

Document No: A600068

Report To: Audit and Risk Committee



Meeting Date: 15 February 2022

Subject: Declaration of Members' Conflicts of Interest

Purpose of Report

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

Commentary

2.1 **Conflicts of Interest**

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

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

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

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

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

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

2.7 **Declarations of Interests and Conflicts**

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

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

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

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

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

Declarations

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

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

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

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

MICHELLE HIGGIE
MANAGER – GOVERNANCE SUPPORT

Local Authority (Members' Interests) Act 1968

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

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

3.11 Non-Pecuniary Interest

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

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

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

Waitomo District Council Procurement Policy 2018

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

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

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

Conflict of Interest and Declarations Policy 2018

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

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

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

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

DEFINITION OF CONFLICT OF INTEREST

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

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

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

A Conflict of Interest may exist where the employee:

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

Before you participate in any Council decision ...

CONFLICTS OF INTEREST

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

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

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

For instance, you will have a pecuniary interest where:

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

Yes

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

For instance:

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

No

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

No

2. Non-pecuniary interests - bias/predetermination

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

For instance, there may be bias or predetermination where:

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

Yes

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

No

No conflict, okay to participate

Interests v conflicts

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

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

Need advice?

Talk to:

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

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

Remember: If in doubt, stay out!

Managing conflicts of interest

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

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

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

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

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

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

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



Tips for managing conflicts

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

If in doubt, stay out.



When you have to make a decision, ask yourself:

FINANCIAL

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

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

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

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

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

NON-FINANCIAL

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

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

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

Questions you need to think about include:

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

CONFLICT OF ROLES

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

If so:

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

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

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



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

PRE-DETERMINATION

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

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

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

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

Where to read more

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

WAITOMO DISTRICT COUNCIL
AUDIT, RISK AND FINANCE COMMITTEE

MINUTES OF A MEETING OF THE WAITOMO DISTRICT COUNCIL AUDIT, RISK AND FINANCE COMMITTEE HELD VIA ZOOM ON TUESDAY 12 OCTOBER 2021 AT 1.00PM

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

IN ATTENDANCE: General Manager – Business Support; Manager – Governance Support; Chief Executive (for part only); Manager – Strategy and Policy (for part only) and Manager – Strategy and Policy (for part only)

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| 1. Apology |
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Resolution

The apology from Independent Chairperson Bruce Robertson to leave the meeting early be received.

B Robertson/P Brodie Carried

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| 2. Confirmation of Minutes – 17 August 2021 |
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Resolution

The Minutes of the Waitomo District Council Audit, Risk and Finance Committee meeting of 17 August 2021, including the Public Excluded minutes, be confirmed as a true and correct record.

B Robertson/Marshall Carried

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| 3. Draft Annual Report 2020/2021 – Recommendation to Council |
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The Committee considered a business paper presenting the Draft Annual Report 2020/21 for consideration and, subject to amendment, recommendation to Council for adoption.

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

Resolution

- 1 The business paper on Draft Annual Report 2020/21 be received.
- 2 The Audit, Risk and Finance Committee recommend to Council the adoption of the Annual Report 2020/2021, subject to any amendments agreed at this meeting and any further changes required as a result of completing the audit.
- 3 Any matters of significance which may arise relating to the Draft Annual Report 2020/2021 between this meeting and the Council meeting on 26 October 2021 be referred to the Independent Chairperson.

B Robertson/Whitaker Carried

The Independent Chairperson left the meeting at 1.22pm and Mayor John Robertson took the Chair as Deputy Chairperson.

4. 2021 General Revaluation Update

The Committee considered a business paper reporting on recent changes made by the Office of the Valuer General relating to the timeline for the Waitomo District 2021 General Revaluation.

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

Resolution

The Progress Report: 2021 General Revaluation be received.

J Robertson/New Carried

The Chief Executive entered the meeting at 1.30pm.

5. Motion to Exclude the Public

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

Resolution

- 1 The public be excluded from the following part of the proceedings of this meeting.
- 2 The general subject of each matter to be considered while the public is excluded and the reason for passing this resolution in relation to each matter, as specified by Section 48(1) of the Local Government Official Information and Meetings Act 1987 are as follows:

| General Subject of each matter to be considered | Reason for passing this resolution in relation to each matter | Ground(s) under section 48(1) for the passing of this resolution |
|---|---|--|
| 1. Inframax Construction Limited: Financial Statements - 2020/2021 Financial Year | Section 7(2)(c)(1) (c) To protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information – (i) would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied; | Section 48(1)(d) – That the exclusion of the public from the whole or the relevant part of the proceedings of the meeting is necessary to enable the local authority to deliberate in private on its decision or recommendation in any proceedings to which this paragraph applies. |

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

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

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

J Robertson/Goddard Carried

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

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

1 Inframax Construction Limited: Financial Statements - 2020/2021 Financial Year

The Resolutions be made public as follows:

Resolution

- 1 *The business paper on Inframax Construction Limited: Financial Statements - 2020/2021 Financial Year be received.*
- 2 *The Audited Financial Statements – Inframax Construction Limited for the year ended 30 June 2021 be received.*
- 3 *The Audited Financial Statements – Inframax Construction Ltd for the year ended 30 June 2021 be published on Council's website following the Inframax Construction Ltd 2021 Annual General Meeting.*

Robertson/Goddard Carried

Robertson/Smith Carried

There being no further business the meeting closed at 1.42pm

Dated this day of 2021.

BRUCE ROBERTSON
INDEPENDENT CHAIRPERSON

Confidential Confidential

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Confidential

Document No: A600069

Report To: Audit, Risk and Finance Committee



Meeting Date: 15 February 2022

**Subject: Mastercard Expenditure Report
July 2021 – December 2021**

Type: Information Only

Purpose of Report

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

Commentary

2.1 Introduction

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

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

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

2.5 Acknowledgement of Risk

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

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

2.8 Policy

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

2.10 A summary of the Policy is as follows:

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

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

2.11 **Presentation of Expenditure Details**

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

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

2.14 Attached for the Committee's information are copies of signed Authorization Forms for the period July/August 2021.

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| Suggested Resolution |
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The Mastercard Expenditure Report for the period July 2021 – December 2021 be received.



