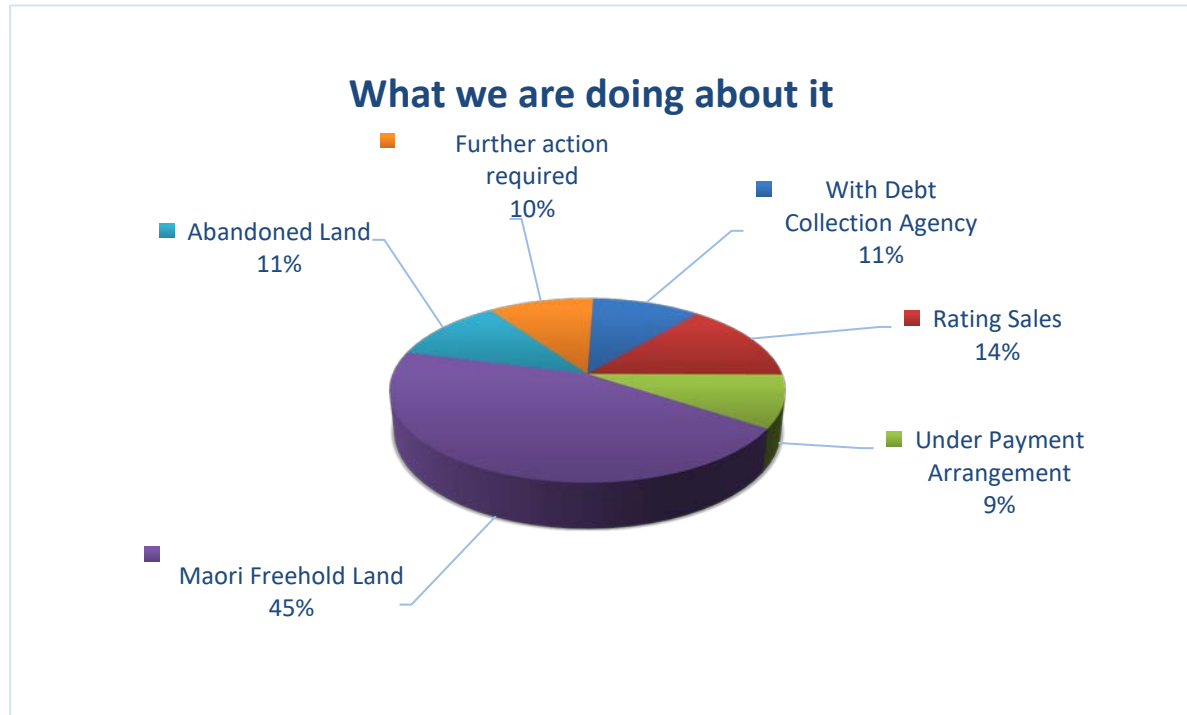
7.10 The following graph illustrates the ageing of the rates receivable balance. Of the outstanding balance of \$3.8 million, \$1.2 million (33%) relates to the 2019/20 year, \$0.7 million (18%) for the 2018/19 year rates and the balance spread across the remaining years in a diminishing fashion.



7.11 The outstanding balance of rates has been actively managed through a variety of collection methods including lump sum payments, approved payment arrangements, demands on mortgage holders, placement of arrears with external debt collection agency and initiating properties for abandoned land and rating sale processes. However, all debt collection action is currently suspended due to the COVID-19 lockdown. This will be reviewed over the coming months to determine when it may be appropriate to restart collection practices.

7.12 For the twelve months to 30 June 2020, arrears that were outstanding at 30 June 2019 of \$3,761,000 reduced by \$1,189,000 (32%).

7.13 The action being taken on outstanding balances is shown in the following graph:



7.14 Of the arrears owing at 30 June 2020:

- \$352,000 (9%) are under some form of payment arrangement
- 18 Properties totaling \$535,000 (14%) have been identified for rating sale. Two properties have been approved by the courts to commence sale of the properties, however these sales are now suspended due to the COVID-19 lock down.
- \$430,000 of the arrears relates to 25 properties that meet the criteria for abandoned land and will continue to be progressed through the abandoned land process by Council's Debt Collection agency (DMC) when considered appropriate.
- There are currently \$400,000 of arrears relating to 42 properties lodged with Council's collection agency for recovery. Since March:
 - ❖ 4 accounts have had the previous year's arrears paid in full and are no longer with our Debt Collection Agency
 - ❖ 1 account is now on a formal payment arrangement
 - ❖ 2 accounts were removed from Council's debt collection agency due to regular payments being received.
- A further \$391,000 of arrears requires further action. Staff will make contact with property owners to encourage payment and/or arrangements as appropriate. Usual practice at the end of the rating year is to send a final notice requesting payment and any amounts still outstanding would then be transferred to Council's external debt collection agency for recovery. However, as the arrears penalty is not being charged until January 2021, final notices will not be sent at this time.

7.15 Other Debtors Receivable

7.16 A total of \$370,000 in rates and penalty remissions were granted against a full year budget of \$300,000.

7.17 The breakdown per remission type is detailed in the following table:

Remission Category	18/19 Actual	18/19 No.	19/20 Actual	19/20 No.
Clubs, Societies and Community Organisations	55,091	29	58,068	28
Maori Freehold Land	146,406	118	148,625	114
Organisations providing care for the Elderly	27,986	2	26,607	5
Penalties	71,258	129	70,374	122
Properties used joint as a single unit	48,341	53	44,044	45
New residential subdivisions	0	0	0	0
Cases of genuine financial hardship	0	0	1,729	2
Land affected by natural calamity	0	0	1,847	1
New businesses	0	0	0	0
Abandoned Land	0	0	18,569	4
Total remissions under policy	349,082	331	369,863	321
Remissions granted by Council resolution	8,790	2	473	1
Total remissions granted	357,872	333	370,336	322

7.18 The following clubs, societies and community organisations were granted rates remission during the 2019/20 year.

- The Order of St John Central Region Trust Board (Mokau)
- The Order of St John Central Region Trust Board (Benneydale)
- The Order of St John Central Region Trust Board (Piopio)
- The Order of St John Central Region Trust Board (Te Kuiti)
- Scout Association of New Zealand
- Tainui District Fire Party
- Aria Toy Library
- Senior Net Inc
- Waitomo Caves Museum Society Inc
- Te Kuiti Lyceum Club Inc
- Tainui Historical Society Inc
- Piopio Senior Citizens Club Inc
- Te Kuiti Historical Society
- Awakino Bowling Club Inc
- Waitomo Scuba Club
- Hamilton Tomo Group Inc
- Maniapoto Rugby Sub Union Inc
- Otorohanga Club Inc (Waitomo Golf Club)
- Piopio Bowling Club
- Piopio Golf Club
- Piopio Lawn Tennis Club
- Te Kuiti Bowling Club Inc
- Te Kuiti Indoor Bowling Club Inc
- Te Kuiti Motorcycle Club Inc
- Te Kuiti Pig Hunting Club Inc
- Te Waitere Boating Club Inc
- Waitete Rugby Football Club Inc
- Te Kuiti Trapshooters Club

7.19 Other Debtors Receivable

- 7.20 At 30 June 2020 'Other Receivables' totalled \$1.7 million of which \$79,000 was due and owing for more than three months. The three month and over receivables mainly relates to dog registration and dog infringement charges as well as 3 overdue accounts relating to resource management (\$26,000), and some other minor sundry debtors.

Suggested Resolution

- 1 The business paper on Interim Unaudited Financial and Non-Financial Report for the period ended 30 June 2020 be received.
- 2 The proposed Carryovers be approved.



ALISTER DUNCAN
GENERAL MANAGER – BUSINESS SUPPORT

31 JULY 2020

Attachments:

- | | | |
|----|--|---------|
| 1. | Bancorp Treasury Services Limited: Treasury Report for Waitomo District Council for the quarter ended 30 June 2020 | A479624 |
| 2. | Service Performance Report: Key Performance Indicators for 2018-28 Long Term Plan | A476782 |

Appendix 1: Cost of Service Statements

The reasons for variance have been set out in sections 0 and 0 in the main body of the report and further details are also contained in the COSS for each activity that follows.

Summary Cost of Service (Amounts in \$000's)	Actual 2018/19	EAP Budget 2019/20	Interim Unaudited Actual Jun 2020	Variance Jun 2020	% Variance
Direct Operating Expenditure					
- Leadership	541	546	543	(3)	
- Community Service	2,883	2,507	2,229	(278)	
- Community Development	891	1,997	823	(1,174)	
- Compliance	198	335	224	(111)	
- Solid Waste Management	1,408	1,486	1,647	161	
- Stormwater Drainage	185	159	111	(48)	
- Resource Management	261	296	195	(101)	
- Sewerage	1,545	1,757	1,299	(458)	
- Water Supply	1,734	1,579	1,578	(1)	
- Roads and Footpaths	6,487	6,380	6,702	322	
Total Direct Operating Expenditure	16,133	17,042	15,351	(1,691)	-10%
Indirect Expenditure					
- Allocated Costs	4,801	5,300	5,626	325	
- Interest	1,707	2,035	1,421	(613)	
- Depreciation	5,926	5,956	5,938	(18)	
Total Indirect Expenditure	12,434	13,291	12,985	(306)	-2%
TOTAL EXPENDITURE	28,567	30,333	28,336	(1,997)	-7%
Operating Revenue					
- Leadership	(742)	(860)	(665)	195	
- Community Service	(974)	(687)	(816)	(129)	
- Community Development	(48)	(29)	(31)	(2)	
- Compliance	(514)	(458)	(497)	(39)	
- Stormwater Drainage	(8)	0	(22)	(22)	
- Resource Management	(203)	(190)	(253)	(63)	
- Solid Waste Management	(1,471)	(1,148)	(1,381)	(233)	
- Sewerage	(864)	(882)	(1,001)	(119)	
- Water Supply	(23)	0	(30)	(30)	
- Roads and Footpaths	(8,739)	(10,666)	(8,156)	2,510	
Total Operating Revenue	(13,586)	(14,920)	(12,852)	2,068	-14%
Rates Revenue					
- General Rate	(3,977)	(4,594)	(4,604)	(10)	
- UAGC	(3,263)	(3,464)	(3,460)	4	
- Targeted Rate	(11,811)	(11,599)	(11,601)	(2)	
- Metered Water Rates	(854)	(881)	(947)	(66)	
Total Rates Revenue	(19,905)	(20,538)	(20,612)	(74)	0%
TOTAL REVENUE	(33,491)	(35,458)	(33,464)	1,994	-6%
Net Operating Cost/(Surplus)	(4,924)	(5,125)	(5,128)	(3)	0%

The actuals for 2018/19 excludes rates on Council properties from both revenue and expenditure.

Governance: Leadership and Investments

GOVERNANCE: LEADERSHIP AND INVESTMENTS (Amounts in \$000's)	Actual 2018/19	EAP Budget 2019/20	Interim Unaudited Actual Jun 2020	Variance Jun 2020	% Variance
Direct Expenditure					
- Representation	301	296	349	41	
- Planning & Policy & Monitoring	77	162	100	(62)	
- Investments	82	76	94	18	
- Treasury Management and Overhead Accounts	81	12	0	0	
Total Direct Expenditure	541	546	543	(3)	-1%
- Allocated Costs	1,005	1,034	1,102	68	
- Interest	203	244	98	(146)	
- Depreciation	489	493	501	8	
Total Operating Expenditure	2,238	2,317	2,244	(73)	-3%
Operating Revenue					
- Representation	(480)	(440)	(465)	(25)	
- Investments	(181)	(408)	(77)	331	
- Treasury Management and Overhead Accounts	(81)	(12)	(123)	(111)	
Total Operating Revenue	(742)	(860)	(665)	195	-23%
Net Operating Cost/(Surplus)	1,496	1,457	1,579	122	8%

Net Operating Cost for the Governance Activity was 8% (\$122,000) more than budget for the period ended 30 June 2020.

Direct Expenditure was 3,000 less than budget for the period.

- Representation expenditure was more than budget for election expenditure. As there was no District Health Board (DHB) election, each council is required to pick up the share of costs normally attributed to the DHB. The Regional Council's share of the total election costs was invoiced and reduced the net cost to WDC. Elected members remuneration was also more than budget due to changes in the Remuneration Authority Determination.
- Within the Planning, Policy and Monitoring activity direct expenditure budgets for risk management were less than budget for the period.

Operating Revenue was 23% (\$195,000) less than budget for the period.

- Rates penalties revenue, which forms part of the Representation activity, was more than budget as at 30 June 2020.
- Investment revenue was less as no ICL dividend revenue was received. This decrease was partly offset by increased quarry royalty revenue.
- Revenue from Treasury Management and Overhead Accounts was more than budget due to the receipt of Civic Assurance Dividend and depreciation recovered on the sale of fleet vehicles.

