

Document No: A458557

Report To: Audit and Risk Committee



Meeting Date: 11 February 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 Mayor 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.

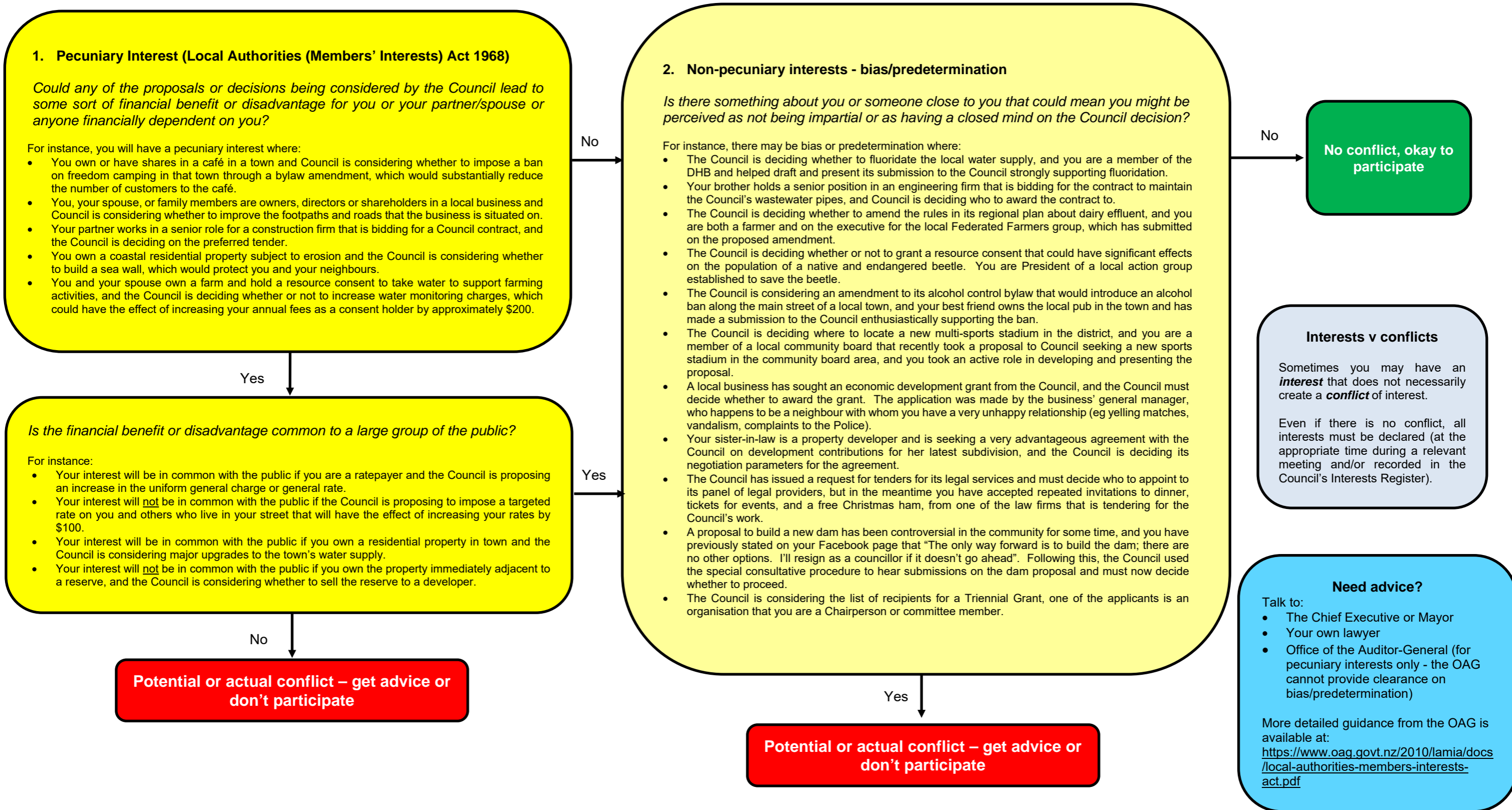
An annual update of the register will be coordinated and maintained by the Executive Office.

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!

Document No: A458558

Report To: Audit and Risk Committee



Meeting Date: 11 February 2020

**Subject: Mastercard Expenditure Report
September-November 2019**

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 three month period September to November 2019.

Suggested Resolution

The Mastercard Expenditure Report for the period September-November 2019 be received.



MICHELLE HIGGIE

MANAGER – GOVERNANCE SUPPORT

Attachments: Mastercard Statement Authorisation Forms for:
- September 2019
- October 2019
- November 2019
Credit Card Policy (Doc A207793)



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 Executive Assistant to the Mayor and Chief Executive
- 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# 284155) 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 Group Manager - Corporate Services.

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'.

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 Executive Assistant.
- 3 The Mayor's statements must be approved jointly by the Executive Assistant and Chief Executive.
- 4 The Executive Assistant'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 Executive Assistant 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 Executive Assistant to the Mayor and Chief Executive 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 Executive Assistant'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 Executive Assistant'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 Executive Assistant
Chief Executive	Mayor (or Deputy Mayor in the Mayor's absence) and Executive Assistant
Executive Assistant	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
- Executive Assistant to CE \$5,000

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 Group Manager – Corporate Services 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: February 2020 (2 years)

Policy Approved:



Chris Ryan
Chief Executive

Date: 16 February 2018



RECEIVED

A448026



MasterCard
BusinessCard

03 OCT 2019

WAITOMO DISTRICT
COUNCIL

53 GALWAY STREET, AUCKLAND CITY, 1010

THE DIRECTOR
WAITOMO DISTRICT COUNCIL
P O BOX 404
TE KUITI

3941

Closing Date	Page
29/09/19	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
\$10000	✓ MR C J RYAN	0000 0030 1565 8580	0.00
\$5000	✓ MR A B HANNA	0000 0030 2936 5529	109.10
\$5000	✓ MS M D HIGGIE	0000 0030 2936 5933	4709.00
\$5000	✓ MRS H M BEEVER	0000 0030 3956 2081	238.17
\$5000	✓ MISS T D KELLY	0000 0030 5326 1230	0.00
\$5000	✓ MR A M DUNCAN	0000 0030 6052 5296	1162.25
	*** TOTAL INTEREST AND FEES		10.00
TOTAL CARDHOLDER LIMIT	\$35000	NET BALANCE	6218.52

WE ADVISE THAT \$6,218.52 WILL BE DIRECTLY CHARGED TO YOUR ACCOUNT
030449 0070201 00 ON 20/10/19, 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.



83354010327401007P99537

Mastercard Statement Authorisation Form



Name:	Chris Ryan
Position:	Chief Executive
Statement Date:	28 / 09 / 19

(1) Creditor:	
Date:	
Amount:	No Transactions this Period
GL Code:	
Expenditure:	




I certify that:

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

Signature of Chief Executive:	Authorised by Mayor:	Authorised by Manager – Governance Support
Date:	Date:	Date:

Mastercard Statement Authorisation Form



Name: Brian Hanna Position: Mayor Statement Date: 28 / 09 / 19		
(1) Creditor: Wellington Combined Taxis Date: 25 September 2019 Amount: \$33.30 GL Code: 111 42 710 Expenditure: Taxi Fare: Mayor's attendance at LGNZ Freshwater Forum 2019 in Wellington on Tuesday 24 September 2019		
(2) Creditor: Hamilton International Airport Date: 25 September 2019 Amount: \$20.00 GL Code: 111 42 710 Expenditure: Airport Car Parking: Mayor's attendance at LGNZ Freshwater Forum 2019 in Wellington on Tuesday 24 September 2019		
(3) Creditor: Hutt & City Taxis Date: 27 September 2019 Amount: \$55.80 GL Code: 111 42 710 Expenditure: Taxi Fare: Mayor's attendance at LGNZ National Council meeting in Wellington on Friday 27 September 2019		
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 Mayor:  Date: 8/10/19	Authorised by Manager – Governance Support  Date: 8/10/19	Authorised by Chief Executive:  Date: 8/10/19

Mastercard Statement Authorisation Form



Name: **Michelle Higgle**
 Position: **Manager – Governance Support**
 Statement Date: **28 / 09 / 19**

(1) Creditor: NZ Transport Agency
 Date: 3 September 2019
 Amount: \$1,444.80
 GL Code: 820 27 746
 Expenditure: 20,000km Road User Charges for 2018 Mazda BT-50 (Rego LPK920)

(2) Creditor: NZ Transport Agency
 Date: 3 September 2019
 Amount: \$724.80
 GL Code: 820 27 767
 Expenditure: 10,000km Road User Charges for 2016 Mitsubishi Triton (Rego KBU340)

(3) Creditor: DM Jewellery Design
 Date: 23 September 2019
 Amount: \$365.00
 GL Code: 111 40 700
 Expenditure: End of Triennium Acknowledgement of Service - Council Engraved Silver Tray

Cr Davey on resignation

(4) Creditor: NZ Transport Agency
 Date: 26 September 2019
 Amount: \$724.80
 GL Code: 820 27 729
 Expenditure: 10,000km Road User Charges for 2015 Holden Colorado (Reg JAC856)

(5) Creditor: NZ Transport Agency
 Date: 26 September 2019
 Amount: \$724.80
 GL Code: 820 27 721
 Expenditure: 10,000km Road User Charges for 2013 Hyundai H1 Van (Reg HEM920)

(6) Creditor: NZ Transport Agency
 Date: 26 September 2019
 Amount: \$724.80
 GL Code: 820 27 762
 Expenditure: 10,000km Road User Charges for 2015 Mitsubishi Triton (Reg JHR357)

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

Signature of Manager – Governance Support <i>Michelle Higgle</i>	Authorised by Chief Executive: <i>Shaw</i>	Authorised by Mayor: <i>ABilimo</i>
Date: 11/10/19	Date: 15/10/19	Date: 11/10/19

Name:	Helen Beever
Position:	Group Manager – Community Services
Statement Date:	28 / 09 / 19

(1) Creditor:	Quest Highbrook Auckland
Date:	19 September 2019
Amount:	\$238.17
GL Code:	817 38 700
Expenditure:	Accommodation: Manager - Internal Services Team Leader Essentials Course
	- Attendance at

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: 24/10/19	Authorised by Chief Executive:  Date: 24/10/19
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Mastercard Statement Authorisation Form

Name: Terrena Kelly	
Position: General Manager – Strategy and Environment	
Statement Date: 28 / 09 / 19	
(1) Creditor:	
Date:	
Amount: No Transactions this Period	
GL Code:	
Expenditure:	
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:	Date:

Mastercard Statement Authorisation Form

Name:	Alister Duncan	
Position:	General Manager – Business Support	
Statement Date:	28 / 09 / 19	
(1) Creditor:	Air New Zealand	
Date:	20 September 2019	
Amount:	\$468.00	
GL Code:	817 38 700	
Expenditure:	Airfares: Return Flights (Hamilton to Wellington) for General Manager - Business Support attendance at Institute of Public Works Engineering Australasia Limited (IPWEA) "Funding the Gap" Workshop in Wellington on 10 October 2019	
(2) Creditor:	Institute of Public Works Engineering Australasia Limited (IPWEA)	
Date:	20 September 2019	
Amount:	\$684.25	
GL Code:	817 38 700	
Expenditure:	Registration: General Manager - Business Support attendance at IPWEA "Funding the Gap" Workshop in Wellington on 10 October 2019	
(3) Creditor:	Westpac Bank	
Date:	27 September 2019	
Amount:	\$10.00	
GL Code:	811 18 705	
Expenditure:	Courier Fee for Delivery of WDC Mastercard for General Manager – Business Support <i>No Receipt Bank Charge</i>	
I certify that:		
1 I have attached the necessary supplementary docket or receipt.		
2 The account is payable.		
3 The debt incurred is work related.		
4 That any private component is identified and the amount has been reimbursed as follows:		
Signature of GM – Business Support	Authorised by Chief Executive:	
		
Date: 24/10/19	Date: 24/10/2019	



A452780



01 NOV 2019

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
28/10/19	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
\$10000	MR C J RYAN	0000 0030 1565 8580	199.00
	MR A B HANNA	0000 0030 2936 5529	29.00
\$5000	MS M D HIGGIE	0000 0030 2936 5933	2.11
\$5000	MRS H M BEEVER	0000 0030 3956 2081	356.00
\$5000	MR A M DUNCAN	0000 0030 6052 5296	1604.50
TOTAL CARDHOLDER LIMIT	\$25000	NET BALANCE	2190.61

WE ADVISE THAT \$2,190.61 WILL BE DIRECTLY CHARGED TO YOUR ACCOUNT
030449 0070201 00 ON 20/11/19, 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: 28 / 10 / 19		
(1) Creditor:	Motel De La Mer (Napier) <i>as attached</i>	
Date:	27 September 2019	
Amount:	\$184.00	
GL Code:	817 38 700	
Expenditure:	Accommodation: CEO attendance at 2019 SOLGM Annual Summit	
(2) Creditor:	The Refinery <i>(Kaeroa)</i>	
Date:	4 October 2019 <i>No receipt</i>	
Amount:	\$15.00	
GL Code:	811 20 700	
Expenditure:	Afternoon Tea: CEO and Mayor on route to attend Hauraki District Mayor (John Tregidga) Farewell at Waihi on Friday 4 October 2019	
I certify that:		
1 I have attached the necessary supplementary docket or receipt.		
2 The account is payable.		
3 The debt incurred is work related.		
4 That any private component is identified and the amount has been reimbursed as follows:		
Signature of Chief Executive:	Authorised by Mayor:	Authorised by Manager – Governance Support
<i>Chris Ryan</i>	<i>[Signature]</i>	<i>[Signature]</i>
Date: 15/11/19.	Date: 5/12/19	Date: 22/11/19

Mastercard Statement Authorisation Form





Name:	Brian Hanna
Position:	Mayor
Statement Date:	28 / 10 / 19

(1) Creditor: Hamilton Airport
 Date: 27 September 2019
 Amount: \$20.00
 GL Code: 111 42 712
 Expenditure: Airport Parking: Mayor Hanna's attendance at LGNZ National Council Meeting on Friday 25 September 2019 in Wellington.

Note: The above transaction is the last made by Mayor Hanna on this Mastercard.
 The Mastercard was returned following the Election and has been cancelled.

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 Mayor:  Date: 15/11/19	Authorised by Manager – Governance Support  Date: 13/11/19	Authorised by Chief Executive: Date:
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Mastercard Statement Authorisation Form



Name:	Michelle Higgle
Position:	Manager – Governance Support
Statement Date:	28 / 10 / 19

(1) Creditor:	Facebook	<i>M. Mott</i>
Date:	24 October 2019	
Amount:	\$2.11	
GL Code:	121 24 515	
Expenditure:	Promoting Waitomo District	

I certify that:

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

Signature of Manager – Governance Support  Date: 13/11/19	Authorised by Chief Executive:  Date: 15/11/19	Authorised by Mayor:  Date: 25/11/19
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Mastercard Statement Authorisation Form



Name:	Helen Beever		
Position:	Group Manager – Community Services		
Statement Date:	28 / 10 / 19		
(1) Creditor:	Air NZ		
Date:	7 October 2019		
Amount:	\$356.00		
GL Code:	817 38 700		
Expenditure:	Airfare: Community Development Coordinator - Attendance at Safe Communities NZ Conference in Wellington		
I certify that:			
1 I have attached the necessary supplementary docket or receipt.			
2 The account is payable.			
3 The debt incurred is work related.			
4 That any private component is identified and the amount has been reimbursed as follows:			
Signature of GM – Community Services:	Authorised by Chief Executive:		
			
Date: 14/11/19	Date: 15/11/19		

Mastercard Statement Authorisation Form

Name:	Alister Duncan
Position:	General Manager – Business Support
Statement Date:	28 / 10 / 19
(1) Creditor:	Air New Zealand
Date:	4 October 2019
Amount:	\$133.00
GL Code:	817 38 700
Expenditure:	✓ Airfare: (One-way Christchurch to Wellington) Records and Information Manager (Andrea Houlihan) attendance at Objective Conference
(2) Creditor:	Air New Zealand
Date:	4 October 2019
Amount:	\$103.00
GL Code:	817 38 700
Expenditure:	✓ Return Airfare (Wellington to Hamilton): Records and Information Manager (Andrea Houlihan) attendance at Objective Conference
(3) Creditor:	Air New Zealand
Date:	4 October 2019
Amount:	\$376.00
GL Code:	81738700
Expenditure:	✓ Return Airfare: Manager - Information Services (David Power) Attendance at ALGIM Annual Conference in Wellington
(4) Creditor:	Hamilton Airport Parking
Date:	4 October 2019
Amount:	\$15.00
GL Code:	817 38 700
Expenditure:	✓ Parking: General Manager - Business Support attendance at Institutue of Public Works Engineering Australasia Limited (IPWEA) Workshop
(5) Creditor:	Hamilton Airport Parking
Date:	4 October 2019
Amount:	\$63.00
GL Code:	817 38 700
Expenditure:	✓ Car Parking Hamilton Airport: Manager - Information Services (David Power) Attendance at ALGIM Annual Conference in Wellington
(6) Creditor:	Ibis Wellington
Date:	4 October 2019
Amount:	\$650.00
GL Code:	817 38 700
Expenditure:	✓ Accommodation: Manager - Information Services (David Power) Attendance at ALGIM Annual Conference in Wellington
(7) Creditor:	Air New Zealand
Date:	7 October 2019
Amount:	\$40.00
GL Code:	817 38 700
Expenditure:	✓ Airfare Adjustment (to include bag) Manager - Information Services (David Power) Attendance at ALGIM Annual Conference in Wellington



(8) Creditor: Wellington Combined Taxis
 Date: 10 October 2019
 Amount: \$53.40
 GL Code: 817 38 700
 Expenditure: ✓ Taxi Fare: General Manager - Business Support attendance at Institute of Public Works Engineering Australasia Limited (IPWEA) Workshop, Wellington

(9) Creditor: Wellington Combined Taxis
 Date: 10 October 2019
 Amount: \$47.10
 GL Code: 817 38 700
 Expenditure: ✓ Taxi - General Manager - Business Support attendance at Institute of Public Works Engineering Australasia Limited (IPWEA) Workshop, Wellington

(10) Creditor: Ibis Wellington
 Date: 20 October 2019
 Amount: **-\$174.00**
 GL Code: ✓ 817 38 700
 Expenditure: Partial Refund of Accommodation: Records and Information Manager (Andrea Houlihan) attendance at Objective Conference (Only 1 night required)

(11) Creditor: Ibis Wellington
 Date: 4 October 2019
 Amount: \$298.00
 GL Code: ✓ 817 38 700
 Expenditure: Accommodation: Records and Information Manager (Andrea Houlihan) attendance at Objective Conference (Note: Only 1 night required so partial refund was made - refer above \$174.00 credit)

- 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: 13/11/19

Authorised by
 Chief Executive:

Date: 15/11/2019



RECEIVED

BUSINESS MASTERCARD

02 DEC 2019

53 GALWAY STREET, AUCKLAND CITY, 1010

TAX INVOICE
GST NO. 93 259 688WAITOMO DISTRICT
COUNCILTHE DIRECTOR
WAITOMO DISTRICT COUNCIL
P O BOX 404
TE KUITI

3941

Closing Date	Page
27/11/19	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
\$10000	✓ MR C J RYAN	0000 0030 1565 8580	0.00
	✓ MR A B HANNA	0000 0030 2936 5529	0.00
\$5000	MS M D HIGGIE	0000 0030 2936 5933	4753.70
\$5000	MRS H M BEEVER	0000 0030 3956 2081	201.74
\$5000	MR A M DUNCAN	0000 0030 6052 5296	41.00
\$5000	MR A J HALE	0000 0030 6158 3906	10.00
	*** TOTAL INTEREST AND FEES		10.00
TOTAL CARDHOLDER LIMIT	\$30000	NET BALANCE	5006.44

WE ADVISE THAT \$5,006.44 WILL BE DIRECTLY CHARGED TO YOUR ACCOUNT
030449 0070201 00 ON 20/12/19, 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.



99392010327101007099633

Mastercard Statement Authorisation Form



Name:	Chris Ryan
Position:	Chief Executive
Statement Date:	27 / 11 / 19

(1) Creditor:	
Date:	
Amount:	No Transactions this Period
GL Code:	
Expenditure:	

I certify that:


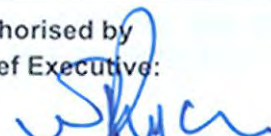
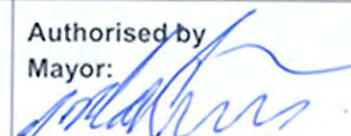
- 1 I have attached the necessary supplementary docket or receipt.
- 2 The account is payable.
- 3 The debt incurred is work related.
- 4 That any private component is identified and the amount has been reimbursed as follows:



Signature of Chief Executive:	Authorised by Mayor:	Authorised by Manager – Governance Support
Date:	Date:	Date:

Mastercard Statement Authorisation Form





Name: Brian Hanna Position: Statement Date: 27 / 11 / 19		
(1) Creditor: Date: Amount: This Mastercard has been cancelled. GL Code: Expenditure:		
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 Mayor: Date:	Authorised by Manager – Governance Support Date:	Authorised by Chief Executive: Date:

Name:	Michelle Higgin	
Position:	Manager – Governance Support	
Statement Date:	27 / 11 / 19	
(1) Creditor:	Air New Zealand	
Date:	31 October 2019	
Amount:	\$476.00	
GL Code:	111 42 710	
Expenditure:	Return Airfare: Councillor Brodie - Attendance at LGNZ Rural & Provincial Sector Meeting in Wellington on Thursday 21 and Friday 22 November 2019	
(2) Creditor:	NZ Transport Agency	
Date:	31 October 2019	
Amount:	\$724.80	
GL Code:	820 27 767	
Expenditure:	10,000km Road User Charges for 2016 Mitsubishi Triton (Rego KBU340)	
(3) Creditor:	NZ Transport Agency	
Date:	31 October 2019	
Amount:	\$724.80	
GL Code:	820 27 765	
Expenditure:	10,000km Road User Charges for 2016 Mitsubishi ASX (Rego KBU338)	
(4) Creditor:	Orbit	
Date:	8 November 2019	
Amount:	\$256.00	
GL Code:	111 42 700	
Expenditure:	Accommodation: Councillor Brodie - Attendance at the LGNZ Rural & Provincial Sector Meeting in Wellington on 21/22 November 2019	
(5) Creditor:	NZ Transport Agency	
Date:	11 November 2019	
Amount:	\$724.80	
GL Code:	820 27 753	
Expenditure:	10,000km Road User Charges for 2019 Mazda BT-50 (Rego MGA225)	
(6) Creditor:	NZ Transport Agency	
Date:	11 November 2019	
Amount:	\$1,444.80	
GL Code:	820 27 751	
Expenditure:	20,000km Road User Charges for 2018 Mitsubishi ASZ (Rego LMZ559)	
(7) Creditor:	Intellectual Property Office of NZ (MBIE)	
Date:	21 November 2019	
Amount:	\$402.50	
GL Code:	43 240 701	
Expenditure:	Renewal Fee: The Great NZ Muster Trademark	
I certify that:		
1 I have attached the necessary supplementary docket or receipt.		
2 The account is payable.		
3 The debt incurred is work related.		
4 That any private component is identified and the amount has been reimbursed as follows:		
Signature of Manager – Governance Support	Authorised by Chief Executive:	Authorised by Mayor:
		
Date: 13/12/19	Date: 13/12/19	Date: 12/12/19



Name: Helen Beever	
Position: General Manager – Community Services	
Statement Date: 27 / 11 / 19	
(1) Creditor:	Air NZ
Date:	1 November 2019
Amount:	\$50.00
GL Code:	817 38 700
Expenditure:	Flight amendment - Community Development Coordinator - Attendance at Safe Communities NZ Conference at Wellington
(2) Creditor:	Brentwood Hotel, Wellington
Date:	5 November 2019
Amount:	\$151.74
GL Code:	817 38 700
Expenditure:	Accommodation - Community Development Coordinator - Attendance at Safe Communities NZ Conference in Wellington - November 5 th
I certify that:	
1 I have attached the necessary supplementary docket or receipt.	
2 The account is payable.	
3 The debt incurred is work related.	
4 That any private component is identified and the amount has been reimbursed as follows:	
Signature of GM – Community Services:	Authorised by Chief Executive:
	
Date: 10-12-19	Date: 13/12/19

Mastercard Statement Authorisation Form

Name:	Alistar Duncan		
Position:	General Manager – Business Support		
Statement Date:	27 / 11 / 19		
(1) Creditor:	Hamilton International Airport		
Date:	30 October 2019		
Amount:	\$89.00	<i>No Receipt Issued</i>	
GL Code:	811 40 545		
Expenditure:	Parking Fees – Hamilton Airport for WDC Fleet Vehicle Rego JBL852		
(2) Creditor:	Hamilton International Airport		
Date:	11 November 2019		
Amount:	-\$48.00		
GL Code:	817 38 700		
Expenditure:	Refund of overcharged Parking Fees at Hamilton Airport		
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: 10-12-19	Authorised by Chief Executive:  Date: 13/12/2019		

Mastercard Statement Authorisation Form



Name: Tony Hale	
Position: General Manager – Infrastructure Services	
Statement Date: 27 / 11 / 19	
(1) Creditor: Westpac Bank	
Date: 27 November 2019	
Amount: \$10.00	
GL Code: 811 18 705	
Expenditure: Courier Fee for Delivery of new Mastercard <i>(Bank Charge - No Receipt)</i>	
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: 11/12/19.	Date: 13/12/19

Mastercard Statement Authorisation Form

Name: Terrena Kelly	
Position: General Manager – Strategy and Environment	
Statement Date: 27 / 11 / 19	
(1) Creditor:	
Date:	
Amount: No Transactions this Period	
GL Code:	
Expenditure:	
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:	Date:

Document No: A461760

Report To: Audit, Risk and Finance Committee Meeting



Meeting Date: 11 February 2020

Subject: North King Country Indoor Sports and Recreation Centre – Project Update

Type: Decision required

Purpose of Report

- 1.1 The purpose of this business paper is to brief the Audit, Risk and Finance Committee on the GoCT public briefing held on 21 January 2020 and the current status of the North King Country Indoor Sports and Recreation Centre community led project.

Background

- 2.1 Council consulted with the community during development of the Long Term Plan 2018-2028 to gauge the community's support, or not, of the proposed North King Country Sports and Recreation Centre.
- 2.2 The consultation document "Shape Waitomo To Your Liking" referred to the Game on Charitable Trust (GoCT) proposed development of an Indoor Sports and Recreation Centre in Te Kuiti.
- 2.3 The consultation document confirmed Council had been invited to consider whether or not it would provide funding for development of the proposed facility.
- 2.4 The consultation document outlined, in considering the request from the GoCT, that Council had assessed:
 - Alignment of the request with the vision and outcomes Council wanted to achieve for the community.
 - Community access to the proposed facility.
 - Robustness of the financial estimates provided.
 - Mechanisms that Council could use if it agreed to the request.
 - Impact of the request on rates.
 - Affordability of the request.
- 2.5 The community was invited to consider two options, as follows:
- 2.6 *"Option 1 (noted as the preferred option)*

Provide a maximum capital funding grant to the GoCT of \$1.5 million, with \$1 million provided in the 2018/19 year and \$500,000 in the 2019/20 year under the proviso that if the GoCT are able to source additional funding from other benefactors then the Council would contribute less.

Council is of the view that it does not have enough information at this stage about the operating costs requirements of the Sports Centre and is therefore not in a position to make a contribution towards the operating costs.

Raise a 30 year loan to make this capital contribution so that the costs are distributed to future ratepayers as well who would benefit from the facility in the future. The cost to the ratepayers will be the cost of servicing this loan.

The Council's view is that the overall potential benefits that will become available to the District Community justify the funding cost especially given the fact that we will have decreased our public debt by \$1.77 million by the end of next year."

2.7 Option 2

Not provide any capital funding for the sports centre. This option could mean that the sports centre project will not go ahead."

- 2.8 Of the 94 submissions received, 67% were in support of Option 1 to provide a maximum capital funding grant to the GoCT of \$1.5 million.
- 2.9 At its meeting on 29 May 2018 Council adopted Option 1 – to make a capital funding grant of \$1 million in the first year and \$500,000 in the second year.
- 2.10 Council's commitment was reflected in the Long Term Plan 2018-2028 with \$1 million allocated in the 2018/19 financial year and \$500,000 in the 2019/20 financial year. Following a request from the GoCT, this was subsequently re-sequenced to the 2019/20 and 2020/21 financial years respectively.

Commentary

- 3.1 The GoCT remain active with their fund-raising initiatives.
- 3.2 Key stakeholders and the general public were invited to attend a meeting on 23 January 2020. The purpose of the meeting was to inform attendees of progress to date with the project and the forward plan to bring the project to fruition and commence the build.
- 3.3 The GoCT advised the revised forecast capital cost for the build is \$6.44 million. Additional costs to cover demolition of the existing Gymnasium, site preparation and fit-out of the new build are estimated at \$750,000.
- 3.4 To GoCT have secured committed funds of \$3.99 million, comprising:
- Ministry of Education \$1.74 million
 - Trust Waikato \$700,000
 - Grassroots Trust \$50,000
 - Waitomo District Council \$1.5 million
- 3.5 Additional capital funds required are \$2.45 million and the GoCT remain confident that their funding aspirations can be met.
- 3.6 The GoCT have formally requested that Council further re-sequence their capital contribution grant pledge to the 2020/21 and 2021/22 financial years.
- 3.7 Councils Draft Exceptions Annual Plan (DEAP) reflects budget capacity of \$1 million allocated in the 2020/21 financial year. The remaining \$500,000 capital

contribution will need to be considered by Council during development of the 2021-2031 Long Term Plan as it will fall within Year 1 of the new Plan. A business paper outlining this consideration will be presented to Council at the 18 February 2020 Workshop.