MICHELLE HIGGIE

MANAGER – GOVERNANCE SUPPORT

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



14
A543458



RECEIVED BUSINESS MASTERCARD

02 AUG 2021
53 GALWAY STREET, AUCKLAND CITY, 1010
WAITOMO DISTRICT COUNCIL

TAX INVOICE
GST NO. 93 259 688

THE DIRECTOR
WAITOMO DISTRICT COUNCIL
P O BOX 404
TE KUITI

3941

| | |
|--------------|------|
| Closing Date | Page |
| 27/07/21 | 1 |

| | |
|--------------------------------|----------------------|
| Current Annual Percentage Rate | Current Monthly Rate |
| 19.950 | 1.6625 |

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



20691010323501Q06P9435

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

| LIMIT | CARDHOLDER NAME | ACCOUNT NUMBER | BALANCE |
|-------------------------------|-----------------|---------------------|----------------|
| \$10000 | MR C J RYAN | 0000 0030 1565 8580 | 0.00 |
| \$10000 | MS M D HIGGIE | 0000 0030 2936 5933 | 4787.80 |
| \$5000 | MRS H M BEEVER | 0000 0030 3956 2081 | 34.00 |
| \$5000 | MR A M DUNCAN | 0000 0030 6052 5296 | 333.60 |
| \$5000 | MR A J HALE | 0000 0030 6158 3906 | 0.00 |
| TOTAL CARDHOLDER LIMIT | \$35000 | NET BALANCE | 5155.40 |

WE ADVISE THAT \$5,155.40 WILL BE DIRECTLY CHARGED TO YOUR ACCOUNT
030449 0070201 00 ON 20/08/21, PLEASE NOTE THIS TRANSACTION FOR YOUR RECORDS
PLEASE DIRECT ALL ENQUIRIES TO WESTPAC CARD SERVICES
ON 0800 888 111, AVAILABLE 24 HOURS A DAY, 7 DAYS A WEEK.




Mastercard Statement Authorisation Form

| | |
|------------------------|---|
| Name: | Michelle Higgle |
| Position: | Manager – Governance Support |
| Statement Date: | 27 / 07 / 21 |
| (1) Creditor: | NZ Transport Agency |
| Date: | 1 July 2021 |
| Amount: | \$764.80 |
| GL Code: | 820 27 769 |
| Expenditure: | 10,000km Road User Charges for Mitsubishi Triton (Registration No. KBU342) |
| (2) Creditor: | NZ Transport Agency |
| Date: | 1 July 2021 |
| Amount: | \$764.80 |
| GL Code: | 820 27 776 |
| Expenditure: | 10,000km Road User Charges for Mitsubishi Outlander (Registration No. NJS791) |
| (3) Creditor: | NZ Transport Agency |
| Date: | 9 July 2021 |
| Amount: | \$764.80 |
| GL Code: | 820 27 766 |
| Expenditure: | 10,000km Road User Charges for Mitsubishi Triton (Registration No. KBU339) |
| (4) Creditor: | NZ Transport Agency |
| Date: | 9 July 2021 |
| Amount: | \$764.80 |
| GL Code: | 820 27 744 |
| Expenditure: | 10,000km Road User Charges for Mazda BT-50 (Registration No. LHY96) |
| (5) Creditor: | NZ Transport Agency |
| Date: | 9 July 2021 |
| Amount: | \$764.80 |
| GL Code: | 820 27 742 |
| Expenditure: | 10,000km Road User Charges for Mazda BT-50 (Registration No. LHC172) |
| (6) Creditor: | NZ Transport Agency |
| Date: | 9 July 2021 |
| Amount: | \$764.80 |
| GL Code: | 820 27 7 |
| Expenditure: | 10,000km Road User Charges for Mitsubishi ASX (Registration No. LMZ559) |


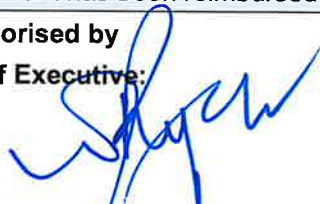
(7) **Creditor:** Acapulco Motor Inn
Date: 9 July 2021
Amount: \$199.00
GL Code: 811 42 700
Expenditure: Accommodation and Breakfast: Cr Phil Brodie - Attendance at LGNZ Zone Two meeting in Taupo on 22 and 23 July 2021

I certify that:

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

| | | |
|--|--|--|
| <p>Signature of Manager – Governance Support</p> | <p>Authorised by Chief Executive:</p> | <p>Authorised by Mayor:</p> |
|  |  |  |
| <p>Date: 14/9/21</p> | <p>Date: 24/9/21</p> | <p>Date: 1/10/21</p> |

Mastercard Statement Authorisation Form

| | |
|---|--|
| Name: | Helen Beever |
| Position: | General Manager – Community Services |
| Statement Date: | 27 / 07 / 21 |
| (1) Creditor: | Air New Zealand |
| Date: | 27 July 2021 |
| Amount: | \$34.00 |
| GL Code: | 817 38 700 |
| Expenditure: | Change to return flights to Wellington to HASANZ 2021 Conference - Nicole Sheward, H&S Administrator |
| 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: 22/07/21 | Date: 24/09/21 |

Mastercard Statement Authorisation Form

Name: Alister Duncan
Position: General Manager – Business Support
Statement Date: 27 / 07 / 21



(1) Creditor: Air New Zealand
Date: 22 July 2021
Amount: \$333.60
GL Code: 817 38 700
Expenditure: LGFA Conference - Wayne La Roche, Senior Accountant, Flight from Hamilton to Wellington and Return (note LGFA will reimburse these fares)

I certify that:

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

Signature of
GM – Business Support

Date:

9/9/21

Authorised by
Chief Executive:

Date:

24/9/21



19
A575634



mastercard

RECEIVED

14 SEP 2021

WAITOMO DISTRICT COUNCIL

BUSINESS MASTERCARD

53 GALWAY STREET, AUCKLAND CITY, 1010

TAX INVOICE
GST NO. 93 259 688

THE DIRECTOR
WAITOMO DISTRICT COUNCIL
P O BOX 404
TE KUITI

3941

| | |
|--------------|------|
| Closing Date | Page |
| 29/08/21 | 1 |

| | |
|--------------------------------|----------------------|
| Current Annual Percentage Rate | Current Monthly Rate |
| 19.950 | 1.6625 |

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



257910324701004P09373

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

| LIMIT | CARDHOLDER NAME | ACCOUNT NUMBER | BALANCE |
|-------------------------------|-----------------|---------------------|----------------|
| \$10000 | MS M D HIGGIE | 0000 0030 2936 5933 | 0.00 |
| \$5000 | MRS H M BEEVER | 0000 0030 3956 2081 | 1158.00 |
| \$5000 | MR A M DUNCAN | 0000 0030 6052 5296 | 0.00 |
| TOTAL CARDHOLDER LIMIT | \$20000 | NET BALANCE | 1158.00 |

WE ADVISE THAT \$1,158.00 WILL BE DIRECTLY CHARGED TO YOUR ACCOUNT
030449 0070201 00 ON 20/09/21, PLEASE NOTE THIS TRANSACTION FOR YOUR RECORDS
PLEASE DIRECT ALL ENQUIRIES TO WESTPAC CARD SERVICES
ON 0800 888 111, AVAILABLE 24 HOURS A DAY, 7 DAYS A WEEK.