Community Service

COMMUNITY SERVICE (Amounts in \$000's)	Actual 2018/19	EAP Budget 2019/20	Interim Unaudited Actual Jun 2020	Variance Jun 2020	% Variance
Direct Expenditure					
- Parks and Reserves	988	574	475	(99)	
- Housing and Other Property	392	466	489	23	
- Recreation and Culture	568	637	529	(108)	
- Public Amenities	853	707	638	(69)	
- Safety	82	123	98	(25)	
Total Direct Expenditure	2,883	2,507	2,229	(278)	-11%
- Allocated Costs	811	996	993	(3)	
- Interest	121	140	102	(38)	
- Depreciation	908	948	903	(45)	
Total Operating Expenditure	4,723	4,591	4,227	(364)	-8%
Operating Revenue					
- Parks and Reserves	(61)	(25)	(63)	(38)	
- Housing and Other Property	(640)	(307)	(322)	(15)	
- Recreation and Culture	(125)	(144)	(103)	41	
- Public Amenities	(148)	(211)	(328)	(117)	
Total Operating Revenue	(974)	(687)	(816)	(129)	19%
Net Operating Cost/(Surplus)	3,749	3,904	3,411	(493)	-13%

Net Operating Cost was 13% (\$493,000) less than budget for the period ended 30 June 2020.

Direct Expenditure was 11% (\$278,000) less than budget for the period.

- The expenditure for Parks and Reserves is less than budget. In particular, operational costs for Mangaokewa Reserve, erosion control expenditure, and legal expenses were not fully spent during the period.
- Housing and Other Property expenditure is more than budget mainly due to the \$40,000 asset disposal of building on Queen Street and higher holiday park operational costs. At the July 2019 meeting, Council approved on additional budget of \$34,000 for the increased in levels of service at Marokopa Holiday Park. Additional revenue has been received from the MBIE Responsible Camping Fund to cover this additional expenditure.
- Within the Recreation and Culture activity, expenditure was less for electricity, repairs and maintenance and consultants fees for the period.
- Public Amenities expenditures were also less during the period for security camera maintenance and other minor repairs.

Revenue was 19% (\$129,000) more than budget.

- Parks and reserves revenue was more due mostly to grants funding of \$49,900 received from Grassroots to fund the netball courts renewal.
- Housing and Other Property revenue was more mostly due to additional unbudgeted revenue for the holiday parks.
- Revenue for Recreation and Culture was less for Aquatic Centre and Les Munro Centre.

- Public Amenities revenue included \$156,000 of Responsible Camping funding from MBIE towards the costs of operating and maintaining tourism facilities over the peak season. The facilities covered by this grant include the provision of temporary toilets at Mokau, and the servicing of toilets and rubbish facilities at visitor sites in the district including the Marokopa and Te Kuiti holiday parks. A further \$100,000 of revenue from Tourism Infrastructure Fund (TIF) has also been recognised to fund the construction and the operating and maintenance costs of the Kiritehere and Waikawau toilets.

Community Development

COMMUNITY DEVELOPMENT (Amounts in \$000's)	Actual 2018/19	EAP Budget 2019/20	Interim Unaudited Actual Jun 2020	Variance Jun 2020	% Variance
Direct Expenditure					
- Community Support	674	1,688	678	(1,010)	
- District Development	217	309	145	(164)	
Total Direct Expenditure	891	1,997	823	(1,174)	-59%
- Allocated Costs	692	772	672	(100)	
- Depreciation	11	11	13	2	
Total Expenditure	1,594	2,780	1,508	(1,272)	-46%
Operating Revenue					
- Community Support	(2)	(2)	(10)	(8)	
- District Development	(46)	(27)	(21)	6	
Total Operating Revenue	(48)	(29)	(31)	(2)	7%
Net Operating Cost/(Surplus)	1,546	2,751	1,477	(1,274)	-46%

Net Operating Cost for the Community Development Activity was 46% (\$1,274,000) less than budget for the period ended 30 June 2020.

Direct Expenditure was 59% (\$1,174,000) less than budget for the period.

- Expenditure for the Community Support activity is less than budget, largely due to the capital contribution grant for the Game On Charitable Trust's North King Country Stadium project being re-sequenced to next financial year.
- Expenditure for the District Development activity is less than budget for the financial year.
 - Due to COVID-19 control measures the Great New Zealand Muster 2020 was cancelled.
 - Funding capacity allocated to design and concept work for the amenities area adjoining the Skate Park and Te Ara Tika will be applied to the next financial year due to unavoidable project timing delays arising from the lockdown phase of the COVID-19 pandemic response and extended community engagement.

Compliance

Compliance (Amounts in \$000's)	Actual 2018/19	EAP Budget 2019/20	Interim Unaudited Actual Jun 2020	Variance Jun 2020	% Variance
Direct Expenditure					
- Compliance	198	335	224	(111)	
Total Direct Expenditure	198	335	224	(111)	-33%
- Allocated Costs	760	884	979	95	
- Interest	0	0	0	0	
- Depreciation	6	6	7	1	
Total Expenditure	964	1,225	1,210	(15)	-1%
Operating Revenue					
- Compliance	(514)	(458)	(497)	(39)	
Total Operating Revenue	(514)	(458)	(497)	(39)	9%
Net Operating Cost/(Surplus)	450	767	713	(54)	-7%

Net Operating Surplus for the Compliance Activity was 7% (\$54,000) less than budget for the period ended 30 June 2020.

Direct Expenditure was 33% (\$111,000) less than budget for the period.

- Expenditures for contractors' costs for animal control, earthquake prone building work (EPB), freedom camping, and environmental health were less than budget.

Operating Revenue was 9% (\$39,000) more than budget for the period.

- Building Control revenue and Compliance Schedule revenue were more than budget for the period. Building consent revenue received for the period to 30 June 2020 was \$225,000, compared to \$217,000 for the same period last year.
- Liquor licencing revenue was less than budget for the period. The reduction was partly due to the effects of the COVID-19 lockdown period (no special licences), and also due to normal timing variations in relation to when applications are required to be renewed (i.e. managers certificates).

Resource Management

RESOURCE MANAGEMENT (Amounts in \$000's)	Actual 2018/19	EAP Budget 2019/20	Interim Unaudited Actual Jun 2020	Variance Jun 2020	% Variance
Direct Expenditure					
- District Plan Administration	61	141	96	(45)	
- District Planning	200	155	99	(56)	
Total Direct Expenditure	261	296	195	(101)	-34%
- Allocated Costs	620	618	695	77	
- Interest	16	40	25	(15)	
Total Expenditure	897	954	915	(39)	-4%
Operating Revenue					
- District Plan Administration	(139)	(190)	(217)	(27)	
- District Planning	(64)	0	(36)	(36)	
Total Operating Revenue	(203)	(190)	(253)	(63)	33%
Net Operating Cost/(Surplus)	694	764	662	(102)	-13%

Net Operating Cost for the Resource Management Activity was 13% (\$102,000) less than budget for the period ended 30 June 2020.

Direct Expenditure was 34% (\$101,000) less than budget for the period.

- This is mainly due to reduced expenditure in consultants' fees (for district plan administration).

Operating Revenue was 33% (\$63,000) more than budget for the period.

- District Plan Administration revenue is more than budget due to the number and type of applications being processed.
- District Planning revenue is more than budget due to a funding contribution from Waikato Regional Council (WRC) to WDC's Significant Natural Area (SNA) workstream, flood hazard modelling report and land stability modelling report. This will be used to fund the District Plan Review consultant fees for these workstreams.

Solid Waste Management

SOLID WASTE MANAGEMENT (Amounts in \$000's)	Actual 2018/19	EAP Budget 2019/20	Interim Unaudited Actual Jun 2020	Variance Jun 2020	% Variance
Direct Expenditure					
- Collection	272	297	278	(19)	
- Landfill Management	1,136	1,189	1,369	180	
Total Direct Expenditure	1,408	1,486	1,647	161	11%
- Allocated Costs	436	364	431	67	
- Interest	171	181	140	(41)	
- Depreciation	75	97	79	(18)	
Total Expenditure	2,090	2,128	2,297	169	8%
Operating Revenue					
- Collection	(136)	(140)	(135)	5	
- Landfill Management	(1,335)	(1,008)	(1,246)	(238)	
Total Operating Revenue	(1,471)	(1,148)	(1,381)	(233)	20%
Net Operating Cost/(Surplus)	619	980	916	(64)	-7%

Net Operating Cost for the Solid Waste Management Activity was 7% (\$64,000) less than budget for the period ended 30 June 2020.

Direct Expenditure was 11% (\$161,000) more than budget for the period.

- Collection expenditure is less than budget due to the timing of the purchase of rubbish bags and disposal costs for kerbside recycling and collection.
- Landfill management costs are more than budget due to higher landfill operational costs, emissions trading scheme costs and infrastructure maintenance. Transfer station costs were also higher over the period as recycling collection costs increased.
- Expenditure for waste minimisation initiatives, which are included within Landfill Management activity, were more than budget for the period. This expenditure included a minimisation audit for kerbside collections and e-waste collections. These costs are funded by the waste minimisation levy revenue received from the Ministry for the Environment.

Operating Revenue was 20% (\$233,000) more than budget for the period.

- Revenue received at the landfill was more than budget due to increase in general refuse charges, special waste, green waste and recovered materials. This appears to be general trend that usage of the facility has increased.
- Revenue in the Collection activity was less for the sale of rubbish bags.

Stormwater Drainage

STORMWATER DRAINAGE (Amounts in \$000's)	Actual 2018/19	EAP Budget 2019/20	Interim Unaudited Actual Jun 2020	Variance Jun 2020	% Variance
Direct Expenditure					
- Te Kuiti Stormwater	165	134	91	(43)	
- Rural Stormwater	20	25	20	(5)	
Total Direct Expenditure	185	159	111	(48)	-30%
- Allocated Costs	32	71	86	15	
- Interest	2	11	10	(1)	
- Depreciation	189	198	193	(5)	
Total Expenditure	408	439	400	(39)	-9%
Operating Revenue					
- Te Kuiti Stormwater	(8)	0	(22)	(22)	
Total Operating Revenue	(8)	0	(22)	(22)	0%
Net Operating Cost/(Surplus)	400	439	378	(61)	-14%

Net Operating Cost for the Stormwater Drainage Activity was 14% (\$61,000) less than budget for the period ended 30 June 2020.

Direct Expenditure was 30% (\$48,000) less than budget for the period.

- Expenditures for Te Kuiti stormwater operations and maintenance and consent compliance costs were less than budget.

Operating Revenue was \$22,000 more than budget for connection fees.

Sewerage and Treatment and Disposal of Sewage

SEWERAGE AND TREATMENT AND DISPOSAL OF SEWAGE (Amounts in \$000's)	Actual 2018/19	EAP Budget 2019/20	Interim Unaudited Actual Jun 2020	Variance Jun 2020	% Variance
Direct Expenditure					
- Waitomo Village	0	5	0	(5)	
- Te Kuiti	1,372	1,454	1,067	(387)	
- Te Waitere	14	42	30	(12)	
- Maniaiti / Benneydale	53	107	72	(35)	
- Piopio	106	149	130	(19)	
Total Direct Expenditure	1,545	1,757	1,299	(458)	-26%
- Allocated Costs	215	275	327	52	
- Interest	329	384	278	(106)	
- Depreciation	812	830	822	(8)	
Total Expenditure	2,901	3,246	2,726	(520)	-16%
Operating Revenue					
- Te Kuiti	(835)	(873)	(985)	(112)	
- Maniaiti / Benneydale	(1)	(1)	(1)	0	
- Piopio	(28)	(8)	(11)	(3)	
Total Operating Revenue	(864)	(882)	(1,001)	(119)	13%
Net Operating Cost/(Surplus)	2,037	2,364	1,725	(639)	-27%

Net Operating Cost for the Sewerage Activity was 27% (\$639,000) below budget for the period ended 30 June 2020.

Direct Expenditure was 26% (\$458,000) less than budget for the period.

- Expenditure for plant operations & reticulation maintenance and internal WSU costs were less than budget for all schemes.
- Chemicals, power, sludge disposal and sampling costs were also less for Te Kuiti.

Operating Revenue was 13% (\$119,000) more than budget for the period for connection fees and trade waste revenue.

Water Supply

WATER SUPPLY (Amounts in \$000's)	Actual 2018/19	EAP Budget 2019/20	Interim Unaudited Actual Jun 2020	Variance Jun 2020	% Variance
Direct Expenditure					
- Te Kuiti	1,226	994	1,065	71	
- Mokau	184	205	219	14	
- Piopio	213	261	191	(70)	
- Maniaiti / Benneydale	111	114	93	(21)	
- Waitomo Village	0	5	10	5	
Total Direct Expenditure	1,734	1,579	1,578	(1)	0%
- Allocated Costs	216	272	324	52	
- Interest	314	428	319	(109)	
- Depreciation	502	602	621	19	
Total Expenditure	2,766	2,881	2,842	(39)	-1%
Operating Revenue					
- Te Kuiti	(15)	0	(22)	(22)	
- Mokau	(1)	0	(4)	(4)	
- Piopio	(5)	0	(2)	(2)	
- Maniaiti / Benneydale	(2)	0	(2)	(2)	
Total Operating Revenue	(23)	0	(30)	(30)	
Total Revenue	(23)	0	(30)	(30)	
Net Operating Cost/(Surplus)	2,743	2,881	2,812	(69)	-2%

Net Operating Cost for the Water Supply Activity was 2% (\$69,000) less than budget for the period ended 30 June 2020.