3.8 **Audit, Risk and Finance Committee Considerations**

3.9 The Audit, Risk and Finance Committee may wish to consider, for transparency, clarity and risk mitigation purposes that a recommendation be made to Council to enter into a formal agreement with the GoCT outlining the following grant conditions. :

1. Payment of the Council grant is subject to the Council satisfying itself that the proposed facility is operationally sustainable.
2. The Council grant is subject to the Council being satisfied that public access to the facility is guaranteed by way of an Agreement between the Ministry of Education and Council.
3. All capital funds to complete the project, including fit-out, are secured prior to release of the Council grant to ensure the building is equipped with fixtures and fittings to make it a functional facility.
4. The project is underwritten by the Ministry of Education and any capital cost overruns during the construction phase are met by the Ministry.

3.10 In addition the Audit, Risk and Finance Committee recommend to Council that the Mayor and Chief Executive be tasked with communicating a proposed formal agreement with the GoCT.

<h3>Suggested Resolutions</h3>

- 1 The business paper on North King Country Indoor Sports and Recreation Centre – Project Update be received.
- 2 The Audit and Risk Committee note the \$1.5 million funding commitment to the GoCT, adopted by Council on 29 May 2018.
- 3 The Audit, Risk and Finance Committee note the grant was conditional upon the GOCT raising all capital to complete the project.
- 4 The Audit, Risk and Finance Committee recommend/not recommend to Council that a formal grant agreement be entered into with the GoCT with the following conditions:
 1. Payment of the Council grant is subject to the Council satisfying itself that the proposed facility is operationally sustainable.
 2. The Council grant is subject to the Council being satisfied that public access to the facility is guaranteed by way of an Agreement between the Ministry of Education and Council.
 3. All capital funds to complete the project, including fit-out, are secured prior to release of the Council grant to ensure the building is equipped with fixtures and fittings to make it a functional facility.

4. The project is underwritten by the Ministry of Education and any capital cost overruns during the construction phase are met by the Ministry.
5. The Audit, Risk and Finance Committee recommend to Council that the Mayor and Chief Executive be tasked with communicating a proposed formal agreement with the GoCT.

A handwritten signature in blue ink, appearing to read 'H. Beever'.

HELEN BEEVER
GENERAL MANAGER – COMMUNITY SERVICES

February 2020

Document No: A458145

Report To: Audit and Risk Committee



Meeting Date: 12 February 2020

Subject: **Progress Report: Civil Defence and
Emergency Management**

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to brief the Audit and Risk Committee on current activities within the Civil Defence and Emergency Management (CDEM) portfolio.

Background

- 2.1 Waitomo District Council (WDC) provides Civil Defence and Emergency Management functions for the District as required by the Civil Defence and Emergency Management Act 2002 ("the Act").
- 2.2 WDC's emergency management activities are assisted by the Emergency Management Operations Manager and Emergency Management Coordinator employed by WDC to provide a shared service arrangement for Waipa District Council, Otorohanga District Council and Waitomo District Council; jointly operating and collaborating as the Western Waikato Emergency Operating Area (WWEOA).

Commentary

- 3.1 For the period 1 July 2019 to 31 November 2019, the following CDEM activities have been undertaken in the Waitomo District under the four "Rs" (Reduction, Readiness, Response, and Recovery).
- 3.2 This includes emergency management activities within the shared service arrangement between Waitomo, Otorohanga and Waitomo District Councils.
- 3.3 **Reduction**
- 3.4 Work has commenced in conjunction with the Waikato Regional Council Hazards Team on mapping flood information. This will assist with the response and recovery plans associated with the identified areas.
- 3.5 **Readiness**
- 3.6 Prioritised work is underway to improve the Western Waikato Area's "Readiness" to respond to significant civil defence emergencies or disasters.

3.7 This work will focus on the following areas:

- Local Emergency Operating Centres (EOC's) are maintained at high levels of readiness to support local, regional and national events.
- Appropriate civil defence (CDC) facilities are identified and resourced to provide for evacuated or displaced persons, along with information to communities.
- Community Response Plans and arrangements have the sustained capability to deliver effective, expedient and efficient responses tailored to local communities.

3.8 The WWEOA Council's signed up for the National "Shake Out" Exercise which took place in October 2009. A campaign using social media to increase awareness of the Exercise was undertaken by all three Councils.

3.9 ***Civil Defence Centre Project***

3.10 Civil Defence Centre (CDC) location signs are located across the Waikato Region and indicate a variety of historical sites and associated signage that are no longer applicable. This poses a risk of public expectation that these facilities will be open and provide support in an emergency. To avoid any confusion a planned approach including messaging will be made for the removal of CDC and Warden Post signage at locations which would no longer be used.

3.11 As part of the Civil Defence Centre project, an inventory has been completed of all historical Civil Defence Centre or Warden Post signs. The deadline for the completion of this project is mid-2020 and a plan is being developed around socialising where and how the CDC's will be activated during an event.

3.12 **Response**

3.13 Community Response Plans have been completed for Marokopa, Mokau, Kawhia and Aotea. Plans have been drafted and discussions held with Community Response members in Benneydale, Pureora Forest Park, Ohaupo, Kaipaki, Pirongia, Ngahinapouri and Te Pahu.

3.14 Response Plans are scheduled to be completed in early 2020 and following this, development of the next group of Plans will commence for Piopio, Puahue and Te Kawa/Waikeria.

3.15 **Recovery**

3.16 Recovery is one of the 4 'R's (reduction, readiness, response, recovery). Planning for recovery helps ensure measures are in place to minimise the consequences of emergencies on communities.

3.17 The Civil Defence Emergency Management Act 2002 places a duty on Local Authorities to plan and provide for CDEM within their districts or regions (section 64); and this includes recovery.

3.18 The governing Act:

- Promotes the sustainable management of hazards
- Encourages wide participation, including communities
- Requires local authorities to coordinate the 4 'R's

- Provides a basis for the integration of national and local planning activities
 - Encourages coordination across a wide range of agencies, recognising that emergencies are multi-agency events affecting all parts of society.
- 3.19 Recovery Plans are in place for the three Councils. The Plans outline the importance of recovery, arrangements for recovery, actions required during readiness, response, recovery activation and transition from recovery, and definition of roles and responsibilities.
- 3.20 The Waitomo Recovery Plan aligns with the Waikato Region Group Recovery Plan and National Recovery Plan and incorporates the new emphasis on strategic planning that is now being driven from the National Disaster Resilience Strategy.
- 3.21 There are 18 key objectives included in the National Disaster Resilience Strategy:
- Six designed to manage risks at all levels
 - Six designed to support the effective Response and Recovery from emergencies
 - Six to enable, empower and support community resilience
- 3.22 The intention is for Waitomo Emergency Management, Response and Recovery, to undertake the Objectives outlined within the National Strategic Planning process while also aligning to and supporting the local Vibrant Safe Waitomo initiative.
- 3.23 **General**
- 3.24 ***National Emergency Management Agency***
- 3.25 As of 1 December 2019, the first step in the establishment of the new National Emergency Management Agency (NEMA) for New Zealand was completed.
- 3.26 NEMA is a legal entity and the Ministry of Civil Defence and Emergency Management (MCDEM) has been transitioned into this new organisation. MCDEM ceased to exist on the date NEMA was established, with all references to MCDEM considered to be replaced with a reference to NEMA.
- 3.27 A new NEMA was recommended following a review into New Zealand's civil defence system. Government saw the need to improve national emergency management capability and to put people and communities at the centre of any response. The new agency will work across central government and with local government, emergency services, communities, iwi, lifeline utilities and business to create an emergency management system that is ready and able to provide an effective and integrated response to, and recovery from, emergencies.
- 3.28 NEMA has been established as an autonomous Department Agency with its own Chief Executive, hosted by the Department of the Prime Minister and Cabinet.
- 3.29 The establishment of NEMA is considered a milestone in moving towards achieving the Government's objectives to boost the performance and capability of the emergency management system across all hazards and all risks for the benefit of all New Zealanders.
- 3.30 During 2020, NEMA will engage with key stakeholders to seek views as the Agency begins to create its organisational strategy and design. This is considered the real change phase. NEMA will then progress into a more formal consultation phase where it will again seek engagement with key stakeholders to shape the wider system.

3.31 ***Emergency Management Operations and Training***

3.32 A significant focus over recent months has been to increase the capability across the Emergency Operating Centres (EOC's) for all three WWEOA Councils.

3.33 Foundation Course training continues to be carried out across all three Councils with new staff captured as they join their respective organisation. A systematic approach of engaging with existing staff has also been actioned.

3.34 Staff from all three Councils have attended the Integrated Training Framework Intermediate courses, the Public Information Management and Welfare EOC Function courses.

3.35 Training in the delivery of Welfare Services in an Emergency was held in the latter months of 2019 with 13 staff from across the Waitomo, Otorohanga and Waipa District Councils attending.

3.36 ***Welfare***

3.37 The Western Waikato Welfare Committee have endorsed their Welfare Plan.

3.38 Further training of volunteers and staff is now required relating to the setting up of Civil Defence Centres.

3.39 There are insufficient numbers if more than one Centre over the three Councils is required to be established. Identification of suitable volunteers to undertake this training is a priority.

3.40 ***Regional CDEM Monitoring and Evaluation Assessments***

3.41 As part of reviewing the Waikato Civil Defence Emergency Management Group Plan all TLA's within the Waikato Region were audited by the Ministry of Civil Defence and Emergency Management to evaluate levels of capability. This process involved interviews with a broad range of key staff who have involvement with emergency management, along with reviewing documentation, processes and facilities.

3.42 Following the audit a CDEM Capability Assessment Report was completed and received in late October 2019.

3.43 The Report was developed utilizing the Objectives, KPI's and performance measures for CDEM Goals and Enablers detailed as part of the national CDEM Capability Assessment process. The overall rating for WDC was based on the weighted rating of the KPI's and Objectives for each Goal and Enabler.

3.44 WDC's overall score was 64.2%. The Report stated this score was reflective of the hard work, commitment and investment to CDEM made by WDC.

3.45 There are areas across all the CDEM Goals and Enablers that have been identified as areas for improvement and areas of strength. Overall the priority development of CDEM capability is considered a strength for WDC.

3.46 Other areas of strength include community resilience engagement and activities; having an effective IMT capability; the prioritization of staff training; the Local Controller capability; the strong focus on the recovery capability; CDEM culture; CDEM leadership through governance and management; the well-established relationships with other local authorities; and risk management.

- 3.47 Areas identified for improvement include the further availability of Waitomo District hazard specific information; redundancy for the PIM capability; volunteer management at the local level; EOC capability; welfare capability; effectiveness of the 24/7 duty system; further development of Business Continuity Plans.
- 3.48 The Report states CDEM capability at WDC is on track in the future to advance to a mature level of CDEM capability.

Suggested Resolution

The Progress Report: Civil Defence and Emergency Management (CDEM) be received.



HELEN BEEVER
GENERAL MANAGER – COMMUNITY SERVICES

February 2020

Document No: A460450

Report To: Audit, Risk and Finance Committee Meeting



Meeting Date: 11 February 2020

Subject: Financial Reporting Schedule for the Period ending 30 June 2021

Type: Decision required

Purpose of Report

- 1.1 The purpose of this paper is to present a Financial Reporting Schedule, and to recommend to Council for adoption of the report schedule.

Background

- 2.1 At the November 2019 Council meeting the terms of reference for the Audit, Risk and Finance Committee was adopted. The terms of reference delegate both the financial and non-financial overview to the Audit, Risk and Financial Committee.
- 2.2 The adoption of the terms of reference for the Audit and Risk Committee has implications to the report presented the July 2019 Council meeting outlining the reporting schedule for the year to the 30 June 2020.

Commentary

- 3.1 Set out below is a draft reporting schedule that reflects the delegation of financial and non-financial oversight to the Audit, Risk and Financial Committee.

Meeting Date		Report to be issued
February 2020	AR&F	Six Month Report for the period ending 31 December 2019.
May 2020	AR&F	Audit Service Plan and outline of 2019/20 Draft Annual Report development process and timeline. Audit Engagement letter for the 2019/20 Draft Annual Report and the Limited Assurance Report in respect of the Debenture Trust Deed. Nine Month Report for the period ending 31 March 2020.
13 Aug 2020	AR&F	Interim report on 2019/20 Annual Report. Interim Non Financials (KPIs) results for 2019/20.
7 Oct 2020	AR&F	Recommend adoption of the 2019/20 Annual Report.
8 Oct 2020	Council	Adoption of the 2019/20 Annual Report.

Meeting Date		Report to be issued
February 2021	AR&F	Six Month Report for the period ending 31 December 2020.
May 2021	AR&F	<p>Audit Service Plan and outline of 2020/21 Draft Annual Report development process and timeline.</p> <p>Audit Engagement letter for the 2020/21 Draft Annual Report and the Limited Assurance Report in respect of the Debenture Trust Deed.</p> <p>Nine Month Report for the period ending 31 March 2021.</p>

- 3.2 Due to timing of the AR&F Committee meetings and organisational capacity, presenting the three month report to the 31 September to the October meeting will be operational difficult.
- 3.3 The October meeting is scheduled to ensure that Council is able to achieve the statutory deadline of adopting the Annual Report.
- 3.4 From September 2020 through to May 2021 organisational capacity will be tested with the development of and public consultation on the 2021/2031 LTP. The District Plan project will also be progress during the same period of time.
- 3.5 Historically there is little variance between budget and actual in the first three months of a new financial year, identification of developing trends become apparent from the half year report and during the last six months of the financial year.

Suggested Resolutions

- 1 The business paper on Financial Reporting Schedule be received.
- 2 The Audit and Risk Committee recommends that Council to adopt the Financial Reporting Schedule to 30 June 2021.



ALISTER DUNCAN
GENERAL MANAGER – BUSINESS SUPPORT

9 January 2020

Document No: A460462

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



Meeting Date: 11 February 2020

Subject: **Financial Strategy – Management of Financial Reserves**

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to brief the Committee on the practice followed for Financial Reserves. This business paper will assist in the upcoming review of the Financial Strategy and wider revenue and financing considerations, which will form part of the development of a draft 2021-2031 LTP.

Background

2.1 **Local Government Act 2002 (LGA) Responsibilities**

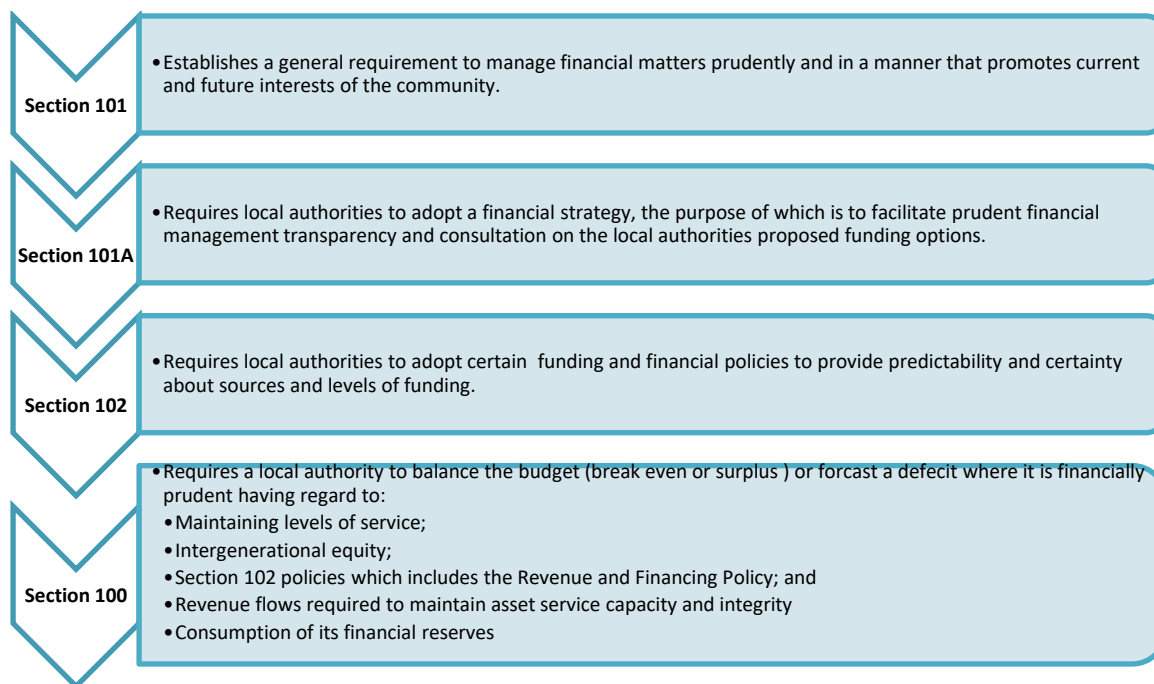
2.2 Section 10 of the LGA states the purpose of local government is to enable democratic decision making and action by, and on behalf of communities and promote the social, economic, environmental and cultural well-being of communities in the present and for the future.

2.3 In performing its role (section 14), WDC must apply sound business practices and ensure prudent stewardship and efficient and effective use of its resources in the interest of its district or region.

2.4 The obligations of stewardship, prudence and fiduciary duty comprise:

- **Stewardship** - responsibility for taking good care of resources entrusted to it.
- **Prudence** – the need to exercise care when dealing with uncertainties.
- **Fiduciary duty** – a legal obligation of one party to act in the best interests of another.

2.5 The hierarchy of LGA regarding the assessment of financial prudence is depicted as follows:



- 2.6 Considerations of revenue, expenses, assets, liabilities, investments and general financial dealings must be addressed in accordance with the above principles; and in the best interests of WDC’s ratepayers.
- 2.7 As such treatment of financial reserves form an integral component of meeting these obligations.
- 2.8 **LTP 2018-28**
- 2.9 Council’s current LTP (which incorporates key policies and strategies such as Financial Strategy, Revenue and Finance Policy, Infrastructure Strategy and Asset Management Plans) have legal mandate through a formal, special consultative procedure with the Waitomo District community.
- 2.10 These policies and strategies are reviewed three-yearly as part of the development of the LTP.
- 2.11 Council has significantly improved its financial position over the last three years. Outcomes and results achieved have exceeded forecast targets. This creates an opportunity to consider further refinement of the financial strategy and policy settings going forward.
- 2.12 It is appropriate now, one year out from the next LTP, to consider the current position of the Financial Reserves and how these reserves are presently managed. This will assist in the review and refinement of policy settings within the Financial Strategy, in the context of wider revenue and financing considerations for the draft 2021-31 LTP.

Reserve Closing Balances	30/06/2017	30/06/2018	30/06/2019
	(,000)	(,000)	(,000)
Operational Reserves	-	79	4,715
Depreciation Reserves	6,213	9,805	9,854
Other Reserves	10,484	3,561	10,656
Total Reserves	26,325	13,287	25,225

- 2.13 Over the last two FYs reserves have increased by \$13.0 million. Special Purpose and Investment Revaluation reserves have increased by \$6.1 million. \$6.9 million is due to the revaluation of Council's CCTO, Inframax Construction Limited. This increase has been tempered by the \$0.8 million decrease in the Cashflow Hedging Reserve.
- 2.14 Depreciation reserves have increased by \$700k, from \$9.8 million to \$10.5 million. This increase is appropriate and planned to ensure funds are available when asset renewals are programed.
- 2.15 The Operational Reserves have increased by \$6.3 million. \$3.5 million derived from the Leadership and Investment Reserve (from a deficit of \$2.6 million as at 30/06/2017 to a surplus of \$0.8 million). The Operational Reserves with movements greater than \$0.5 million are - Community Services and Sewage Reserves have increased by \$0.9 million, Solid Waste reserve increase by \$0.8 million and Water Supply Reserve went further into deficit by \$0.5 million.

Financial Strategy

- 3.1 The Financial Strategy sets Council's strategic financial direction over the ten year LTP period and how it manages financial performance within specified parameters.
- 3.2 The objective is to set total operating income at a level that meets or is greater than total operating expenditure to ensure that there is funding to deliver services in the long term. However, Council had also indicated that this approach may not be practical or prudent on a year-by-year basis due to the activity's long term nature e.g. infrastructure assets.
- 3.3 In these instances, the 2018-2028 LTP provides:
- Temporary activity deficits/surpluses in order to avoid large variations in rates increases
 - Prudent application of part of operational reserves and/or activity balances to fund some specific operational expenditure where appropriate.
- 3.4 The current Financial Strategy sets rates affordability in the community as a key consideration. Council considers this to be a 'prudent' approach to financial management in that it provides for assets to be maintained and renewed, debt levels kept reasonably conservative, and rate increases limited to an affordable level now and in the future.
- 3.5 The use of the financial reserves ensures that the distribution of benefits policy or settings are preserved for all major activities.
- 3.6 Council maintains Financial Reserves as a sub-part of its equity. These are classified as:
- Operational Reserves
 - Depreciation Reserves
 - Other Reserves (includes Investment Revaluation and Special Purpose)
- 3.7 The table below gives the closing balances of the Financial Reserves for the Significant Activities as at 30 June 2019.

Reserves - Closing Balance at 30/06/19 (\$000's)	Operational Reserves	Depreciation Reserves	Total
Leadership and Investments	820	(2)	
Community Service	2,558	1,969	
Community Development	355	40	
Compliance	(129)	(50)	
Solid Waste Management	843	(623)	
Stormwater	50	747	
Resource Management	165	0	
Sewerage	3,883	301	
Water Supply	(2,311)	605	
Roads and Footpaths	(543)	6,899	
Business Support	522	598	
Total	6,213	10,484	16,697
Other Reserves (Special purpose and Investment Revaluation)			9,628
Total Reserves			26,325

3.8 **Operational Reserves**

- 3.9 Operational Reserves hold short-term funding surpluses (or deficits) arising from the various activities. Surplus or deficits arise from a variance between the actual expenditure and revenues for an activity compared to the EAP forecast.
- 3.10 Operational Reserves for different activities are accounted for separately to ensure that rates collected for a particular activity from an identified group of ratepayers are used only for that activity and for the benefit of that identified ratepayer group.
- 3.11 The balance held in an operational reserve forms part of the consideration for a particular activity in each subsequent year's EAP development.
- 3.12 The Revenue and Financing Policy (RFP) provides settings for the deployment of operational reserves. The RFP provides that Council may choose to not fully fund operating expenditure in any particular year, if the deficit can be funded from operational surpluses in the immediately preceding year.
- 3.13 In practice, Operational Reserves are used, in a modest way, to 'smooth' the impact of rates when considering rate affordability for a particular affected ratepayer group and also when reviewing overall rates affordability.
- 3.14 The current Financial Strategy does not provide direction on how to address Operational Reserves in deficit, except that these reserves will be gradually improved over the ten year horizon with additional rates funding budgeted. The longer timeframe for 'making good' overdrawn reserve balances takes into account rates affordability considerations.

3.15 **Depreciation Reserves**

- 3.16 Depreciation Reserves maintain the accumulated rates funded depreciation for each activity. These reserves are utilised to fund asset renewals, repayments on loans raised for capital expenditure and to maintain the service capacity and integrity of assets throughout their useful lives.

3.17 **Other Reserves**

- 3.18 Other Reserves include Investment Revaluation Reserves (which maintains the increases or decreases in Council's investment as a result of periodic revaluations) and Special Purpose Reserves which have been set aside for a specific purpose and have restrictions over their use.

Financial Strategy – Other Considerations

- 4.1 Maintaining an appropriate level of Financial Reserves is prudent and even essential to ensure that communities are to be buffered against additional costs from unforeseen events such as litigation, changes to legislation, unanticipated asset breakdowns, loss of other revenue or natural events. Reserves should not be used to cover a long-term or permanent income shortfall or increased expenditure.
- 4.2 The current Strategy for the application, use and maintenance of reserves is a well-established and agreed process that is consistent with the LTP and current policy settings and strategies. These policies and strategies are of course inter-linked and cannot be changed in isolation. Careful consideration of the wider revenue and finance implications of changing the way the reserves are managed including treasury management.
- 4.3 The review of how the reserves are managed is a strategic consideration in the development of an LTP. The appropriate time to develop the thinking around reserves is within the LTP work stream as Asset Management Plans and Infrastructure Strategy are a key input into determining any prudent setting for the level of operational reserves.
- 4.4 Also checks for affordability, sustainability and acceptability of outcomes and financial prudence tests need to be completed at an overall level with consideration of other revenue and funding aspects.
- 4.5 Consistent with direction established at Council's 12 November 2019 planning workshop, external debt reduction is still a key priority and therefore the intention is to maintain over the 2020/21 EAP period the current practice of assigning cash surpluses to reduce the need to borrow externally.
- 4.6 Council funds activity debt (internal debt) through an internal treasury function. The treasury function has two sources of funds available - the cash that underlies all reserves, and external debt. Any reduction in the total operational reserves held will impact on the amount of external debt needed to balance the cash requirements of the treasury function.
- 4.7 For each \$1 million of additional external debt raised, there will be an increase of \$36,900 in interest payments based on an interest rate of 3.69% (Council's average cost of debt as at 30 September 2019) or an average rate increase of 0.18%.
- 4.8 To achieve a 1% reduction in the total rate requirement in the 2020/2021 DEAP, \$220,000 (1% of rates required plus additional interest) would need to utilise from a combination of operational reserves.

Suggested Resolution

The business paper on Financial Strategy – Management of Financial Reserves be received.



ALISTER DUNCAN
GENERAL MANAGER – BUSINESS SUPPORT

17 January 2020

Document No: A462549

Report To: Audit, Risk and Finance Committee Meeting



Meeting Date: 11 February 2020

Subject: Progress Report: Risk Management Framework – Implementation Plan and Monitoring

Type: Information Only

Purpose of Report

- 1.1 The purpose of this progress report is to inform the Audit and Risk Committee of progress in respect to implementation of the Risk Management Framework (RMF) and Risk Management Implementation Plan (RMI Plan) adopted by the Council on 28 May 2019.

Background

2.1 October 2018

- 2.2 In 2018, WDC agreed the importance of, and need for, a RMF. WDC set about development of a Draft RMF to provide a means for the identification and mitigation of key organisational risks.
- 2.3 At a Workshop of the Audit and Risk Committee (ARC) held on 16 October 2018, Council's strategic risks were considered and a Draft Risk Register agreed.
- 2.4 Following the 16 October 2018 Workshop, the following actions were then completed:
 1. The Risk Register table was modified to incorporate the ARC's feedback from the 16 October 2018 Workshop.
 2. The agreed key risk identification and prioritisation methodology (risk assessment) was applied to each of the agreed strategic risks.
 3. An assessment and prioritisation of residual risks, following application of current risk controls and measures, was completed.
 4. Identification and documentation of future controls and treatments attaching to the high priority residual risks, including additional resourcing implications, was completed.
 5. A programme of implementation, monitoring and reporting on progress towards developing WDC's risk maturity has been drafted and if agreed will be included in Council's Roadmap for the appropriate years.

2.5 February 2019

2.6 The first four actions described above, were then consolidated into a Draft RMF and associated Risk Register and presented to the ARC for consideration at its meeting of 12 February 2019. The ARC, at its 12 February 2019 meeting, resolved -

- 1 *Council notes and agrees the proposed controls and treatments needed to address the identified residual strategic risks, and the need for additional resourcing to implement those measures.*
- 2 *Council notes that the additional resourcing requirements will be introduced through the draft 2019/20 Exceptions Annual Plan process.*
- 3 *Council notes that monitoring and reporting progress towards developing the maturity of Council's Risk Management Framework will take place in accordance with Council's Roadmap.*

2.7 May 2019

2.8 The fifth and final step entailed development of a Draft RMI Plan and reporting on progress towards developing WDC's risk maturity for consideration by the ARC ahead of recommendation of both the RMF and RMI Plan to Council. Adoption of a RMF and an associated RMI Plan concluded the first phase of the risk management work.

2.9 The ARC at its meeting of 14 May 2019 considered a Draft RMI Plan to support the RMF agreed by ARC at its 12 February 2019 meeting, and resolved to recommend both the RMF and RMI Plan to Council for adoption as follows:

- 2 *The Audit and Risk Committee recommends that Council:*
 - (a) *Adopt the Risk Management Implementation Plan for intervention of the strategic residual risks identified in the Strategic Risk Register;*
 - (b) *Note the requirement for an annual review of the Risk Register in May of each year, including a review of any externalities impacting on or introducing new, strategic risks, to ensure changing circumstances are anticipated, monitored and mitigated accordingly;*
 - (c) *Note the requirement for a monitoring and reporting programme to be adopted in May each year for the financial year ahead, which will be linked to the agreed strategic risks, and will form part of ARC's meeting programme for the year.*

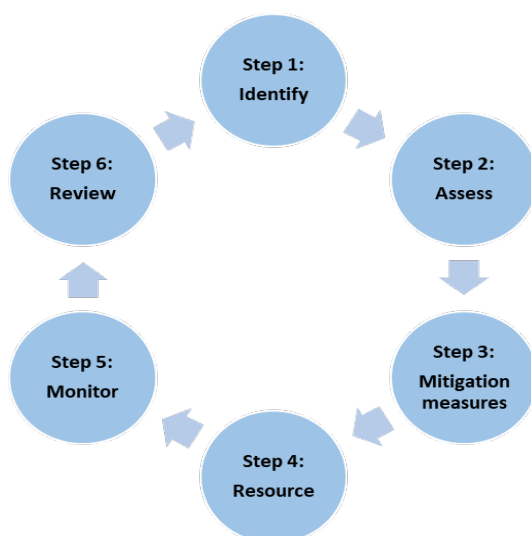
2.10 Council at its meeting on 28 May 2019 considered the recommendations of the ARC relating to RMF and RMI Plan and resolved as follows:

- 2 *The Risk Management Framework incorporating the overarching and strategic risks identified in the Strategic Risk Register be adopted.*
- 3 *Council note and agree the proposed controls and treatments needed to address the identified residual strategic risks, and the need for additional resourcing to implement those measures.*
- 4 *Council note that the additional resourcing requirements will be introduced through the draft 2019/20 Exceptions Annual plan process.*

- 5 *Council note that monitoring and reporting progress towards developing the maturity of Council's Risk Management Framework will take place in accordance with Council's Road Map Work Programme.*
- 6 *The Risk Management Implementation Plan for intervention of the strategic residual risks identified in the Strategic Risk Register be adopted.*
- 7 *Council note that the Audit and Risk Committee will undertake an annual review of the Strategic Risk Register in May of each year, including a review of any externalities impacting on or introducing new, strategic risks, to ensure changing circumstances are anticipated, monitored and mitigated accordingly.*
- 8 *Council note that the Audit and Risk Committee will develop a monitoring and reporting programme in May for the financial year ahead, linked to the agreed strategic risks, and to form part of Audit and Risk Committee's agenda programme for the year.*

Risk Management Framework and Risk Management Implementation and Monitoring Plan

- 3.1 The RMF assumes a perpetual cycle (six-step continuum), starting with identification of potential risks, qualitative and quantitative assessment of those risks, development of controls and treatments designed to mitigate any residual risks, investment in the resourcing required to implement the agreed controls and measures (or accept the risk), then monitoring and reporting on progress towards implementation. The final step provides for a review of the RMF to take account of any new strategic risks that may be identified over time, and to assess risk management maturity.