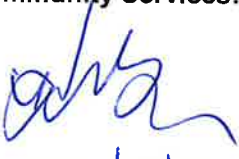

Mastercard Statement Authorisation Form

| | |
|------------------------|---|
| Name: | Helen Beever |
| Position: | General Manager – Community Services |
| Statement Date: | 29 / 08 / 21 |

| | |
|----------------------|---|
| (1) Creditor: | Air NZ |
| Date: | 11 August 2021 |
| Amount: | \$1,158.00 |
| GL Code: | 412 40 715 |
| Expenditure: | Return Flights for Manager - Community Development and Youth Council Members to Wellington as per Waitomo District Youth Council Work Programme |

I certify that:

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

| | |
|--|--|
| Signature of GM – Community Services:  Date: 22/9/21 | Authorised by Chief Executive:  Date: 24/9/21 |
|--|--|



21
AST 9033



RECEIVED BUSINESS MASTERCARD

04 OCT 2021
53 GALWAY STREET, AUCKLAND CITY, 1010
WAITOMO DISTRICT COUNCIL

TAX INVOICE
GST NO. 93 259 688

THE DIRECTOR
WAITOMO DISTRICT COUNCIL
P O BOX 404
TE KUITI

3941

| | |
|--------------|------|
| Closing Date | Page |
| 27/09/21 | 1 |

| | |
|--------------------------------|----------------------|
| Current Annual Percentage Rate | Current Monthly Rate |
| 19.950 | 1.6625 |

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






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

| LIMIT | CARDHOLDER NAME | ACCOUNT NUMBER | BALANCE |
|-------------------------------|-----------------|---------------------|----------------|
| \$10000 | MS M D HIGGIE | 0000 0030 2936 5933 | 3140.14 |
| \$5000 | MRS H M BEEVER | 0000 0030 3956 2081 | 0.00 |
| TOTAL CARDHOLDER LIMIT | \$15000 | NET BALANCE | 3140.14 |

WE ADVISE THAT \$3,140.14 WILL BE DIRECTLY CHARGED TO YOUR ACCOUNT
030449 0070201 00 ON 20/10/21, PLEASE NOTE THIS TRANSACTION FOR YOUR RECORDS
PLEASE DIRECT ALL ENQUIRIES TO WESTPAC CARD SERVICES
ON 0800 888 111, AVAILABLE 24 HOURS A DAY, 7 DAYS A WEEK.

Mastercard Statement Authorisation Form

| | | |
|---|---|---|
| Name: | Michelle Higgle | |
| Position: | Manager – Governance Support | |
| Statement Date: | 27 / 09 / 21 | |
| (1) Creditor: | Navigo | |
| Date: | 8 September 2021 | |
| Amount: | \$85.74 (\$80.00 AUD) | |
| GL Code: | 816 21 700 | |
| Expenditure: | OrgPlus Desktop 100 Software and Support Plan Renewal 2021/2022 | |
| (2) Creditor: | NZ Transport Agency | |
| Date: | 14 September 2021 | |
| Amount: | \$1,524.80 | |
| GL Code: | 820 27 774 | |
| Expenditure: | 20,000km Road User Charges for Mazda BT50 (NKQ165) | |
| (3) Creditor: | NZ Transport Agency | |
| Date: | 14 September 2021 | |
| Amount: | \$764.80 | |
| GL Code: | 820 27 752 | |
| Expenditure: | 10,000km Road User Charges for Mazda BT50 (MGA224) | |
| (4) Creditor: | NZ Transport Agency | |
| Date: | 14 September 2021 | |
| Amount: | \$764.80 | |
| GL Code: | 820 27 753 | |
| Expenditure: | 10,000km Road User Charges for Mazda BT50 (MGA225) | |
| 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: 26/10/21 | Date: 26/10/21 | Date: 12/11/21 |



23

CONSOLIDATED STATEMENT

TAX INVOICE
GST NO. 93 259 688

RECEIVED

05 NOV 2021

WAITOMO DISTRICT
COUNCIL

27 October 2021

THE DIRECTOR
WAITOMO DISTRICT COUNCIL
P O BOX 404
TE KUITI 3941

Westpac Cards Services
53 Galway Street
Auckland 1010
Phone: 0800 888 111
From overseas: +64 9 914 8026



Business Mastercard®

Account summary

Facility Number: 0030 1565 8499
Total Cardholder Limit: \$10,000.00
Total Cardholder Net Balance: \$5,984.87
Total Interest and Fees: \$0.00

Statement period: 28/09/2021 to 27/10/2021

Consolidated summary

| CARDHOLDER NAME | ACCOUNT NUMBER | LIMIT \$ | BALANCE \$ |
|-----------------|----------------|----------|------------|
| Ms M D Higgle | 0030 2936 5933 | 10,000 | 5,984.87 |
| TOTALS | | \$10,000 | \$5,984.87 |

Direct Debit payment

We advise that \$5,984.87 will be directly charged to your account 03-4900-7020100-00 on 20 November 2021, please note this transaction for your records.

Mastercard is a registered trademark and the circles design is a trademark of Mastercard International Incorporated.

Westpac Business Mastercard Conditions of Use and applicable fees apply. See westpac.co.nz/business/products-services/credit-cards/business-mastercard/ for details.

Mastercard Statement Authorisation Form

Name: Michelle Higgle
Position: Manager – Governance Support
Statement Date: 27 / 10 / 21

(1) **Creditor:** NZ Transport Agency
Date: 7 October 2021
Amount: \$764.80
GL Code: 820 27 765
Expenditure: 10,000km Road User Charges for Mitsubishi Outlander (Rego KBU338)

(2) **Creditor:** NZ Transport Agency
Date: 7 October 2021
Amount: \$1,524.80
GL Code: 820 27 741
Expenditure: 20,000km Road User Charges for Mazda BT50 (Rego LHC171)

(3) **Creditor:** NZ Transport Agency
Date: 7 October 2021
Amount: \$1,144.80
GL Code: 820 27 776
Expenditure: 15,000km Road User Charges for Mitsubishi Outlander (Rego NJS791)

(4) **Creditor:** NZ Transport Agency
Date: 7 October 2021
Amount: \$764.80
GL Code: 820 27 742
Expenditure: 10,000km Road User Charges for Mazda BT50 (Rego LHC172)

(5) **Creditor:** NZ Transport Agency
Date: 7 October 2021
Amount: \$764.80
GL Code: 820 27 777
Expenditure: 10,000km Road User Charges for Mazda BT50 (Rego NLD334)

(6) **Creditor:** Conference Innovators
Date: 8 October 2021
Amount: \$1,020.87
GL Code: 111 42 700
Expenditure: LGNZ 2021 AGM and Annual Conference Registration - Mayor John Robertson

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: 19/11/21

**Authorised by
 Chief Executive:**



Date: 23/11/21

**Authorised by
 Mayor:**



Date: 26/11/21



A587124

25

CONSOLIDATED STATEMENTTAX INVOICE
GST NO. 93 259 688

RECEIVED

01 NOV 2021

WAITOMO DISTRICT
COUNCIL

28 November 2021

THE DIRECTOR
WAITOMO DISTRICT COUNCIL
P O BOX 404
TE KUITI 3941Westpac Cards Services
53 Galway Street
Auckland 1010
Phone: 0800 888 111
From overseas: +64 9 914 8026**Business Mastercard®****Account summary**Facility Number: **0030 1565 8499**
Total Cardholder Limit: **\$10,000.00**
Total Cardholder Net Balance: **\$2,289.60**
Total Interest and Fees: **\$0.00**Statement period: **28/10/2021 to 28/11/2021****Consolidated summary**

| CARDHOLDER NAME | ACCOUNT NUMBER | LIMIT \$ | BALANCE \$ |
|-----------------|----------------|-----------------|-------------------|
| Ms M D Higgle | 0030 2936 5933 | 10,000 | 2,289.60 |
| TOTALS | | \$10,000 | \$2,289.60 |

Direct Debit payment

We advise that \$2,289.60 will be directly charged to your account 03-0449-0070201-00 on 20 December 2021, please note this transaction for your records.