Direct Expenditure was \$1,000 less than budget for the period.

- Te Kuiti scheme expenditure was more than budget for reticulation maintenance costs and was partly offset by reduced chemicals and electricity expenditure.
- Expenditure for Piopio and Maniaiti/Benneydale was less for reticulation maintenance and WSU costs.

Operating Revenue was recognised for connection fees for Te Kuiti, Benneydale and Mokau.

Roads and Footpaths

ROADS AND FOOTPATHS (Amounts in \$000's)	Actual 2018/19	EAP Budget 2019/20	Interim Unaudited Actual Jun 2020	Variance Jun 2020	% Variance
Direct Expenditure					
- Subsidised Roads	6,388	6,249	6,640	391	
- Unsubsidised Roads	99	131	62	(69)	
Total Direct Expenditure	6,487	6,380	6,702	322	5%
- Allocated Costs	14	15	17	2	
- Interest	549	606	449	(157)	
- Depreciation	2,936	2,771	2,799	28	
Total Expenditure	9,986	9,772	9,967	195	2%
Operating Revenue					
- Subsidised Roads	(8,635)	(10,569)	(8,054)	2,515	
- Unsubsidised Roads	(104)	(97)	(102)	(5)	
Total Operating Revenue	(8,739)	(10,666)	(8,156)	2,510	-24%
Net Operating Cost/(Surplus)	1,247	(894)	1,811	2,705	-303%
Subsidised Roads Maintenance (Excluding losses on asset disposals)	6,388	6,249	6,639	390	
Subsidised Roads Capital	5,204	7,995	4,182	(3,813)	
Combined Maintenance and Capital	11,592	14,244	10,821	(3,423)	-24%
Subsidy Revenue for Subsidised Roads	(8,486)	(10,414)	(7,859)	2,555	-25%

Net Operating Cost for the Roads and Footpaths Activity was 303% (\$2,705,000) more than budget for the period ended 30 June 2020.

Direct Expenditure was 5% (\$322,000) more than budget for the period.

- Sealed pavement maintenance was more than budget for the period along with the environmental maintenance. These were partly offset by reduced unsealed pavement maintenance, structure maintenance and RBU costs. The overspend in environmental maintenance was due to unexpected large number of hazardous trees identified and removed during the period and the extended hot dry summer requiring more than the usual gritting of bleeding roads.
- Emergency Re-instatement (first response). Expenditures for this reporting period of \$543,000 against budget of \$378,000 were incurred for minor emergency events. These were repairs due to weather related damages on the network.

Operating Revenue was 24% (\$2,510,000) less than budget for the period.

- Subsidy revenue is based on both maintenance and capital expenditure and for most work categories the subsidy rate is 73%. As capital expenditure was less than budget, the subsidy associated was also less than budget.

Appendix 2: Unaudited Interim Balance Sheet as at 30 June 2020

STATEMENT OF FINANCIAL POSITION (Amounts in \$000's)	Actual 30 Jun 2019	Actual Position 30 Jun 2020	Movement from 30 Jun 2019	EAP 30 Jun 2020	Variance from EAP
Equity					
- Accumulated Funds	214,394	219,882	5,488	220,986	1,104
- Other Reserves	26,326	25,906	(420)	24,797	(1,109)
- Revaluation Reserve	77,200	76,840	(360)	83,559	6,719
TOTAL EQUITY	317,920	322,628	4,708	329,342	6,714
Current Assets					
- Cash and Cash Equivalents	1,819	4,243	2,424	537	(3,706)
- Inventory	93	98	5	84	(14)
- Assets Held for Sale	100	287	187	0	(287)
- Other Financial Assets	3	3	0	3	0
- Receivables (Non-exchange)	4,940	3,770	(1,170)	4,801	1,031
- Receivables (Exchange)	157	157	0	531	374
Total Current Assets	7,112	8,557	1,445	5,956	(2,601)
Current Liabilities					
- Payables and Deferred Revenue (Exchange)	3,178	2,368	(810)	3,718	1,350
- Payables and Deferred Revenue (Non-exchange)	750	750	0	878	128
- Current Portion of Borrowings	10,261	12,210	1,949	24,140	11,930
- Provisions	3	3	0	3	0
- Employee Entitlements	623	788	165	616	(172)
- Derivative Financial Instruments	677	895	218	605	(290)
Total Current Liabilities	15,492	17,014	1,522	29,960	12,947
NET WORKING CAPITAL	(8,380)	(8,457)	(77)	(24,004)	(15,321)
Non Current Assets					
- Property Plant and Equipment	345,528	345,253	(275)	361,134	15,881
- Intangible Assets	223	411	188	1,076	665
- Investment Property	897	1,015	118	788	(227)
- Other Financial Assets	503	507	4	410	(97)
- Investment in CCO & Civic Financial Services Ltd	11,455	11,455	0	11,820	365
Total Non Current Assets	358,606	358,641	35	375,228	16,587
Non Current Liabilities					
- Borrowings	30,000	25,049	(4,951)	20,000	(5,049)
- Provisions	461	461	1	750	289
- Derivative Financial Instruments	1,845	2,046	201	1,132	(914)
Total Non Current Liabilities	32,306	27,556	(4,749)	21,882	(5,674)
NET ASSETS	317,920	322,628	4,708	329,342	6,714

CONFIDENTIAL

TREASURY REPORT

FOR



FOR THE QUARTER ENDED 30 JUNE 2020



BANCORP

BANCORP TREASURY SERVICES LIMITED

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1. MARKET ENVIRONMENT

1.1 GLOBAL MARKETS OVERVIEW (FOR THE JUNE 2020 QUARTER)

The June quarter reversed its tone from March, with greed replacing fear as a 'risk-on' bias gained momentum. The S&P 500 ended the quarter only 6.0% below the all-time highs seen in February, after being down 35.0% in mid-March, implying a 'V' shaped recovery.

On the quarters 'open to close' basis, the US 10 Year Treasury Bond yield largely moved sideways, opening at 0.58% and closing at 0.62%, but reaching a low in mid-April of 0.57% and a high in early June of 0.90%. With the strong 'risk on' tone experienced during the quarter, one would have expected interest rate yields to rise, however, the sheer amount of monetary stimulus injected into the financial system by the world's central banks successfully anchored long term interest rates across the globe.

Despite investor enthusiasm, global finance ministers have been quick to emphasise the road to recovery will be long and arduous, and central bank governors have repeatedly stated they will *"do whatever it takes."* The most pronounced of these has been US Federal Reserve ("Fed") Chair, Jerome Powell, who stated that *"the recovery may take some time to gather momentum, and the passage of time can turn liquidity problems into solvency problems."* One solution he has basically ruled out is a negative cash rate, stating, *"the committee's view on negative rates really has not changed. This is not something that we're looking at."*

Global economic growth took a hit in the March quarter as lockdowns took their toll on the individual economies. At an annualised rate, Chinese GDP contracted 6.8%, US GDP contracted 5.0%, and Australian GDP contracted 1.2%, while the World Bank revised down their economic forecasts estimating global economic output will fall 5.2% in 2020. The June and September quarter GDP's will be the numbers to look out for as rising unemployment takes its toll on consumer spending and fiscal support packages come to an end.

The number of global daily COVID-19 cases is still increasing, currently around 180,000 per day, while in the US, COVID-19 infections are back on the rise to the tune of 30,000–40,000 new cases each day. While the US curve flattened in April and May, June and July have seen the 10 year yield consolidating within the 0.64-0.74% range.

The recent escalation of political and trade tensions between China-US, China-Australia, China-UK, China-Hong Kong, China-Taiwan etc has, to some extent, been ignored by the markets, although we have seen the US dollar index fall 4.0%, lifting the NZ dollar across the board, except against the Australian dollar. This has changed the dynamic between the



currency markets and the equity markets, with equity markets being potentially overly optimistic regarding a post COVID-19 recovery.

1.2 NEW ZEALAND MARKET OVERVIEW (FOR THE JUNE 2020 QUARTER)

	OCR	90 day	2 years	3 years	5 years	7 years	10 years
31 March 2020	0.25%	0.50%	0.53%	0.55%	0.63%	0.75%	0.93%
30 June 2020	0.25%	0.31%	0.21%	0.23%	0.35%	0.51%	0.74%
Change	0 bps	-19 bps	-32 bps	-32 bps	-28 bps	-24 bps	-19 bps

The Reserve Bank of New Zealand's ("RBNZ") Financial Stability Report noted that *"the financial system is in a solid position to weather the significant economic impact,"* and *"our economic stress test analysis suggest banks can continue to lend and prosper through a broad range of adverse scenarios."* RBNZ Governor, Adrian Orr, added a few warnings stating that the significant part of the economic challenge is still ahead of us, that he sees more room for banks to increase lending and he expects credit demand to rise.

New Zealand Finance Minister, Grant Robertson, announced the Government will extend the COVID-19 support schemes for businesses by lowering the required revenue drop threshold from 50% to 40%. This will see an additional 40,000 businesses eligible for the financial support. To date, the scheme has paid out NZD11.0 billion, covering 1.7 million jobs.

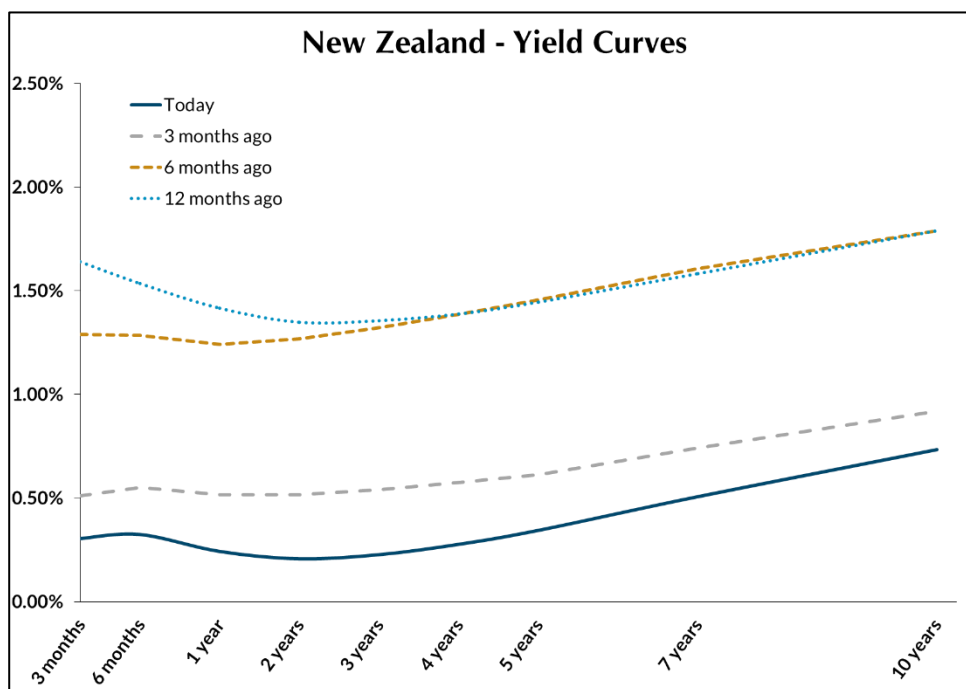
New Zealand's GDP fell by 1.6% in the first quarter of 2020 as the country felt the first hit from the COVID-19 pandemic. It was the first contraction in growth since late 2010 and is the biggest single quarterly fall since 1991. Most sectors of the economy contracted, with the biggest being in construction, retail and travel. The number was worse than expected, and the economy shrank by 0.2% in the year ending March. Ominously, economists are warning that the second quarter to 30 June will show the major impact on growth, with expectations of a fall of as much as 20%.

Positive news came out of the latest GlobalDairyTrade auction as the index rose 1.9%, its largest gain since January and the third auction in a row that has delivered stronger dairy prices. Whole Milk Powder prices lifted 2.2% while Skim Milk Powder rose 3.1% suggesting some stability for the dairy industry.

Businesses are a little more optimistic as all preliminary outlook indicators increased in the ANZ Business Outlook June Report. Business confidence increased to -33.0 from a net -41.8, export intentions are up to -17.1, from -32.2 the previous month, and employment intentions have increased 5.0 points.