- 3.2 The adopted RMF provides a prioritised RMI Plan which takes into account WDC's modest resource capacity, typical of smaller, rural local authorities, and noting the sensitivity of that resource to the demands of competing work demands.
- 3.3 The Draft RMI Plan addresses just those residual risks scored as "High" (assessed risk scores of 9-10).

3.4 Risk Priorities

3.5 Priority Number One – Investment (Shareholding)

3.6 There are two strategic risks assessed as having a high residual risk. The first of these relates to Council’s investment (by way of a 100% shareholding) in Inframax Construction Ltd (Strategic Risk 3.2). The assessment shows that the likelihood and consequence of the investment not achieving its financial and strategic objectives, even after allowing for current risk controls and treatments, is high. The agreed residual controls and treatments to mitigate this risk involve increased reporting, and establishment of a policy based rationale supported by an external cost/benefit analysis for the continued ownership of Inframax.

3.7 The development of same will require the engagement of an external resource to facilitate and inform definition of benefits, costs and risks of continued ownership.

3.8 As the top residual risk priority, it has been scheduled for the 2019/20 year. The work will be funded from the 2019/20 Audit and Risk budget.

3.9 Priority Number Two – Business Continuity

3.10 The second highest residual risk priorities relate 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.

3.11 A programme for developing the necessary business continuity plans has been scheduled for 2020/21.

3.12 Other High Residual Risk Priorities

3.13 Subsequent mitigation measures for the remaining high residual risks (risk scores between 9 and 12) have been scheduled for implementation in order of relative priority, over subsequent years.

3.14 The full list (agreed by ARC on 12 February 2019) of High Residual Risks is summarised in the table below:

Risk Register Reference	Strategic Risk Category	Strategic Risk Description	Residual Risk Level Score	Proposed Residual Controls and Treatments
3.2	Financial	WDC's shareholding investment does not meet financial and strategic objectives	12	<ul style="list-style-type: none"> Establish a policy based rationale and supported by external cost/benefit analysis for continued ownership of Inframax
6.3	Business Continuity	Business function is significantly interrupted due to a lack of business continuity planning and organisational resilience	12	<ul style="list-style-type: none"> Develop business continuity plans
6.4	Business Continuity	Critical IT infrastructure failure	12	<ul style="list-style-type: none"> Develop business continuity plans

Risk Register Reference	Strategic Risk Category	Strategic Risk Description	Residual Risk Level Score	Proposed Residual Controls and Treatments
4.1	Technology	Cyber Security breach as a result of unauthorised access.	9	<ul style="list-style-type: none"> Monitor effectiveness of current risk controls and treatments on a periodic basis. Undertake independent baseline securities and policies assessment
4.2	Technology	Not keeping up with technological change at the customer and internal services interface	9	<ul style="list-style-type: none"> Review the effectiveness of current risk controls and treatments and identify interventions to address gaps.
4.3	Technology	Inadequate investment in WDC's ICT (technological & human resources)	9	<ul style="list-style-type: none"> Review the effectiveness of current risk controls and treatments and identify interventions to address gaps. Investigate resourcing options for driving changes necessary to maintain WDC's ICT up to date and relevant to organisational and customer needs.
6.1	Business Continuity	Damage to critical WDC infrastructure and buildings following a natural disaster such as earthquake, fire , flood	9	<ul style="list-style-type: none"> Undertake site specific risk audits of critical infrastructure and buildings and prepare risk management/retreat plans.
6.2	Business Continuity	Damage to critical infrastructure and buildings following a manmade disaster such as explosion, fire, etc.	9	<ul style="list-style-type: none"> Undertake site specific risk audits of critical infrastructure and buildings and prepare risk management plans.

3.15 The six year implementation programme takes into account the limited WDC capacity available to advance a Risk Mitigation Work Plan.

3.16 Other Lower Risk Priorities

3.17 There are of course many other risks in addition to the identified "high" risk priorities, which while important, in the context of prioritisation are "lower" priorities.

3.18 Similarly, any new strategic risks that may be identified from time to time will be additional to this initial programme.

Risk Management Implementation Plan

No.	Risk Register Ref.	Strategic Risk Description (Residual Risk Scores 9 - 12 only)	Risk Controls and Treatments	2019/ 20	2020/ 21	2021/ 22	2022/ 23	2023/ 24	2024/ 25
1	3.2	WDC's shareholding investment does not meet financial and strategic objectives	Establish a policy based rationale and supported by external cost/benefit analysis for continued ownership of Inframax						
2	6.3	Business function is significantly interrupted due to a lack of business continuity planning and organisational resilience	Develop business continuity plans						
3	6.4	Critical IT infrastructure failure	Develop IT business continuity plan						
4	4.1	Cyber security breach as a result of unauthorised access	Undertake independent baseline securities and policies assessment.						
			Monitor effectiveness of current risk controls & treatments on a periodic basis.						
5	4.2	Not keeping up with technological change at the customer and internal services interface	Review the effectiveness of current risk controls and treatments and identify interventions to address gaps						
6	4.3	Inadequate investment in WDC's ICT (technology and HR)	Review the effectiveness of current risk controls and treatments and identify interventions to address gaps						
			Investigate resourcing options for driving changes necessary to maintain WDC's IT up to date and relevant to organisational and customer needs						
7	6.1	Damage to critical infrastructure & buildings following a natural disaster	Undertake site specific risk audits of critical infrastructure & buildings & prepare risk management/retreat plans						
8	6.2	Damage to critical infrastructure & buildings following a human disaster	Undertake site specific risk audits of critical infrastructure & buildings & prepare risk management plans						
9	-	General	Annual Review of Risk Register incorporating any new externalities (May)						

3.19 A copy of the full Risk Register as adopted by Council on 28 May 2019 is enclosed separately and forms part of this business paper.

3.20 Next Steps

3.21 Now that the RMF (including the Risk Register) and RMI Plan have been adopted, the RMF and RMI Plan (for residual risk interventions, reporting on implementation of the agreed additional controls and treatments, or any new risk intervention requirements that may occur) will be incorporated into Council's Road Map Work Programme as a means of developing the maturity of WDC's risk management framework.

3.22 In addition to the staged RMI Plan, an annual review of the Risk Register by the ARC shall be undertaken in May each year. This annual review process will include a scan of externalities impacting on, or introducing new strategic risks, so that changing circumstances are anticipated, monitored and mitigated accordingly.

3.23 The proposal is to time the review to occur ahead of each new financial year start date and outside the development phase of each Exceptions Annual Plan/LTP.

3.24 Concurrently, a programme for the development of a monitoring and reporting arrangement for the financial year ahead, linked to the agreed strategic risks, will form part of the ARC's meeting programme for the year. This will ensure that Governance maintains an overview of the status and progress towards managing the top ranked risks.

3.25 It is anticipated that the RMI Plan will be staged so that each department is reporting against its relevant strategic risks at least once a year.

Progress to Date

4.1 Presentation of the Road Map Work Programme, revised to reflect adoption of the 2019/2020 Exceptions Annual Plan, was originally scheduled for presentation to Council at its August 2019 meeting.

4.2 However this has been deferred until the 8 October 2019 Council meeting to enable the new Group Manager – Business Support (who starts with WDC on Tuesday 20 August 2019) to have an input into the various projects which he will be accountable for, including the RMF work stream.

4.3 As a result, there is no reporting on the RMF work stream for this ARC meeting.

4.4 A workshop on the 11 February was conducted to progress the rational development and assessment criteria for the external cost/benefit analysis to support the evidence based policy.

4.5 A project plan and proposed timeline were included for discussion.

Suggested Resolution

The business paper on Progress Report: Risk Management Framework – Implementation Plan and Monitoring be received.



ALISTER DUNCAN

GENERAL MANAGER – BUSINESS SUPPORT

Attachment: Waitomo District Council Strategic Risk Register – (Doc No. A429516)

Waitomo District Council Risk Register

OVERARCHING STRATEGIC OUTCOME: FAILING TO DELIVER THE COMMITMENTS MADE IN LONG TERM PLAN														
STRATEGIC RISK	Risk Title & Description	Consequences	Risk Assessment Prior to Controls and Treatments			Current Risk Controls & Treatments	Residual Risk Assessment (post controls & treatment)			Control Effectiveness	Suggested Residual Risk Controls and Treatments	Risk Owner	Response Owner	Response Date
			Likelihood	Consequences	Risk Level		Likelihood	Consequences	Risk Level					
1	GOVERNANCE													
1.1	Elected members are not adequately trained and/or developed	Resulting in: <ul style="list-style-type: none"> Failing to deliver commitments made in LTP Potential breach of elected members responsibilities (e.g. pecuniary interests, legal responsibilities) 	3	3	M (9)	<ul style="list-style-type: none"> Induction process following election Code of Conduct Standing orders Access to Mayor and CEO for information needs and advice. Regular workshop briefings on key policy issues. Informal networking with elected members from other TAs. 	2	3	M (6)	M	<ul style="list-style-type: none"> Training of elected members in governance role and responsibilities. 	Council	CEO	
1.2	Elected members are not effective in making robust, informed decisions.	Resulting in: <ul style="list-style-type: none"> Loss of community confidence in elected members decision making Damage to organisational reputation and credibility Potential for judicial review of decision making 	3	3	M (9)	<ul style="list-style-type: none"> Access to mayor and CEO for information needs and advice. Regular workshop briefings on key policy issues. Detailed and accurate officer reporting. 	2	3	M (6)	M	<ul style="list-style-type: none"> Training of elected members in governance role and responsibilities. 	Council	CEO	
1.3	Elected member decision making not aligned with adopted plans and strategies	Resulting in: <ul style="list-style-type: none"> High incidence of unplanned initiatives outside LTP Decision making becomes ad-hoc rather than planned and sustainable, leading to potential for decision reversal and uncertainty Organisational capacity required to deliver strategic direction and core programme commitments becomes marginalised. 	3	3	M (9)		2	3	M (6)	M	<ul style="list-style-type: none"> Training of elected members in governance role and responsibilities. 	Council	CEO	

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2 ECONOMIC AND SOCIAL														
2.1	External economic and social factors are not appropriately considered in planning and direction setting	Resulting in: <ul style="list-style-type: none"> Significant financial loss Loss of public confidence Reduction of services provided to an affordable level 	2	3	M (6)	<ul style="list-style-type: none"> 3-yearly review of district population demographics. Access to and participation in regional economic development outlook. Access to and monitoring of BERL inflation adjustment forecasts. Review of LGNZ and SOLGM analysis of new legislation. Consideration of district deprivation and deprivation. 	1	3	L (3)	VH	<ul style="list-style-type: none"> Monitor effectiveness of current risk controls and treatments. 	Council	GM - Corp. S	
2.2	Unclear direction setting through LTP or inadequate follow through of set direction.	Resulting in: <ul style="list-style-type: none"> Reduction in service delivery. Loss of public confidence Reputational damage. Inadequate service delivery Disconnect between community expectations and service delivery 	2	4	M (8)	<ul style="list-style-type: none"> Early and regular planning and briefing sessions with elected members in preparation of draft annual plan Preparation of detailed Roadmap for monitoring implementation of agreed direction and actions. 	1	4	L (4)	VH	<ul style="list-style-type: none"> Monitor effectiveness of current risk controls and treatments. 	Council	GM - Corp. S	
2.3	Major reduction in WDC funding source arising from external economic, environmental or government policy.	Resulting in: <ul style="list-style-type: none"> Reduction of services provided Reduction in budget allocations, OR; Increased cost of delivering same levels of service Loss of public confidence 	2	3	M (6)	<ul style="list-style-type: none"> Three yearly review of Revenue and Financing Policy and Funding Impact Statement to ensure cost of service delivery is allocated equitably and is affordable Robust business cases to ensure major funding source ex NZTA subsidy towards road and footpath maintenance and capital costs is secured. Implementation of new capital projects is dependent on external funding being secured before project proceeds (e.g. new toilet blocks for Mokau and Waitomo Village are dependent of 50% TIF funding) 	1	3	L (3)	VH	<ul style="list-style-type: none"> Monitor effectiveness of current risk controls and treatments. 	Council	GM - Corp. S	

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3	FINANCIAL													
3.1	WDC investments are not regularly assessed for strategic and or financial viability.	Resulting in: <ul style="list-style-type: none"> Loss of community and stakeholder (viz banks and auditors) confidence in WDC's ability to manage its finances 	3	3	M (9)	<ul style="list-style-type: none"> Regular review of and reporting on WDC investments. 	2	3	M (6)	VH	<ul style="list-style-type: none"> Review and develop risk controls and treatments for WDC investments. 	Council	GM - Corp. S	
3.2	WDC's shareholding investment does not meet financial and strategic objectives.	<ul style="list-style-type: none"> Additional financial costs and loss of financial sustainability to the extent that Council's ability deliver services is severely compromised Rates become unsustainable 	3	4	H (12)	<ul style="list-style-type: none"> Quarterly reporting against WDC financial performance targets. Regular informal meetings between Inframax and the Shareholders Investment Committee to monitor past and future performance and issues. 	3	4	H (12)	L	<ul style="list-style-type: none"> Six monthly reporting of performance by Inframax to ARC against its Annual Statement of Intent and performance and risks Establish policy based rationale for continued ownership of Inframax. 	Council	GM - Corp. S	
3.3	Financial policies & procedures are not adequately monitored, implemented or complied with.	Resulting in: <ul style="list-style-type: none"> Legislative non-compliance, possibility of fraud 	3	4	H (12)	<ul style="list-style-type: none"> Internal management control procedures in place to ensure compliance with financial processes and procedures. 	1	4	L (4)	H	<ul style="list-style-type: none"> Monitor effectiveness of current risk controls and treatments on a periodic basis. 	Council	GM - Corp. S	
3.4	Regional shared services do not adequately align with WDCs strategic direction or deliver positive cost benefit.	Resulting in: <ul style="list-style-type: none"> Financial loss due to resource allocation that serves no apparent or actual benefit WLASS alienation 	3	2	M (6)	<ul style="list-style-type: none"> Regional Shared Services are, by definition, developed and agreed through a process of negotiation to endeavour to achieve cross-boundary, TLA member alignment. 	2	2	L (4)	M	<ul style="list-style-type: none"> Monitoring and reporting, as required, on departures from or participation in Regional Shared Services, and the reasons why. 	Council	GM - Corp. S	

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4 TECHNOLOGY														
4.1	Cyber Security breach as a result of unauthorised access.	Resulting in: <ul style="list-style-type: none"> Reputational damage Financial Loss Loss of information 	5	4	Extreme (20)	<ul style="list-style-type: none"> ICT security practices include: <ul style="list-style-type: none"> Remote and automatic daily back-up of all data Information management policies in place ICT acceptable use policy in place and monitored Confidential document destruction service ICT incident management process established to manage breaches and potential issues 	3	3	M (9)	M	<ul style="list-style-type: none"> Monitor effectiveness of current risk controls and treatments on a periodic basis. Undertake independent baseline securities and policies assessment. 	Council	GM - Corp. S	
4.2	Not keeping up with technological change at the customer and internal services interface	<ul style="list-style-type: none"> Lost opportunities for technology driven improvements to service delivery Privacy breaches Confidentiality breaches Non-compliance with legislative requirements Reputational harm /loss of stakeholder trust Operational downtime and productivity loss bringing about inefficiencies Ineffective and inefficient productivity through the use of outdated technology Outdated programmes 	3	3	M (9)		3	3	M (9)	M	<ul style="list-style-type: none"> Review the effectiveness of current risk controls and treatments and identify interventions to address gaps 	Council	GM - Corp. S	
4.3	Inadequate investment in WDC's ICT (technological & human resources)		3	3	M (9)	<ul style="list-style-type: none"> Financial resourcing capacity requirements for technology are adequately provided for in the LTP. Off-site back-up resource 	3	3	M (9)	H	<ul style="list-style-type: none"> Review the effectiveness of current risk controls and treatments and identify interventions to address gaps. Investigate resourcing options for driving changes necessary to maintain WDC's ICT up to date and relevant to organisational and customer needs. 	Council	GM - Corp. S	

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4.4	Inadequate HR market for the supply of technical skills required to implement ICT requirements.	<ul style="list-style-type: none"> Reliance on outsourcing of core ICT service requirements. Lost time due to unavailability of service, or misalignment of a coordinated approach to ICT system implementation and servicing 	3	4	H (12)	<ul style="list-style-type: none"> Employment packages that recognise competitive regional market for the supply of the required ICT implementation skills Succession and business continuity planning 	2	3	M (6)	M	<ul style="list-style-type: none"> Monitor effectiveness of current risk controls and treatments on a periodic basis. 	Council	GM - Corp. S	

5 INFRASTRUCTURE														
5.1	Infrastructural assets do not meet current or future levels of service requirements and are not being renewed or managed efficiently.	<p>Resulting in:</p> <ul style="list-style-type: none"> Reputational damage Financial loss Reduced services Inhibited economic development Decline in levels of service Resource consent requirements not met Increased risk to public safety Decline in asset value. 	4	4	H (16)	<ul style="list-style-type: none"> Asset management plans ensure that infrastructure are reviewed 3-yearly to identify a prioritised, forecast work programme based on age, condition and performance of assets to ensure the agreed level of service delivery is provided Regular monitoring reports on the annual work programme to ensure the programme is achieved Every three years, through the LTP process, there is a formal review of asset management plans and funding provisions, agreeing acceptable level of reliability/risk profile, alignment with objectives and financial viability Independent external review, audit, and input into asset plans and peer reviews of project scopes Implementation of identified 3-yearly improvements to asset management plans. Training for effective asset management processes. 	2	2	L (4)	H	<ul style="list-style-type: none"> Monitor effectiveness of current risk controls and treatments. 	Council	GM - IS	
5.2	Infrastructural asset capacity or condition does not support overall WDC objectives and does not support the delivery of service outcomes	<ul style="list-style-type: none"> Reputational damage Financial loss Reduced services Inhibited economic development Decline in levels of service Resource consent requirements not met Increased risk to public safety Decline in asset value. 	4	4	H (16)	<ul style="list-style-type: none"> Asset management plans ensure that infrastructure are reviewed 3-yearly to identify a prioritised, forecast work programme based on age, condition and performance of assets to ensure the agreed level of service delivery is provided Regular monitoring reports on the annual work programme to ensure the programme is achieved Every three years, through the LTP process, there is a formal review of asset management plans and funding provisions, agreeing acceptable level of reliability/risk profile, alignment with objectives and financial viability Independent external review, audit, and input into asset plans and peer reviews of project scopes Implementation of identified 3-yearly improvements to asset management plans. Training for effective asset management processes. 	2	2	L (4)	H	<ul style="list-style-type: none"> Monitor effectiveness of current risk controls and treatments. 	Council	GM - IS	

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6 BUSINESS CONTINUITY														
6.1	Damage to critical WDC infrastructure and buildings following a natural disaster such as earthquake, fire, flood	Resulting in: <ul style="list-style-type: none"> Potential damage to social wellbeing (public health, access etc.) 	4	4	H (16)	<ul style="list-style-type: none"> Three yearly review of asset management plans to improve identification of critical assets and prepare programmes to increase resilience to man-made and natural disasters. Provision of duplicate services where practicable for critical assets. Regular testing of back-up systems for business function. Business continuity plans Investigations underway to identify an alternative water supply for Te Kuiti due to the recent experience highlighting instability of soils in the Mangaokewa Stream catchment. 	3	3	M (9)	M	<ul style="list-style-type: none"> Undertake site specific risk audits of critical infrastructure and buildings and prepare risk management/retreat plans. 	Council	GM - IS	
6.2	Damage to critical infrastructure and buildings following a manmade disaster such as explosion, fire, etc.	<ul style="list-style-type: none"> Reputational damage, Financial loss Reduced services or failure to deliver agreed services Inability to return to business as usual in a timely manner 	3	4	H (12)		3	3	M (9)	M	<ul style="list-style-type: none"> Undertake site specific risk audits of critical infrastructure and buildings and prepare risk management plans. 	Council	GM - IS	
6.3	Business function is significantly interrupted due to a lack of business continuity planning and organisational resilience.	<ul style="list-style-type: none"> Loss of service delivery while continuity issues addressed Inefficiencies in recovery operation Failure to achieve expected business outcomes 	4	4	H (16)		3	4	H (12)	M	<ul style="list-style-type: none"> Develop business continuity plans 	Council	GM - Corp. S	
6.4	Critical IT infrastructure failure		3	4	H (12)		3	4	H (12)	L	<ul style="list-style-type: none"> Develop business continuity plans 	Council	GM - Corp. S	

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7 PROJECT/ CONTRACT DELIVERY														
7.1	Inability to attract contestable contractor market	Resulting in: <ul style="list-style-type: none"> Cost inefficiencies due to non-competitive pricing Limited contractor innovation Delay in completion of projects due to unavailability of contractors. 	3	4	H (12)	<ul style="list-style-type: none"> Preparation of 3-yearly review of procurement strategy for NZTA subsidised roading works Procurement planning - timing works to optimise availability of contractor market 	2	3	M (6)	H	<ul style="list-style-type: none"> Establish market availability at procurement planning stage, through direct engagement or stepped RoI, RFP, RFT. 	Council	GM - IS	
7.2	Poor performance by contractor (contracts over \$50,000)	Resulting in: <ul style="list-style-type: none"> Financial loss Reduced levels of service. Reputational damage. Inefficient and ineffective use of resources (financial, technological, human) Legal proceedings against WDC. 	3	4	H (12)	<ul style="list-style-type: none"> Use of appropriate price and quality attributes at tender proposal stage Investigate track record and relevant experience of tenderers. Obtain references Examine pricing to confirm realistic value 	1	3	L (3)	VH	<ul style="list-style-type: none"> Monitor effectiveness of current risk controls and treatments. Introduce contract management training for relevant staff. Improve consistency and standard of contract documentation - design drawings, specification and schedules 	Council	GM - IS	
7.3	Lack of staff capacity or capability to manage external contracts.	Resulting in: <ul style="list-style-type: none"> Financial loss Reduced levels of service Poor or delayed delivery of outputs Loss of public confidence Loss of confidence from contractors Potential contractual disputes 	3	4	H (12)	<ul style="list-style-type: none"> Fit for purpose project structure incorporating mix of project, technical and contract management skills. Expenditure and progress monitoring and reporting with intervention if necessary. Supplementary technical skills obtained for areas lacking technical expertise 	2	2	L (4)	H	<ul style="list-style-type: none"> Increase staff training in contract management. Develop contract management procedures. 	Council	GM - IS	
7.4	Major unforeseen project expenditure creates a significant overspend.	Resulting in: <ul style="list-style-type: none"> Financial loss Reduced levels of service Reduction of budgets Loss of public confidence 	3	3	M (9)	<ul style="list-style-type: none"> Structured pre-construction project planning - scoping, investigation of options, preliminary design, costing, procurement, construction. Procurement plan sign-off. Budget offset reallocation 	2	2	L (4)	M	<ul style="list-style-type: none"> For larger contracts (>\$50,000). More emphasis on investigation and reporting stage ahead of budgeting. 	Council	GM - IS	

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7.5	Inadequate Health and Safety procedures and measures in place for physical works projects.	Resulting in; <ul style="list-style-type: none"> Occupational death, injury or illness experienced by staff, contractors, volunteers or members of public Prosecution procedures commenced against Non-compliance with some or all of the legislation Loss of public confidence 	3	4	H (12)	<ul style="list-style-type: none"> SHE contractor pre-qualification process, contract monitoring and control. Hazard identification and documentation Site inductions, audits and inspections Contract specific safety plans Practising the plan KPI reporting Incident Reporting Contractor Public Liability insurance. 	2	4	M (8)	H	<ul style="list-style-type: none"> Develop health and safety workplace culture Monitor & review effectiveness of current risk controls and treatments 	Council	GM - IS	
7.6	Potential environmental impacts are not adequately managed.	Resulting in; <ul style="list-style-type: none"> Non-compliance with some or all of the legislation Legal proceedings against WDC Loss of public confidence 	3	3	M (9)	<ul style="list-style-type: none"> Obtaining all necessary resource consents before starting work. Requiring contractors to provide environmental management plans before starting work. Establishing a complaints register and investigating all complaints. Monitoring of work. Training of staff in safe environmental practices and consent compliance reporting. 	1	3	L (3)	H	<ul style="list-style-type: none"> Monitor effectiveness of current risk controls and treatments Require contractors to demonstrate compliance with conditions of consent 	Council	GM - IS	

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8 LEGAL & REGULATORY														
8.1	Failure to meet legislative, regulatory or policy requirements	Resulting in: <ul style="list-style-type: none"> Non-compliance with some or all relevant legislation Regulatory infringement Loss of public confidence Significant financial loss Prosecution proceedings 	2	4	M (8)	<ul style="list-style-type: none"> Review of LGNZ and SOLGM analysis of new legislation. Legal advice Pre-audit of draft LTP. LGNZ/SOLGM advice and guidelines. 	1	4	L	VH	<ul style="list-style-type: none"> Monitor effectiveness of current risk controls and treatments. 	Council	GM - Corp. S	
8.2	New legislation imposes additional financial compliance and reporting requirements that are not met	Resulting in: <ul style="list-style-type: none"> Qualified Annual Report Loss of public confidence Increased costs of compliance Additional demands on resources 	2	4	M (8)	<ul style="list-style-type: none"> Review of LGNZ and SOLGM analysis of new legislation. Legal advice Pre-audit of draft LTP. LGNZ/SOLGM advice and guidelines. 	1	4	L	VH	<ul style="list-style-type: none"> Monitor effectiveness of current risk controls and treatments. 	Council	GM - Corp. S	
8.3	Significant harm or death is caused to WDC employees or others present from time to time at WDC work places due to poor or inactive health & safety procedures, noncompliance with legislative requirements or inadequate management.	Resulting in: <ul style="list-style-type: none"> Occupational injury, illness or death, experienced by staff, elected members, contractors, visitors volunteers or members of public Regulatory or court action commenced against WDC Non-compliance with some or all of the legislation Loss of public confidence Negative and potentially serious outcomes for casualty 	3	4	H (12)	<ul style="list-style-type: none"> Health and Safety Management Framework Health & Safety Policies, Procedures & Guidelines Workplace audits, inspections & monitoring Local government contractor pre-qualification Health & Safety Committee Hazard identification and documentation H & S induction processes Contract safety plans, monitoring and post-contract review Training and reward for correct behaviour. KPI reporting Contractor Public Liability insurance. 	2	4	M (8)	H	<ul style="list-style-type: none"> Monitor and review effectiveness of current risk controls and treatments Develop a culture of health and safety Ensure all staff receive appropriate training in safe work practices relevant to WDC 	Council	GM - Comm. S	

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9 HUMAN RESOURCES														
9.1	Business outcomes are significantly impacted due to inability to attract appropriately skilled staff	Resulting in: <ul style="list-style-type: none"> Lack of workforce stability Pressure on staff as workload increase is spread Staff retention issues Service delivery compromised Lack of internal capability for key competency sets Over-reliance on contractors and Consultants 	3	3	M (9)	<ul style="list-style-type: none"> Use of contractors with skill sets required for specific projects Use of employment incentives to attract and retain skilled staff from a regional market Remuneration policy relevant to the employment market 	2	3	M (6)	H	<ul style="list-style-type: none"> Ensure appropriate resource capacity is in place relevant to business needs Development and use of shared services opportunities Monitor and review effectiveness of current risk controls and treatments. Develop an HR Strategy Marketing of district attributes to attract younger families offering skilled staff 	Council	GM – Comm. S	
9.2	Business outcomes are significantly impacted due to inability to retain appropriate staff	<ul style="list-style-type: none"> Erosion of leadership role Outcomes not fit-for purpose and/or not cost effective External opportunities lost Non-compliance with LGA decision making requirements 	3	3	M (9)	<ul style="list-style-type: none"> Workplace Health & Wellness Programme Personal Development Policy Succession planning Resource sharing – e.g. WLASS 	2	3	M (6)	H	<ul style="list-style-type: none"> Monitor and review effectiveness of current risk controls and treatments. Ensure adequate budgets are in place to attract, train and retain skilled staff Develop employee retention strategy 	Council	GM – Comm. S	
9.3	Business outcomes are significantly impacted due to inability to train and develop appropriate staff from available budget	<ul style="list-style-type: none"> Lack of advancement or diversity opportunities at WDC Lack of succession planning Organisational capacity to respond to work flow in an effective and timely manner is compromised 	3	3	M (9)	<ul style="list-style-type: none"> Professional development targeted to role specific needs Provision in LTP for adequate human resource budget and capability corresponding to business needs Resource sharing (e.g. WLASS) 	2	3	M (6)	H	<ul style="list-style-type: none"> Ensure adequate budgets are in place to attract, train and retain skilled staff Further develop opportunities for resource sharing to achieve effectiveness & efficiency gains, reduce duplication, of effort and to promote and contribute to the development of best practice 	Council	GM – Comm. S	

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10 CIVIL DEFENCE AND EMERGENCY MANAGEMENT														
10.1	Inadequate provision is made to meet WDC's requirements for the 4 Rs	Resulting in: <ul style="list-style-type: none"> Breach of Civil Defence Emergency Management Act 2002. Reputational Damage Reduced services Lack of leadership or structured delivery during and after an event Heightened risk of endangerment of community and property Loss of community confidence in WDC's role Loss of emergency services' and lifeline partners' confidence in WDC's role Inability to return to business as usual in a timely manner Loss of service delivery while continuity issues are addressed 	3	4	H (12)	<ul style="list-style-type: none"> CDEM Response and Recovery Plan in place Emergency management team (WDC) in place. Local Controller and Recovery Manager appointed Waikato Region Emergency Management Group EDL established and resourced Lifelines identified in relevant asset management plans and projects to increase resilience Limited hazards identification as part of District Plan review 	2	3	M (6)	M	<ul style="list-style-type: none"> Improve the resilience of the WDC EMC to ensure earthquake protection and continuity of essential services (power, water, sanitary, ICT) over a sustained period Commit to training of emergency management staff Develop shared service arrangement – Western Waikato emergency operating area 	Council	GM - CS	

Document No: A460183

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



Meeting Date: 11 February 2020

Subject: **Financial and Non-Financial Report to 31 December 2019**

Type: Information Only

Purpose of Report

1.1 The purpose of this business paper is to present the financial and non-financial results for the period ended 31 December 2019.