Mastercard is a registered trademark and the circles design is a trademark of Mastercard International Incorporated.

Westpac Business Mastercard Conditions of Use and applicable fees apply. See westpac.co.nz/business/products-services/credit-cards/business-mastercard/ for details.

Mastercard Statement Authorisation Form

| | |
|------------------------|-------------------------------------|
| Name: | Michelle Higgle |
| Position: | Manager – Governance Support |
| Statement Date: | 28 / 11 / 21 |

| | | | |
|------------|---------------------|--|-------------------------|
| (1) | Creditor: | NZ Transport Agency | |
| | Date: | 9 November 2021 | |
| | Amount: | \$2,289.60 | |
| | GL Code: | 820 27 729 - \$764.80 | 820 27 773 - \$1,524.80 |
| | Expenditure: | 10,000km Road User Charges for Holden Colorado (Rego JAC856) 20,000km Road User Charges for Mazda BT-50 (Rego NKG330) | |

I certify that:

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

**Signature of
Manager – Governance Support**



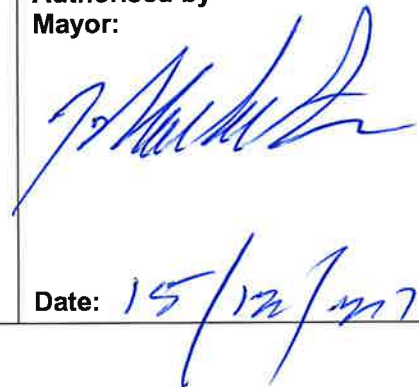
Date: 2/12/21

**Authorised by
Chief Executive:**



Date: 16/12/2021

**Authorised by
Mayor:**



Date: 15/12/21



AS²⁷1982

CONSOLIDATED STATEMENT

TAX INVOICE
GST NO. 93 259 688

RECEIVED

14 JAN 2022

WAITOMO DISTRICT
COUNCIL

28 December 2021

THE DIRECTOR
WAITOMO DISTRICT COUNCIL
P O BOX 404
TE KUITI 3941

Westpac Cards Services
53 Galway Street
Auckland 1010
Phone: 0800 888 111
From overseas: +64 9 914 8026



Business Mastercard®

Account summary

Facility Number: **0030 1565 8499**
Total Cardholder Limit: **\$20,000.00**
Total Cardholder Net Balance: **\$4,224.00**
Total Interest and Fees: **\$20.00**

Statement period: **29/11/2021 to 28/12/2021**

Consolidated summary

| CARDHOLDER NAME | ACCOUNT NUMBER | LIMIT \$ | BALANCE \$ |
|-----------------|----------------|-----------------|-------------------|
| Ms M D Higgle | 0030 2936 5933 | 10,000 | 4,204.00 |
| Mr A M Bell | 0030 6627 0319 | 5,000 | 10.00 |
| Mr B E Smit | 0030 6638 4672 | 5,000 | 10.00 |
| TOTALS | | \$20,000 | \$4,224.00 |

Direct Debit payment

We advise that \$4,224.00 will be directly charged to your account 03-0449-0070201-00 on 20 January 2022, please note this transaction for your records.

Mastercard is a registered trademark and the circles design is a trademark of Mastercard International Incorporated.

Westpac Business Mastercard Conditions of Use and applicable fees apply. See westpac.co.nz/business/products-services/credit-cards/business-mastercard/ for details.

Mastercard Statement Authorisation Form

Name: Michelle Higgle
Position: Manager – Governance Support
Statement Date: 28 / 12 / 21

✓ (1) **Creditor:** NZ Transport Agency
Date: 10 December 2021
Amount: \$1,144.80
GL Code: 820 27 771
Expenditure: 15,000km Road User Charges for Mitsubishi Outlander (Rego NHZ58)



✓ (2) **Creditor:** NZ Transport Agency
Date: 22 December 2021
Amount: \$3,059.20
GL Code: 820 27 772 - \$764.80
820 27 742 - \$764.80
820 27 769 - \$764.80
820 27 766 - \$764.80
Expenditure: 10,000km Road User Charges for Mitsubishi Outlander (Rego NHZ59)
10,000km Road User Charges for 2018 Mazda BT-50 (Rego LHC172)
10,000km Road User Charges for 2016 Mitsubishi Triton (Rego KBU342)
10,000km Road User Charges for 2016 Mitsubishi Triton (Rego KBU339)

I certify that:


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

| | | |
|--|---|--|
| <p>Signature of Manager – Governance Support</p>  <p>Date: 19/01/22</p> | <p>Authorised by Chief Executive:</p>  <p>Date: 22/01/2022</p> | <p>Authorised by Mayor:</p> <p>Date:</p> |
|--|---|--|

Mastercard Statement Authorisation Form

| | | | |
|--|---|---------------------------------------|--|
| Name: | Alex Bell | | |
| Position: | General Manager – Strategy and Environment | | |
| Statement Date: | 28 / 12 / 21 | | |
| (2) Creditor: | Westpac | | |
| Date: | 27 December 2021 | <i>No Invoice or Receipt provided</i> | |
| Amount: | \$10.00 | | |
| GL Code: | 811 18 705 | | |
| Expenditure: | Westpac Courier Charge for delivery of Mastercard | | |
| I certify that: | | | |
| <ol style="list-style-type: none"> 1 I have attached the necessary supplementary docket or receipt. 2 The account is payable. 3 The debt incurred is work related. 4 That any private component is identified and the amount has been reimbursed as follows: | | | |
| Signature of GM – Strategy and Environment | Authorised by Chief Executive: | | |
|  |  | | |
| Date: 25-1-2022 | Date: 25 January 2022 | | |

Mastercard Statement Authorisation Form

| | | | |
|---|--|---|--|
| Name: | Ben Smit | | |
| Position: | <i>Chief Executive (effective 21 Feb 2022)</i> | | |
| Statement Date: | 28 / 12 / 21 | | |
| (2) Creditor: | Westpac | | |
| Date: | 27 December 2021 | <i>No Invoice or Receipt provided</i> | |
| Amount: | \$10.00 | | |
| GL Code: | 811 18 705 | | |
| Expenditure: | Westpac Courier Charge for delivery of Mastercard | | |
| I certify that: | <ol style="list-style-type: none"> 1 I have attached the necessary supplementary docket or receipt. 2 The account is payable. 3 The debt incurred is work related. 4 That any private component is identified and the amount has been reimbursed as follows: | | |
| Signature of Chief Executive: | Authorised by Mayor: | Authorised by Manager – Governance Support | |
|  | |  | |
| Date: <i>25 January 2022</i> | Date: | Date: <i>19/01/22</i> | |



Credit Card Policy

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1.0 Policy Background

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

2.0 Eligibility for Credit Cards

- 2.1 This policy authorises the issue of credit cards to:
- Members of the Executive Management Team
 - The Manager – Governance Support
 - The Mayor

3.0 Issuance of Additional Cards

- 3.1 The Chief Executive may approve the issue of additional cards to staff where that is appropriate. Before authorising the issuing of additional cards the Chief Executive must be satisfied that they are strictly necessary and will provide administrative efficiencies.
- 3.2 In approving the issue of a card, the Chief Executive will also confirm the approved credit limit. The credit limit will be set based on the minimum amount necessary to enable the cardholder to undertake their Council duties.