At the short end of the yield curve, interest rates are anchored by the OCR at 0.25%. Market pricing is currently assigning an 88% probability to the OCR falling to zero by May 2021. This probability has been bouncing around 60%-100% over the quarter and the latest second wave fears have increased this probability. At the medium to longer end of the yield curve, swap rates, after reaching new lows in mid-May, moved higher as markets adopted a more optimistic tone and priced in a V-shaped recovery. However, some of that optimism has waned at the end of the quarter as the pandemic continues to escalate in several countries, concerns mount about a second wave of infections elsewhere, global geopolitical tensions increased, and New Zealand reported 22 active COVID-19 cases. The chart below highlights the changes in the shape of the yield curve at quarterly intervals over the last 12 months, emphasising the sharp fall in interest rates.



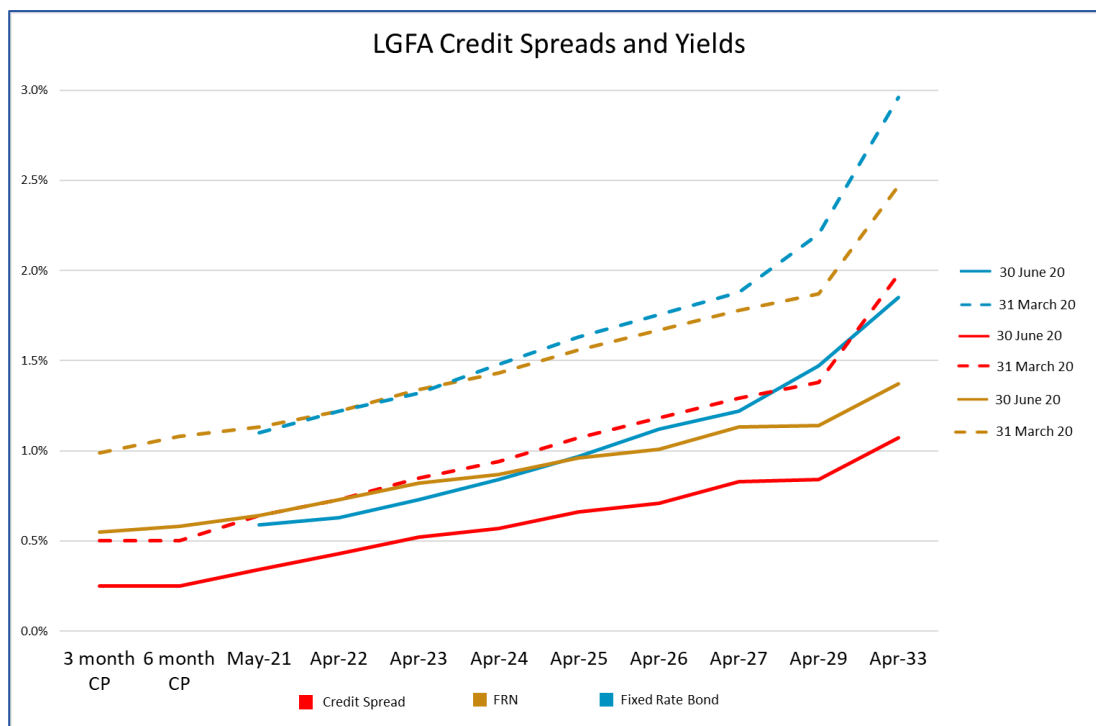
1.3 LOCAL AUTHORITY SECTOR

Listed on the following page are the credit spreads and applicable interest rates for Floating Rate Notes (“FRN”) and Fixed Rate Bonds (“FRB”), at which the West Coast Regional Council (“WCRC”) could source debt from the Local Government Funding Agency (“LGFA”). The numbers in brackets are those that prevailed at the end of March.

Maturity	Credit Spread	FRN (or CP) Rate	Fixed Rate Bond
3 month CP	0.36% (0.22%)	0.66% (1.10%)	N/A
6 month CP	0.36% (0.22%)	0.67% (1.19%)	N/A
May 2021	0.54% (0.84%)	0.84% (1.33%)	0.79% (1.30%)
April 2022	0.63% (0.93%)	0.93% (1.52%)	0.83% (1.42%)
April 2023	0.72% (1.05%)	1.02% (1.54%)	0.93% (1.62%)
April 2024	0.77% (1.14%)	1.09% (1.63%)	1.04% (1.68%)
April 2025	0.86% (1.27%)	1.16% (1.76%)	1.17% (1.83%)
April 2026	0.91% (N/A)	1.21% (N/A)	1.32% (N/A)
April 2027	1.03% (1.49%)	1.33% (1.98%)	1.42% (2.08%)
April 2029	1.04% (1.58%)	1.34% (2.07%)	1.67% (2.40%)
April 2033	1.27% (2.18%)	1.57% (2.67%)	2.05% (3.16%)

As can be seen from the table, credit spreads have decreased significantly during the June quarter. The initial impetus for this was the announcement in early April that the RBNZ’s Large Scale Asset Programme would be expanded to include LGFA debt. Outright borrowing yields benefitted from the fall in credit spreads and the decline in underlying base interest rates, with the falls most pronounced at the longer end of the borrowing curve.

The chart below shows credit spreads (in red) FRN yields (in gold) and FRB yields (in blue) for LGFA debt as at 31 March (dotted line) and 30 June (solid line) and illustrates the sharp falls in all three categories over the quarter.



2. DEBT AND HEDGING

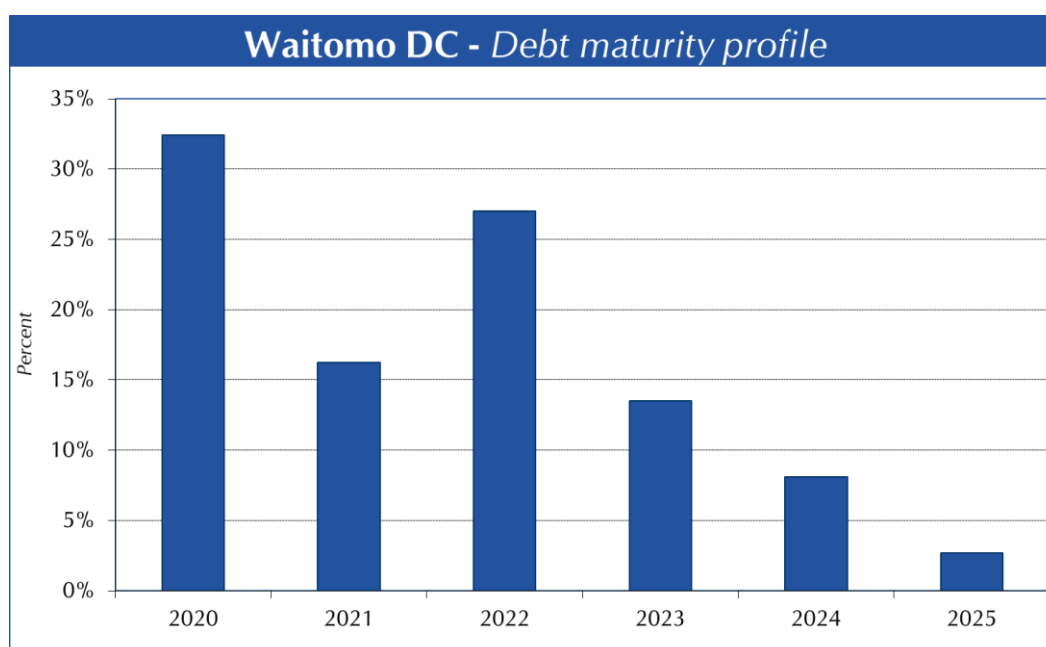
2.1 DEBT

As at 30 June 2020, WDC had \$37.0 million of external debt, down from \$38.0 million at the end of March 2020. 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 2020, (at the start of the September quarter it was extended to July 2021) 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	28-Jan-20	27-Jul-20	23 bps	1.475%	\$3,000,000
LGFA CP	18-May-20	13-Nov-20	41 bps	0.67%	\$4,000,000
LGFA FRN	19-Jun-17	10-Sep-20	48 bps	0.73%	\$5,000,000
LGFA FRN	19-Jun-17	15-Nov-21	55.5 bps	0.825%	\$6,000,000
LGFA FRN	18-Jul-18	18-Apr-22	60 bps	0.973%	\$5,000,000
LGFA FRN	28-Jun-19	30-Aug-22	59.5 bps	0.85%	\$5,000,000
LGFA FRN	19-Jun-17	24-Apr-23	64 bps	0.945%	\$5,000,000
LGFA FRN	19-Jun-17	18-Apr-24	65.5 bps	1.028%	\$3,000,000
LGFA FRB	19-Jun-17	19-Apr-25	71 bps	3.68%	\$1,000,000
			TOTAL		\$37,000,000

The maturity profile of WDC’s drawn debt as at 30 June 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 complying with this guideline.

2.2 HEDGING

As at 30 June, WDC had six interest rate swaps ("swaps") to convert a portion of the floating interest rate exposures into fixed interest rates. Five of the swaps are current and one is forward starting. Details of the swaps are contained in the table below:

Start Date	Maturity Date	Rate	Amount	Market Value
11-Sep-2017	11-Sep-2020	3.780%	5,000,000	(\$44,335)
31-Mar-2014	17-May-2021	4.900%	6,000,000	(\$280,153)
18-Apr-2017	18-Apr-2023	3.950%	3,000,000	(\$332,437)
24-Jan-2017	24-Jan-2024	3.840%	5,000,000	(\$667,990)
20-Apr-2020	20-Apr-2025	3.930%	5,000,000	(\$891,712)
Total current swap hedging			24,000,000	
Forward starting swaps				
11-Sep-2020	11-Sep-2026	2.890%	5,000,000	(\$724,517)
				(\$2,941,144)

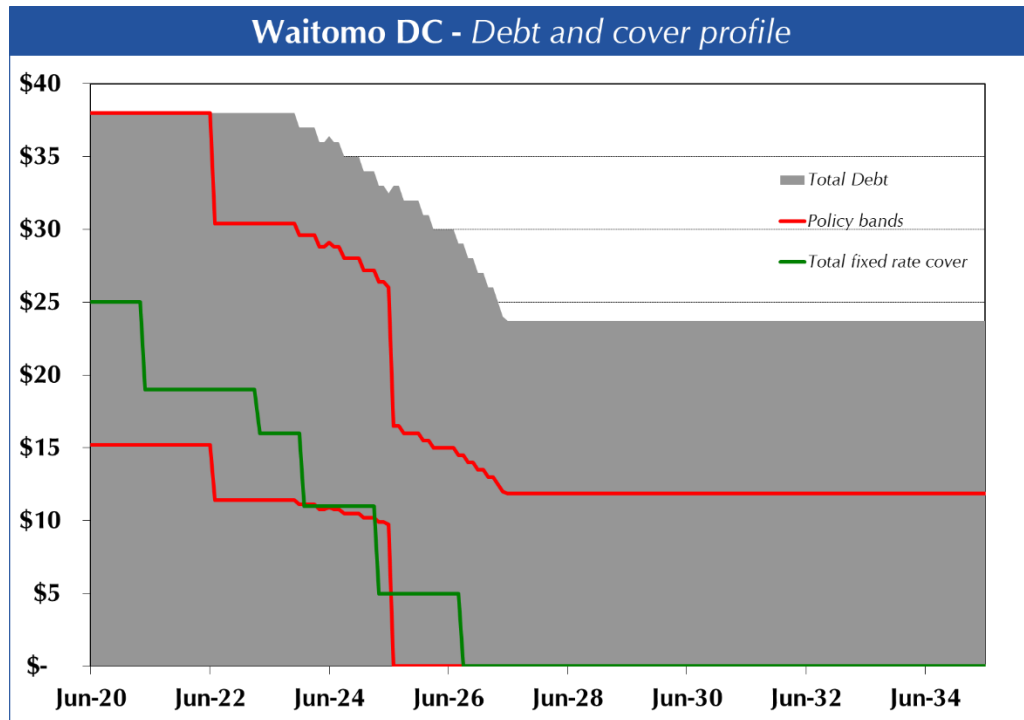
The 'marked to market' valuation on the swap portfolio deteriorated slightly during the June quarter, from a loss of \$2,853,989 at the end of March, to a loss of \$2,941,144 at the end of June.

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.

Fixed Rate Hedging Percentages		
	Minimum Fixed Rate Amount	Maximum Fixed Rate Amount
0 – 2 years	40%	100%
2 – 5 years	30%	80%
5 – 15 years	0%	50%

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 following graph.