Background

2.1 The period covered by this report is 1 July 2019 to 31 December 2019.

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 31 December 2019.
- **Summary Balance Sheet** with comments detailing significant balance sheet movements from 1 July 2019 to 31 December 2019.
- **Capital Expenditure** summary with commentary on material variances of expenditure for the period compared with the EAP 2019/20.
- **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**.
- **Balance Sheet** as at 31 December 2019 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).

Financial Report to 31 December 2019

3.1 INCOME STATEMENT HIGHLIGHTS

3.2 Set out below is the summary of financial information for the period ended 31 December 2019. Detailed Cost of Service Statements are attached as Appendix 1.

FINANCIAL HIGHLIGHTS (Amounts in \$000's)	Actual 2018/19	EAP Budget 2019/20	YTD Budget 2019/20	YTD Actual 2019/20	Variance 2019/20	% Variance
Total Expenditure						
- Direct Operating	16,133	17,042	8,827	7,836	(991)	
- Indirect Operating	12,434	13,291	6,645	6,326	(319)	
Total Expenditure	28,567	30,333	15,472	14,162	(1,310)	-8%
Total Revenue						
- Operating Revenue	(13,586)	(14,920)	(6,654)	(6,615)	39	
- Rates Revenue	(19,905)	(20,538)	(10,269)	(10,266)	3	
Total Revenue	(33,491)	(35,458)	(16,923)	(16,881)	42	0%
Net Operating Cost/(Surplus)	(4,924)	(5,125)	(1,451)	(2,719)	(1,268)	87%
Other Comprehensive Revenue and Expense						
- Revaluation of Property, plant and equipment	0	(6,004)	0	0	0	
-(Gains)/Losses from Cash Flow Hedges	727	0	0	0	0	
- Revaluation of available for sale assets	365	0	0	0	0	
Total Other Comprehensive Revenue and Expense	1,092	(6,004)	0	0	0	
Total Comprehensive Revenue and Expense	(3,832)	(11,129)	(1,451)	(2,719)	(1,268)	87%

3.3 **Net Operating Surplus:** The net operating surplus of \$2,719,000 was \$1,268,000 more than budget for the period ended 31 December 2019. The Cost of Service Statements for each activity are included as Appendix 1.

3.4 **Total Expenditure** was \$1,310,000 less than budget for the period ended 31 December 2019.

- **Direct operating expenditure** was \$991,000 less than budget. The main contributors to this variance in order of magnitude are:
 - Sewerage: \$285,000 less as expenditures for chemicals, electricity, and plant and reticulation maintenance costs were less than budget.
 - Roads and Footpaths: \$227,000 less than budget for unsealed pavement maintenance, drainage maintenance, network and asset management costs, professional fees and structures maintenance.
 - Community Development: \$185,000 less due to timing of expenditure relating to community grants and district promotions costs.

- **Indirect expenditure** was \$319,000 less than budget:
 - Interest: \$258,000 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.
 - Depreciation: \$62,000 less than budget due to lower than forecast depreciation on assets in the Community Service, Roads and Leadership activities.

3.5 **Total Revenue** was (\$42,000) less than budget for the period ended 31 December 2019.

- **Operating revenue** \$39,000 less than budget. The main contributors to this variance are:
 - Roads and Footpaths: \$277,000 less than forecast as the subsidy received for maintenance and capital expenditure was less than budget and therefore the associated subsidy revenue is also below budget.
 - Sewerage: \$127,000 less than forecast as the trade waste revenue in Te Kuiti was less than the budget for the period.

This decrease in revenue is offset by:

- Solid Waste Management: \$177,000 more than budget due to an increase in revenue from general refuse charges, green waste, special waste and recovered materials.
- Compliance: \$58,000 more than budget due to higher proceeds for building control and compliance schedule revenues.
- Resource Management: \$54,000 more than budget for resource consent and funding contribution revenues.

3.6 **BALANCE SHEET HIGHLIGHTS**

3.7 Balance Sheet highlights presented below show the movement in Council's financial position from 30 June 2019 to 31 December 2019. The full Balance Sheet is attached as **Appendix 2**.

BALANCE SHEET HIGHLIGHTS (Amounts in \$000's)	Actual Position 30 Jun 2019	Actual Position 31 Dec 2019	Movement from 30 Jun 2019
Assets			
- Cash and cash equivalents	1,819	3,274	1,455
- Receivables	5,097	4,365	(732)
- Other current assets	193	153	(40)
- Other financial assets	11,961	11,958	(3)
- Non-current assets	346,648	346,983	335
TOTAL ASSETS	365,718	366,733	1,015
Liabilities			
- Other Liabilities	5,015	3,339	(1,676)
- Total Borrowings	40,261	40,233	(28)
- Derivative financial instruments	2,522	2,522	(0)
Total Liabilities	47,798	46,094	(1,704)
Equity			
- Equity	317,920	320,639	2,719
TOTAL LIABILITIES AND EQUITY	365,718	366,733	1,015

3.8 Total Assets have increased from \$365.7 million to \$366.7 million.

- Cash and cash equivalents have increased by \$1,455,000 from \$1,819,000 to \$3,274,000.
- Receivables decreased by \$732,000 since 30 June 2019 from \$5.10 million to \$4.37 million. There was a decrease in the receivable from Sundry Debtors and the GST refund receivable at 31 December.
- Other current assets decreased by \$40,000. The decrease is due to disposal of the Queen Street Building which was held as part of the assets held for sale.
- Non-current assets have increased by \$335,000. The increase is due to the net effect of asset additions of \$3,373,000, less depreciation of \$2,919,000 and loss on asset disposal of \$119,000.

3.9 Total Liabilities decreased from \$47.80 million to \$46.09 million.

- Other Liabilities decreased by \$1,676,000 due to a general decrease in Payables at 31 December 2019 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 \$28,000 from \$40.261 million to \$40.233 million. The decrease relates to a minor decrease in accrued interest for the period.

3.10 Total equity increased by \$2.72 million to \$320.6 million, which was the total comprehensive revenue and expense for the period.

4.0 CAPITAL EXPENDITURE

4.1 Set out below is the Capital Expenditure budget for the year compared to actual expenditure for the period ended 31 December 2019.

CAPITAL EXPENDITURE SUMMARY (Amounts in \$000's)	EAP 2019/20	EAP 2019/20 plus Prior Years Carryovers	Actual To Dec 2019	Variance Actual to EAP 2019/20 plus Carryovers
Governance: Leadership and Investments				
- Investments	41	41	0	(41)
- Corporate Support	877	1,453	380	(1,073)
Community Service				
- Parks and Reserves	192	309	66	(243)
- Housing and Other Property	142	149	12	(137)
- Recreation and Culture	207	444	303	(141)
- Public Amenities	460	908	134	(774)
Community Development				
- District Development	2	2	0	(2)
Solid Waste Management				
- Landfill Management	1,046	1,296	281	(1,015)
Stormwater				
- Urban	138	138	15	(123)
- Rural	5	5	0	(5)
Sewerage				
- Te Kuiti Sewerage	337	452	28	(424)
- Te Waitere Sewerage	15	15	3	(12)
- Maniaiti / Benneydale Sewerage	54	54	2	(52)
- Piopio Sewerage	30	30	3	(27)
Water Supply				
- Te Kuiti Water	380	431	76	(355)
- Mokau Water	76	76	45	(31)
- Piopio Water	216	216	20	(196)
- Maniaiti / Benneydale Sewerage	4	4	11	7
Roads and Footpaths				
- Subsidised Roads	7,995	8,592	1,951	(6,641)
- Unsubsidised Roads	166	166	43	(123)
TOTAL CAPITAL EXPENDITURE	12,383	14,781	3,373	(11,408)

5.1 Capital Expenditure was \$3.373 million for the period ended 31 December 2019, of which \$1.994 million (59%) relates to Roads, \$515,000 (15%) related to Community Services, and \$380,000 (11%) relates to Leadership.

5.2 Capital expenditure budgets are listed in the table above and projects detailed in the commentary that follows. It should be noted that "Unspecified" renewal/upgrade budgets are forecast for expenditure to be incurred on an 'as needed' basis only.

5.3 GOVERNANCE: LEADERSHIP AND INVESTMENTS

5.4 Corporate Support:

- Investments (Budget \$41,000) for Safety improvements to WDC owned quarries: No expenditure to date.
- Corporate Support (Budget \$877,000 and carry over \$575,600):

- Expenditure to date \$345,000 for fleet vehicle replacements, improvements and upgrades in Information Services and Records Management.
- Earthquake strengthening and renewals of Queen Street Administrative and Civil Defence building. Expenditure to date is \$34,900 for investigation work and minor renewals.

5.5 COMMUNITY SERVICE

5.6 Parks and Reserves:

- Park renewal expenditure and Brook Park development (Budget \$60,000 and carry over budget of \$53,300). Minor expenditure to date for Brook Park fencing renewals and miscellaneous picnic table renewals.
- Netball courts renewals (no budget). The project is fully funded by grant revenue from Grassroots Trust Limited for \$49,900. \$30,000 expenditure to date.
- Renewal expenditure for Jetties and development of coastal reserves (Budget \$101,000 and carry over of \$34,200). Te Maika Jetty safety remedial work which was deferred from 18/19 year is programmed for this financial year. \$11,000 expenditure to date.
- Playground renewals (Budget \$30,600 and carry over budget \$30,000): The existing timber tower has been removed at Redwood Park playground and the remainder of works to be completed by the end of February 2020. Expenditure to date is \$15,600.

5.7 Housing and Other Property:

- Elderly persons housing renewals and miscellaneous building renewals (Budget \$36,800 and carry over of \$6,500). Three units at Redwood Flats are still to be renovated which are usually completed between tenancies (with one unit being renovated in the next quarter). Minor expenditure has been completed to date for building renewals at 4 Moa Street, Piopio.
- Campground improvements and renewals (Budget \$50,000): Extension of drainage at rear of the Te Kuiti Holiday park is now completed with costs still to be recognised for this [work\[TH1\]](#).
- Railway Building Complex Building renewals and improvements (Budget \$55,200): The pricing of the flooring remedial works is underway. No expenditure to date.

5.8 Recreation and Culture:

- Library Book Renewals (Budget \$49,000 and carry over \$2,800): Expenditure to date \$26,300.
- Library technology and building renewals (Budget \$10,700 and carry over \$23,700): No expenditure to date.
- Aquatic centre renewals (Budget \$21,400 and carry over of \$8,500): Expenditure of \$20,500 is for the replacement of pool covers, lane ropes and shade sails.

- Les Munro Centre renewals (Budget \$30,600 and carry over \$60,000). Expenditure to date of \$21,300 is mainly for replacement of stage curtains and sound system.
- Aerodrome safety improvements (Budget \$50,000 and carry over \$142,000): Expenditure to date of \$184,900 has been for the new access way and automatic gates. The improvements include an upgraded entranceway, new road to rear of hangers, fencing, drainage and partial runway resurfacing. Chip sealing to the road and the partial resurfacing of the runway are still underway for the fog coat to be applied to the two ends of the runway.
- Aerodrome runway and taxiway renewals (Budget \$45,000): Expenditure to date of \$49,600 for both extension of the runway and taxiway.

5.9 Public Amenities:

- Mokau Public Toilets (Carry over \$320,000): Minor expenditure of \$10,400 has been incurred. This project is part funded by grant revenue from the Ministry of Business, Innovation and Employment (MBIE) for \$160,000. The site of the toilets is still to be confirmed.
- Waitomo Village Public Toilets (Budget \$326,400): No expenditure to date.
- Kiritehere and Waikawau Public Toilets (Budget Nil): This project is for the replacement of toilets at these two coastal locations and will be part funded by the Ministry of Business, Innovation and Employment, through their Tourism Infrastructure Fund (TIF). Expenditure to date is \$76,000.
- Te Kuiti toilet renewal and other minor toilet renewals (Budget \$23,000 and carry over \$53,800): \$37,900 expenditure to date for Tui Park toilet renewals.
- Te Kuiti Cemetery development and access way renewals (Budget \$55,500 and carry over \$52,600): Minor expenditure to date of \$4,300.
- Unspecified cemetery renewals (Budget \$15,600 and carry over \$15,000): No expenditure to date.
- Street furniture and public carpark renewal expenditure including security camera renewals (Budget \$38,600 and carry over \$7,000): Minor expenditure to date for the security camera renewal.

5.10 COMMUNITY DEVELOPMENT

- I-SITE technology renewal (Budget of \$2,000): No expenditure to date.

5.11 SOLID WASTE MANAGEMENT

- Resource Consent [WLR2] and Cell Development for volume expansion at the Landfill: \$152,000 of the 19/20 budget was utilised in the 18/19 year for obtaining the resource consent leaving a remaining budget of \$623,900. Expenditure to date is \$27,400. The resource consent was granted with additional conditions. Additional expenditure will need to be spent this financial year for the installation of additional monitoring equipment and an assessment of the stability (or otherwise) of the toe of the landfill bund. [WLR3]
- Purchase of carbon credits required under the Emissions Trading Scheme (Budget \$250,000 and carry over \$250,000). Carbon Credits to the value of \$240,000 has been purchased and are held as an intangible asset to satisfy surrender obligations for operation of the landfill based on the volume of refuse disposed. The surrender is completed in May of each year.

- High Wall Shaping (Budget \$10,300): This work primarily involves removing material and making safe the hill area above the landfill old quarry cliff face. There has been no expenditure to date.
- Minor transfer station renewals (Budget \$10,000). \$10,000 expenditure on minor renewals at the landfill.

5.12 STORMWATER

- Piping of open drains (Budget \$10,000): No expenditure to date.
- Storm water renewals: This budget is used for emergency works relating to minor and rehabilitation renewals. Minor expenditure to date.
- Rural Storm water renewals (Budget \$5,000). No expenditure to date.

5.13 SEWERAGE

- Te Kuiti Waste Water treatment plant renewals (Budget \$110,800 and carryover of \$9,000): Minor expenditure to date.
- Te Kuiti Waste Water bulk lime silo installation (carry over \$105,000): No expenditure to date.
- Te Kuiti Reticulation and Pump Station renewals (Budget \$227,200): Planned works include the upgrade of the pump-station at Waitete Road (for corrosion protection) and reticulation (electrical) upgrade at Tammadge Street which will commence in the second half of the year. Minor expenditure to date.
- Te Waitere Sewerage treatment plant and reticulation (Budget \$15,400): Minor expenditure to date.
- Maniaiti/Benneydale treatment plant and reticulation renewals (Budget \$53,600): Planned works include adding an outflow measurement device, replacing the pump and planting the wetland in the area. Minor expenditure to date.
- Piopio reticulation and unplanned pump renewals (Budget \$30,100): Chemical dosing system will be installed during the year. Minor expenditure to date.

5.14 WATER SUPPLY

- Te Kuiti Water Treatment plant renewals (Budget \$57,700 and carry over \$51,000): Planned works include filter 1 and 2 underdrains, turbidity meter installation and painting the outer side of the clarifier. Expenditure of \$27,000 has been spent to date.
- Te Kuiti reticulation and pump station renewals (Budget \$248,000): Planned works include renewal of gantry beam at Rata Street pump station and reticulation renewals for Tawa Street. Expenditure for the period was \$48,200.
- Reservoir Seismic Strengthening (Budget \$22,600): No expenditure incurred to date.
- Alternative water supply investigation for Te Kuiti (Budget \$51,300): Minor expenditure to date.

- Mokau Water reticulation and plant renewals (Budget \$76,200): Planned works include pipework at treatment plant to accommodate the changes in chemical dosing. Expenditure of \$44,600 has been incurred to date for treatment plant monitoring and backflow preventer improvements.
- Piopio Water reticulation renewals and treatment plant renewals (Budget \$215,800): Planned works include alteration of sludge treatment plant to comply within consent conditions and a detailed design of the trunk main line to the new reservoir. Minor expenditure to date of \$19,600.
- Maniaiti/Benneydale Water reticulation renewals and plant renewals (Budget \$3,600). Expenditure to date of \$11,400 for valve and actuator replacement UV sensors, and instrumentation connection to scada.

5.15 ROADS AND FOOTPATHS

5.16 Subsidised Roads

- Minor improvements (Budget \$664,000 and carry over \$499,000) for Te Waitere Slip repairs. Expenditure of \$37,400 incurred for the period for professional services to date.
- Te Kuiti railway overbridge project (Budget \$1,200,000): Expenditure to date has been for design work of \$121,000.
- Footpath renewals and improvements (Budget \$531,000 and carry over \$98,000): Expenditure to date has been \$450,000 to complete the Footpaths and associated Works Contract.
- Drainage renewals (Budget \$255,000): Expenditure for the period was \$44,000.
- Pavement rehabilitation (Budget \$2,058,300): Expenditure for the period was \$603,000 including a final payment of \$566,000 for physical works from the 2018/19 contract and \$30,000 for professional services. A new Road Pavement Rehabilitation 2019/20 – 2020/21 contract is in the tender development phase. Planned works include road rehabilitation of six sections of road including Papakauri Rd, Somerville Rd, Totoro Rd and Taharoa Rd.
- Sealed road surfacing (Budget \$1,395,100): Annual Road resealing is planned for approximately 37km of roads within the district, being 8% of the network. This work, which requires warm, settled weather, is scheduled to begin in January 2020. Expenditure to date of \$4,000 for pre-seal testing in December 2019.
- Structures component replacements and bridge maintenance (Budget \$408,800): Expenditure to date of \$13,000 for professional fees. A new structural Bridge repair contract 2019/20 – 2020/21 is in the tender development phase.
- Traffic services renewals (Budget \$153,300): Expenditure for the period was \$50,000 which included \$40,000 for traffic signs renewals.
- Unsealed road metaling (Budget \$613,200): Expenditure for the period was \$610,000. This expenditure is seasonal and best completed in the wet winter months.
- Emergency reinstatement (Budget \$715,400): This funding is used as needed and may only be accessed for storm events with a total damage greater than

\$100,000. Expenditure of \$17,000 has been spent to date on minor repairs outstanding from the August 2017 storm events.

5.17 Unsubsidised Roads

- Unspecified retaining wall renewals and road improvements not eligible for subsidy (Budget \$166,000): Expenditure to date is \$43,000 including expenditure on the development of more parking spaces at the Mokau boat ramp and at the Te Waitere Cemetery.

6.0 TREASURY REPORT

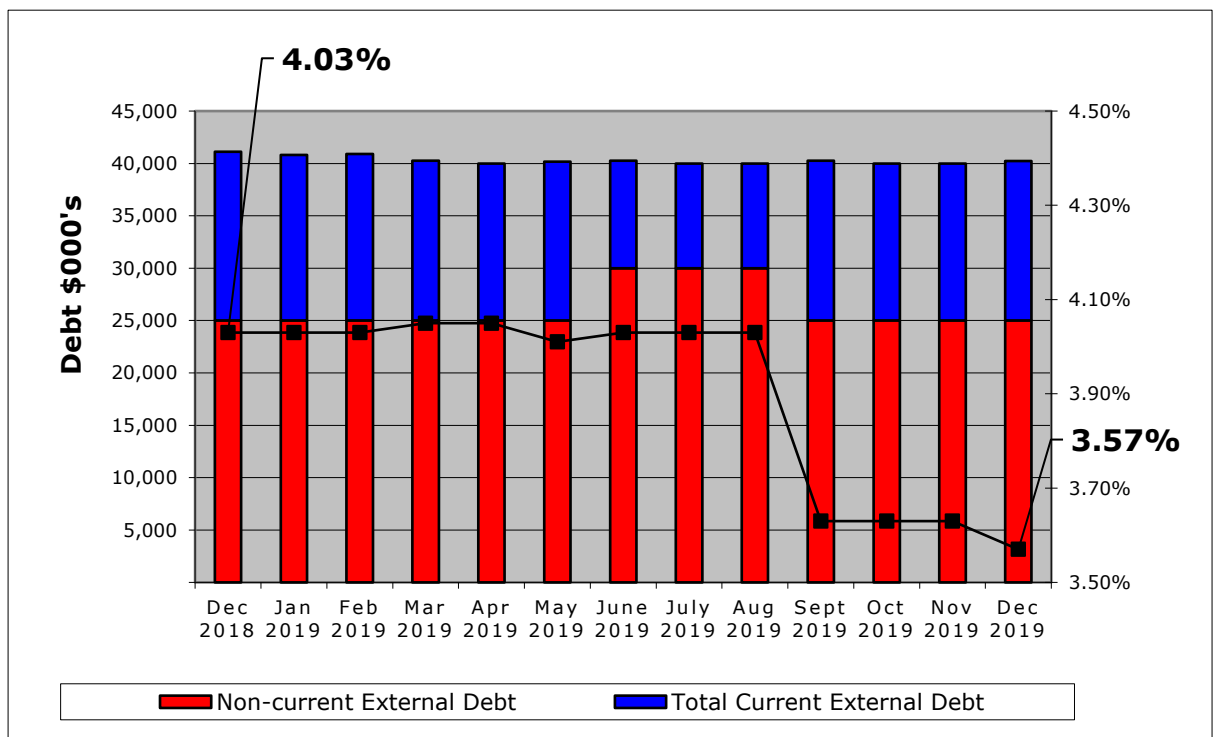
6.1 Set out in the following sections is the Treasury Report which provides details on Council’s public debt position and debt financing costs.

6.2 CASH POSITION

6.3 Council’s cash position at 31 December 2019 was \$3,274,000 in funds, at 30 June 2019 it was \$1,819,000. Included in the cash balance was \$470,000 of 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 December 2019. The trend line overlaid is the effective weighted average interest rate currently being paid on all loans.



6.6 At 31 December 2019 the effective weighted average interest rate for all loans excluding accrued interest and Call Advance facility costs was 3.57%, a decrease from 30 June 2019 when it was 4.03%.

6.7 The reason for the decrease was due to 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 and two tranches of Commercial Paper were renewed at a

reduced interest rate. Of the debt portfolio \$15 million is now on a floating interest rate exposure and \$25 million is effectively fixed.

6.8 PUBLIC DEBT POSITION COMPARISON TO BUDGETS

6.9 Forecasted public debt at 30 June 2020 in the EAP 2019/20 is \$44,140,000 [WLR4]. Actual public debt at December was \$40,233,000, however much of the capital programme is still to be spent.

6.10 WHOLESALE ADVANCE FACILITY (Call Advance Facility)

6.11 Council has a Call Advance facility with Westpac with a facility limit of \$10 million, with an expiry date of 1 July 2020.

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

6.13 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 31 December the rate charged was 2.20%. [WLR5]

6.14 The facility is used to finance capital expenditure prior to a loan draw down, (such as a Floating Rate Note or Fixed Rate Bond) or to meet Council's working capital requirements between each of the quarterly rates instalments.

6.15 At 31 December 2019 there was no draw down of the facility.

6.16 DETAILS OF LOAN PORTFOLIO

6.17 The following table records the public debt position and the key dates for each loan as at 31 December 2019. 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.

At 31 December 2019	Interest Rate Exposure	Loan Start Date	Loan Maturity Date	Effective Interest Reprice Date	Loan Balance	Effective Interest Rate
Current Loans						
Accrued Interest					233,261	0.000%
Call Advance	Floating		1/07/2020		0	2.200%
LGFA: Commercial Paper	Floating	30/07/2019	28/01/2020	28/01/2020	5,000,000	1.640%
LGFA: Commercial Paper	Floating	19/11/2019	18/05/2020	18/05/2020	5,000,000	1.435%
LGFA: Floating Rate Note	Hedged	19/06/2017	10/09/2020	11/09/2020	5,000,000	4.260%
Total Current Loans					15,233,261	
Non-current Loans						
LGFA: Floating Rate Note	Hedged	18/07/2018	18/04/2022	20/04/2020	5,000,000	4.915%
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	28/02/2020	5,000,000	1.820%
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					25,000,000	
Total Public Debt					40,233,261	3.57%
Cash & Liquid Investments						
Cash Held on Trust for Retention Obligations					470,000	
Call Deposits					1,500,000	
Cash					1,304,276	
Total Cash & Liquid Investments					3,274,276	

Public Debt Net of Investments					36,958,985
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6.18 Total public debt was \$40,233,261 and cash assets were \$3,274,276 at December 2019 giving a net debt position of **\$36,958,985**.

6.19 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.

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

6.21 TREASURY EVENTS SINCE 31 DECEMBER 2019

6.22 This treasury report portrays the debt position of Council at 31 December 2019.

6.23 Since that date to the date of this report, a \$5 million Commercial Paper matured on the 28 January 2020 and was repaid from funding of \$2 million cash held on call deposit and the issue of a new Commercial Paper for \$3 million for six months.

6.24 INTEREST COSTS

6.25 The total actual interest paid for the period was \$739,000 against the budget of \$997,000; **\$258,000** (or 26%) **less** due to a lower debt position and securing better interest rates than forecast in the EAP.

6.26 COMPLYING WITH FINANCIAL COVENANTS

6.27 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 ^[WLR6]	Limit	Actual to Dec 2019	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%	11%	✓
Net debt to total (cash) revenue will not exceed 170%	170%	Measured at year end	
Net interest will not exceed 20% of annual rates	20%	7%	✓

6.28 FINANCIAL DERIVATIVES AND HEDGE ACCOUNTING

6.29 Included in the balance sheet are valuation amounts for Derivative Financial Instruments (interest rate swaps). The valuation amount is componentised 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 31 December 2019 the value was a total net liability of **\$2,244,000**^[WLR7]. In accordance with the Treasury Policy the interest rate swaps valuation will be recognised in the balance sheet at 30 June 2020 as Derivative financial instruments.

6.30 The notional value of swap contracts in place at 30 June was \$24 million providing current interest rate risk cover plus \$10 million notional value with a future start date.

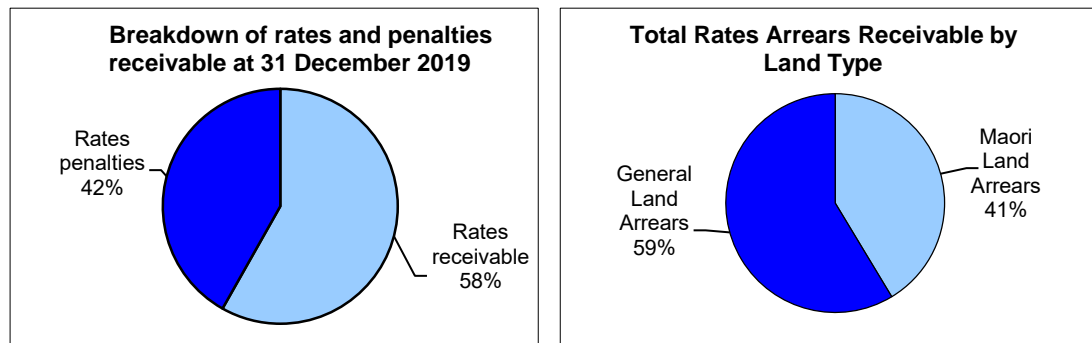
7.1 DEBTORS AND OTHER RECEIVABLES

7.2 Set out below is the summary of Debtors and Other Receivables (i.e. unpaid rates and other debtor amounts owing) as at 31 December 2019 with comparatives from December 2018. Rates receivables exclude rates paid in advance (to give a more accurate picture of the receivables owing).