4.0 Maintenance and Review of Card Holder List

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

5.0 Procedure for Issuing Cards

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

6.0 Valid expenditure

- 6.1 Corporate Credit cards are to be used:
- solely for the payment of business-related expenditure;
 - subject to the limits in the appropriate annual operating expenditure budget; and
 - in accordance with the Procurement Policy and Delegations Register.
- 6.2 Credit cards shall **not** be used for the following purposes:
- Personal purchases;
 - Cash advances or cash reimbursement;
 - Payment for any work attracting PAYE tax;
 - Court costs or fines, tax payments, personal services or any other inappropriate spending.
- 6.3 **Exceptional Circumstances**

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

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

6.4 **Internet Purchases**

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

6.5 **Telephone Purchases**

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

7.0 Liability for Inappropriate Expenditure

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

8.0 Procedure When More Than One Cardholder is Present

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

9.0 Documentation to Accompany Monthly Statements

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

10.0 Monitoring

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

11.0 Approval of Expenditure

- 11.1 An approval hierarchy for monthly credit card statement approval, based on a "one-up" procedure where possible, has been defined as part of this policy as follows:
- 1 Executive Management Team statements must be approved by the Chief Executive.
 - 2 The Chief Executive's statements must be approved jointly by the Mayor and Manager - Governance Support.
 - 3 The Mayor's statements must be approved jointly by the Manager - Governance Support and Chief Executive.
 - 4 The Manager - Governance Support's statements must be approved jointly by the Mayor and Chief Executive.
- Note:** The OAG guidance on sensitive expenditure states that it is essential that there should be no reciprocal arrangement for approving sensitive expenditure - therefore the Chief Executive cannot approve the Mayor's statements alone and vice versa.
- 11.2 The Manager - Governance Support and the Chief Executive will jointly approve the Mayor's statements (i.e. with the Mayor there can be no true "one-up procedure" and by having a joint authorisation any "reciprocal" arrangement is removed).
- 11.3 The Manager - Governance Support is also in the position of knowing the Mayor's daily activities/whereabouts and will know what claims are appropriate on his Mastercard.
- 11.4 The Manager - Governance Support's statements will be jointly approved by both the Chief Executive and Mayor as from time to time there are purchases made on behalf of both the Mayor and Chief Executive on the Manager - Governance Support's credit card (i.e. Airfares, Accommodation, etc.)
- 11.2 Items will be coded by the Cardholder for posting in the accounting system. Credit card payments must be authorised like other invoices and in accordance with the Procurement Policy and Delegations Register.
- 11.3 The approval hierarchy will be as follows:

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

12.0 Card Limits

- 12.1 Unless otherwise determined by the Chief Executive, the credit limit of cards shall be as follows:
- Chief Executive \$10,000
 - Mayor \$5,000
 - Executive Team Members \$5,000
 - Manager - Governance Support to CE \$10,000

13.0 Procedure for the Surrender of Cards

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

14.0 Lost or Stolen Cards

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

15.0 Breach of Policy

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

16.0 Policy Review

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

17.0 Staff Contact

Human Resource Advisor

18.0 Policy Review Date

Next Review: August 2022 (2 years)

Policy Approved:



Chris Ryan
Chief Executive

Date: 6 August 2020

Document No: A599353

Report To: Audit, Risk and Finance Committee



Meeting Date: 15 February 2022

Subject: Progress Report: Procurement Summary Schedule (July 2021 – December 2021)

Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to present to the Committee a summary of the procurements made in the period 1 July 2021 to 31 December 2021 in accordance with Waitomo District Council's Procurement Policy.

Background

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

Commentary

- 3.1 WDC's Procurement Policy (the Policy) was last reviewed and adopted with amendments by Council on 27 October 2020. Some of the amendments made to the Policy as part of that review include –

- Incorporating procurements relating to a Recovery Plan in response to both COVID-19 and the Three Waters Reform Programme.
- Provision that the detail of contracts awarded for an amount greater than \$150,000 + GST may be publicly released.

3.2 The Tenders Subcommittee (a subcommittee of WDC's Senior Management Team) operates to assist the Chief Executive in undertaking the management of procedures to ensure sound probity methods are followed, risks are mitigated, and quality documentation is produced in relation to the procurement of goods and services necessary to deliver WDC's work programme and operations as provided for in adopted 10 Year Plans and Annual Plans.

Procurement Summary Schedule

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

4.2 **Exemption Reason**

4.3 The Audit, Risk and Finance Committee have requested that the reason for granting a Procurement Exemption be included in the PSS. As a result, the Headings of the five criteria provided for in the Policy will now be included in the PSS as the reason for granting an exemption.

4.4 The Policy extract below provides detail of those five criteria, of which at least one must be met for a Procurement Exemption to be granted.

Procurement Exemption

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

1. ***Monopoly situation:*** *Where there is a monopoly situation and only one Supplier capable of supplying the requirements (e.g. engaging an arrangement for the supply of electricity on a network where the network is owned by a single party); or*
2. ***Proprietary technology:*** *Where a Supplier is the sole Supplier and/or patent holder of a specific product that is required by WDC. WDC must be satisfied that the proprietary technology is the most appropriate for the needs of WDC; or*
3. ***Benefits and costs of competition:*** *The time and costs of a competitive process outweigh the benefits of competition; or*
4. ***Unique business proposition:*** *Where a Supplier has a unique business proposition that can minimise risks or costs to WDC. This could include existing knowledge relevant to a project; or*
5. ***Existing contract:*** *If goods, services and/or works are in addition to, or necessary for the completion of, delivery of an existing contract, provided that the original contract was publicly advertised, and a change of Supplier cannot be made for economic, technical, legal or practical reasons.*

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

Suggested Resolution

The Progress Report: Procurement Summary Schedule (July 2021 to December 2021) be received.