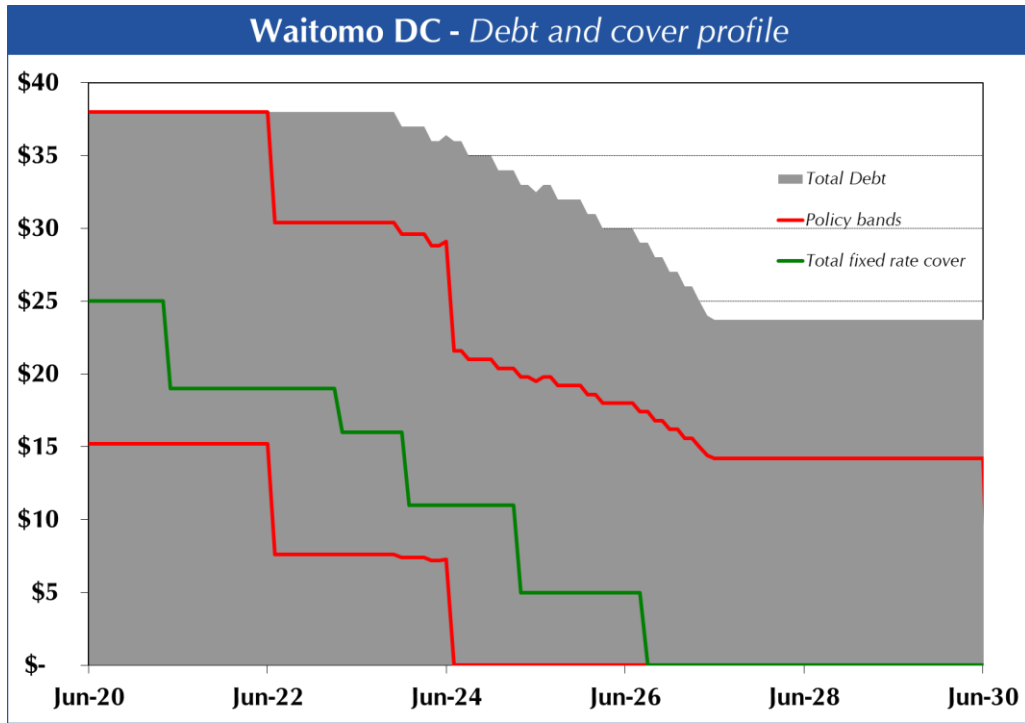


The graph indicates that, as at 30 June, WDC had two very minor policy inconsistencies, for three months in early 2024 and for three months in mid 2025. These inconsistencies have been noted by WDC management and further debt profile analysis and possible amendments to the Treasury Policy are two possible courses of action being considered to alleviate the inconsistencies.

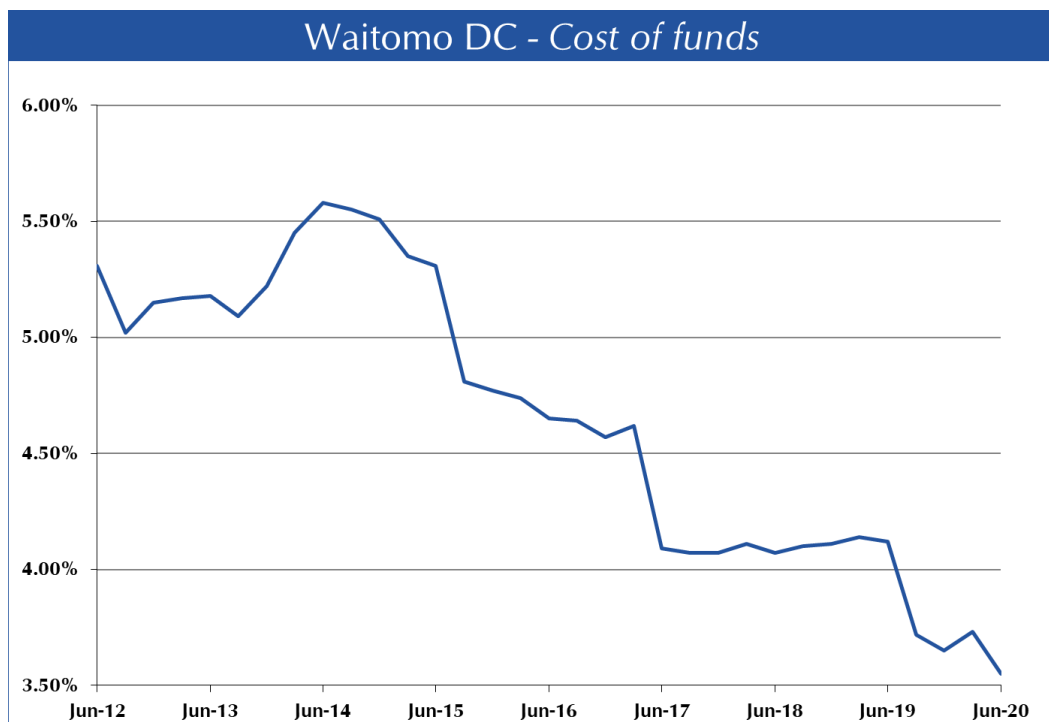
As stated above Bancorp Treasury and WDC have been discussing amending the Treasury Policy bands to take account of the new paradigm that the financial markets are now experiencing, one which has been greatly magnified by the COVID-19 pandemic. The following policy bands are being considered, with the changes marked in red.

Alternative 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 and hedging profile incorporating the amended parameters is depicted in the graph on the following page.



As at 30 June WDC's cost of funds, including the line fee on the committed Westpac facility, was 3.55%, down from 3.73% at the end of March. WDC's cost of funds is still well below that of many other local authorities, quite a number of which have a credit rating. WDC's cost of funds since June 2012 is depicted in the following graph.



2.4 POLICY COMPLIANCE AS AT 30 JUNE 2020

	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>	×
<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>	√

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

SERVICE PERFORMANCE REPORT

Key Performance Indicators for 2018-28 Long
Term Plan – **Interim Report**

For the period 1 July to 30 June 2020

Introduction

- 1.1 The 2018-28 Long Term Plan (LTP) was adopted in June 2018. It sets out outcomes we aim to deliver for our community, through the activities we undertake. Within each group of activity outlined in the LTP, we have nominated key non-financial performance indicators as progress markers towards the achievement of the outcomes. In the LTP, the non-financial performance indicators focus on measuring the delivery of outcomes to the community.
- 1.2 Council also uses these key performance indicators (KPIs) to measure its service provision to the Community. The KPIs and their targets allow the measurement, over time, of whether or not the service delivery and performance has been properly focused on Council's priorities.
- 1.3 Many of the KPIs are mandatory and Council is required to measure and report on these.
- 1.4 Progress against agreed performance targets is monitored by management and reported quarterly to governance. Council is required to report back to the community every year in the Annual Report on the non-financial performance indicators. The Annual Report is audited by external auditors and includes an investigation into how the KPI results are calculated.
- 1.5 The results presented in this paper reflect the progress of these non-financial key performance indicators for the first three quarters and the year end as at 30 June 2020.
- 1.6 The reporting compares actual performance with the intended level of performance targets as set out in the LTP. The performance results are presented in Groups of Activity (GOAs) using an 'achieved/not achieved' reporting system.

	Achieved	All components of the performance measure have been met or are on track to be achieved.
	On track	All components of the performance measure are on track to be achieved.
	Not achieved	Some or all components were not achieved as per schedule or target
	Off track	Some or all components are not on track to be achieved as per schedule or target
	No data available	No work scheduled or data available in the current (reporting) quarter.

- 1.7 There are different methods of measurement for the key performance indicators like response time, resolution time, number of complaints received and residents' satisfaction.

Impact on Council Services During COVID-19 Emergency

- 2.1 In response to the global COVID-19 Pandemic, the New Zealand Government implemented a Covid-19 Alert System, which specifies the public health and social measures to be taken in the fight against COVID-19. A state of National Emergency was declared during alert levels 4-2.
- 2.2 As directed by the Government, this resulted in Waitomo District Council (WDC) temporarily ceasing the provision of all non-essential services, the office closing and staff working remotely to continue non-essential services i.e. finance, governance, planning, etc. where practicable.
- 2.3 Council activities considered essential services were defined by the Government's 'COVID-19 Local Government Response Unit', comprising members of the Department of Internal Affairs, Local Government New Zealand (LGNZ), Society of Local Government Managers (SOLGM), the National Emergency Management Agency (NEMA) and other relevant government agencies.
- 2.4 The section below provides a briefing on WDC's activities across Alert levels 4 to 2. Impacts on performance measures are indicated in "measures not achieved" and "performance result by GOA" sections.
- 2.5 While overall the organisation functioned relatively well, there were technology challenges, disruption to usual work practices, and disruption to the progression of a range of planned projects.
- 2.6 In addition, there was a significant amount of additional unplanned and unresourced work to respond to the COVID-19 emergency, including a number of staff being required to work in the Civil Defence Emergency Management Emergency Operating Centre (EOC). Cumulatively, this meant that across the organisation some planned project delivery work, and normal non-essential operations had to be de-prioritised during lockdown.
- 2.7 Customer Services
- 2.8 The Customer Services Team remained operating, in various forms, throughout all Alert Levels.
- 2.9 For the period 26 March to 29 April 2020, the Customer Services Team responded to 2,163 phone calls, an average of 98 calls per workday. Whilst the number of calls per day varies based on the time of the year, 98 calls per day is out of the ordinary, as March/April is generally a quieter period. On average, WDC receives approximately 60 calls per day during this time.
- 2.10 Water Services (water, wastewater and stormwater)
- 2.11 The Water Services Team operated as an essential service and continued to operate the 3-waters networks/ treatment plants by having staff assigned to a specific treatment plant. This enabled the team to work in isolation and reduce movements across the District that would otherwise be part of normal duties. Local contractors continued to support maintenance activities.

2.12 Property

2.13 The Property Team closed WDC facilities such as playgrounds, public toilets and holiday parks during the transition to Alert Level 4 (AL4). Both team members were engaged in Emergency Operations Centre (EOC) duties throughout AL4.

2.14 Internal Services Business Unit (ISBU)

2.15 WDC's ISBU performs mowing, gardening and interment duties. Most of these services were stood down during the AL4 lockdown as they were not considered essential services. However, burials recommenced as permitted. It is noted that there were three burials during AL4, one of which took place at an urupa.

2.16 Roading

2.17 The Roothing Team worked remotely where possible during the lockdown. Network maintenance activities were initially suspended however recent checks were carried out on known hot spots and arterial routes, with only minor issues requiring following up. WDC's Road Maintenance Contractor responded to various incidents ranging from slips, fallen trees and overflowing litter bins. Fortunately, there were no extreme weather events impacting the network during the lockdown period.

2.18 Waste Minimisation

2.19 Operation of the Waitomo District Landfill, Transfer Stations (TS), refuse collection and recycling services was challenging to manage during the lockdown period.

2.20 The Waitomo District Landfill (open only for commercial operators) and all Transfer Stations were closed at the time of the initial Alert Level 4 and 3.

2.21 Kerbside "refuse" collection (with the exception of Benneydale) remained unchanged. An additional kerbside refuse collection was subsequently initiated for Benneydale comprising a weekly blue bag only rubbish collection. This temporary change in level of service decision was made due to several factors including the transfer station closure, Benneydale's location and community environmental health concerns.

2.22 All kerbside "recycling" services ceased at Alert Level 4 due to the closure of material recovery facilities (MRF) where all materials are sorted and processed.

2.23 Due to the continued Alert Level 4 lockdown and community feedback, the rural transfer stations were opened for the disposal of official blue bags only on 8th, 9th and 10th April. All were opened for a three hour period, with strict control measures in place, such as a minimum of two staff at each location equipped with PPE and restricted vehicle movements. This exercise was repeated again two weeks later.

2.24 Civil Defence Emergency Management

2.25 The Western Waikato EOC (WWEOC) was established at the Waipā District Council Chambers, with staff from across the 3 Councils rostered to work at the WWEOC throughout the response.

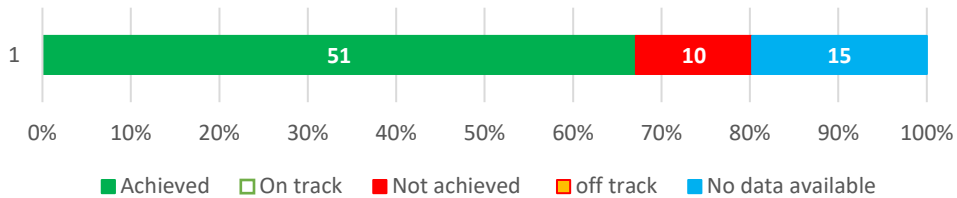
- 2.26 For most of the COVID-19 alert period, viz the seven weeks comprising alert levels 4 and 3, CDEM activity was operating in a response mode.
- 2.27 At the Group Controller's direction, on the 13th May 2020, the four Emergency Operating Centers (EOC) were merged into two EOCs, Southern and Northern. The WWEOC became part of the Southern EOC, with resourcing provided by staff from Waitomo, Waipā, Ōtorohanga, South Waikato and Taupō District Councils.
- 2.28 Community Services
- 2.29 Community Development services were delivered by establishing remote working procedures and protocols and community engagement was continued via video and audio conference calls.
- 2.30 Waitomo District library introduced click and collect service and had managed library entry and exits with reduced operating hours. There was a temporary cancellation of library programmes and public computer access.
- 2.31 Strategy and Environment
- 2.32 Animal Control was considered an essential service only in respect of dog attacks and assisting the NZ Police. All other services were suspended during alert level 4 and 3. COVID-19 protocols were introduced for contractors across alert levels, should a response be required for an attack.
- 2.33 Health and liquor licensing was not considered an essential service. Staff worked remotely and used video or audio conferencing to assess liquor licensing if required. Site visits were suspended under Alert Level 4, and protocols for sites visits were developed and used for Alert Levels 3 and 2.
- 2.34 Building control was not considered an essential service, except for consents related to hospitals or dangerous buildings. Inspections were suspended under Alert Level 4; and protocols for inspections were developed and used for Alert Levels 3 and 2.
- 2.35 Local Roads
- 2.36 Remote working was enabled for Network Inspectors.