Receivables (Amounts in \$000's)	As at 31.12.18	As at 31.12.19	(Inc)/Dec \$	(Inc)/Dec %
Rates Receivable	2,382	2,401	(19)	-1%
Rates Penalties	1,685	1,723	(38)	-2%
Rates and Penalties Receivable	4,067	4,124	(57)	-1%
Metered Water Rates	241	239	2	1%
Total Rates receivable	4,308	4,363	(55)	-1%
NZ Transport Agency Subsidy	555	1,527	(972)	-175%
Other Receivables	815	492	323	40%
Other Receivables	1,370	2,019	(649)	-47%
Gross Receivables	5,678	6,382	(704)	-12%
Less Provision for Doubtful Debts	(2,045)	(2,017)	(28)	1%
Total Receivables	3,633	4,365	(732)	-20%

7.3 RATES AND PENALTIES RECEIVABLE (excluding metered water rates)

7.4 There was \$4.1 million of rates and penalties outstanding at 31 December 2019. This amount excludes rates paid in advance on future instalments. This total is made up of rates of \$2.4 million and penalties of \$1.7 million.



7.5 Rates and penalties receivable has increased by \$57,000 since December 2018. Of this increase, rates receivable increased by \$19,000 and rates penalties increased by \$38,000.

7.6 Included in the properties identified as Maori Freehold Land (MFL) there are 25 properties (\$268,500) which were changed to General Land as part of the Maori Affairs Amendment Act 1967. This Act introduced compulsory conversion of Maori Freehold Land with four or fewer owners, into General Land.

7.7 This Act was abolished under the Maori Affairs Amendment Act 1974 following significant protest. This did not however automatically revert the land status back to MFL so a number of these properties are still registered as general land. It is appropriate to classify these properties as MFL for collection purposes, as in practice, Council's ability to collect this debt has similar limitations.

7.8 The following table shows the Total Rates Owing classified by category code (as determined by the Valuation Services Provider (VSP) for valuation purposes). The category code does not always reflect the actual use of the property as the code is assigned by the VSP on the basis of the 'highest and best use' of the property.

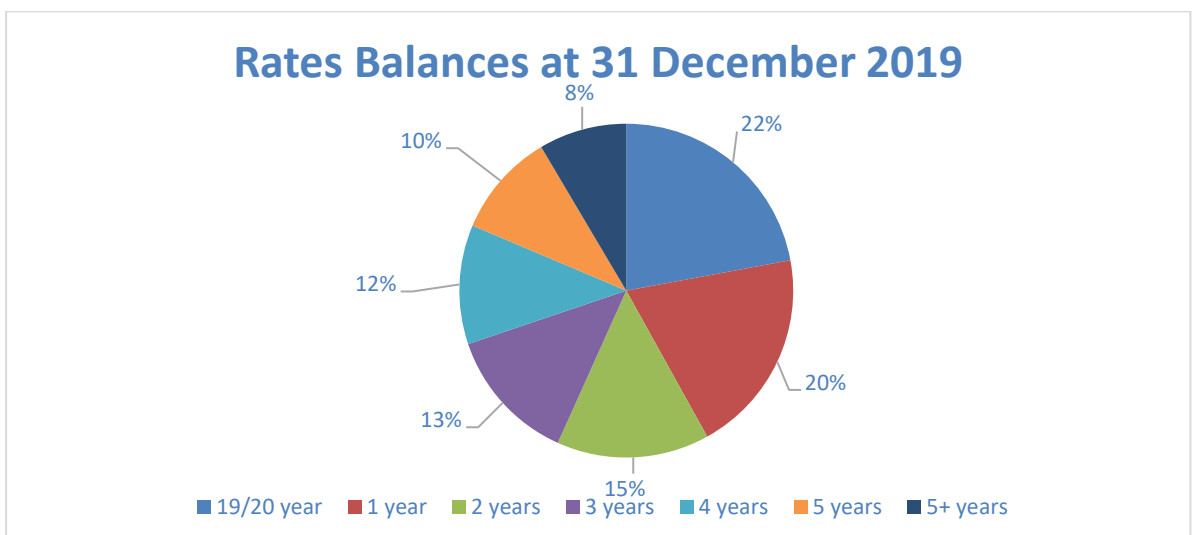
7.9 This table reflects the total balance owing and includes accounts that are making payment by direct debit and by approved payment arrangement.

Category	Total Balance Owing	
	31 December 2019	Number of Properties
Residential	2,163,566	792
Lifestyle	1,049,533	312
Pastoral	431,379	68
Dairy	21,475	9
Utility	771	7
Commercial	66,805	31
Industrial	26,963	10
Forestry	178,332	27
Horticulture	21	1
Other	184,055	40
Mining	880	1
Total	4,123,780	1,298

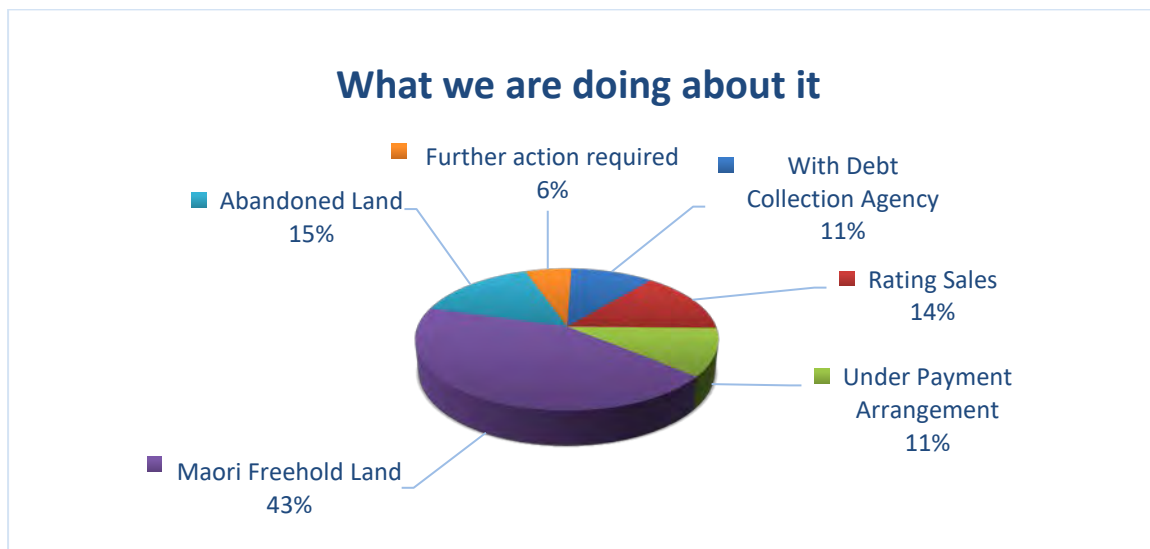
7.10 The table shows that a significant portion of the total rates outstanding relates to Residential and Lifestyle properties. The residential and lifestyle categories also include a number of vacant land sections.

7.11 For the Residential category \$436,000 (81 properties) are Maori Land and \$1,727,000 (711 properties) are General Land. For the Lifestyle Category \$644,000 (75 properties) are Maori Land and \$405,000 (237 properties) are General Land.

7.12 The following graph illustrates the ageing of the rates receivable balance. Of the outstanding balance of \$4.1 million, \$0.9 million (22%) relates to the current year, \$0.8 million (20%) for the 2018/19 year rates and the balance spread across the remaining years in a diminishing fashion.



- 7.13 The outstanding balance of rates is being 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.
- 7.14 For the six months to 31 December 2019, arrears that were outstanding at 30 June 2019 of \$3,760,000 reduced by \$547,000 (15%).
- 7.15 The action being taken on outstanding balances is shown in the following graph:



- 7.16 Of the arrears owing at 31 December 2019:

- \$442,000 (11%) are under some form of payment arrangement
- 18 Properties totaling \$589,000 (14%) have been identified for rating sale. Two properties have been approved by the courts to commence sale of the properties. One property that was previously identified for rating sale sold in November 2019 and the rates arrears were paid in full on settlement (\$17,000).
- \$629,000 of the arrears relates to 30 properties that meet the criteria for abandoned land and are being progressed through the abandoned land process by Council's Debt Collection agency (DMC). The number of properties has reduced slightly since the previous quarter as some properties were reclassified to Maori Freehold Land category for collection purposes (as per section 7.6[TH8]).
- There are currently \$432,000 (Sept 19: \$545,000) of arrears relating to 51 properties lodged with external collection agency for recovery (Sept 19: 77 properties). Over the last quarter :
 - ❖ 19 accounts paid their previous year's arrears in full and are no longer with our Debt Collection Agency
 - ❖ 4 are now on a formal payment arrangement
 - ❖ 4 were reclassified for collection purposes to Maori Freehold Land (due to the Maori Affairs Amendment Act 1967)
 - ❖ 1 new account was lodged with external debt collection for recovery
- A further \$241,000 of arrears requires further action. Staff will make contact with property owners to encourage payment and/or arrangements as appropriate. Towards that end of the rating year they will be sent a final notice

requesting payment and will then be transferred to external debt collection agency for recovery.

7.17 A public notice was placed in the Waitomo News on the 4th and 25th of November 2019 notifying that WDC was offering 5 properties for public tender. The locations for these properties are:

- Ellis Road, Maniaiti/Benneydale
- Broadfoot Place, Te Kuiti
- Rimu Street, Aria (2 properties)
- 12 Murcott Terrace, Maniaiti/Benneydale

7.18 Tenders closed 2 December 2019 and all 5 properties received tenders. Council accepted the highest tender for each property. The rates arrears on the 5 properties totalled \$104,529 and the successful tenders totalled \$86,700.

7.19 The final part of the sale process will be completed in early 2020. Final payment to Council will be net of legal fees, debt collection costs and Waikato Regional Council's share of the proceeds. A remission of any remaining arrears will be processed where applicable following settlement (as per Council's Rates Remission Policy).

7.20 Other Debtors Receivable

7.21 At 31 December 2019 'Other Receivables' totalled \$2.02 million of which \$59,000 was due and owing for more than three months. The three month and over receivables mainly relates to dog registration and dog infringement charges and other minor sundry debtors.

Suggested Resolution

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



ALISTER DUNCAN
GENERAL MANAGER – BUSINESS SUPPORT



TERRENA KELLY
GENERAL MANAGER – STRATEGY AND ENVIRONMENT

29 January 2020

Attachments:

1. Bancorp Treasury Services Limited: Treasury Report for Waitomo District Council for the quarter ended 31 December 2019 A461619
2. Service Performance Report: Key Performance Indicators for 2018-28 Long Term Plan A461857

Appendix 1: Cost of Service Statements

The reasons for variance have been set out in sections 3.4 and 3.5 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	YTD Budget Dec 2019	YTD Actual Dec 2019	Variance Dec 2019	% Variance
Direct Operating Expenditure						
- Leadership	541	546	296	279	(17)	
- Community Service	2,883	2,507	1,358	1,265	(93)	
- Community Development	891	1,997	648	463	(185)	
- Compliance	198	335	162	90	(72)	
- Solid Waste Management	1,408	1,486	618	628	10	
- Stormwater Drainage	185	159	97	78	(19)	
- Resource Management	261	296	116	82	(34)	
- Sewerage	1,545	1,757	922	637	(285)	
- Water Supply	1,734	1,579	820	751	(69)	
- Roads and Footpaths	6,487	6,380	3,790	3,563	(227)	
Total Direct Operating Expenditure	16,133	17,042	8,827	7,836	(991)	-11%
Indirect Expenditure						
- Allocated Costs	4,801	5,300	2,667	2,668	1	
- Interest	1,707	2,035	997	739	(258)	
- Depreciation	5,926	5,956	2,981	2,919	(62)	
Total Indirect Expenditure	12,434	13,291	6,645	6,326	(319)	-5%
TOTAL EXPENDITURE	28,567	30,333	15,472	14,162	(1,310)	-8%
Operating Revenue						
- Leadership	(742)	(860)	(406)	(448)	(42)	
- Community Service	(974)	(687)	(429)	(445)	(16)	
- Community Development	(48)	(29)	(14)	(11)	3	
- Compliance	(514)	(458)	(303)	(361)	(58)	
- Stormwater Drainage	(8)	0	0	(10)	(10)	
- Resource Management	(203)	(190)	(95)	(149)	(54)	
- Solid Waste Management	(1,471)	(1,148)	(574)	(751)	(177)	
- Sewerage	(864)	(882)	(441)	(314)	127	
- Water Supply	(23)	0	0	(11)	(11)	
- Roads and Footpaths	(8,739)	(10,666)	(4,392)	(4,115)	277	
Total Operating Revenue	(13,586)	(14,920)	(6,654)	(6,615)	39	-1%
Rates Revenue						
- General Rate	(3,977)	(4,594)	(2,297)	(2,304)	(7)	
- UAGC	(3,263)	(3,464)	(1,732)	(1,739)	(7)	
- Targeted Rate	(11,811)	(11,599)	(5,800)	(5,814)	(14)	
- Metered Water Rates	(854)	(881)	(440)	(409)	31	
Total Rates Revenue	(19,905)	(20,538)	(10,269)	(10,266)	3	0%
TOTAL REVENUE	(33,491)	(35,458)	(16,923)	(16,881)	42	0%
Net Operating Cost/(Surplus)	(4,924)	(5,125)	(1,451)	(2,719)	(1,268)	87%

The actuals for 2019/20 excludes rates on Council properties from both revenue and expenditure.

Governance: Leadership and Investments

GOVERNANCE: LEADERSHIP AND INVESTMENTS	Actual	EAP Budget	YTD Budget	YTD Actual	Variance	%
(Amounts in \$000's)	2018/19	2019/20	Dec 2019	Dec 2019	Dec 2019	Variance
Direct Expenditure						
- Representation	301	296	157	171	14	
- Planning & Policy & Monitoring	77	162	87	56	(31)	
- District and Urban Development	0	0	0	0	0	
- Investments	82	76	52	52	0	
- Treasury Management and Overhead Accounts	81	12	0	0	0	
Total Direct Expenditure	541	546	296	279	(17)	-6%
- Allocated Costs	1,005	1,034	537	492	(45)	
- Interest	203	244	122	93	(29)	
- Depreciation	489	493	247	228	(19)	
Total Operating Expenditure	2,238	2,317	1,202	1,092	(110)	-9%
Operating Revenue						
- Representation	(480)	(440)	(369)	(391)	(22)	
- Investments	(181)	(408)	(31)	(39)	(8)	
- Treasury Management and Overhead Accounts	(81)	(12)	(6)	(18)	(12)	
Total Operating Revenue	(742)	(860)	(406)	(448)	(42)	10%
Net Operating Cost/(Surplus)	1,496	1,457	796	644	(152)	-19%

Net Operating Cost for the Governance Activity was 19% (\$152,000) less than budget for the period ended 31 December 2019.

Direct Expenditure was 6% (\$17,000) less than budget for the period.

- Representation expenditure was more than budget for election. Further additional unbudgeted costs in relation to the election are also expected. 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.
- Within the Planning, Policy and Monitoring activity direct expenditure budgets for policy development and risk management were less than budget for the period.

Operating Revenue was 10% (\$42,000) more than budget for the period.

- Rates penalties revenue was more than budget as at 31 December 2019.
- Revenue from Treasury Management and Overhead Accounts was more than budget due to the receipt of Civic Assurance Dividend.

Community Service

COMMUNITY SERVICE (Amounts in \$000's)	Actual 2018/19	EAP Budget 2019/20	YTD Budget Dec 2019	YTD Actual Dec 2019	Variance Dec 2019	% Variance
Direct Expenditure						
- Parks and Reserves	988	574	305	250	(55)	
- Housing and Other Property	392	466	310	339	29	
- Recreation and Culture	568	637	293	264	(29)	
- Public Amenities	853	707	388	363	(25)	
- Safety	82	123	62	49	(13)	
Total Direct Expenditure	2,883	2,507	1,358	1,265	(93)	-7%
- Allocated Costs	811	996	497	472	(25)	
- Interest	121	140	70	50	(20)	
- Depreciation	908	948	475	453	(22)	
Total Operating Expenditure	4,723	4,591	2,400	2,240	(160)	-7%
Operating Revenue						
- Parks and Reserves	(61)	(25)	(15)	(55)	(40)	
- Housing and Other Property	(640)	(307)	(155)	(156)	(1)	
- Recreation and Culture	(125)	(144)	(73)	(52)	21	
- Public Amenities	(148)	(211)	(186)	(182)	4	
Total Operating Revenue	(974)	(687)	(429)	(445)	(16)	4%
Net Operating Cost/(Surplus)	3,749	3,904	1,971	1,795	(176)	-9%

Net Operating Cost was 9% (\$176,000) less than budget for the period ended 31 December 2019.

Direct Expenditure was 7% (\$93,000) 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 loss on asset disposal of building on Queen Street and higher campgrounds operational costs. At the July 2019 meeting, Council approved an additional budget of \$34,000 for the increased levels of service at Marokopa Holiday Park. Additional revenue has been received from the MBIE for Responsible Camping to fund this additional expenditure [TH9].
- Within the Recreation and Culture activity [TH10], expenditure was less due to timing of expenditure for the operations and maintenance costs for the Aquatic Centre.
- Public Amenities expenditures were also less during the period for security camera maintenance and other minor repairs.

Revenue was 4% (\$16,000) more than budget.

- Grants funding of \$49,900 was received from Grassroots to fully fund the netball courts renewal.
- Revenue for Recreation and Culture was less for Aquatic Centre and Les Munro Centre.
- Public Amenities revenue included \$56,400 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 [TH11].

Community Development

COMMUNITY DEVELOPMENT (Amounts in \$000's)	Actual 2018/19	EAP Budget 2019/20	YTD Budget Dec 2019	YTD Actual Dec 2019	Variance Dec 2019	% Variance
Direct Expenditure						
- Community Support	674	1,688	500	397	(103)	
- District Development	217	309	148	66	(82)	
Total Direct Expenditure	891	1,997	648	463	(185)	-29%
- Allocated Costs	692	772	385	322	(63)	
- Depreciation	11	11	5	7	2	
Total Expenditure	1,594	2,780	1,038	792	(246)	-24%
Operating Revenue						
- Community Support	(2)	(2)	0	0	0	
- District Development	(46)	(27)	(14)	(11)	3	
Total Operating Revenue	(48)	(29)	(14)	(11)	3	-21%
Net Operating Cost/(Surplus)	1,546	2,751	1,024	781	(243)	-24%

Net Operating Cost for the Community Development Activity was 24% (\$243,000) less than budget for the period ended 31 December 2019.

Direct Expenditure was 29% (\$185,000) less than budget for the period due to timing of expenditures relating to community grants and district promotions.

Compliance

Compliance (Amounts in \$000's)	Actual 2018/19	EAP Budget 2019/20	YTD Budget Dec 2019	YTD Actual Dec 2019	Variance Dec 2019	% Variance
Direct Expenditure						
- Compliance	198	335	162	90	(72)	
Total Direct Expenditure	198	335	162	90	(72)	-44%
- Allocated Costs	760	884	442	467	25	
- Interest	0	0	0	0	0	
- Depreciation	6	6	3	3	0	
Total Expenditure	964	1,225	607	560	(47)	-8%
Operating Revenue						
- Compliance	(514)	(458)	(303)	(361)	(58)	
Total Operating Revenue	(514)	(458)	(303)	(361)	(58)	19%
Net Operating Cost/(Surplus)	450	767	304	199	(105)	-35%

Net Operating Surplus for the Compliance Activity was 35% (\$105,000) less than budget for the period ended 31 December 2019.

Direct Expenditure was 44% (\$72,000) 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. However, animal control contractor costs reflect delays in receiving invoices from the contractor, and most other variances reflect project timing variances.

Operating Revenue was 19% (\$58,000) 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 31 December 2019 was \$136,800, compared to \$108,700 for the same period last year.

Resource Management

RESOURCE MANAGEMENT (Amounts in \$000's)	Actual 2018/19	EAP Budget 2019/20	YTD Budget Dec 2019	YTD Actual Dec 2019	Variance Dec 2019	% Variance
Direct Expenditure						
- District Plan Administration	61	141	59	25	(34)	
- District Planning	200	155	57	57	0	
Total Direct Expenditure	261	296	116	82	(34)	-29%
- Allocated Costs	620	618	309	328	19	
- Interest	16	40	0	12	12	
Total Expenditure	897	954	425	422	(3)	-1%
Operating Revenue						
- District Plan Administration	(139)	(190)	(95)	(113)	(18)	
- District Planning	(64)	0	0	(36)	(36)	
Total Operating Revenue	(203)	(190)	(95)	(149)	(54)	57%
Net Operating Cost/(Surplus)	694	764	330	273	(57)	-17%

Net Operating Cost for the Resource Management Activity was 17% (\$57,000) less than budget for the period ended 31 December 2019.

Direct Expenditure was 29% (\$34,000) less than budget for the period.

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

Operating Revenue was 57% (\$54,000) 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	YTD Budget Dec 2019	YTD Actual Dec 2019	Variance Dec 2019	% Variance
Direct Expenditure						
- Collection	272	297	153	135	(18)	
- Landfill Management	1,136	1,189	465	493	28	
Total Direct Expenditure	1,408	1,486	618	628	10	2%
- Allocated Costs	436	364	182	212	30	
- Interest	171	181	91	68	(23)	
- Depreciation	75	97	49	36	(13)	
Total Expenditure	2,090	2,128	940	944	4	0%
Operating Revenue						
- Collection	(136)	(140)	(70)	(52)	18	
- Landfill Management	(1,335)	(1,008)	(504)	(699)	(195)	
Total Operating Revenue	(1,471)	(1,148)	(574)	(751)	(177)	31%
Net Operating Cost/(Surplus)	619	980	366	193	(173)	-47%

Net Operating Cost for the Solid Waste Management Activity was 47% (\$173,000) less than budget for the period ended 31 December 2019.

Direct Expenditure was 2% (\$10,000) 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 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 31% (\$177,000) 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	YTD Budget Dec 2019	YTD Actual Dec 2019	Variance Dec 2019	% Variance
Direct Expenditure						
- Te Kuiti Stormwater	165	134	83	66	(17)	
- Rural Stormwater	20	25	14	12	(2)	
Total Direct Expenditure	185	159	97	78	(19)	-20%
- Allocated Costs	32	71	35	43	8	
- Interest	2	11	5	5	0	
- Depreciation	189	198	99	97	(2)	
Total Expenditure	408	439	236	223	(13)	-6%
Operating Revenue						
- Te Kuiti Stormwater	(8)	0	0	(10)	(10)	
- Rural Stormwater	0	0	0	0	0	
Total Operating Revenue	(8)	0	0	(10)	(10)	0%
Net Operating Cost/(Surplus)	400	439	236	213	(23)	-10%

Net Operating Cost for the Stormwater Drainage Activity was 10% (\$23,000) less than budget for the period ended 31 December 2019.

Direct Expenditure was 20% (\$19,000) less than budget for the period.

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

Operating Revenue was \$10,000 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	YTD Budget Dec 2019	YTD Actual Dec 2019	Variance Dec 2019	% Variance
Direct Expenditure						
- Waitomo Village	0	5	0	0	0	
- Te Kuiti	1,372	1,454	761	534	(227)	
- Te Waitere	14	42	21	15	(6)	
- Maniaiti / Benneydale	53	107	55	36	(19)	
- Piopio	106	149	85	52	(33)	
Total Direct Expenditure	1,545	1,757	922	637	(285)	-31%
- Allocated Costs	215	275	137	164	27	
- Interest	329	384	192	136	(56)	
- Depreciation	812	830	415	411	(4)	
Total Expenditure	2,901	3,246	1,666	1,348	(318)	-19%
Operating Revenue						
- Te Kuiti	(835)	(873)	(436)	(299)	137	
- Maniaiti / Benneydale	(1)	(1)	(1)	(1)	0	
- Piopio	(28)	(8)	(4)	(10)	(6)	
Total Operating Revenue	(864)	(882)	(441)	(314)	127	-29%
Net Operating Cost/(Surplus)	2,037	2,364	1,225	1,034	(191)	-16%

Net Operating Cost for the Sewerage Activity was 16% (\$191,000) below budget for the period ended 31 December 2019.

Direct Expenditure was 31% (\$285,000) 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 29% (\$127,000) less than budget for the period.

- Trade waste revenue for Te Kuiti was less than forecast due to existing process in place for better pre-treatment of trade waste to reduce nutrient loads in their discharge.
- Connection fees revenue were received for Te Kuiti.

Water Supply

WATER SUPPLY (Amounts in \$000's)	Actual 2018/19	EAP Budget 2019/20	YTD Budget Dec 2019	YTD Actual Dec 2019	Variance Dec 2019	% Variance
Direct Expenditure						
- Te Kuiti	1,226	994	521	506	(15)	
- Mokau	184	205	107	100	(7)	
- Piopio	213	261	129	92	(37)	
- Maniaiti / Benneydale	111	114	63	51	(12)	
- Waitomo Village	0	5	0	2	2	
Total Direct Expenditure	1,734	1,579	820	751	(69)	-8%
- Allocated Costs	216	272	136	161	25	
- Interest	314	428	214	156	(58)	
- Depreciation	502	602	302	311	9	
Total Expenditure	2,766	2,881	1,472	1,379	(93)	-6%
Operating Revenue						
- Te Kuiti	(15)	0	0	(7)	(7)	
- Mokau	(1)	0	0	(4)	(4)	
- Piopio	(5)	0	0	0	0	
- Maniaiti / Benneydale	(2)	0	0	0	0	
Total Operating Revenue	(23)	0	0	(11)	(11)	
Total Revenue	(23)	0	0	(11)	(11)	
Net Operating Cost/(Surplus)	2,743	2,881	1,472	1,368	(104)	-7%

Net Operating Cost for the Water Supply Activity was 7% (\$104,000) less than budget for the period ended 31 December 2019.

Direct Expenditure was 8% (\$69,000) less than budget for the period.

- Expenditure for Piopio, Mokau and Maniaiti/Benneydale was less for reticulation maintenance.
- Expenditure for chemicals, electricity and internal WSU charges were less than budget for Te Kuiti. These were partly offset by reticulation and dayworks costs.

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

Roads and Footpaths

ROADS AND FOOTPATHS (Amounts in \$000's)	Actual 2018/19	EAP Budget 2019/20	YTD Budget Dec 2019	YTD Actual Dec 2019	Variance Dec 2019	% Variance
Direct Expenditure						
- Subsidised Roads	6,388	6,249	3,753	3,536	(217)	
- Unsubsidised Roads	99	131	37	27	(10)	
Total Direct Expenditure	6,487	6,380	3,790	3,563	(227)	-6%
- Allocated Costs	14	15	7	7	0	
- Interest	549	606	303	219	(84)	
- Depreciation	2,936	2,771	1,386	1,373	(13)	
Total Expenditure	9,986	9,772	5,486	5,162	(324)	-6%
Operating Revenue						
- Subsidised Roads	(8,635)	(10,569)	(4,344)	(4,063)	281	
- Unsubsidised Roads	(104)	(97)	(48)	(52)	(4)	
Total Operating Revenue	(8,739)	(10,666)	(4,392)	(4,115)	277	-6%
Net Operating Cost/(Surplus)	1,247	(894)	1,094	1,047	(47)	-4%
Subsidised Roads Maintenance (Excluding losses on asset disposals)	6,388	6,249	3,734	3,517	(217)	
Subsidised Roads Capital	5,204	7,995	2,096	1,951	(145)	
Combined Maintenance and Capital	11,592	14,244	5,830	5,468	(362)	-6%
Subsidy Revenue for Subsidised Roads	(8,486)	(10,414)	(4,266)	(3,998)	268	-6%

Net Operating Cost for the Roads and Footpaths Activity was 4% (\$47,000) less than budget for the period ended 31 December 2019.

Direct Expenditure was 6% (\$227,000) less than budget for the period.

- Unsealed pavement maintenance was less than budget for the period. These reductions are offset by increased sealed maintenance expenditure.
- Emergency Re-instatement (first response). Expenditures for this reporting period of \$433,000 against YTD budget of \$334,000 were incurred for minor emergency events. These were repairs due to weather related damages on the network.
- Network and Asset Management, professional fees, and routine drainage maintenance were all less for the period.
- Structures Maintenance (budget \$174,000). Expenditure of \$34,000 for the period. A minor structures programme of work is being developed.
- Traffic Services Maintenance expenditure is less than budget as the annual road marking is expected in the next quarter.

Operating Revenue was 6% (\$277,000) 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 both maintenance and capital expenditure were less than budget, the subsidy associated was also less than budget.