SHYAMAL RAM
GENERAL MANAGER – INFRASTRUCTURE SERVICES

9 February 2022

Attachment: Procurement Summary Schedule (Doc A599354 / Sheet 2021_Q4)

| Contract / Order No. | Contract Title / Procurement Description | Type of Contract (Physical Works, Professional Services or Goods and Services) | Term of Contract | One-off or Ongoing Supply | Selection Process (AOG, Syndicated, Panel, Tender, Quote or Direct Appointment) | Exemption Reason | No. of Tenders / Quotes Received | Tender / Quote Range (GST exclusive) | Evaluation Method | Awarded Contract Value (Total cumulative) | Awarded To | Meeting Date | GM |
|----------------------|---|--|---|---------------------------|---|--|----------------------------------|--------------------------------------|-------------------------|---|--|--------------|-------------------------|
| 500/21/104 | TWR Asset Data Collection | Services | Expiry 31 December 2021 | One off | Direct Appointment (Procurement Exemption) | Unique business proposition and benefits and cost of competition | N/A | N/A | N/A | \$100,000.00 | Inframax Construction Ltd | 7/07/2021 | Infrastructure Services |
| 500/20/111 PO 68702 | TWR10 Design and installation for current upgrade project | Professional Services | N/A | One off | Direct Appointment | In accordance with TWR Procurement Policy | N/A | N/A | N/A | \$23,393.00 | Lutra Ltd | N/A | Infrastructure Services |
| 500/20/014 | Streetlight Maintenance | Services | 3 Years | One off | Tender | | 2 | \$311,398.25 - \$373,572 | Lowest Price Conforming | \$311,398.25 | Horizon Networks Ltd | 7/07/2021 | Infrastructure Services |
| 500/21/040 | Annual Report Support Services | Professional Services | 4 months | One off | Direct Appointment (Procurement Exemption) | Benefits and cost of competition | 1 | N/A | N/A | \$25,000.00 | GMD Consultants Ltd | 21/07/2021 | Business Support |
| 500/21/105 | TWR Supply, Installation and Servicing of Standby Generators for WDC's Water and Wastewater Treatment Plants and Pump Station | Goods and Services | Installation to 31 March 2022 Servicing 3 year contract | One off | Quote | | 3 | \$453,818 - \$569,528 | N/A | \$453,818.00 | Powerserv Ltd | 21/07/2021 | Infrastructure Services |
| 500/21/033 | Novice Driver Training Programme | Services | 3 Years | Ongoing | Direct Appointment (pursuant to NZTA Procurement Rules) | | N/A | N/A | N/A | \$214,500.00 | Te Kuiti Community House Trust (and subcontractor Number Twelve) | 4/08/2021 | Community Services |
| 500/12/020 | Pool Operation and Supervision Service Agreement Extension | Services | 1 Year | Ongoing | Direct Appointment | Contract Extension | N/A | N/A | N/A | \$214,278.35 | Community Leisure Management Ltd | 15/09/2021 | Community Services |
| PO 68333 | Water and Wastewater Operator Services | Services | 9 Months | One off | Direct Appointment (Procurement Exemption) | Benefits and costs of competition | N/A | N/A | N/A | \$30,000.00 | David Brown | 15/09/2021 | Infrastructure Services |
| 500/21/105 | Supply, Installation and Servicing of Standby Generators for WDC's Water and Wastewater Treatment Plants and Pump Station | Goods and Services | 1 Year | One off | Quote | Contract Price Variation | 3 | \$453,818 - \$569,528 | Lowest Price Conforming | \$564,306.00 | Powerserv Ltd | 15/09/2021 | Infrastructure Services |
| PO 69276 | TWR11 Backwash Solids Management | Professional Services | 1 Year | One off | Direct Appointment | In accordance with WDC Procurement Policy | N/A | N/A | N/A | \$49,000.00 | Lutra Ltd | N/A | Infrastructure Services |
| PO 69136 | TWR7 Piopio WTP Backwash Discharge | Services | 1 Year | One off | Direct Appointment | In accordance with WDC Procurement Policy | N/A | N/A | N/A | \$6,500.00 | Inframax Construction Ltd | N/A | Infrastructure Services |
| PO 68732 | TWR1 Benneydale Fencing | Services | 1 Year | One off | Direct Appointment | In accordance with WDC Procurement Policy | N/A | N/A | N/A | \$16,471.56 | TC Percival & MJ Maguire | N/A | Infrastructure Services |
| PO 68702 | TWR10 Peer Review of Mokau Filtec Design | Services | 1 Year | One off | Direct Appointment | In accordance with WDC Procurement Policy | N/A | N/A | N/A | \$23,393.00 | Lutra Ltd | N/A | Infrastructure Services |
| PO 68758 | TWR4 SCADA storage to cloud | Services | 1 Year | One off | Direct Appointment | In accordance with WDC Procurement Policy | N/A | N/A | N/A | \$35,965.74 | Lutra Ltd | N/A | Infrastructure Services |
| 500/21/041 | Mayors Taskforce For Jobs – Community Recovery Programme 2021/22 | Professional Services | 1 Year | One off | Tender | N/A | 3 | N/A | Targeted Price Method | \$220,000.00 | Waitomo Christian Fellowship Trust (Journey Church)/Number Twelve. | 26/10/2021 | Community Services |

| Contract / Order No. | Contract Title / Procurement Description | Type of Contract (Physical Works, Professional Services or Goods and Services) | Term of Contract | One-off or Ongoing Supply | Selection Process (AOG, Syndicated, Panel, Tender, Quote or Direct Appointment) | Exemption Reason | No. of Tenders / Quotes Received | Tender / Quote Range (GST exclusive) | Evaluation Method | Awarded Contract Value (Total cumulative) | Awarded To | Meeting Date | GM |
|----------------------|---|--|------------------|---------------------------|---|--|----------------------------------|--------------------------------------|-------------------|---|-------------------------------|--------------|-------------------------|
| PO 70051 | Thomson Reuters New Zealand Legal Content Subscription | Professional Services | 3 Years | One off | Direct Appointment | Unique business proposition and benefits and cost of competition | N/A | N/A | N/A | \$100,000.00 | Thomson Reuters | 24/11/2021 | Business Support |
| 500/21/071 | After Hours Contact Centre Services | Professional Services | 3 Years | One off | Direct Appointment | Unique business proposition and benefits and cost of competition | N/A | N/A | N/A | \$63,000.00 | Palmerston North City Council | 22/12/2021 | Community Services |
| PO 69844 | TWR018 Upgrade electrical components at Tammadge Street Wastewater pump station | Goods | 1 Year | One off | Direct Appointment | In accordance with TWR procurement policy | N/A | N/A | N/A | \$12,760.00 | Action Electrical | N/A | Infrastructure Services |
| PO 69843 | TWR018 Upgrade electrical components at Tammadge Street Wastewater pump station | Goods | 1 Year | One off | Direct Appointment | In accordance with TWR procurement policy | N/A | N/A | N/A | \$8,417.00 | Action Electrical | N/A | Infrastructure Services |
| PO 69821 | TWR018 Upgrade electrical components at Tammadge Street Wastewater pump station | Goods | 1 Year | One off | Direct Appointment | In accordance with TWR procurement policy | N/A | N/A | N/A | \$5,650.00 | Action Electrical | N/A | Infrastructure Services |
| PO 69656 | TWR007 Membrane Modules | Goods | 1 Year | One off | Direct Appointment | In accordance with TWR procurement policy | N/A | N/A | N/A | \$48,448.00 | Mason Engineers (NZ) Ltd | N/A | Infrastructure Services |
| PO 69614 | TWR003 Te Kuiti WTP Panels & Pipework | Goods | 1 Year | One off | Direct Appointment | In accordance with TWR procurement policy | N/A | N/A | N/A | \$25,399.00 | EMC Industrial Group Ltd | N/A | Infrastructure Services |
| PO 69494 | TWR004 Replacement PLC for Water Treatment Plants | Goods | 1 Year | One off | Direct Appointment | In accordance with TWR procurement policy | N/A | N/A | N/A | \$14,500.00 | Control Box Ltd | N/A | Infrastructure Services |

Document No: A598018

Report To: Audit, Risk and Finance Committee



Meeting Date: 15 February 2022

Subject: **Civic Financial Services Ltd - Statement of Intent 2022**

Type: Information

Purpose of Report

- 1.1 The purpose of this business paper is to present the Civic Financial Services Ltd (CFSL) Statement of Intent (SOI) for the ensuing year.