Year End Result (as at 30 June 2020) overall result

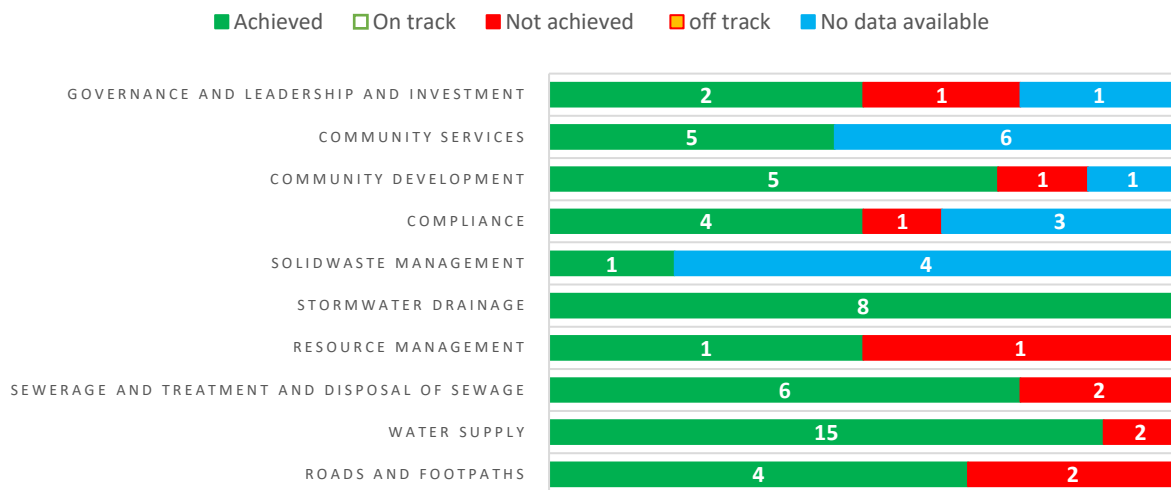
- 3.1 There are 76 measures in Council's 2018-28 LTP. At the end of the year, data was not available or not measured for 15 (20%) of the measures. The Resident Survey is currently underway and data is expected to be received at the end of August. Of the remaining 61 measures, 10 (13%) are not achieved and 51 (67%) have been achieved.

3.2 The following graphs show a summary of the overall results and a summary of results by GOA:

Overall results



Summary of results by GOA



Measures that are 'Not achieved' - Summary



Measures that were 'not achieved' due to the Impact of COVID-19

4.1 This section provides an overview of the measures that have not been achieved due to the impact of the COVID-19 pandemic.

4.2 Community Development

Council provide support for major district events	Target: 2 per annum Result: 1
---	--

4.3 The Waitomo District Christmas Parade was held on 13 December 2019.

4.4 The Great NZ Muster scheduled for 4 April 2020 was cancelled following the government directive regarding public gatherings and events in response to the COVID-19 Pandemic.

4.5 Compliance

Percentage of Special Owner Status properties inspected per year.	Target: 100% Result: Not Achieved
---	--

4.6 All new Special Owner Status properties are inspected as part of the process. The inspections were scheduled to commence in March 2020; however these could not be undertaken due to the COVID-19 lock down.

4.7 Roads and Footpaths

Percentage of unsealed road metalled each year	Target: 10% (of total) Result: 9.34%
--	--

4.8 This activity is seasonal and best completed in the wet winter months. Small percentages may be completed in the summer period. This year's programme to be undertaken during the summer months was not completed due to unseasonably dry weather between Jan – March 2020 and was not able to be continued in April during the COVID-19 lockdown.

4.9 Roads and Footpaths

Percentage of the sealed local road network that is resurfaced each year.	Target: 7% (of total) Result: 5.72%
---	---

4.10 Sealing scheduled for completion in March 2020 was halted by the COVID 19 lockdown. The weather after lockdown has meant that the resealing programme cannot be completed.

Measures that were 'Not achieved'

4.11 This section provides an overview of the measures that have not been achieved and where appropriate, outlined mitigation actions and or improvements going forward.

4.12 Governance: Leadership and Investment

Analysis of investment financials and activity including investment company reporting statements are reported to Council and made available to the public as applicable.	Target: 2 reports per year Result: 2
--	--

4.13 The WLASS and the Inframax Construction Ltd half year financial report (31 December 2019) were presented to the May 2020 Audit, Risk and Finance Committee. Inframax however withdrew the report to provide an updated report in August 2020. Due to the withdrawal of the report, Council was unable to make this document publicly available which is a requirement to achieve the KPI.

4.14 Resource Management

All land use consents that require monitoring are monitored.	Target: 100% Result: Not Achieved
--	--

4.15 Some land use consents which require monitoring have been monitored for the year end 20 June 2020. However, the monitoring has been limited to reactive and urgent monitoring needs only due to resourcing constraints.

4.16 Sewerage and Treatment and Disposal of Sewage

Number of complaints received in a financial year about: <ul style="list-style-type: none"> ▪ sewage odour; ▪ sewage system faults; ▪ sewage system blockages; and Council's response to issues with the sewage system.	Target: Total complaints per 1,000 connections ≤35 <i>(Total number of connections 1,966)</i> Result: 71.72 per 1000 connections
--	--

4.17 Council receives disproportionately high numbers of complaints related to the Piopio sewerage system, which has known issues and includes individual septic tanks on properties.

The median response times for resolution, in a year, measured from the time that the Council receives notification to the time that service personnel confirm resolution of the blockage or other fault.	Target: ≤ 540 minutes (9hrs) Result: 847 minutes (14.07 hours)
--	--

4.18 Piopio is a unique wastewater collection network as indicated above. The increased resolution time is skewed by the response time to queries from Piopio. The increased resolution time is due partly to lag time sourcing replacement parts for the of Piopio components and unable to be mitigated effectively unless large capital expenditure is undertaken.

4.19 Setting different targets for Piopio is being investigated as an option through the process to review the performance measures for the 2021-31 10 Year Plan.

4.20 Water Supply

The extent to which WDC's drinking water supplies comply with Part 5 of NZ Drinking-water Standards 2005 (revised 2008) (protozoal compliance criteria)	Target: 100% Result: not achieved
---	--

- 4.21 An official assessment by Drinking Water Assessor (DWA) for the performance of Waitomo District Council as a 'water supplier' was completed for the period 1 July 2018 to 30 June 2019.
- 4.22 The report found that compliance with the protozoa requirements was not met for Maniaiti/Benneydale, Mokau, Piopio and Te Kuiti. The report acknowledged that Council have been actively working to address these issues with treatment plant upgrades and a compliance criteria review. The DWA Drinking Water Technical Officer has been working with Council to identify and address non-compliance issues. The report also states that all treatment plants are capable of meeting the requirements and that it was a matter of resolving the compliance monitoring issue.
- 4.23 WDC Action Plan to address the issue includes fitting another turbidity meter leading the Te Kuiti Enviro tank where all filtered water combines. Manual UVT will also be carried out when online meter is out of range to confirm compliance is within limits.
- 4.24 Some improvements have already been made as budget allows.

4.25 Water Supply

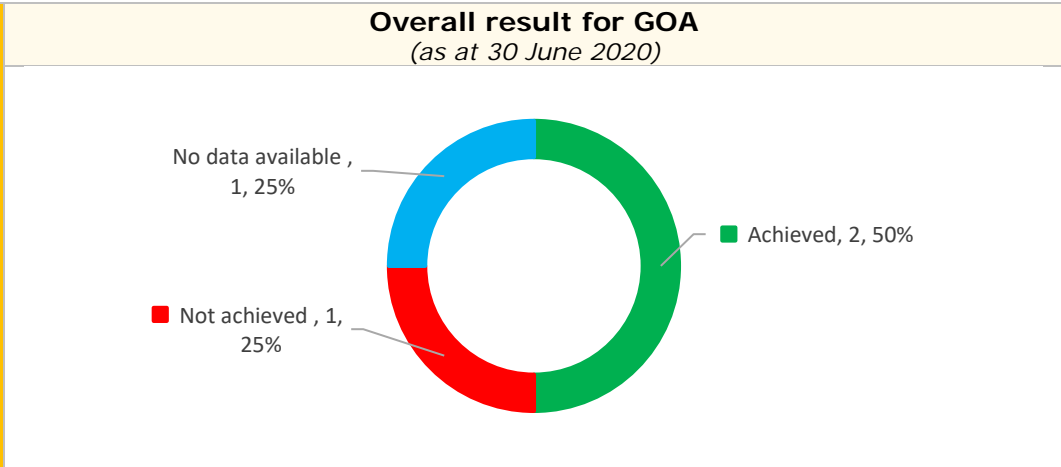
The total number of complaints received by Council in a year for: (Total number of connections (2623) <ul style="list-style-type: none"> • Drinking water clarity 	Target: ≤ 5 per 1000 connections Result: 8.77
---	---

- 4.26 At the Mokau Water Treatment Plant, there were issues experienced with elevated turbidity leaving the plant, and under direction from the DWA a temporary boil water notice was issued. A range of issues were discovered that arose from deferred maintenance, namely;
 - Clogged filter
 - Residual solid in contact tank
 - No as-built plans for pipes, and
 - No air release valves in articulation.
- 4.27 At each phase of resolution of these issues, it required balancing the operational ability to produce water with peak demand.
- 4.28 Council's communication with the community during this time proved to be challenging due to the lack of access to the internet by parts of the community, and the transit nature of residents at that time of year. This resulted in complaints being raised.

Performance Results by GOA

| Governance: Leadership and Investments

How we measure performance	As at 31 Mar 2020			Performance for Year End - as at 30 June 2020		
	Q1	Q2	Q2	Target / Result	YE	Commentary
Number of successful challenges to the decision making process. [LGA compliance]	○	○	○	Target: 0 Result: 0	●	No challenges to the decision-making process under LGA
Number of successful challenges to the decision making process. [consultation as per LGA]	○	○	○	Target: 0 Result: 0	●	No challenges to the decision making in relation to the consultation process under LGA
Percentage of residents satisfied with the effectiveness and usefulness of Council Communications	●	●	●	Target: 90% Result:	●	Performance will be reported on through the 2020 Resident Satisfaction Survey (to be completed in August 2020).
Analysis of investment financials and activity including investment company reporting statements are reported to Council and made available to the public as applicable.	●	●	●	Target: 2 reports per year Result: 2	●	Council received the WLASS and the Inframax Construction Ltd half year financial report to 31 December 2019, these were presented at the May Audit, Risk and Finance Committee. Inframax however withdrew the report to provide an updated report in August. Due to the withdrawal Council was unable to make this document publicly available.