Appendix 2: Balance Sheet as at 31 December 2019

STATEMENT OF FINANCIAL POSITION (Amounts in \$000's)	Actual 30 Jun 2019	Actual Position 31 Dec 2019	Movement from 30 Jun 2019	EAP 30 Jun 2020	Variance from EAP
Equity					
- Accumulated Funds	214,394	217,113	2,719	220,986	3,873
- Other Reserves	26,326	26,326	0	24,797	(1,529)
- Revaluation Reserve	77,200	77,200	0	83,559	6,359
TOTAL EQUITY	317,920	320,639	2,719	329,342	8,703
Current Assets					
- Cash and Cash Equivalents	1,819	3,274	1,455	537	(2,737)
- Inventory	93	93	0	84	(9)
- Assets Held for Sale	100	60	(40)	0	(60)
- Other Financial Assets	3	3	0	3	0
- Receivables (Non-exchange)	4,940	4,208	(732)	4,801	593
- Receivables (Exchange)	157	157	0	531	374
Total Current Assets	7,112	7,796	684	5,956	(1,840)
Current Liabilities					
- Payables and Deferred Revenue (Exchange)	3,178	1,531	(1,647)	3,718	2,187
- Payables and Deferred Revenue (Non-exchange)	750	750	0	878	128
- Current Portion of Borrowings	10,261	15,233	4,972	24,140	8,907
- Provisions	3	3	0	3	0
- Employee Entitlements	623	595	(28)	616	21
- Derivative Financial Instruments	677	677	0	605	(72)
Total Current Liabilities	15,492	18,789	3,297	29,960	11,171
NET WORKING CAPITAL	(8,380)	(10,994)	(2,614)	(24,004)	(13,010)
Non Current Assets					
- Property Plant and Equipment	345,528	345,863	335	361,134	15,271
- Intangible Assets	223	223	0	1,076	853
- Investment Property	897	897	0	788	(109)
- Other Financial Assets	503	500	(3)	410	(90)
- Investment in CCO & Civic Financial Services Ltd	11,455	11,455	(0)	11,820	365
Total Non Current Assets	358,606	358,938	332	375,228	16,290
Non Current Liabilities					
- Borrowings	30,000	25,000	(5,000)	20,000	(5,000)
- Provisions	461	461	(0)	750	289
- Derivative Financial Instruments	1,845	1,845	(0)	1,132	(713)
Total Non Current Liabilities	32,306	27,305	(5,001)	21,882	(5,423)
NET ASSETS	317,920	320,639	2,719	329,342	8,703

TREASURY REPORT

FOR



FOR THE QUARTER ENDED 31 DECEMBER 2019



BANCORP

BANCORP TREASURY SERVICES LIMITED

AUCKLAND • WELLINGTON • CHRISTCHURCH

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1. MARKET ENVIRONMENT

1.1 GLOBAL MARKETS OVERVIEW (FOR THE DECEMBER 2019 QUARTER)

The main focus for central banks and financial markets over the December 2019 quarter were the US/China trade war and Brexit. A number of central banks, led by the Federal Reserve ("Fed"), People's Bank of China, Reserve Bank of Australia ("RBA") and Reserve the Bank of New Zealand ("RBNZ"), cut their target interest rates over the quarter and called on their respective governments to loosen fiscal policy through increased spending.

By the end of December, the same central banks, along with those of the Eurozone, UK, Japan and Canada, had concluded that global downside risks had abated or been addressed by monetary policy actions and, to quote the Fed, *"the current stance of monetary policy is appropriate"* and it *"will continue to monitor the implications of incoming information for the economic outlook, including global developments and muted inflation pressures."*

Those conclusions came about after the US and China agreed a Phase 1 trade deal and the UK Conservative Party won an election victory that made it a near certainty that Brexit will happen on 31 January 2020. The general consensus among central banks was that the worst was over, although downside risks remain, and that it was appropriate to maintain a watching brief to allow for the time lags between cause and effect of monetary policy.

As if to emphasise this shift by central banks, Sweden's Riksbank, one of the central bank pioneers of negative cash rates after the GFC, raised its target cash (repo) rate by 25 basis points to 0.00% in late December. However, it made it clear that it will not raise its repo rate in 2020, which markets inferred as the Riksbank conceding that negative interest rates are more harmful than helpful in stimulating economic growth, employment and inflation.

The yield on the benchmark US 10 year Treasury bond typified the ebb and flow of sentiment and interest rates over the December quarter. It ended September at 1.67% and fell to a low of 1.51% in early October amid escalating economic and geopolitical worries. It peaked at 1.97% in early November, before falling to a low of 1.69% in early December as geopolitical and trade worries intensified. However, these worries quickly abated resulting in the yield climbing throughout December to finish the quarter at 1.92%.



The RBA kept its cash rate at 0.75% at its December meeting and repeated that it will be assessing *“the long and variable lags in the transmission of monetary policy,”* also that *“it was reasonable to expect that an extended period of low interest rates will be required in Australia to reach full employment and achieve the inflation target”* and that it *“is prepared to ease monetary policy further if needed.”*

1.2 NEW ZEALAND MARKET OVERVIEW (FOR THE DECEMBER 2019 QUARTER)

	OCR	90 day	2 years	3 years	5 years	7 years	10 years
30 September 2019	1.00%	1.15%	0.94%	0.91%	0.94%	1.04%	1.21%
31 December 2019	1.00%	1.29%	1.28%	1.32%	1.44%	1.59%	1.78%
Change	Nil	+0.14%	+0.34%	+0.41%	+0.50%	+0.55%	+0.57%

New Zealand’s CPI rose 0.7% over the September quarter, up from 0.6% in the June quarter and slightly higher than the RBNZ forecasted. Annual CPI fell from 1.7% in June to 1.5% in September. GDP was unexpectedly strong over the September quarter, rising 0.7%, from 0.1% in the June quarter (revised down from 0.5%), aided by a lift in retail spending. Revisions to previous quarters softened the annual rise to 2.3%, up from 2.1% in June.

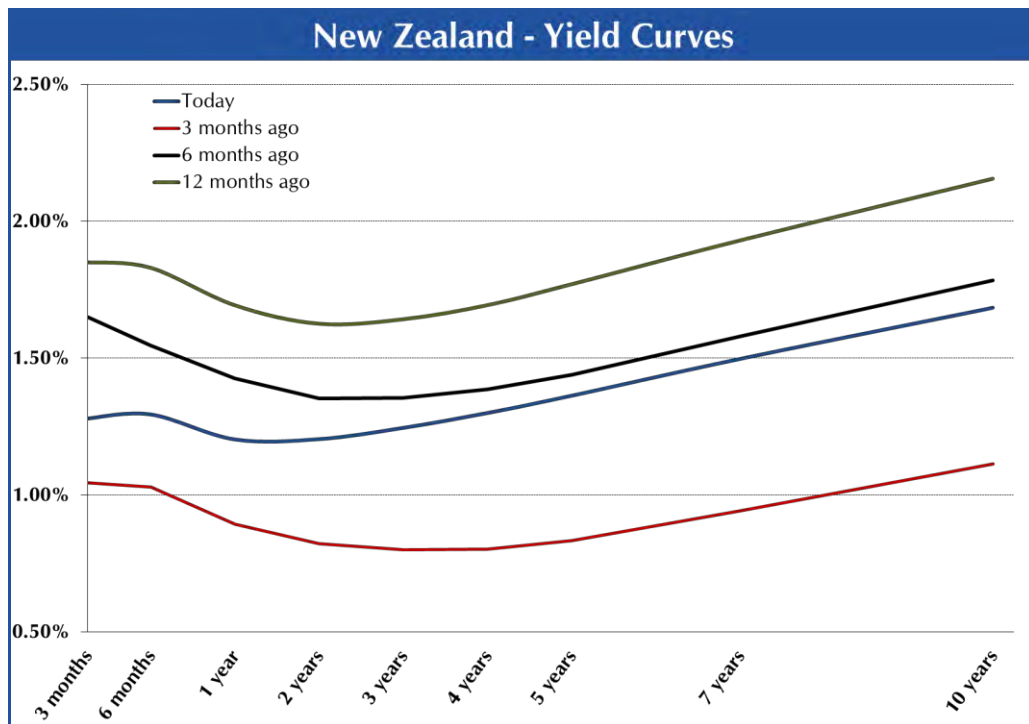
New Zealand’s unemployment rate jumped from 3.9% in June to 4.2% in September, a bigger rise than expected. Wages rose 0.8% over the September quarter and 2.4% over the year, from 0.7% and 2.1% respectively in June.

The RBNZ’s Monetary Policy Committee (“MPC”) kept the Official Cash Rate (“OCR”) at 1.00% at its November meeting. The MPC reasoned that *“economic developments since the August Statement do not warrant a change to the already stimulatory monetary setting at this time”* but it warned that *“economic growth continued to slow in mid-2019 reflecting weak business investment and soft household spending.”*

Looking ahead, the MPC considered that *“domestic economic activity is expected to increase during 2020 supported by low interest rates, higher wage growth, and increased government spending and investment”* and, from a monetary policy perspective, *“interest rates will need to remain at low levels for a prolonged period to ensure inflation reaches the mid-point of our target range and employment remains around its maximum sustainable level.”*

The MPC's decision to leave the OCR at 1.00% and its implicit neutral forward guidance prompted local markets to adjust their expectations for further OCR cuts. At the end of the September quarter, with the surprise 50 basis points OCR cut in August still fresh, markets fully priced in a 25 basis points OCR cut in February 2020 and a 68% chance of a second in 2020. At the end of the December, market pricing implied only a 36% chance of a single 25 basis points OCR cut in 2020.

New Zealand medium to longer term interest rates moved in line with both global trends and developments in the domestic economy over the December quarter. After falling to new record lows in early October, medium and longer term rates moved higher for the rest of the quarter as the trade war worries receded and the RBNZ and the market adjusted to an improving outlook for the New Zealand economy. The following chart shows the extent to which New Zealand interest rates have moved over the past year, and especially over the December 2019 quarter.

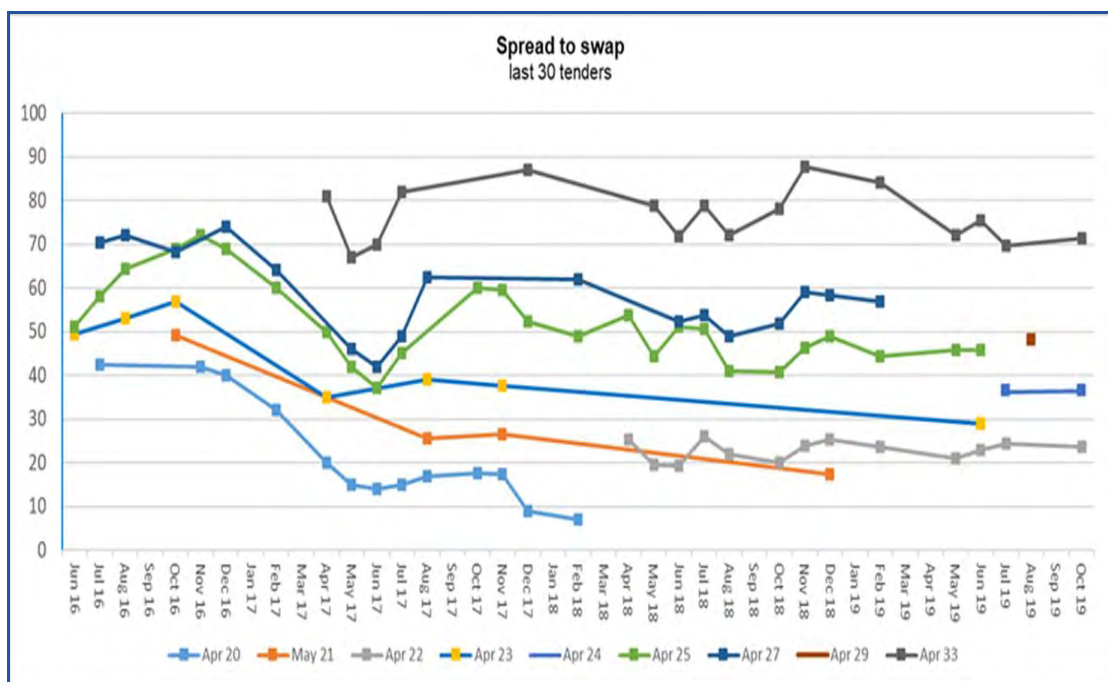


1.3 LOCAL AUTHORITY SECTOR

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

Maturity	Credit Spread	FRN (or CP) Rate	Fixed Rate Bond
3 month CP	0.22%	1.42%	N/A
6 month CP	0.22%	1.42%	N/A
April 2020	0.40%	1.60%	1.57%
May 2021	0.51%	1.71%	1.68%
April 2022	0.54%	1.74%	1.78%
April 2023	0.64%	1.84%	1.88%
April 2024	0.70%	1.90%	2.02%
April 2025	0.75%	1.95%	2.15%
April 2027	0.89%	2.09%	2.36%
April 2029	0.90%	2.10%	2.60%
April 2033	1.08%	2.28%	2.89%

The following chart, which is produced by the LGFA, illustrates the credit spreads (measured over the applicable swap rate) for all current LGFA debt dating back to 2016 and shows the stability in these spreads over that time.



2. DEBT AND HEDGING

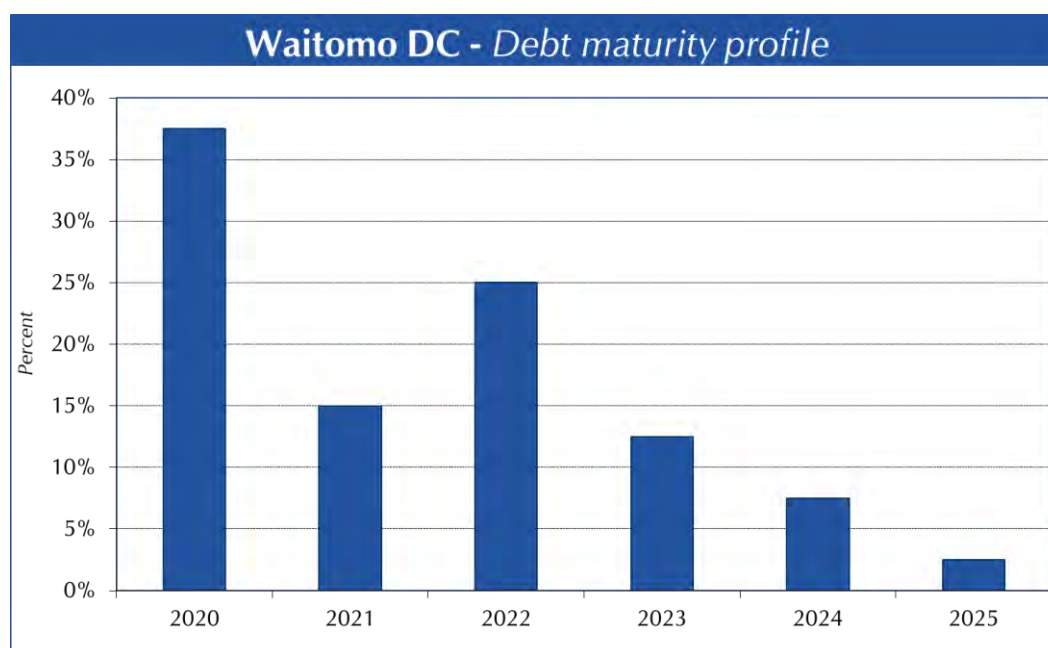
2.1 DEBT

As at 31 December 2019, WDC had \$40.0 million of external debt, unchanged from the end of the September quarter. 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, has an annual line fee of 0.35% and a margin of 0.90%. As at 31 December, 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	30-Jul-19	28-Jan-20	22 bps	1.64%	\$5,000,000
LGFA CP	19-Nov-19	18-May-20	23 bps	1.435	\$5,000,000
LGFA FRN	19-Jun-17	10-Sep-20	48 bps	1.67%	\$5,000,000
LGFA FRN	19-Jun-17	15-Nov-21	55.5 bps	1.795%	\$6,000,000
LGFA FRN	18-Jul-18	18-Apr-22	60 bps	1.645%	\$5,000,000
LGFA FRN	28-Jun-19	30-Aug-22	59.5 bps	1.82%	\$5,000,000
LGFA FRN	19-Jun-17	24-Apr-23	64 bps	1.69%	\$5,000,000
LGFA FRN	19-Jun-17	18-Apr-24	65.5 bps	1.70%	\$3,000,000
LGFA FRB	19-Jun-17	19-Apr-25	71 bps	3.68%	\$1,000,000
			TOTAL		\$40,000,000

The maturity profile of WDC's drawn debt as at 31 December 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 31 December, WDC was marginally outside the guideline in this section, but as it is a guideline and not a binding requirement, it does not invoke a policy breach.

2.2 HEDGING

As at 31 December, WDC had seven 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 two are forward starting. Details of the swaps are contained in the table below:

Start Date	Maturity Date	Rate	Amount	Market Value
18-Oct-2013	20-Apr-2020	4.315%	5,000,000	(\$79,888)
11-Sep-2017	11-Sep-2020	3.780%	5,000,000	(\$96,663)
31-Mar-2014	17-May-2021	4.900%	6,000,000	(\$328,818)
18-Apr-2017	18-Apr-2023	3.950%	3,000,000	(\$271,473)
24-Jan-2017	24-Jan-2024	3.840%	5,000,000	(\$514,058)
Total current swap hedging			<u>24,000,000</u>	
Forward starting swaps				
20-Apr-2020	20-Apr-2025	3.930%	5,000,000	(\$589,902)
11-Sep-2020	11-Sep-2026	2.890%	5,000,000	(\$363,634)
				<u>(\$2,244,437)</u>

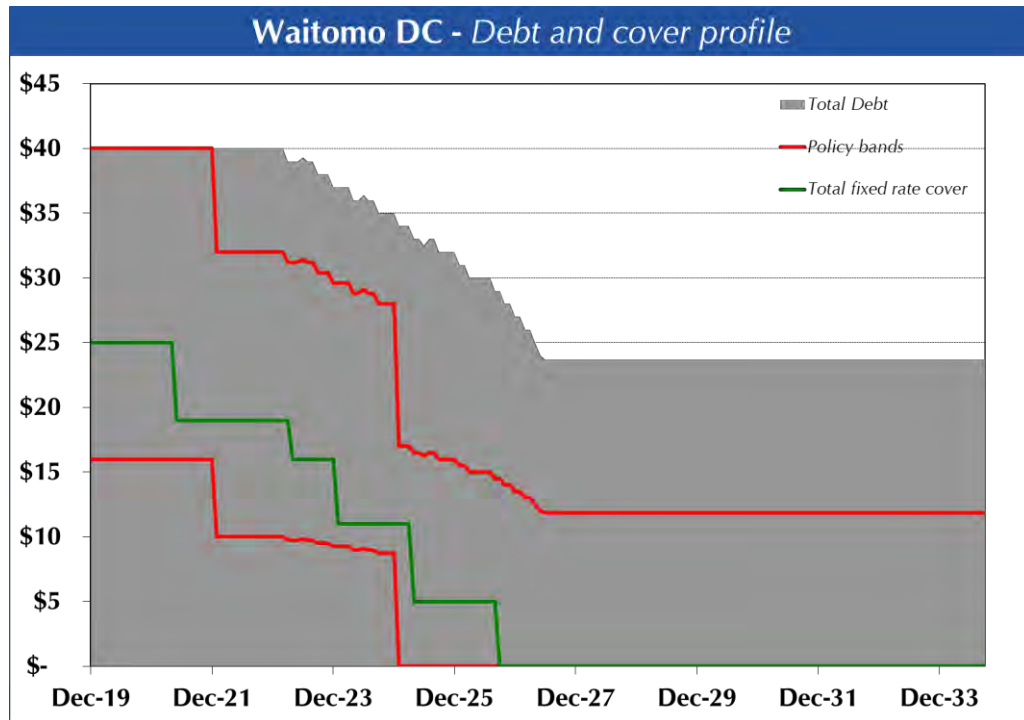
The ‘marked to market’ valuation on the swap portfolio improved during the December quarter, from a loss of \$2,875,582 at the end of September, to a loss of \$2,244,437 at the end of December. The improvement was due to the rise in interest rates during the December quarter.

2.3 DEBT AND HEDGING PROFILE

WDC manages the interest rate risk on its debt under the fixed rate hedging parameters detailed in the following table.

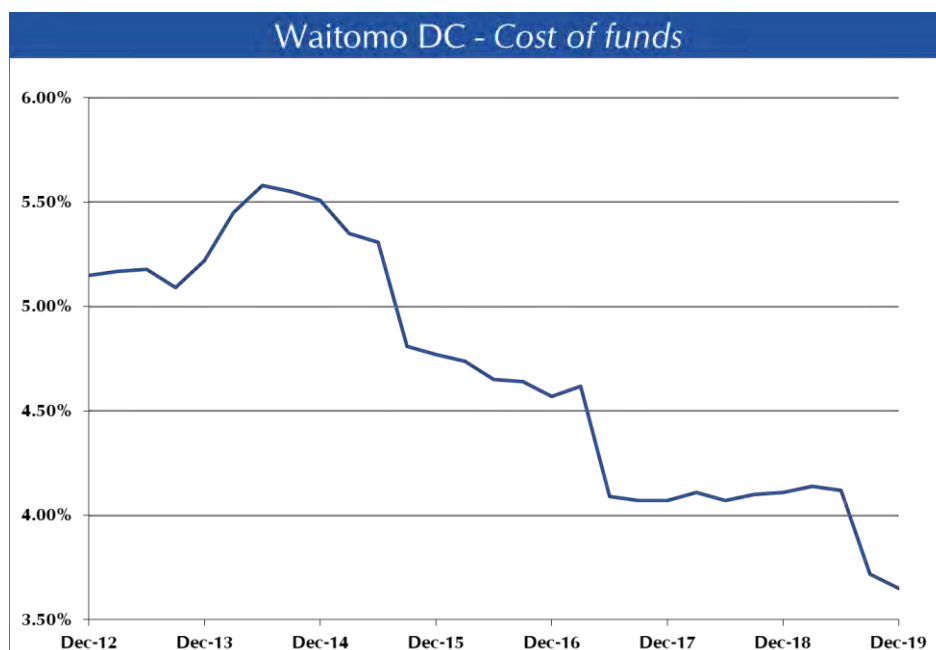
Fixed Rate Hedging Percentages		
	Minimum Fixed Rate Amount	Maximum Fixed Rate Amount
0 – 2 years	40%	100%
2 – 5 years	30%	80%
5 – 15 years	0%	50%

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 31 December, WDC was policy compliant.

As at 31 December WDC's cost of funds, including the line fee on the committed Westpac facility, was 3.65%, down from 3.72% at the end of September. 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 December 2012 is depicted in the following graph.



2.4 POLICY COMPLIANCE AS AT 31 DECEMBER 2019

	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 LMP?</i>	√

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


SERVICE PERFORMANCE REPORT

Key Performance Indicators for 2018-28 Long Term Plan

For the period 1 July to 31 December 2019

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 (through the Department of Internal Affairs) and Council is required to measure and report on these.
- 1.4 Progress against agreed performance targets is monitored monthly at a management level and reported quarterly at governance level. 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 quarter period of 1 July 2019 – 30 September 2019 and the second quarter – progress to date as at 31 December 2019.
- 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.

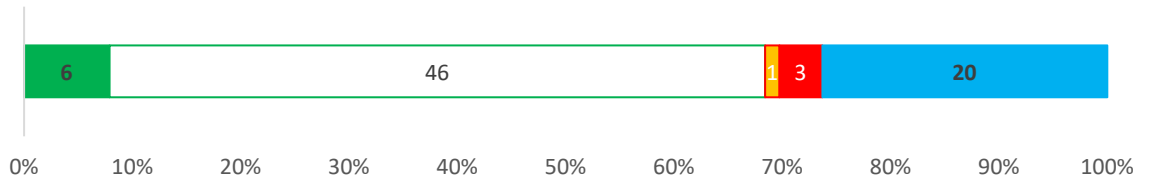
Quarter 2 (as at 31 Dec 2019) overall result

- 1.8 There are 76 measures in Council’s 2018-28 LTP. At the end of the second quarter, data was not available or not measured for 20 (26%) measures. Of the

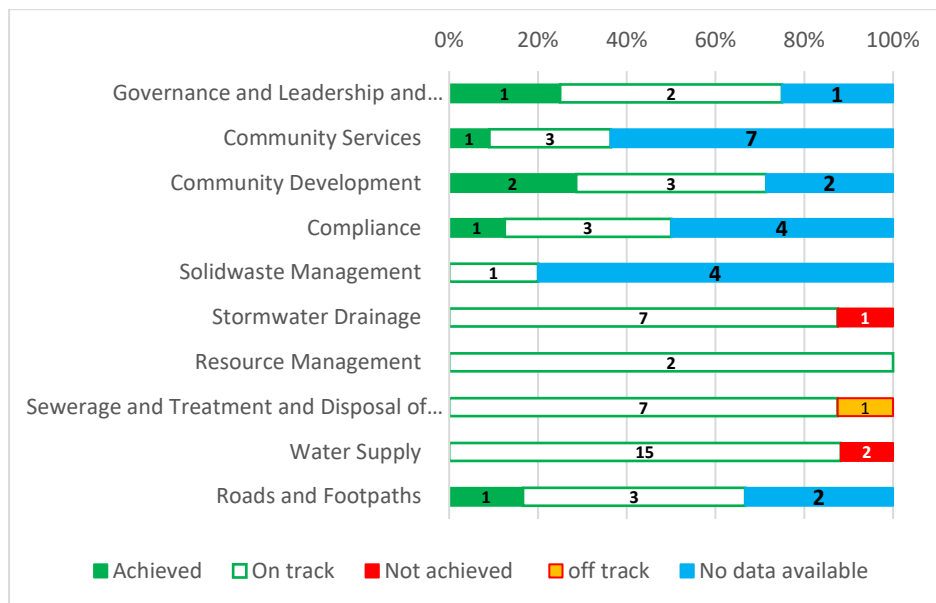
remaining 56 measures, 6 (8%) are achieved and 46 (61%) are on track to be achieved and 1 (1%) measure is off track and 3 (4%) measures have not been achieved.

1.9 The following graphs show a summary of the overall Q2 results and a summary of results by GOA:

Overall results



Summary of results by GOA



Measures that are 'Not achieved'

1.10 Stormwater Drainage

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 (2,056 connections)
Result: 5.34 per 1000 connections

1.11 Council received 14 complaints in between 1 July and 31 December 2019. The nature of complaints range from slow drainage into the stormwater system to lodged debris and blockages caused by debris.

1.12 It should be noted that the slow drainage issue was noted due to the drainage of a pool into the stormwater system. The high volume from the consumer would

have potentially caused the 'overload' in that particular case which would have moved silt into the system to cause the slow drainage.

1.13 Council resolves these issues and complaints within allocated timeframes, however is unable to mitigate some of the issues as they are related to natural weather events.

1.14 It should be noted that the current target has been set at a very low threshold a review through the LTP process would be timely.

1.15 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 met
---	---

1.16 An official assessment for the performance of Waitomo District Council as a 'water supplier was completed for the period 1 July 2018 to 30 June 2019.

1.17 The report found that compliance with the protozoa requirements was not met for 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 WaDWAS Drinking Water Technical Officer has been working with Council to identify and address non-complying 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.

1.18 Staff are currently working on identifying the problem areas in the SCADA system. Resources are being assessed to adjust the SCADA system for complete reporting.

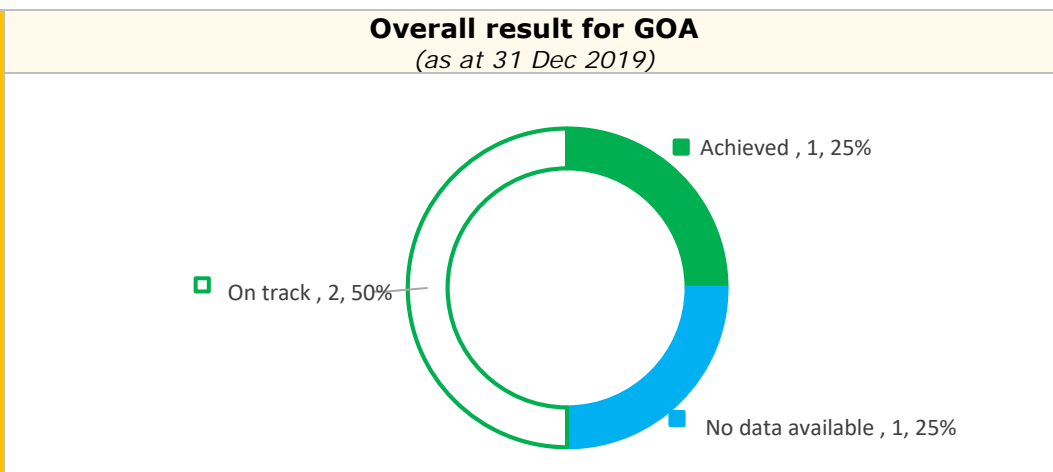
The median resolution time of urgent call-outs in a financial year***	Target: ≤ 540 minutes (9hrs) Result: 12.31hrs
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1.19 This is largely due to the issues we have been facing with the Mokau system, as the travel time to Mokau is approximately 1 hour travel to the site which adds to the resolution time. These issues are currently being addressed.