Background

- 2.1 CFSL is the former New Zealand Local Government Insurance Corporation Ltd and previously traded as Civic Assurance. CFSL has been trading for over 76 years.
- 2.2 The name change was instituted due to the company withdrawing from offering property insurance and no longer holding an insurance licence.
- 2.3 CFSL provides administration services to SuperEasy and SuperEasy KiwiSaver Superannuation Schemes, the Local Authority Protection Programme Disaster Fund (LAPP), Riskpool, Civic Liability Pool and Civic Property Pool.
- 2.4 WDC holds 16,940 shares (0.15%) in CFSL.

Commentary

- 3.1 **Statement of Intent for the year ended 31 December 2022**
- 3.2 The Statement of Intent (SOI) for CFSL is attached to and forms part of this business paper (Attachment 1).
- 3.3 The CFSL Mission Statement and one of its corporate goals is to provide and be the primary supplier of superannuation and risk-financing solutions to the local government sector.
- 3.4 Its planned ongoing activities will be to administer superannuation services for local government and local government staff and provide administration, accounting and other services to LAPP, Riskpool, Civic Liability Pool and Civic Property Pool.
- 3.5 CFSL will also investigate and facilitate new superannuation and risk-financing services to shareholders and the sector as appropriate.
- 3.6 Financial projections are provided for the following three years; administration income is expected to gradually increase from \$2,423,497 for 2022 to \$2,480,892 in 2024.
- 3.7 The projections include investment income to be \$121,2255 in 2022 and increase to \$129,000 in 2024 and will be derived in the main from the Term Deposits held.
- 3.8 Operational expenditure is forecast to increase from \$2,301,209 in 2022 to \$2,400,903 in 2024.

3.9 The Performance Targets and Measures set by CFSL are:

- Provide superannuation services to at least 90% of local authorities,
- Continue to be an efficient and effective administration manager for LAPP, Riskpool, Civic Liability Pool and Civic Property Pool.

3.10 For the following three years (2022 to 2024), no dividends will be paid to shareholder councils. The reason is to support and enhance Civic's primary source of income as providing administration services to the superannuation schemes. The funds will instead be used to reduce the management fees for the scheme's members, reducing fees from 0.40% to 0.37% per annum of the funds balance.

Suggested Resolutions

- 1 The business paper on Civic Financial Services Ltd Statement of Intent for the Year ended 31 December 2022 be received.
- 2 The Civic Financial Services Ltd Statement of Intent for the Year ended 31 December 2022 be received.



ALISTER DUNCAN
GENERAL MANAGER – BUSINESS SUPPORT

17 January 2022

Attachments: 1 Civic Financial Services Limited – Statement of Intent 2022 (A598019)

CIVIC FINANCIAL SERVICES LIMITED
STATEMENT OF INTENT
FOR THE YEAR ENDED 31 DECEMBER 2022

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1.0 Mission Statement

| Mission Statement of Civic Financial Services Ltd |
|---|
| To provide superannuation and risk-financing solutions to the local government sector |

2.0 Corporate Goals

The specific goals of the Company are:

- 2.1 To operate as a sound and successful business.
- 2.2 To be the primary supplier of superannuation and risk-financing services to the local government sector.
- 2.3 To investigate and facilitate, as appropriate, new products and markets in superannuation and risk-financing and such other markets that it believes could prove beneficial to its shareholders and the local government sector.

3.0 Nature and Scope of Activities

- 3.1 The Company administers superannuation services for local government and local government staff via SuperEasy and the SuperEasy KiwiSaver Superannuation Scheme.
- 3.2 The Company provides administration, accounting, and a range of other services to LAPP, Riskpool, CLP (Civic Liability Pool) and CPP (Civic Property Pool).
- 3.3 The Company investigates and facilitates as appropriate such new superannuation and risk-financing services and/or markets that it believes will prove beneficial to its shareholders and the local government sector.
- 3.4 In a modest and selective way the Company provides sponsorship for a range of local government activities at regional and national level.

4.0 Financial Projections

Civics' projected profit outlook over the next three years is shown in the tables below.

Civics' main revenue streams will come from two sources: fees from providing administration services and investment income.

Profits from providing administration services: Civics' primary source of income in 2022 will come from providing superannuation services for local government and local government staff via the SuperEasy and the SuperEasy KiwiSaver Superannuation Schemes, supported by administration, accounting, and a range of other services to LAPP, Riskpool, Civic Liability Pool and Civic Property Pool.

Profits from investment income: Civics' income in 2022 other than from providing administration services will come solely from investment income.

Dividends: Civic with the support from the 2020 Special General Meeting has resolved not to pay any dividends to the shareholders. The funds that could otherwise be provided as dividends will be applied to affect a reduction to the Management fees for members of the SuperEasy and SuperEasy KiwiSaver Superannuation Schemes. That practice will in turn provide greater benefits for the Schemes members.

Fee reduction for our SuperEasy and SuperEasy KiwiSaver Superannuation Schemes: For the reasons described above we will be reducing the schemes' base investment management fee from 1 April 2022 from a rate of 0.40% per annum to 0.37% per annum. This reduced fee structure has been taken into consideration and is reflected in the projections below.

Financial projections for 2022 to 2024 are:

| | 2022 | 2023 | 2024 |
|---------------------------|------------------|------------------|------------------|
| Administration Income | \$2,423,497 | \$2,473,855 | \$2,480,892 |
| Investment Income | \$121,225 | \$124,000 | \$129,000 |
| Revenue | \$2,544,722 | \$2,597,855 | \$2,609,892 |
| | | | |
| Expenses | \$2,301,209 | \$2,362,501 | \$2,400,903 |
| | | | |
| Surplus before tax | \$243,512 | \$235,355 | \$208,989 |
| | | | |
| Surplus after tax | \$175,329 | \$169,455 | \$150,472 |

Please note that these are projections, not firm predictions.

5.0 Performance Targets and Measures

- 5.1 We aim to provide superannuation services to at least 90% of local authorities.
- 5.2 We plan to continue to be an efficient and effective administration manager for LAPP, Riskpool, CLP and CPP.