Community Services

How we measure performance	As at 31 March 2020			Performance for Year End - as at 30 June 2020		
	Q1	Q2	Q3	Target / Result	YE	Commentary
Overall result for GOA (as at 30 June 2020)						
<p>■ No data available, 6, 55% ■ Achieved, 5, 45%</p>						
Community Services						
Percentage of residents satisfied with the quality of Parks and Reserves.	●	●	●	Target: ≥ 80% Result:	●	Performance will be reported on through the 2020 Resident Satisfaction Survey (to be completed in August 2020).
Percentage of tenants satisfied with the provision and maintenance of Elderly Persons Housing.	●	●	●	Target: > 80% Result:	●	Performance will be reported on through the 2020 Pensioner Resident Survey (to be completed by 31 July 2020).
Percentage of residents satisfied with the quality of public amenities (Public Toilets and Cemeteries).	●	●	●	Target: ≥ 85% Result:	●	Performance will be reported on through the 2020 Resident Satisfaction Survey (to be completed in August 2020).
Percentage of residents satisfied with the quality of the pool facilities and service.	●	●	●	Target: ≥ 80% Result:	●	Performance will be reported on through the 2020 Resident Satisfaction Survey (to be completed in August 2020).
Provision of effective Arts and Culture facilities for the community.	●	●	●	Target: ≥ 80% Result:	●	Performance will be reported on through the 2020 Resident Satisfaction Survey (to be completed in August 2020).
Current Building Warrant Of Fitness (BWOFF) for facilities with compliance schedules.	○	○	○	Target: 100% Result: 100%	●	BWOFF's have been assessed and issued by an IQP – all buildings comply.
Pool accreditation in place.	●	●	●	Target: 100% Result: 100%	●	PoolSafe Accreditation is in place for 2019/2020 season.
Number of pool non complying water quality readings per year.	○	○	○	Target: < 2 Result: 0	●	Water Testing is completed monthly by CLM (Contractor) and have been completed for Jan & Feb 2020. The data is exclusive of March readings due to lockdown. The pool is usually closed from April to October therefore no readings are undertaken for those months.
The number of residents who understand the need to plan for the ability to survive on their own for 3 days if there was an emergency event.	●	●	●	Target: ≥ 75% Result:	●	Performance will be reported on through the 2020 Resident Satisfaction Survey (to be completed in August 2020).
One major training exercise involving Civil Defence HQ staff will be held per year.	●	●	●	Target: One exercise per year Result: (actual activation of EOC in response to COVID-19)	●	A Joint Western Waikato Emergency Operating Centre (WWEOC) was activated on 26 March 2020 as directed by the Group Controller in response to the COVID-19 Pandemic. In lieu of an exercise (which was not feasible in this instance), the current activation and operation of the WWEOC by Waitomo staff (along with Waipā and Ōtorohanga staff) is considered to meet this KPI, as the activation relates to a significant national CDEM emergency.
Number of accidents directly attributable to playground equipment failure.	○	○	○	Target: Nil Accidents Result: 0	●	No service requests or incident reports for incidents or injury were received this year.

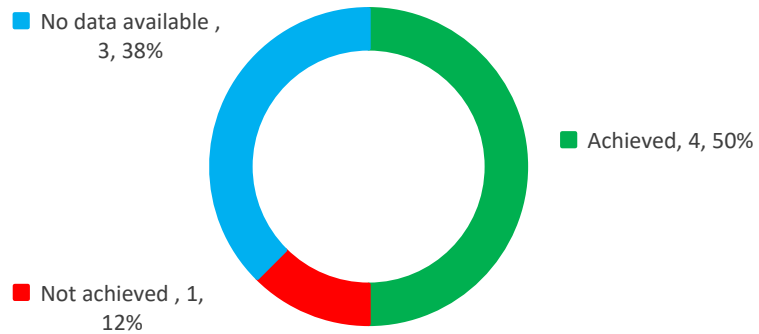
Community Development

How we measure performance	As at 31 March 2020			Performance for Year End - as at 30 June 2020		
	Q1	Q2	Q3	Target / Result	YE	Commentary
Advertisement and administration of all WDC Funding Rounds as per the Community Development Fund Policy.				Target: 100% Compliance Result: Achieved		All funding rounds throughout the 2019/2020 year were advertised and administered as per the Community Development Fund Policy.
Youth Council meet with Council once per year.				Target: 1 per annum Result: 1		The Waitomo District Youth Council presented to Council at the 30 June 2020 Council meeting.
Youth Council undertakes two youth related projects per year.				Target: 2 per annum Result: 3		<ul style="list-style-type: none"> Waitomo District Youth Council hosted a Youth Leadership Dinner held on 23 August 2019. Waitomo District Youth Council presented to the Matamata-Piako Volunteer Youth Ambassadors and the Tauranga Youth Advisory Group on 29 August 2019. Waitomo District Youth Council hosted the Battle of the Valley's (Teams Challenge) in June 2020.
Council provide support for major district events.				Target: 2 per annum Result: 1		<p>Waitomo District Christmas Parade held on 13 December 2019.</p> <p>The Great NZ Muster was cancelled following government directive regarding public gatherings in response to the COVID-19 Pandemic.</p>
Percentage of residents satisfied with the quality of the library facilities and service.				Target: ≥ 85% Result:		Performance will be reported on through the 2020 Resident Satisfaction Survey (to be completed in August 2020).
Enhance the promotion of the District with the support of Hamilton Waikato Tourism through taking up District promotion opportunities in key publications and industry events.				Target: > 4 promotion opportunities taken up Result: 5		<p>Hamilton Waikato Tourism presented their report to Council on 26 November 2019. Marketing initiatives undertaken include:</p> <ul style="list-style-type: none"> Explore your own Backyard Campaign Short Escapes Campaign 2019 Waikato Regional Visitor Guide Annual Tour – North Island Campaign Profiling through HWT's website and other social profiles
Involvement in economic development initiatives alongside Waikato means business.				Target: 1 initiative per annum Result: 3		<ul style="list-style-type: none"> Development of the Sub Regional (Southern) Waikato Economic Development Action Plan has been completed. The Business Growth Advisor Services initiative is ongoing, held once per month. Te Waka partnered with WDC and Legendary Te Kuiti to distribute a local business sentiment survey in response to the impacts of COVID-19.

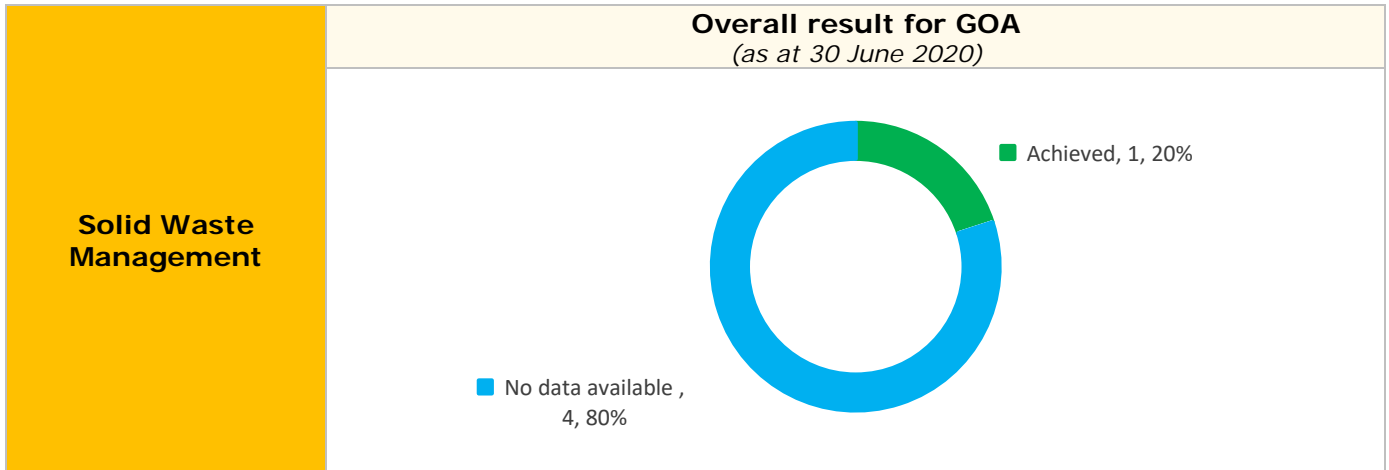
Compliance

How we measure performance	As at 31 March 2019			Performance for Year End - as at 30 June 2020		
	Q1	Q2	Q3	Target / Result	YE	Commentary
Percentage of food and alcohol premises that are licensed or registered.				Target: 100% Compliance Result: 100%		100% compliance achieved.
Percentage of residents satisfied with the provision of the Environmental Health Service.				Target: > 85% Result: N/A		Performance will be reported on through the 2020 Resident Satisfaction Survey (to be completed in August 2020).
The percentage of building consents and PIMs processed within 20 working days.				Target: 100% Result: 100%		100% of consents were processed within 20 working days for this period.
WDC maintains building control systems and process to meet IANZ Audit requirements.				Target: BCA Accreditation achieved Result: Achieved		The new accreditation certificate is provided once all general non compliances (GNC's) have been cleared. There is a 3-month timeframe from GNC's being issued to when they are required to be cleared (being September). WDC has three GNCs to resolve and these are expected to be cleared.
Percentage of users satisfied with the provision of the Building Control Service.				Target: > 75% Result: N/A		Performance will be reported on through the 2020 Resident Satisfaction Survey (to be completed in August 2020).
Percentage of Special Owner Status properties inspected per year.				Target: 100% Result: Not achieved		Existing SOP's inspections were scheduled to commence in March. However due to the COVID-19 lockdown, the inspections did not commence and therefore this was not completed prior to the end of the year.
Percentage of residents satisfied with the provision of the Animal Control Service.				Target: ≥ 75% Result:		Performance will be reported on through the 2020 Resident Satisfaction Survey (to be completed in August 2020).
Number of Dog/Owner Education initiatives.				Target: ≥ 2 Result: 5		Dog owners continue to be well informed via our communication of the Waitomo Way and Facebook page. 3 Facebook Posts and 2 Waitomo Way Articles.

Overall result for GOA (as at 30 June 2020)

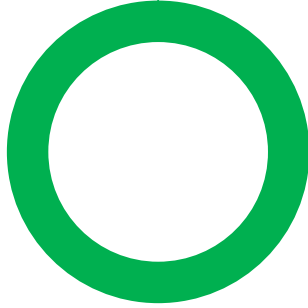


| Solid Waste Management



How we measure performance	As at 31 March 2020			Performance for Year End - as at 30 June 2020		
	Q1	Q2	Q3	Target / Result	YE	Commentary
Percentage of users that rate the safety of the facilities (landfill and rural transfer service stations) as satisfactory or better.	●	●	●	Target: ≥ 85 Result:	●	Performance will be reported on through the 2020 Resident Satisfaction Survey (to be completed in August 2020).
Average number of complaints received per month regarding solid waste activities.	○	○	○	Target: ≤ 10 Result: 4.08	●	Overall total of 49 complaints were received for Q1, Q2, Q3 and Q4 (an average of 4.08 complaints per month) Q4: A total of 8 complaints were received for this quarter (an average of 2.67 complaints per month)
Percentage of users satisfied with the provision of waste management facilities (Landfill and rural transfer stations)	●	●	●	Target: 80% Result:	●	Performance will be reported on through the 2020 Resident Satisfaction Survey (to be completed in August 2020).
Percentage reduction per annum in quantity of recyclables (like paper and plastics) in bag collection that goes to landfill.	●	●	●	Target: 1.0% Result: N/A	●	The waste audit has been conducted – results are expected to be available in August 2020.
Percentage reduction per annum in quantity of organic waste (like food scraps) in bag collection that goes to landfill.	●	●	●	Target: 1.0% Result:	●	The waste audit has been conducted – results are expected to be available in August 2020.

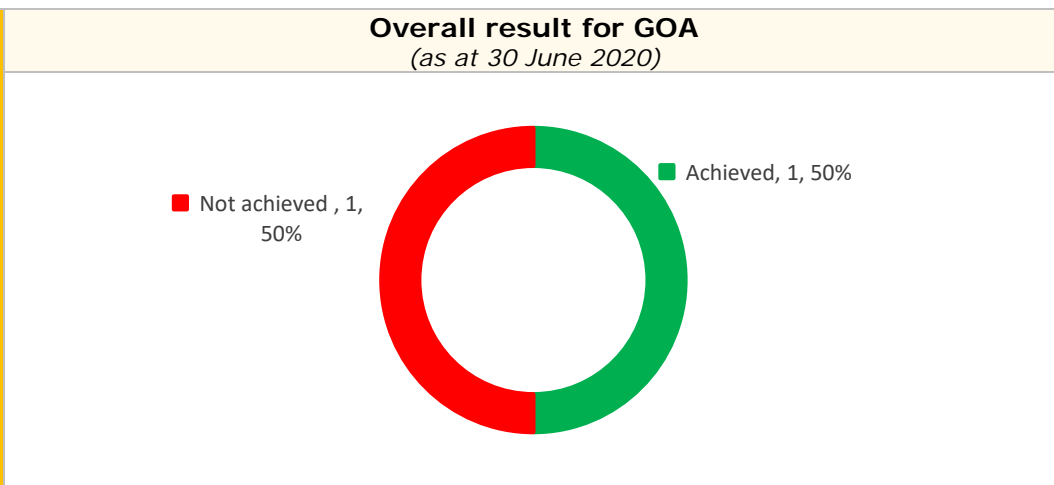
Stormwater Drainage

Stormwater Drainage	Overall result for GOA <i>(as at 30 June 2020)</i>					
						
	■ Achieved, 8, 100%					
How we measure performance	As at 31 March 2020			Performance for Year End - as at 30 June 2020		
	Q1	Q2	Q3	Target / Result	YE	Commentary
The number of flooding events* that occur in the district in a financial year.	○	○	○	Target: 0 Result: 0	●	There have been no flooding events in this year of 2019/2020
For each flooding event* the number of habitable floors affected in a financial year.	○	○	○	Target: ≤ 10 Result: 0	●	There have been no flooding events in the second quarter of 2019/20
Compliance with resource consents for discharge from its Stormwater system, measured by the number of the following (received by Council with a financial year):						
abatement notices	○	○	○	Target: 0 Result: 0	●	No notices received.
infringement notices	○	○	○	Target: ≤ 2 Result: 0	●	No notices received.
enforcement orders	○	○	○	Target: 0 Result: 0	●	No notices received.
successful prosecutions	○	○	○	Target: 0 Result: 0	●	No notices received.
The median response time to attend a flooding event*, (measured from the time that the notification is received to the time that service personnel reach the site)	○	○	○	Target: ≤ 180 minutes (3hrs) Result: 0	●	There have been no flooding events in this year of 2019/2020
The number of complaints received about the performance of the Council's urban storm water system per 1,000 properties connected.	○	●	●	Target: ≤ 4 complaints per 1,000 properties (2,2623 connections) Result: 1.14 per 1000 connections	●	Three complaints were received about the performance of the Council's urban stormwater system between July 2019 and June 2020. The rest of the service requests that were received for storm water have been reviewed and found it related to requests for service rather than complaints about the performance of the stormwater system, therefore the year end result has been updated to reflect the review of the results.
* A flooding event means an overflow of stormwater from a territorial authority's stormwater system that enters a habitable floor. Habitable floor refers to the floor of a building (including a basement) but does not include ancillary structures such as stand-alone garden sheds or garages.						

| Resource Management

How we measure performance	As at 31 March 2020			Performance for Year End - as at 30 June 2020		
	Q1	Q2	Q3	Target / Result	YE	Commentary
The percentage of resource consent applications which are processed within statutory timeframes.				Target: 100% Result: On track		All resource consents have been processed within statutory timeframes for the year end.
All land use consents that require monitoring are monitored.				Target: 100% Result: Not Achieved		Some land use consents which require monitoring have been monitored for the year end 20 June 2020. Monitoring has been limited to reactive and urgent monitoring due to resourcing constraints.