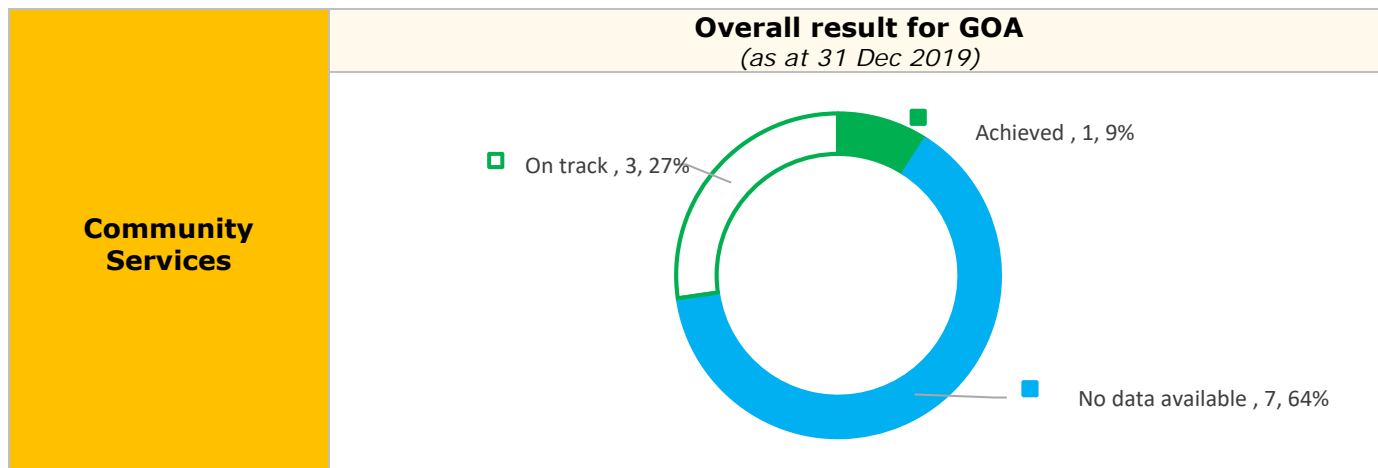
Performance Results by GOA

Community and Cultural Sustainability Group | Governance: Leadership and Investments

How we measure performance	Performance - 30 Sept 2019 (Q1)		Performance 31 Dec 2019 (Q2)			
	Target / Result	Q1	Commentary	Target / Result	Q2	Commentary
Number of successful challenges to the decision making process.	Target: 0 Result: 0		No challenges to the decision making process under LGA	Target: 0 Result: 0		No challenges to the decision making process under LGA
Number of successful challenges to the decision making process.	Target: 0 Result: 0		No challenges to the decision making in relation to the consultation process under 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 April/May 2020).	Target: 90% Result:		Performance will be reported on through the 2020 Resident Satisfaction Survey (to be completed in April/May 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		WCLASS Annual Report Inframax Construction Ltd Financial Statements for the year ended 30 June	Target: 2 reports per year Result: 2		WCLASS Annual Report Inframax Construction Ltd Financial Statements for the year ended 30 June









Community and Cultural Sustainability Group | Community Services



Community Services

How we measure performance	Performance - 30 Sept 2019 (Q1)			Performance 31 Dec 2019 (Q2)		
	Target / Result	Q1	Commentary	Target / Result	Q2	Commentary
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 April/May 2020).	Target: ≥ 80% Result:	●	Performance will be reported on through the 2020 Resident Satisfaction Survey (to be completed in April/May 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 June 2020).	Target: > 80% Result:	●	Performance will be reported on through the 2020 Pensioner Resident Survey (to be completed by June 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 April/May 2020).	Target: ≥ 85% Result:	●	Performance will be reported on through the 2020 Resident Satisfaction Survey (to be completed in April/May 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 April/May 2020).	Target: ≥ 80% Result:	●	Performance will be reported on through the 2020 Resident Satisfaction Survey (to be completed in April/May 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 April/May 2020).	Target: ≥ 80% Result:	●	Performance will be reported on through the 2020 Resident Satisfaction Survey (to be completed in April/May 2020).
Current Building Warrant Of Fitness (BWOFF) for facilities with compliance schedules.	Target: 100% Result: 100%	○	All BWOFFs are current and have been received.	Target: 100% Result: 100%	○	BWOFF's are assessed and issued by an IQP annually. These are then processed by the Building Administrator.
Pool accreditation in place.	Target: 100% Result: 100%	●	PoolSafe Accreditation is in place for 2019/2020 season.	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	○	Aquatic Centre opened 01/10/2019, first water test reading taken September 2019 before opening.	Target: < 2 Result: 0	○	Water Testing is completed monthly by CLM (Contractor) and have been completed for Oct, Nov and Dec 2019.

How we measure performance	Performance - 30 Sept 2019 (Q1)			Performance 31 Dec 2019 (Q2)		
	Target / Result	Q1	Commentary	Target / Result	Q2	Commentary
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 April/May 2020).	Target: ≥ 75% Result:		Performance will be reported on through the 2020 Resident Satisfaction Survey (to be completed in April/May 2020).
One major training exercise involving Civil Defence HQ staff will be held per year.	Target: One exercise per year Result:		Will be reported when completed within the year. No date has been set as yet for a major training exercise.	Target: One exercise per year Result:		One major training exercise will be held prior to the end of the current financial year.
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 in quarter one.	Target: Nil Accidents Result: 0		No service requests or incident reports for incidents or injury were received in quarter two.

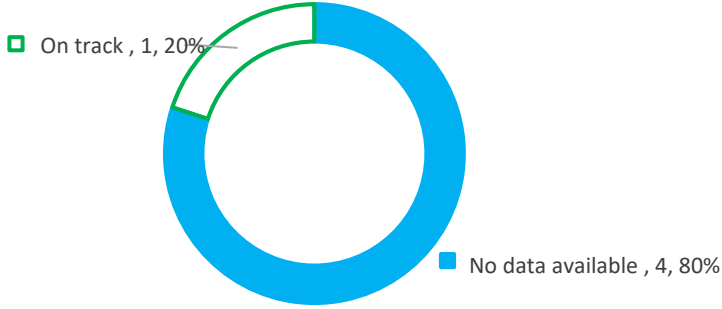
Community and Cultural Sustainability Group | Community Development

Community Development	Overall result for GOA <i>(as at 31 Dec 2019)</i>					
	<p style="text-align: right;"> ■ Achieved , 2, 28% ■ On track , 3, 43% ■ No data available , 2, 29% </p>					
How we measure performance	Performance - 30 Sept 2019 (Q1)			Performance 31 Dec 2019 (Q2)		
	Target / Result	Q1	Commentary	Target / Result	Q2	Commentary
Advertisement and administration of all WDC Funding Rounds as per the Community Development Fund Policy.	Target: 100% Compliance Result: On track		The following funding rounds have been completed: <ul style="list-style-type: none"> ▪ Discretionary Grant: Round 1 ▪ DC Tynan Trust 	Target: 100% Compliance Result: On track		Q2: The following funding rounds have been completed: <ul style="list-style-type: none"> ▪ Community Partnership Fund ▪ Sport NZ Rural Travel Fund ▪ Creative Communities Scheme ▪ Discretionary Grant – Round 2
Youth Council meet with Council once per year.	Target: 1 per annum Result:		Will be reported when completed within the year.	Target: 1 per annum Result:		Will be reported when completed later in the year.
Youth Council undertakes two youth related projects per year.	Target: 2 per annum Result: 2		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.	Target: 2 per annum Result: 2		<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.
Council provide support for major district events.	Target: 2 per annum Result: 0		Will be reported when completed within the year. The Waitomo District Christmas Parade is scheduled to take place on 13 December 2019.	Target: 2 per annum Result: 1		Waitomo District Christmas Parade held on 13 December 2019.
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 April/May 2020).	Target: ≥ 85% Result:		Performance will be reported on through the 2020 Resident Satisfaction Survey (to be completed in April/May 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:		Will be reported when completed within the year. Hamilton Waikato Tourism will present their 6 monthly report (July 2019 to December 2019) to Council in March 2020.	Target: > 4 promotion opportunities taken up Result: 2		<ul style="list-style-type: none"> ▪ Hamilton Waikato Tourism presented to council on 26 Nov 2019. ▪ Hamilton Waikato Tourism will present their 6 monthly report (July 2019 to December 2019) to Council in March 2020
Involvement in economic development initiatives alongside Waikato means business.	Target: 1 initiative per annum Result: 2		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.	Target: 1 initiative per annum Result: 2		<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.

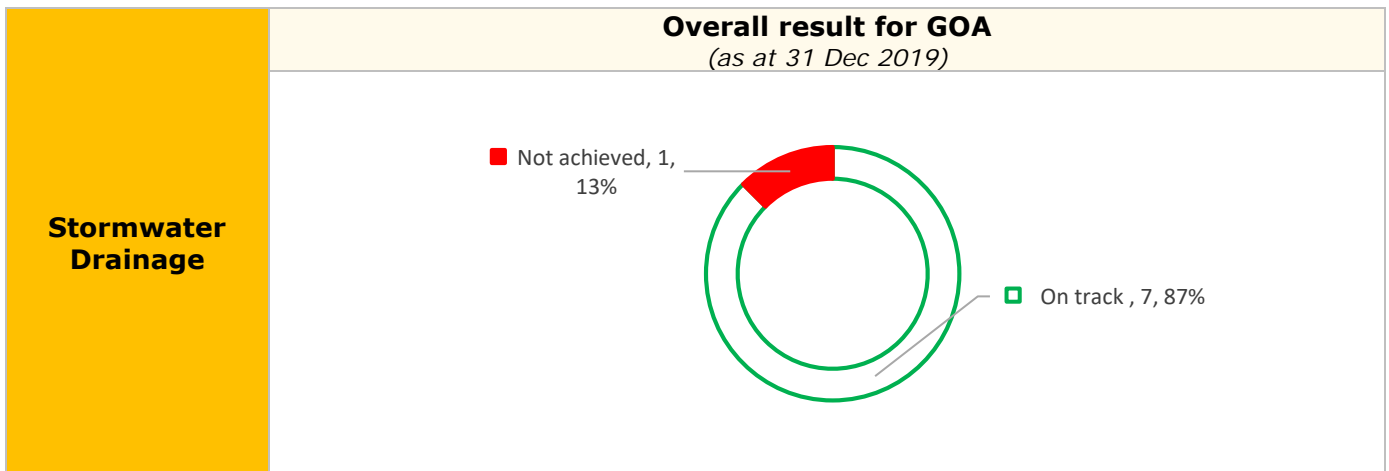
Community and Cultural Sustainability Group | Compliance

Compliance	Overall result for GOA <i>(as at 31 Dec 2019)</i>					
	<p style="text-align: center;"> ■ Achieved , 1, 13% ■ No data available , 4, 50% ■ On track , 3, 37% </p>					
How we measure performance	Performance - 30 Sept 2019 (Q1)			Performance 31 Dec 2019 (Q2)		
	Target / Result	Q1	Commentary	Target / Result	Q2	Commentary
Percentage of food and alcohol premises that are licensed or registered.	Target: 100% Compliance Result: 100%	○	As at the end of quarter one, 100% of the premises selling alcohol are licensed to do so. 100% of the premises requiring food licences are registered.	Target: 100% Compliance Result: 100	○	As at the end of quarter two, 100% of the premises selling alcohol are licensed to do so. 100% of the premises requiring food licences are registered.
Percentage of residents satisfied with the provision of the Environmental Health Service.	Target: > 85% Result:	●	Performance will be reported on through the 2020 Resident Satisfaction Survey (to be completed in April/May 2020).	Target: > 85% Result:	●	Performance will be reported on through the 2020 Resident Satisfaction Survey (to be completed in April/May 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 the quarter.	Target: 100% Result: 100%	○	100% of consents were processed within 20 working days for the quarter.
WDC maintains building control systems and process to meet IANZ Audit requirements.	Target: BCA Accreditation achieved Result: On track	○	BCA accreditation was achieved in June 2018. WDC's next assessment is due in June 2020.	Target: BCA Accreditation achieved Result: On track	○	BCA accreditation was achieved in June 2018. WDC's next assessment is due in June 2020.
Percentage of users satisfied with the provision of the Building Control Service.	Target: > 75% Result:	●	Performance will be reported on through the 2020 Resident Satisfaction Survey (to be completed in April/May 2020).	Target: > 75% Result:	●	Performance will be reported on through the 2020 Resident Satisfaction Survey (to be completed in April/May 2020).
Percentage of Special Owner Status properties inspected per year.	Target: 100% Result:	●	All new SOP applications are inspected as part of due process. Existing SOP's inspections commence in March annually.	Target: 100% Result:	●	All new SOP applications are inspected as part of due process. Existing SOP's inspections commence in March annually.
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 April/May 2020).	Target: ≥ 75% Result:	●	Performance will be reported on through the 2020 Resident Satisfaction Survey (to be completed in April/May 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.	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.

Environmental Sustainability Group | Solid Waste Management

Solid Waste Management	Overall result for GOA <i>(as at 31 Dec 2019)</i>					
	 <p style="text-align: center;"> ■ On track , 1, 20% ■ No data available , 4, 80% </p>					
How we measure performance	Performance - 30 Sept 2019 (Q1)			Performance 31 Dec 2019 (Q2)		
	Target / Result	Q1	Commentary	Target / Result	Q2	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 April/May 2020).	Target: ≥ 85 Result:	●	Performance will be reported on through the 2020 Resident Satisfaction Survey (to be completed in April/May 2020).
Average number of complaints received per month regarding solid waste activities.	Target: ≤ 10 Result: 3.33	○	A total of ten complaints regarding solid waste activities were received in quarter one, or an average of 3.33 per month.	Target: ≤ 10 Result: 3.5	○	Overall total of 21 complaints were received for Q1 and Q2 (an average of 3.5 complaints per month) Q2: A total of 11 complaints were received for this quarter (an average of four 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 April/May 2020).	Target: 80% Result:	●	Performance will be reported on through the 2020 Resident Satisfaction Survey (to be completed in April/May 2020).
Percentage reduction per annum in quantity of recyclables (like paper and plastics) in bag collection that goes to landfill.	Target: 1.0% Result:	●	The next waste audit is due to be conducted in May 2020.	Target: 1.0% Result:	●	Latest result is published in the waste audit conducted in July 2018 (15.2% of household rubbish) comparing to 2016 results (27.38% of household rubbish). The next waste audit is due to be conducted in May
Percentage reduction per annum in quantity of organic waste (like food scraps) in bag collection that goes to landfill.	Target: 1.0% Result:	●	The next waste audit is due to be conducted in May 2020.	Target: 1.0% Result:	●	The next waste audit is due to be conducted in May 2020.

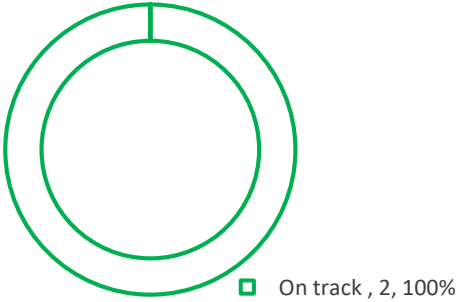




Environmental Sustainability Group | Stormwater Drainage



How we measure performance	Performance - 30 Sept 2019 (Q1)			Performance 31 Dec 2019 (Q2)		
	Target / Result	Q1	Commentary	Target / Result	Q2	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 the first quarter of 2019/20. No complaints received.	Target: 0 Result: 0	○	There have been no flooding events in the second quarter of 2019/20. No complaints received
For each flooding event* the number of habitable floors affected in a financial year.	Target: ≤ 10 Result: 0	○	No flooding events occurred.	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.	Target: 0 Result: 0	○	No notices received.
infringement notices	Target: ≤ 2 Result: 0	○	No notices received.	Target: ≤ 2 Result: 0	○	No notices received.
enforcement orders	Target: 0 Result: 0	○	No notices received.	Target: 0 Result: 0	○	No notices received.
successful prosecutions	Target: 0 Result: 0	○	No notices received.	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	○	No flooding events occurred.	Target: ≤ 180 minutes (3hrs) Result: 0	○	No flooding events occurred.
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 (2,056 connections) Result: 0	○	No complaints were received between July and September 2019.	Target: ≤ 4 complaints per 1,000 properties (2,2623 connections) Result: 5.34 per 1000 connections	●	Fourteen complaints were received about the performance of the Council's urban stormwater system between July and December 2019.

* 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.

Environmental Sustainability Group | Resource Management

Resource Management	Overall result for GOA <i>(as at 31 Dec 2019)</i>					
						
How we measure performance	Performance - 30 Sept 2019 (Q1)			Performance 31 Dec 2019 (Q2)		
	Target / Result	Q1	Commentary	Target / Result	Q2	Commentary
The percentage of resource consent applications which are processed within statutory timeframes.	Target: 100% Result: On track		In quarter one, all resource consents have been processed within statutory timeframes.	Target: 100% Result: On track		In quarter two, all resource consents have been processed within statutory timeframes.
All land use consents that require monitoring are monitored.	Target: 100% Result: On track		In quarter one, all land use consents which required monitoring have been monitored.	Target: 100% Result: On track		In quarter two, all land use consents which required monitoring have been monitored.

Environmental Sustainability Group | Sewerage and Treatment and Disposal of Sewage

Sewerage and Treatment and Disposal of Sewage	Overall result for GOA <i>(as at 31 Dec 2019)</i>					
	<p style="text-align: center;"> ■ Off track, 1, 13% ■ On track, 7, 87% </p>					
How we measure performance	Performance - 30 Sept 2019 (Q1)			Performance 31 Dec 2019 (Q2)		
	Target / Result	Q1	Commentary	Target / Result	Q2	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 sewerage system. 	Target: Total complaints per 1,000 connections ≤35 <i>(Total number of connections 1,942)</i> Result: 5.15	○	In quarter one, a total of nine complaints were received for system blockages/faults, which is 5.15 complaints per 1,000 connections. Breakdown of complaints: <ul style="list-style-type: none"> ▪ 3 blockages resulting in overflows in Te Kuiti ▪ 2 overflows due to household pumps requiring replacement in Piopio ▪ 4 blockages in main pipe caused sewer to back up. 	Target: Total complaints per 1,000 connections ≤35 <i>(Total number of connections 1,942)</i> Result: 33.57 per 1000 connections	○	Between July and December 2019, a total of 66 complaints were received for odour, system faults, blockages and council's response to issues with the sewerage system. <i>Note: some complaints were counted for multiple categories.</i> <ul style="list-style-type: none"> ▪ 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 <i>(received by Council in a financial year)</i>						
abatement notices	Target: 0 Result: On track	○	No notices received.	Target: 0 Result: On track	○	No notices received.
infringement notices	Target: 0 Result: On track	○	No notices received.	Target: 0 Result: On track	○	No notices received.
enforcement orders	Target: 0 Result: On track	○	No notices received.	Target: 0 Result: On track	○	No notices received.
Convictions received	Target: 0 Result: On track	○	No notices 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: 1:00hr	○	All Service Requests related to sewage system blockages or other faults were resolved with a median response time of 1:00 hour.	Target: ≤180 minutes (3hrs) Result: 171 minutes (2:51hrs)	○	All Service Requests related to sewage system blockages or other faults were responded to with a median response time of 2:00 hours.

How we measure performance	Performance - 30 Sept 2019 (Q1)			Performance 31 Dec 2019 (Q2)		
	Target / Result	Q1	Commentary	Target / Result	Q2	Commentary
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: 5:15hrs		All Service Requests related to sewage system blockages or other faults were resolved with a median resolution time of 5:15 hours.	Target: ≤ 540 minutes (9hrs) Result: 445 minutes (7.25 hours)		All Service Requests related to sewage system overflows and blockages were resolved with a median resolution time of 7:25 hours.
Number of dry weather sewage overflows from the Council's sewerage system in a financial year.	Target: Total complaints per 1,000 connections ≤15 <i>(Total number of connections 1,942)</i> Result: 2.57		In quarter one, a total of five dry weather overflows occurred, which is 2.57 complaints per 1,000 connections. Breakdown of overflows: <ul style="list-style-type: none"> ▪ 3 overflows in Te Kuiti due to system blockages ▪ 2 overflows due to household pumps requiring replacement in Piopio. 	Target: Total complaints per 1,000 connections ≤15 <i>(Total number of connections 1,942)</i> Result: 3.56 per 1000 connections		From July to December 2019, a total of seven dry weather overflows occurred.

Economic Sustainability Group | Water Supply

How we measure performance	Performance - 30 Sept 2019 (Q1)		Performance 31 Dec 2019 (Q2)			
	Target / Result	Q1	Commentary	Target / Result	Q2	Commentary
Overall result for GOA <i>(as at 31 Dec 2019)</i>						
<p style="text-align: center;"> ■ Not achieved, 2, 12% ■ On track, 15, 88% </p>						
Water Supply						
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%	○	Compliance survey displayed as calendar quarter 3 , presenting Financial quarter 1 (Jul 19-Sept 19)	Target: 100% Result: 100%	○	Compliance survey displayed as calendar quarter 4 , presenting Financial quarter 2 (starting Oct 19-Dec 19)
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:	●	Planning underway and progress will be reported in quarter 2.	Target: 100% Result:	●	Planning underway. (Update – failed annual survey due to failing July 19 compliance with incomplete data & reporting. Currently identifying problem areas in SCADA system (Upgraded PLC at Water treatment plant) and Telemetry system (Data transfer and communication) Resources are being assessed to adjust SCADA system for complete reporting. Further planning will involve how to incorporate necessary improvements in the LTP/Annual plan
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: 15.86%	○	Water loss in Te Kuiti is spread over the following: <ul style="list-style-type: none"> ▪ Mangarino water loss 5.2% ▪ Blackmans water loss 40.72% ▪ Hetet water loss 11.83% ▪ Hospital water loss 5.72% The overall Te Kuiti water loss is 15.86%	Target: ≤ 25% Result: 15.86%	○	Water loss in Te Kuiti is spread over the following: <ul style="list-style-type: none"> • Mangarino water loss 5.2% • Blackmans water loss 40.72% • Hetet water loss 11.83% • Hospital water loss 5.72% The average Te Kuiti water loss is 15.86%
• Mokau	Target: ≤ 25% Result: 1.76%	○		Target: ≤ 25% Result: 1.76%	○	
• Piopio	Target: ≤ 25% Result: 0.34%	○		Target: ≤ 25% Result: 0.34%	○	
• Maniaiti/Benney dale	Target: ≤ 15% Result: 5.72%	○		Target: ≤ 15% Result: 5.72%	○	

How we measure performance	Performance - 30 Sept 2019 (Q1)			Performance 31 Dec 2019 (Q2)		
	Target / Result	Q1	Commentary	Target / Result	Q2	Commentary
The median response times for attendance for urgent call-outs in a financial year**	Target: ≤ 180 minutes (3hrs) Result: 0:08 hrs		We have received 3 urgent call-outs end of 1st quarter, and the median response time was 0:08 hours.	Target: ≤ 180 minutes (3hrs) Result: 2:30 hrs		We have received 23 urgent call-outs end of 2nd quarter, and the median response time was 2:30 hours.
The median resolution time of urgent call-outs in a financial year***	Target: ≤ 540 minutes (9hrs) Result: 0		We have received 11 urgent call-outs end of 1st quarter, and the median resolution time was 2:38 hours.	Target: ≤ 180 minutes (3hrs) Result: 12:31 hrs		We have received 23 urgent call-outs end of 2nd quarter, and the median resolution time was 12:31 hours.
The median response times for attendance for non-urgent call outs in a financial year**	Target: ≤ 660 minutes (9hrs) Result: 1:9 hrs		We have received 35 non-urgent call-outs end of 1st quarter, and the median response time was 2:57 hours	Target: ≤ 660 minutes (9hrs) Result: 3.49 hrs		We have received 103 non-urgent call-outs end of 2nd quarter, and the median response time was 3:49 hours.
The median resolution time of non-urgent call-outs in a financial year***	Target: ≤ 96 hours (4 days) Result: 3d/4:58 hrs		We have received 35 non-urgent call-outs and the median resolution time was 3 days and 4:58 Hours	Target: ≤ 96 hours (4 days) Result: 1d/4:17hrs		We have received 103 non-urgent call-outs and the median resolution time was 1 day and 4:17 hours.
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: 1.52		Four service complaints were received for clarity. 2 relating solely to clarity, one for clarity/taste and one for clarity/odour This is 1.52 complaints per 1,000 connections.	Target: ≤ 5 per 1000 connections Result: 4.57		Fifteen service complaints were received for clarity. 12 relating solely to clarity, two for clarity/taste and two for clarity/odour This is 4.57 complaints per 1,000 connections.
Drinking water taste	Target: ≤ 5 per 1000 connections Result: 0.38		One service complaint was received for Taste. Also relating to clarity. This is 1.52 complaints per 1,000 connections.	Target: ≤ 5 per 1000 connections Result: 0.76		Two service complaints were received for taste: one for taste/clarity and one for taste/odour. This is 0.76 complaints per 1,000 connections.
Drinking water odour	Target: ≤ 5 per 1000 connections Result: 0.38		One service complaint was received for Odour. Also relating to clarity. This is 1.52 complaints per 1,000 connections.	Target: ≤ 5 per 1000 connections Result: 0.76		Two service complaints were received for odour: One for Odour/clarity one for Odour/taste This is 0.97 complaints per 1,000 connections.
Drinking water pressure flow	Target: ≤ 30 per 1000 connections Result: 0		Nil service complaints were received for drinking water pressure flow.	Target: ≤ 30 per 1000 connections Result: 0.76		Two service complaints were received for drinking water pressure flow: This is 0.76 complaints per 1,000 connections.
Continuity of supply	Target: ≤30 per 1000 connections Result: 1.9		Five service complaints were received for continuity of supply. This is 1.9 complaints per 1,000 connections.	Target: ≤30 per 1000 connections Result: 9.14		Twenty Four service complaints were received for continuity of supply. This is 9.14 complaints per 1,000 connections.
Median response time to any of these issues within a year.	Target: ≤ 540 minutes (9hrs) Result: 1.00		The median response time to the Nine service requests containing 11 complaints regarding clarity, taste, odour, pressure flow and continuity of supply was 1:00 hours.	Target: ≤ 540 minutes (9hrs) Result: 1.59		The median response time to the Forty service requests containing 44 complaints regarding clarity, taste, odour, pressure flow and continuity of supply was 1:59 hours.
Average consumption of drinking water per day per resident within the district.	Target: ≤ 400 litres per person per day Result:			Target: ≤ 400 litres per person per day Result: 230.53L		(Annual water volume produced – industrial use)/ Population = water consumption per capita.

Economic Sustainability Group | Roads and Footpaths

Roads and Footpaths	Overall result for GOA <i>(as at 31 Dec 2019)</i>					
	Performance - 30 Sept 2019 (Q1)			Performance 31 Dec 2019 (Q2)		
How we measure performance	Target / Result	Q1	Commentary	Target / Result	Q2	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: -7	○	The Crash Analysis System Report in September 2019 shows one serious injury crash reported on our local roads for quarter one 2019/20. In 2018/19 there was one fatality and seven serious injury crashes on the local road network, so the progress result so far is negative seven.	Target: 1 (or maintain at 0) Result: -3	○	The Crash Analysis System Report in December 2019 shows year to date four "severe injury crashes" and one "fatal crash" reported on (Waitomo District Council) Local roads for quarter two. In 2018/19 there was one fatality and seven serious injury crashes on the local road network, so the progress result so far is negative three.
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:	●	This is measured every three years and is due to be re-measured in December 2019.	Target: 90% (of total) Result:	●	This is measured every three years and was due to be re-measured in December 2019. Survey has been delayed to Q3 and results will be available in Q4. The latest NAASRA roughness count from 2016 was 95.44%.
Percentage of unsealed road metalled each year.	Target: 10% (of total) Result: 7%	○	Road metalling is scheduled to be completed in March-May 2020.	Target: 10% (of total) Result: 8.1%	○	Q2: 1%, YTD 8.1%. 6km of unsealed road metalling completed in Q2.
Percentage of the sealed local road network that is resurfaced each year.	Target: 7% (of total) Result:	●	Resurfacing is completed in the warm summer months. Sealing scheduled to begin in January 2020.	Target: 7% (of total) Result:	●	Resurfacing is completed in the warm summer months. Sealing scheduled to begin in January 2020.
The percentage of footpath network that falls within a condition rating of 3.	Target: 90% Result: 94.35%	●	This is the 2018 result (report dated 2019) The footpaths condition rating report is completed every 3 years, with the next one due in 2021.	Target: 90% Result: 94.35%	●	This is 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: 89.44%	○	In quarter one, a total 185 service requests were received. Of these, 24 were for state highways and 161 were for Council; 144 of the Council-related service requests were responded to within 10 working days.	Target: 80% Result: 90.70%	○	In quarter two, a total (207) (YTD 392) service requests were received. Of these, (24) (YTD 48) were for state highways and (183) (YTD 344) were for Council; (168) (YTD 312) of the Council-related service requests were responded to within 10 working days. 15 (YTD 32) Service request have not been responded to within 10 working days

Document No: A462230

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



Meeting Date: 11 February 2020

Subject: **Progress Report - Development of the Exceptions Annual Plan 2020/21**

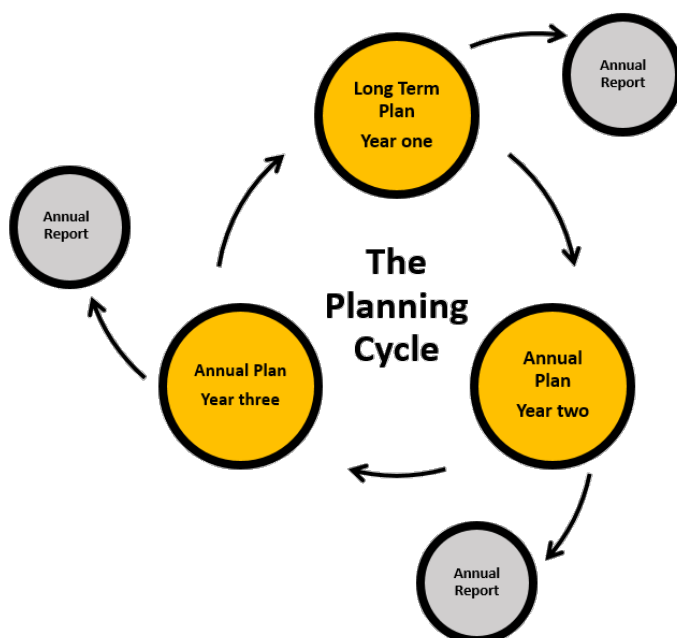
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Purpose of Report

- 1.1 The purpose of this business paper is to provide an update on the development and progress of the Exceptions Annual Plan 2020/21 for year 3 of the 2018-28 Long Term Plan (LTP).

Background

- 2.1 The Local Government Act 2002 (LGA) requires Council to produce a Long Term Plan (LTP) with a 10 year planning horizon that has to be reviewed and updated every 3 years, with an Annual Plan for each year in between the LTP review cycle.



- 2.2 The purpose of the Annual Plan, as defined by the section 95(5) of the LGA is to:
- Contain the proposed annual budget and funding impact statement for the year to which the annual plan relates; and
 - Identify any variation from the financial statements and funding impact statement included in Council's long-term plan (LTP) in respect of the year; and

- Provide integrated decision making and coordination of the resources of the local authority; and
 - Contribute to the accountability of the local authority to the community.
- 2.3 An Annual Plan is an exceptions-based document which focuses on changes between the LTP and the proposed Annual Plan. Consultation on an Annual Plan is only required where there are 'significant or material differences from the content of the LTP for the financial year to which the proposed annual plan relates to'.

Progress to Date

- 3.1 As per usual practice at the commencement of each year's Draft Exceptions Annual Plan (DEAP) project, Council's views and direction on the strategic approach to be taken for the DEAP 2020/21 was sought early to set the framework for its development going forward.
- 3.2 **Council Workshop**
- 3.3 At its Workshop on 12 November 2019, Council considered options for developing the draft Exceptions Annual Plan (DEAP) 2020/21, including considerations of relevant strategic issues as per previous years.
- 3.4 In addition, due to the development of the 2020/21 DEAP coinciding with the start of a new Triennial Council cycle, to acknowledge the change in representation arrangements, a review into Council's financial and non-financial performance was also presented for consideration. The review looked back at the actual and audited outcome across the three financial years for 2016/17, 2017/18 and 2018/10.
- 3.5 This approach allowed the assessment of whether or not the strategic and policy settings adopted by Council over that period were effective, and how any learning from results achieved, might be applied in the context of the DEAP 2020/21.
- 3.6 It should be noted that this type of assessment is standard process treatment to inform the development of a long term plan (LTP) rather than a DEAP.
- 3.7 At its Workshop Council therefore discussed the strategic issues which could influence the DEAP, the financial strategy policy settings and priorities including the adopted Long Term Plan 2018-28 (LTP) and the relevant legal requirements of the Local Government Act 2002 (LGA) in respect of the four well-beings, financial management, consultation requirements and material or significant amendments.
- 3.8 Having considered all these matters, Council provided direction at the Workshop that the DEAP should follow the standard Exceptions Annual Plan development process.
- 3.9 **Council Meeting**
- 3.10 At its meeting on 26 November 2019 Council considered the following matters:
- Financial performance including operating revenue and expenditure, reserves, use of debt;
 - Strategic considerations with financial impact;
 - Financial Strategy – Policy Settings and Priorities, including:
 - The three principal financial levers of rates, capital investment and debt;
 - Non-rates revenue (fees and charges and grants and subsidies);
 - Capital (Renewal and Investment);

- Finance costs;
 - Operational Reserves
- 3.11 At that meeting, Council was presented with two options for the DEAP development process to follow: option 1) whether to continue with the development of a standard DEAP (i.e. no LTP amendments) or (option 2) whether to undertake an EAP and LTP amendment concurrently.
- 3.12 Option 1 related to Council undertaking a standard DEAP process, with all the usual considerations in terms of affordability and rating requirements within the constraints of materiality to ensure that an LTP amendment requirement is not statutorily triggered.
- 5.1 Option 2 would result in Council undertaking an EAP process and an LTP amendment due to the application of financial strategies (levers) that result in material / significant changes to the LTP, therefore invoking the statutory requirements.
- 3.13 Council considered its options, and resolved as follows:
- "1 The business paper on Development of Exceptions Annual Plan 2020/21 be received, and*
 - 2 Council undertake a standard Exceptions Annual Plan development process, which includes all the usual considerations in respect of rates affordability and financial prudence within the statutory constraints of the Local Government Act 2002 Exceptions Annual Plan process; and*
 - 3 Council not make any amendments to the Exceptions Annual Plan that would statutorily require a concurrent amendment to Council's 2018-28 Long Term Plan as mandated by the Local Government Act 2002; and*
 - 4 Council acknowledges that considerations of rates affordability, the distribution of benefits, and all considerations pursuant to section 101 of the Local Government Act 2002 are important issues which will be appropriately considered in a financially prudent manner as part of the development of the Long Term Plan 2021-2031 commencing early 2020."*

Next steps

- 4.1 In accordance with Council's direction, staff are progressing the development of the Preliminary Draft Financial Forecast (pdFF) for discussion at Council's Workshop on 18 February 2020.
- 4.2 As Council resolved to undertake a standard DEAP process within the statutory constraints of the Local Government Act 2002 Exceptions Annual Plan process, no amendments to the DEAP will be presented at the workshop which would have the effect of triggering an amendment to Council's Long Term Plan 2018-28 (LTP).
- 4.3 At its workshop, Council will also consider and provide direction on whether it wishes to consult with the community on the DEAP.
- 4.4 It is noted that consultation with the community on the DEAP is only required whether there are significant or material variations to the forecasts contained in the corresponding year of the LTP. Consultation is not recommended where this

material variation threshold is not met, as the DEAP simply gives effect to the LTP, which was subject to extensive engagement at the time of its development. In those circumstances, consulting on a DEAP with no material variations would not be efficient or cost effective.

4.5 Subject to direction received at the workshop, the draft timeline for adopting the EAP is set out in the tables below.

Option 1 - No Community Consultation	
Council Workshop <ul style="list-style-type: none"> • Preliminary draft financial forecasts including overall rates requirement implications • Draft Financial Forecasts for draft EAP 2020/21 • Assessment of DEAP against consultation threshold 	19 February 2020
Prepare final 2020/21 EAP document	February – March / April 2020
Council Meeting: Adopt EAP	March / April 2020
Notify community of adoption of EAP and provide summary of key proposals	April / May 2020

Option 2 - Consultation	
Council Workshop <ul style="list-style-type: none"> • Preliminary draft financial forecasts including overall rates requirement implications • Draft Financial Forecasts for 2020/21 EAP • Assessment of DEAP against consultation threshold 	19 February 2020
Council Workshop <ul style="list-style-type: none"> • preliminary draft matters to be included in Consultation Document (CD) 	11 March 2020
Audit of CD and Supporting Information	14-23 March 2020 (estimated)
Council Meeting Adopt CD and Supporting Information for 2020/21 EAP to be used in engagement with the District community.	31 March 2020
Consultation Period	3 April – 4 May 2020
Council Meeting Council consideration of any matters raised/ Hearing	12 May 2020
Council Meeting Deliberations	26 May 2020
Prepare final 2020/21 EAP Document	June 2020
Council Meeting: Adopt 2020/21 EAP	30 June 2020

Suggested Resolution

The Progress Report - Development of the Exceptions Annual Plan 2020/21 be received.



TERRENA KELLY

GENERAL MANAGER STRATEGY AND ENVIRONMENT

30 January 2020

Document No: A462954

Report To: Audit, Risk and Finance Committee



Meeting Date: 11 February 2020

Subject: Mokau Water Supply - Compliance

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to report on non-compliance of the Mokau Water Supply with the water turbidity requirement of the Drinking Water Standards for New Zealand 2005 (Revised 2018) (DWSNZ) over the December 2019 – January 2020 period, and WDC's duties under the Health Act 1956 in response to those non-compliance incidents.

Background

- 2.1 The Mokau WTP produces potable water for a population less than 500 (permanent population of around 200) and is defined as a 'small water supply' under DWSNZ. The associated compliance criteria is defined as 2B (non-continuous, manual monitored FAC and *E.coli*). This means that a continuous monitoring regime is not required, but is recommended. However, due to the nature of Mokau, the population increases throughout the summer period to over 1,000 – 2,000 people) through the influx of transient holiday-makers and bach owners. This is across the 207 water supply connections at Mokau and Awakino townships.
- 2.2 The Mokau WTP utilizes water treatment processes comprising coagulation, rapid media filtration, chlorination, and ultra violet light (U.V) disinfection to remove suspended solids, bacteria, and protozoa. These barriers provide potable water and protect against the risk of pathogenic infection from giardia and cryptosporidium (as was occurred at Havelock North in recent times).
- 2.3 The Mokau WTP is consistently compliant with NZDWS Bacteriological requirements (through chlorine dosing and as measured by testing for the presence of *E. coli* sampling) but is not protozoal compliant as the existing WTP setup cannot provide data to substantiate actual compliance levels.
- 2.4 A key indicator or proxy for the potential for a protozoal presence in drinking water is turbidity of the treated water as it leaves the WTP. Unless the measured turbidity is less than NZDWS prescribed "safe" levels, there is no certainty that the WTP process is effective in preventing the break-through of protozoa. The efficacy of UV disinfection as a barrier control for protozoa is dependent on low turbidity being achieved through the prior coagulation and filtration treatment processes.
- 2.5 Measurements for turbidity in the potable water produced by the WTP over the last two months have regularly exceeded the prescribed safe turbidity limits. That circumstance establishes an automatic non-compliance with DWSNZ.

- 2.6 Exceeding turbidity limits does not mean that the water supply is contaminated with protozoa – just that the risk of protozoa break-through into the reticulation is higher. On that basis, the required public health response is to give notice that the boiling of any water used for human consumption is a precautionary measure to safe guard against that risk.
- 2.7 Treatment protection against protozoal contamination is defined by log credits. For example, 1 log credit means there will be a 10 fold reduction in cryptosporidium oocyst (cyst) concentration; 2 log credits means there is 100-fold reduction. Log credit requirements vary between water supplies depending on the risk assessment of the source of water, catchment protection and other factors.
- 2.8 The Mokau WTP has a protozoal log credit removal requirement of 4, but is capable of up to 5.5 log credits:

Treatment Plant	Treatment Process	Log Credit Requirement	Log Credit Available
Mokau	Direct filtration (2.5), UV disinfection (3)	4	5.5

- 2.9 However, the current configuration and operational limitations of the Mokau WTP has meant that it has not always been able to convert its potential available log credit rating into effect.
- 2.10 The Mokau water supply has previously experienced issues in regards to quantity and quality:
- Seasonal droughts in the past have necessitated water restrictions. WDC constructed a lower water storage dam to increase the raw water supply storage capacity.
 - Natural algal growth occurred in this dam following construction. It was mitigated through the installation an ultrasonic buoy designed to prevent algal growth. The upper dam is still potentially prone to algal growth and increased turbidity, as it (and the spring) is currently unfenced with access for the land owner’s cattle.
 - High pressure in the reticulation resulted in reticulation failures. This was remedied by converting the system from a pumped supply to a gravity fed supply. A new trunk main was also installed, and an ongoing renewal program of the aged or original asbestos cement pipes implemented. This upgrade addressed the majority of the historical issues, but there are still ongoing problems for some (e.g. Seaview Holiday Park installed pressure reducers due to very high water pressure, as they are directly beneath the WTP).
 - During the 2018/19 summer, a leak was identified in the lower newly constructed dam. This is thought to have started through a long term smaller leak (not detected), with the leaking water eroding the substrate behind the liner and resulting in further damage to the liner, hence creating a larger leak (detected).

Commentary

3.1 What Happened?

3.2 The following timeline summarises the history of events over the December 2019/January 2020 period:

Mokau Water Supply Event – December 2019/January 2020

Time	Comment	Action / Decision
1st Boil Water Notice		
6 Dec	Algae first identified as an issue affecting plant functionality	Changed raw water supply from the lower dam to the upper dam
9 Dec	NTUs elevated above 1.0 and NZDWS requirements	PBWN issued following discussions with Medical Officer of Health (MOH) PBWN issued / delivered
10-16 Dec	Staff on site every day	Bypassed concrete tank Drained, cleaned, and sterilised the concrete tank Undertook extensive backwashing Undertook flushing of the reticulation Began daily testing of reticulation Barley straw and copper sulphate added to lower dam
17 Dec	NTUs reduced below 1.0 - Mokau	Discussion with MOH PBWN lifted - Mokau Formal notice to community (letter drop and social media)
19 Dec	NTUs reduced below 1.0 for Awakino	Discussion with MOH PBWN lifted – Awakino Formal notice to community (letter drop and social media)
20 Dec – 23 Dec	NTUs compliant	Daily site visits by staff
24 Dec – 29 Dec	Water Services Engineer on site monitoring each day Low pressure and high demand experienced Discoloured water and airlocks occur	Water Services Engineer was in daily contact with General Manager Management cadet liaising with after hours Contractors on site assisting water services engineer
30 Dec	Low pressure and high demand experienced in Mokau No issues with NTUs Water Alert raised from 1 to Level 2	Water Alert Level 2 issued

Time	Comment	Action / Decision
31 Dec – 7 Jan	Elevated turbidity spikes occurred on 5/6 Jan	
2nd Boil Water Notice		
8 Jan	Water Services Manager returns from leave NTUs elevated above 1.0	PBWN issued following discussions with Medical Officer of Health (MOH) PBWN hand delivered
14 Jan	Water Services team debrief (previous event)	Increased backwash frequency of filter Began daily testing of reticulation Ongoing monitoring, testing and contractors on site
15 Jan	Sand filter media replaced at Mokau Treatment Plant Media enquiry from Waitomo News received on Monday 13 Jan	Ongoing monitoring and testing and contractors on site Sand filter media removed and replaced with new media Information emailed to WN
16 Jan	NTUs reduced below 1.0, except for site near Mokau public toilets	PBWN lifted following discussions with Medical Officer of Health (MOH) Community provided notice via social media
17 Jan	PBWN notices hand delivered	Hand delivery of notices (morning) Notice placed in public toilet at Mokau SH3 – handwashing only
3rd Boil Water Notice		
18 Jan 20	NTUs elevated above 1.0 MOH advised PBWN needed to be issued	Staff onsite at treatment plant Submersible transfer pump relocated Concrete tank bypassed/isolated Physical checks of network Contractors on site flushing lines SMT phone conference call PBWN issued following discussions with Medical Officer of Health (MOH)
19 Jan	SMT meeting and forward action planning	Hand delivery of notices to community, businesses visited Replaced notice in public toilets with an updated version Start daily testing of reticulation On-site inspection and monitoring at plant Discussions with Sage PR – website and Facebook updated Submersible transfer pump removed completely
20-23 Jan	Flushing and cleaning of tanks	Draining of reservoirs and holding tanks Isolation valves installed on each tank Cleaning of tanks undertaken
24-27 Jan	NTU less than 1	NTU less than 1 for the duration of the long weekend

Time	Comment	Action / Decision
28-29 Jan	Sensors found to be potentially drifting	Differential readings between telemetered, desktop and portable equipment found Calibrations of sensors undertaken
30 Jan	Sample point moved for final water	Additional meter borrowed from Otorohanga District Council for comparison, found no issues with telemetered data Sample point for final water moved to higher elevation from the base of tank
31 Jan (onwards)		

- 3.3 In early December, a small algae growth was identified in the lower dam which feeds the Mokau/Awakino supply (slight green coloration of water). Algae blooms are not abnormal at this time of year around New Zealand due to increased summer time temperatures, as they are naturally occurring and most are harmless.
- 3.4 The measured turbidity across the supply spiked at about the same time. This was linked to a large slug of algal growth making its way from the lower dam into the system, and clogging the sand filter. This effectively led to the filter being "short-circuited", reducing the effectiveness of the sand filter and allowing high turbidity water through into the other treatment processes. A precautionary boil water notice (PBWN) was then issued for the water supply due to the exceedance of turbidity over the NZDWS limit.
- 3.5 Low supply pressures were experienced during the Christmas period due to the spike in demand exceeding the production capacity of the Plant. This, in part, was caused by maintenance work on the concrete storage tank, which is used for chlorine contact time, being cleaned at the time, with the temporary bypass installed (63mm diameter pipe, while the tank outlet is 100mm) restricting production.
- 3.6 Following cleaning of the Awakino reservoir, high demand from the population of Awakino Heads Road and Ye Olde Mill Road drained the tank creating airlocks in the network. Once service was restored, the high demand once again exceeded capacity of the Awakino reservoir. This became an ongoing issue while WDC worked to permanently fix the issue and was exacerbated due to the undulating nature of the hills (and therefore the reticulation network) on the way to the reservoir, creating several airlocks at once.
- 3.7 Early in January an excessive organic load, caused by algal growth in the upper dam (which was being used as the primary draw off source following the first event) occurred. This resulted in issue of the second precautionary boil water notice (PBWN), which was lifted on 16 January 2020.
- 3.8 Regrettably, turbidity spikes were recorded again at the WTP over the weekend of 18/19 January 2020. After consultation with the Waikato District Health Board, a third PBWN was issued on 18 January 2020.
- 3.9 The PBWN has continued in place as the plant and reticulation are still experiencing turbidity spikes.
- 3.10 The current focus is on resolving the issues that have arisen in Mokau with at least two members of WDC's Water Operations team being on-site most days since pre-Christmas. This, coupled with the time of year where staff take annual

leave (in addition to some sick leave), this has led to restricted time being spent at WDC's other treatment plants. As a result, oversight of these other plants has had to be reduced and one consequence is that some of our regional consents (water take and discharge). Have been exceeded.

3.11 What steps were taken?

- 3.12 Drawing raw water from separate sources. When the first algal growth occurred in the lower dam, the raw water source was changed to the upper dam. Barley straw and copper sulphate were added to the lower dam (standard algae treatment). Additional barley straw was added periodically.
- 3.13 Following a second algae bloom in the upper dam, the source was switched back to the lower dam (which had been cleared of significant algae biomass).
- 3.14 Chlorine dosing of the treated water was maintained at a level sufficient to remove bacterial threats.
- 3.15 The backwashing frequency of the filter media was increased to prevent accumulation of material and additional short-circuiting.
- 3.16 A complete replacement of the sand filter media was undertaken. This involved removal of old media, cleaning the filter tank chamber, inspections of nozzles and the underdrain, and then replacing media with new material.
- 3.17 Each of the tanks used in the treatment process (coagulation tank, main concrete tank reservoir, plastic tanks, and outlying reservoir tanks) have been drained (individually installed with isolator valves if necessary), cleaned, and then inspected.
- 3.18 Daily monitoring of water quality (chlorine levels, turbidity, pH) in the reticulation has been undertaken by staff at several locations, while bacterial testing for E. coli (indicator organism) was conducted at an increased frequency of once per week with no contamination confirmed.
- 3.19 Visual inspections and laboratory testing have been undertaken for algae, cyanobacteria, and cyanotoxins, on an increased frequency for both the upper and lower dams following these events.
- 3.20 Results indicate that while no harmful algae were present, and cyanotoxins were below detection levels, cyanobacteria biomass was above 500cells/ml, raising the cyanobacteria alert level from 'normal' to 'vigilance' (increasing frequency of sampling).
- 3.21 Flushing of reticulation lines was undertaken periodically (when there was sufficient water storage supply to do so), as well as clearing airlocks that occurred.
- 3.22 A submersible pump was added to the contact tank to increase flow to the distribution reservoirs as a means of meeting demand.
- 3.23 A submersible pump was relocated and then subsequently removed after identifying that it was partially contributing to the increased turbidity (by suspending settled material).
- 3.24 Independent verification of turbidity instruments via an additional turbidity meter (owned by Otorohanga District Council)

3.25 The District Health Board and DWA's have noted that WDC did well in regards to communications during these events, keeping them informed of new information and work undertaken, as well as distributing information.

3.26 What have we learnt?

3.27 The sand filter media experienced clumping of material (mudballs) which led to short circuiting and poor performance. This was due to insufficient cleaning frequency and inadequate backwashing.

3.28 The coagulation tank does not have enough capacity (retention time) for coagulation to properly work to expected levels before the water moves to the filter.

3.29 The concrete tank had not been cleaned for a long time, but has been during these events.

3.30 Pipework as-builts were not well documented or even available. This has been addressed through mapping of the uncovered pipes.

3.31 Past expenditure has focused on water supply quantity and distribution, for the obvious demand/continuity of supply reasons, with comparatively little allocated to address quality of produced water.

3.32 After backwash is performed, water is filtered to waste for a set period of time to allow any residual particles to settle. There is no ability to send this filter water (post backwash) to drainage as waste at the Mokau WTP.

3.33 The current system is vulnerable to natural hazards and lacks operational redundancy. There is a single coagulation unit, single filter, and a single U.V disinfection unit, and if they fail or require servicing, there is no backup.

3.34 New measures now in place or proposed

3.35 As a result of the recent experience, the following new measures have been introduced at the Mokau water supply:

3.36 Heightened monitoring and observations.

- Increased monitoring of the water quality produced (such as manual measurements and inspections, as well as increased automatic, continuous monitoring with telemetered data).
- Increased inspections of the equipment and assets used in the process can assist in preventing incidents from happening again, as the assets will be maintained and utilized correctly.

3.37 Treatment plant upgrade.

- Provide extra operational capacity as a contingency to improve resilience to the water treatment system (duplication of filters, and UV disinfection systems, etc.).

3.38 Telemetry and SCADA upgrade.

- Telemetry and SCADA (Supervisory Control and Data Acquisition) provide the technology used to measure, control and report on water quality and treatment processes. Upgrading the capability of the site and increasing the telemetry system will improve the ability to monitor and act on alerts remotely. Many issues currently seen at Mokau require operators to visit

the site in person, and with an hour drive to the site, the issue may already have affected the produced water quality, resulting in non-compliance. Having the ability to remotely control the parameters of the plant would improve the ability of operators to react to alerts.

3.39 Swabbing the lines (reticulation).

- Long term issues relating to water quality and suspended (or dissolved) material can lead to accumulation of deposits in the reticulation network. This can lead to degraded water quality aesthetics (water colour, clarity, and odour). Cleaning the lines can assist in improving water quality to the consumers.

3.40 Improvements – FY 2019/2020

3.41 \$61,000 is budgeted for improving the monitoring at Mokau WTP. This includes the installation of new instrumentation (turbidity meters) and the associated pipework, along with changes to the control systems. Turbidity instrumentation was installed prior to Christmas 2019, with prices being sought for the rest of the work.

3.42 \$4,100 is budgeted for annual renewal of the treatment plant.

3.43 Improvements – FY 2020/2021

3.44 \$500,000 has been proposed in the draft 2020/21 EAP for improvements to water quality treatment processes at the Mokau WTP. This includes:

- \$410,000 for upgrades to the WTP to target the quality of water produced in order to meet the new NZDWS. This will include a new coagulation and sedimentation system, a new filtration system, and a new UV unit (parallel UV system similar to what exists at the Te Kuiti WTP, providing operational contingency and improved resilience).
- \$90,000 for reticulation maintenance, upgrades and renewals.

3.45 Quotes indicate that an increase the quality of treatment and provision of means with which to comply with NZDWS can be achieved within the budget.

Recommendations

4.1 That the Audit, Risk and Finance Committee notes the water quality issues that occurred at the Mokau water supply over the December 2019 to January 2020 period, the responses to those issues, and the measures proposed to reduce the likelihood of a repeat occurrence of those issues together with the upgrade programme to improve the resilience, compliance and operational redundancy of the water supply.

Suggested Resolutions

- 1 The business paper on Mokau Water Supply – Compliance be received.
- 2 The Audit, Risk and Finance Committee notes:
 - (a) The compliance events which occurred at the Mokau Water Supply over the December 2019 to January 2020 period.
 - (b) The response taken to those compliance events.
 - (c) The measures proposed to reduce the likelihood of a repeat occurrence of those events together with the upgrade programme to improve the resilience, compliance and operational redundancy of the water supply.



TONY HALE
GENERAL MANAGER – INFRASTRUCTURE SERVICES

4 February 2020

Document No: A462519

Report To: Audit and Risk Committee



Meeting Date: 11 February 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

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)	31st March
No. 120340 - Mokau Closed Landfill Condition 3, 6 & 10	Monitoring Ceased by mutual agreement with WRC (11/2017)
No. 113038 - Te Kuiti Water Treatment Plant Conditions 1 & 2 (Ground Water Take)	1st of May
No. 105054/55/56/57/58/59/60 - Waitomo Stormwater Schedule A (22) Conditions 4,5 & 6	31st May
No. 105054 - Te Kuiti Stormwater Condition 6	31st May
No. 116274 - Benneydale Water Treatment Plant Conditions 2, 3, 4 & 7 (Groundwater Take)	1st of June
No. 113544 - Mokau Water Treatment Plant (Water Take)	July
No. 113545 - Mokau Water Treatment Plant (Backwash)	July
No. 140685 - Rangitoto Quarry Landfill, William Street, Te Kuiti Annual Report Condition 71.	1st September
No. 140685 - Rangitoto Quarry Landfill, William Street, Te Kuiti Annual Report Consents 78 Independent Peer Reviewer	1st October
No. 120048 - Te Kuiti Wastewater Treatment Plant Condition 6 (Groundwater b1 to b7)	September 30 th
No. 112639 - Te Kuiti Wastewater Treatment Plant Condition 20 (Discharge)	September 30 th
No. 103287, 103288 and 103289 - Te Kuiti Walker Road - Closed Landfill Discharge to Land, Air and Divert (Nov, Jun)	November <i>(within two months of sampling)</i>

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 sets out the reporting against Resource Consent conditions:

1. RC 117290, Piopio Wastewater Treatment Plant, Effluent discharge – September 2019 (Doc A449918).
 - Full compliance achieved.
2. RC 116844, Benneydale WTP – Surface water take, September 2019 (Doc A449875).
 - Full compliance achieved.
3. RC 138063, Te Waitere sewage disposal – Exceedance Report September 2019 (A448097).
 - During the 28th and 29th of September 2019 there was a high discharge flow from the main pump station, which resulted in a breach to the daily threshold of 10.3 m³/day.
 - The discharge flow returned to normal straight after this continuous pumping, which suggests that it might be related to an unauthorised discharge into the pump station.
 - WDC will look to install a manhole cover with a padlock at the Main pump station and at the boat club pump station to avoid possible unauthorised discharges into the WDC reticulation system.
4. RC 116844, Benneydale WTP – Surface water take, October 2019 (Doc A453630).
 - Full compliance achieved.
5. RC 124718, Te Kuiti Landfill - Groundwater monitoring, Conditions N 6 & 14, May to October 2019 (Doc A453568).
 - Full compliance achieved.
6. RC 124718, Te Kuiti Landfill – Stormwater monitoring (SW2), Condition N 7 & 14, July to September 2019 (Doc A453202).
 - Full compliance achieved.
7. RC 101753, Te Kuiti Landfill – Ring Drain, Condition 11, July to September 2019 (Doc A453567).
 - Full compliance achieved.
8. RC 101753, Te Kuiti Landfill – Leachate characterization, Condition 10, May to October 2019 (Doc A453138).
 - Characterization only.

9. RC 117290 Piopio Wastewater Treatment Plant Discharge October 2019 (Doc A454692).
 - Full compliance achieved.

10. RC Report 117945 Condition 3 Benneydale WTP Backwash 1st April 2019 to 30th September 2019 (Doc A454893).
 - Full compliance achieved.

11. RC 107477 Piopio WTP - Surface water take - May to October 2019 (Doc A456290).
 - Partial compliance achieved.
 - There were four exceedances to the water take extraction limits during the current reporting period.
 - Exceedance numbers 1 and 2 occurred on the 15th and 16th of May 2019 at 461m³ and 458m³ respectively. (Trigger limit is 450m³). Water volumes produced before and after this date suggest the demand of water increased above normal requirements reflecting a possible leak, although there was no Service Request recorded. Values returned to normal the following days.
 - Exceedance numbers 3 and 4 occurred on the 11th and 12th of September at 1,245m³ and 3,242m³ respectively. These were false readings, as the junction box with all the flow meter connection cables was flooded due to heavy rain. After drying and checking for all the cables integrity, measurements returned to normal.

12. RC 107478 Piopio WTP - Backwash discharge to water - May to October 2019 (Doc A456289).
 - Partial compliance achieved.
 - There were two exceedances to the maximum backwash water filter discharge during the current reporting period. The exceedances occurred during the new coagulant reagent trial, once the trial finished, operational parameters returned to normal, there were no exceedances during October 2019.
 - There were two exceedances to the dissolved aluminium trigger levels during the current reporting period, in June 2019 at 0.091 mg/l and in July 2019 at 0.13 mg/l. WDC will continue investigating other alternatives to address this ongoing issue, in the meantime, and as part of a temporary remedial actions WDC will be de-sludging the pond every three month, the first de-sludge started in October 2019.

13. RC 103287/103288/103289 Te Kuiti Closed Landfill - Discharge to Land, November 2018 to October 2019 (Doc A456355).
 - Full compliance achieved.

14. RC 107478 Piopio WTP – Backwash discharge to water, Remedial actions in response to non-compliance event (Doc A459213).
15. RC 117290 Piopio WWTP Effluent Discharge, November 2019 (Doc A459174).
 - Full compliance achieved.
16. RC 112639 Te Kuiti WWTP Effluent Discharge, September to November 2019 (Doc A459168).
 - Full compliance achieved
17. RC 116844, Benneydale WTP – Surface water take, November and December 2019 (Doc A461501).
 - Full compliance achieved.
18. RC 133317, Te Kuiti WTP – Surface water take, January to December 2019 (Doc A461495).
 - Full compliance achieved.

Suggested Resolution

The Progress Report: Resource Consent – Compliance Monitoring, 11 February 2020, be received.



TONY HALE
GENERAL MANAGER – INFRASTRUCTURE SERVICES

Document No: A458568

Report To: Audit and Risk Committee



Meeting Date: 11 February 2020

Subject: Motion to Exclude the Public for the Consideration of Council Business

Purpose of Report

- 1.1 The purpose of this business paper is to enable the Council to consider whether or not the public should be excluded from the consideration of Council business.

Commentary

- 2.1 Section 48 of the Local Government Official Information and Meetings Act 1987 gives Council 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 Council agree the following staff, having relevant knowledge, remain in attendance to assist Council with its decision making: ...
- 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. Progress Report: Risk Management – Procurement/Contract Schedule	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. Progress Report: Health and Safety	7(2)(a) protect the privacy of natural persons, including that of deceased natural persons; or	48(1)(d)
3. Marokopa Seawall - Consent Status and Remedial Maintenance Works	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)
4. Waitomo Village Waters – THL Consent Application for Wastewater Treatment Discharge	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)

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
5. Council Investments	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.



MICHELLE HIGGIE
MANAGER – GOVERNANCE SUPPORT