Resource Management



Sewerage and Treatment and Disposal of Sewage

Sewerage and Treatment and Disposal of Sewage	Overall result for GOA (as at 30 June 2020)					
	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: left;"> <p>■ Not achieved , 2, 25%</p> </div> <div style="text-align: center;"> </div> <div style="text-align: right;"> <p>■ Achieved, 6, 75%</p> </div> </div>					
How we measure performance	As at 31 March 2020			Performance for Year End - as at 30 June 2020		
	Q1	Q2	Q3	Target / Result	YE	Commentary
Number of complaints received in a financial year about; <ul style="list-style-type: none"> ▪ sewage odour; ▪ sewage system faults; ▪ sewage system blockages; and ▪ Council's response to issues with the sewage system. 	○	○	●	Target: Total complaints per 1,000 connections ≤35 (Total number of connections 1,966) Result: 71.72 per 1000 connections	●	Between July 2019 and June 2020, a total of 141 complaints were received for odour, system faults, blockages and council's response to issues with the sewerage system. Note: some complaints were counted for multiple categories. Council receives disproportionately high numbers of complaints related to the Pio Pio sewerage system which has known issues and includes individual septic tanks on properties.
Compliance with the Council's resource consents for discharge from its sewerage system, measured by the number of the following (received by Council in a financial year)						
abatement notices	○	○	○	Target: 0 Result: On track	●	No notices received.
infringement notices	○	○	○	Target: 0 Result: On track	●	No notices received.
enforcement orders	○	○	○	Target: 0 Result: On track	●	No notices received.
Convictions received	○	○	○	Target: 0 Result: On track	●	No notices received.
The median response times for attendance, in a year, measured from the time that the Council receives notification to the time that service personnel reach the site	○	○	○	Target: ≤180 minutes (3hrs) Result: 167 minutes (2.29 hrs)		All Service Requests related to sewage system overflows and blockages were attended to with a median response time of 2:29 hours.
The median response times for resolution, in a year, measured from the time that the Council receives notification to the time that service personnel confirm resolution of the blockage or other fault.	○	○	●	Target: ≤ 540 minutes (9hrs) Result: 847 minutes (14:07 hours)	●	The Target was not achieved mainly due to resolution of the piopio sewerage system issues. The septic tank is located on private property and access can be difficult, several components can be responsible for the faults. We have several incidents that both electrical and mechanical maintenance services were required this causes delay as separate contractors are involved.
Number of dry weather sewage overflows from the Council's sewerage system in a financial year.	○	○	○	Target: Total complaints per 1,000 connections ≤15 (Total number of connections 1,942) Result: 6.61 per 1000 connections	●	From July 2019 to June 2020, a total of thirteen dry weather overflows occurred.

Water Supply

How we measure performance	As at 31 March 2020			Performance for Year End - as at 30 June 2020		
	Q1	Q2	Q3	Target / Result	YE	Commentary
Overall result for GOA (as at 30 June 2020)						
<p>Not achieved, 2, 12%</p> <p>Achieved, 15, 88%</p>						
The extent to which WDC's drinking water supplies comply with Part 4 of NZ Drinking-water Standards 2005 (revised 2008) (bacteria compliance criteria)	○	○	○	Target: 100% Result: 100%	●	Q4 April 2020 to June 2020 Compliance Survey - (DW0Q2) completed and target met.
The extent to which WDC's drinking water supplies comply with Part 5 of NZ Drinking-water Standards 2005 (revised 2008) (protozoal compliance criteria)	●	●	●	Target: 100% Result: Not Achieved	●	Failed compliance in annual survey due to failing July 19 compliance with incomplete data & reporting. The report found that compliance with the protozoa requirements was not met for Maniaiti/Benneydale, Mokau, Piopio and Te Kuiti. The report acknowledged that Council have been actively working to address these issues with treatment plant upgrades and a compliance criteria review. WDC Action plan to address the issue- Plans to fit another turbidity meter leaving TK Enviro tank where all filtered water combines. UVT- Manual UVT to be carried out when online meter out of range to confirm feeding. Smaller sites UV -Pipework to be attended to allow water to recirculate as system warms up to correct intensity
Percentage of real water loss from the Council's networked reticulation system in a financial year in: ('Water losses' includes real losses through leaks in the network and apparent losses through metering inaccuracies or water theft. This does not include unauthorised consumption.)						
• Te Kuiti	○	○	○	Target: ≤ 25% Result: 16.14%	●	Water loss in Te Kuiti is spread over the following: • Mangarino water loss 6.28% • Blackmans water loss 40.72% • Hetet water loss 18.83% • Hospital water loss 5.72% The average Te Kuiti water loss is 16.14%
• Mokau	○	○	○	Target: ≤ 25% Result: 1.76%	●	The Minimum night flows are estimated in absence of universal water meters, this is an unexpected unforeseen result and further investigation needs to be undertaken to identify if any significant leaks can be found in both Maniaiti/ Bennydale and Mokau. This is currently underway.
• Piopio	○	○	○	Target: ≤ 25% Result: 0.34%	●	KPI met
• Maniaiti/Benneydale	○	○	○	Target: ≤ 15% Result: 5.72%	●	The Minimum night flows are estimated in absence of universal water meters, this is an unexpected and unforeseen result and further investigation needs to be undertaken to identify if any significant leaks can be found in both Maniaiti/ Bennydale and Mokau. This is currently underway.

How we measure performance	As at 31 Dec 2019		Performance - (Q3) as at 31 March 2020			
	Q1	Q2		Target / Result	Q3	Commentary
The median response times for attendance for urgent call-outs in a financial year**				Target: ≤ 180 minutes (3hrs) Result: 1:50 hrs		We have received 31 urgent call-outs end of 4th quarter, and the median response time was 1:50 hours. The response times and Urgent information have changed as per review according to SOP were done and changes made accordingly, SOP implemented in April 2020.
The median resolution time of urgent call-outs in a financial year***				Target: ≤ 180 minutes (3hrs) Result: 6:30 hrs		We have received 31 urgent call-outs end of 4th quarter, and the median response time was 6:30 hours. The resolution times and Urgent information have changed as per review according to SOP were done and changes made accordingly, SOP implemented in April 2020.
The median response times for attendance for non-urgent call outs in a financial year**				Target: ≤ 660 minutes (9hrs) Result: 5:46 hrs		We have received 213 non-urgent call-outs end of 4th quarter, and the median response time was 5:46 hours. The response times and non-urgent information have changed as per review according to SOP were done and changes made accordingly, SOP implemented in April 2020.
The median resolution time of non-urgent call-outs in a financial year***				Target: ≤ 96 hours (4 days) Result: 1d/4:20hrs		We have received 213 non-urgent call-outs and the median resolution time was 1 day and 4:20 hours. The resolution times and non-urgent information have changed as per review according to SOP were done and changes made accordingly, SOP implemented in April 2020.
The total number of complaints received by Council in a year for: (Total number of connections (2623))						
Drinking water clarity				Target: ≤ 5 per 1000 connections Result: 11.06		29 service complaints were received for clarity. This is 11.06 complaints per 1,000 connections. Clarity- is shared between Mokau (15) and Te Kuiti (14). There is presence of iron and manganese in the raw water which is oxidised by addition of chlorine and precipitates out in the reticulation causing discolouration. This is ongoing issue. The raw water can be pre-treated to remove the iron and manganese, however this leads to formation of disinfection byproducts which pose more health risks than precipitated iron. A lot of the Te Kuiti complaints arise when the flushing program in place is conducted re distributing sediment into water column. Mokau: Council became aware of the issue when the raw water was tested in the holiday period.
Drinking water taste				Target: ≤ 5 per 1000 connections Result: 1.52		4 service complaints were received for taste: 1 solely for taste, 2 for taste/clarity, and 1 taste/clarity/odour. This equates to 1.52 complaints per 1,000 connections.
Drinking water odour				Target: ≤ 5 per 1000 connections Result: 0.76		2 service complaints were received for odour: One for Odour/clarity one for Odour/taste. This equates to 0.76 complaints per 1,000 connections.
Drinking water pressure flow				Target: ≤ 30 per 1000 connections Result: 0.38		1 service complaint were received for drinking water pressure flow. This equates to 0.38 complaints per 1,000 connections.
Continuity of supply				Target: ≤30 per 1000 connections Result: 13.34		35 service complaints were received for Continuity of supply: 34 solely for Continuity and one for Continuity/Clarity This is 13.34 complaints per 1,000 connections.
Median response time to any of these issues within a year.				Target: ≤ 540 minutes (9hrs) Result: 1.52		The median response time to the 64 service requests containing complaints regarding clarity, taste, odour, pressure flow and continuity of supply was 1:52 hours.
Average consumption of drinking water per day per resident within the district.				Target: ≤ 400 litres per person per day Result: 385.75L		KPI met.

Roads and Footpaths

Roads and Footpaths	Overall result for GOA (as at 30 June 2020)					
	<p style="text-align: center;">■ Not achieved , 2, 33%</p> <p style="text-align: center;">■ Achieved, 4, 67%</p>					
	How we measure performance	As at 31 March 2020			Performance for Year End - as at 30 June 2020	
	Q1	Q2	Q3	Target / Result	YE	Commentary
The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network.	○	○	○	Target: 1 (or maintain at 0) Result: 0	●	There have been eight "severe injury" crashes and one fatal crash on the Waitomo District Council network this reporting year. (Year to date at the same time last year: 8 "severe injury" and one fatal)
The average quality of ride on a sealed local road network, measured by smooth travel exposure, in a financial year. (Percentage of measured sealed road lane kilometres not exceeding a NAASRA* roughness count rating of 150 to be at least 90%.)	●	●	○	Target: 90% (of total) Result: 91.2%	●	This is measured every three years and was re-measured in December 2019. The latest NAASRA roughness count from 2019 was 91.92%.
Percentage of unsealed road metalled each year.	○	○	○	Target: 10% (of total) Result: 9.34%	●	This activity is seasonal and best completed in the wet winter months. Small percentages may be completed in the summer period. However, this year none was completed due to unseasonably dry weather Jan - March, nor during the COVID-19 lockdown in April.
Percentage of the sealed local road network that is resurfaced each year.	●	●	○	Target: 7% (of total) Result: 5.72%	●	Sealing scheduled for completion in March, interrupted by COVID 19 lockdown. Cold weather after lockdown means resealing programme has been abandoned.
The percentage of footpath network that falls within a condition rating of 3.	●	●	●	Target: 90% Result: 94.35%	●	This relates to the 2018 RAMM Footpath Condition Rating Report 2019 result (report dated 2019). The footpaths condition rating report is completed every 3 years, with the next one due in 2021.
The percentage of customer service requests relating to roads and foot paths responded to within 10 working days.	○	○	○	Target: 80% Result: 84%	●	a Total of 557 WDC requests were received in 2019/2020. 467 Were closed within 10days, 90 were closed in more than 10 days. The Result being 84% the target has been met.

Document No: A479884

Report To: Audit, Risk and Finance Committee



Meeting Date: 11 August 2020

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. Progress Report: Risk Management – Procurement/Contract Schedule (January 2020 – June 2020)	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. Inframax Construction Ltd - Half Annual Report to 31 December 2019	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)
3. Progress Report: Health and Safety (Risk Management)	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