6.0 Reporting to Shareholders

- 6.1 We will provide an audited annual report for the 2021 year by 30 April 2022.
- 6.2 We will provide a report on the first half of 2022 by 30 September 2022. The report will contain a review of the Company's operations during the half year and unaudited half-yearly accounts.

7.0 Acquisitions/Disposals

Any acquisition or disposal that is equivalent to 50% or more of the Company's assets will constitute a "major transaction" under the Company's constitution and approval of the shareholders will be sought in accordance with the constitution. Any acquisition that is equivalent to 25% or more but less than half of the Company's assets will constitute a "minor transaction" under the Company's constitution and consultation with shareholders will take place.

8.0 Transactions with Related Parties

The Company has 72 local authority shareholder members plus TrustPower (holding 1.22%). Local Government Superannuation Trustee Limited and Local Government Mutual Funds Trustee Limited are wholly owned subsidiaries of the Company. Because it is sharing management resources, the Local Authority Protection Programme (LAPP), Riskpool, CLP and CPP are also considered to be related parties. Transactions with shareholder members include risk-financing services and superannuation related financial services.

Charges to and from shareholder members will be made for services provided as part of the normal trading activities of the Company and its subsidiaries. Transactions with shareholder members are on a wholly commercial basis.

***** END *****

Document No: A597507

Report To: Audit, Risk and Finance Committee



Meeting Date: 15 February 2022

Subject: **Impact of COVID-19 on Revaluation timeline and Progress Report: 2021 General Revaluation**

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to provide an update on the impact of COVID-19 on the Waitomo District 2021 General Revaluation and to provide a progress report.

Background

- 2.1 The Rating Valuations Act 1998 requires that every property in New Zealand must be revalued for rating purposes at least once every three years.
- 2.2 The last revaluation for the Waitomo District occurred in September 2018 and therefore the revaluation was undertaken again in September 2021.
- 2.3 The values from the 2021 General Revaluation will be used for rating purposes from 1 July 2022.
- 2.4 In October 2021 the Committee was provided with the updated timetable for the General Revaluation of the Waitomo District. This followed notification from the OVG that the dates for the Waitomo District Revaluation had been changed due to the COVID-19 outbreak and subsequent lockdown. The result was that the implementation date for the General Revaluation was shifted from 27 November 2021 to 22 January 2022.
- 2.5 The changes to the key revaluation dates have been communicated to owners and ratepayers via Council's website and Facebook page.

Commentary

- 3.1 The following timeline provides a high-level summary of the key dates for the 2021 General Revaluation and actions that have been completed:

| Key Milestone | Description | Date of Action |
|--|--|--|
| OVG Audit Date and files to OVG | The final DVR file sent to the OVG for audit. | 19 November 2021 <i>Complete</i> |
| Valuation Service Provider presentation to Council | Valuers from QV to present the key highlights of the General Revaluation to the Elected Members. | 14 December 2021 <i>Complete</i> |

| Key Milestone | Description | Date of Action |
|--|--|---|
| Public Notice | Upon the Valuer-General's Certification of the General Revaluation, WDC will give public notice that the roll is open for inspection and notify the community of objection timeframes as per Rating Valuations Act – Section 12 | 27 January 2022 <i>Complete</i> |
| Valuation Notice Mail Out | General Revaluation notices will be sent to owners and ratepayers from 2 February 2022, detailing the new property values and information on how to object to the new values as per the Rating Valuations Act – Section 13 | 2 February 2022 <i>Complete</i> |
| Objections Close | Owners and ratepayers must have a minimum of 30 working days in which to lodge an objection after receiving the above valuation notice. Objections must be received by 18 March 2022. Objections are then forwarded to QV for further review of the values as per Rating Valuations Rules 2008 – Section 6 | 18 March 2022 |
| Ratepayers notified of result of objection | Once Quotable Value completes their review, owners and ratepayers will be notified of the result of their objection. If owners are still not satisfied with their value, they have the opportunity to have their objection heard by the Land Valuation Tribunal. This is a separate process with the Land Valuation Court. | As each objection is reviewed |

- 3.2 QV staff presented the key highlights of the revaluation to Elected Members via a zoom meeting on 14th December 2021. As the values had not yet been approved by the OVG the information presented was based on preliminary values.
- 3.3 The QV presentation was followed by a workshop where Rates modelling was presented to Elected Members to assist in the development of the EAP 2022/23. The modelling was also prepared based on the preliminary values.
- 3.4 The Waitomo District values were approved for implementation by the OVG on 19th January 2022. The OVG uses a traffic light system to manage the audit of the revaluation and it was pleasing to note that the Waitomo Revaluation received a 'green light' from the beginning to the end of the audit process. This is a positive result for Waitomo and reflects the diligent efforts of the rating staff throughout the revaluation process. It appears that some other Councils were issued an 'orange light' status during their audits, mainly due to incomplete data which in turn delayed the completion of their revaluation processes.
- 3.5 The audit report issued by the OVG will be provided to Council in due course.
- 3.6 Valuation notices were sent out to owners and ratepayers 2 February 2022, who now have 30 working days in which to lodge an objection if they consider the value to be incorrect. Owners and Ratepayers may download an objection form from Council's website, contact the customer services team and request that a form be posted or emailed or collect a form from the Council office. Objections close 18 March 2022.

Overview of Approved Revaluation Results

- 4.1 The overall capital value of the Waitomo District at 1 September 2021 is \$4.620 billion (including non-rateable properties), which is an increase of 26.2% from the 2018 values. To put the quantum of change into perspective, the District value increased 17.2% in the 2018 revaluation.

4.2 The following table shows a summary of the approved valuation movements by sector.

| Sector | No of Assessments | 2021 Capital Value (000's) | % Change |
|-----------------------------------|--------------------------|-----------------------------------|-----------------|
| Commercial | 202 | 161,869 | 15.3% |
| Dairy & Pastoral | 903 | 2,398,992 | 14.9% |
| Forestry | 276 | 180,353 | 33.7% |
| Arable, Horticulture & Specialist | 5 | 8,520 | 15.8% |
| Industrial | 106 | 86,363 | 42.1% |
| Lifestyle | 1,381 | 606,323 | 46.7% |
| Mining | 3 | 24,662 | 9.8% |
| Other | 516 | 171,596 | 33.7% |
| Residential | 2,439 | 787,005 | 64.1% |
| Utilities | 40 | 194,343 | 3.9% |
| TOTAL | 5,871 | 4,620,026 | 26.2% |

4.3 Although all categories have experienced growth in value over the last 3 years, the largest increase is for residential properties (64.1%) followed by lifestyle properties (46.7%) and industrial properties (42.1%).

4.4 The majority of properties (in terms of the number of rating units) in the District are Residential (42%), followed by Lifestyle (24%) and Dairy and Pastoral (15%).

4.5 In terms of capital value, farming properties (dairy and pastoral) make up the majority of value in the District at 52%, Residential (17%) and Lifestyle (13%).

Suggested Resolution

The Impact of COVID-19 on Revaluation timeline and Progress Report: 2021 General Revaluation be received.



ALISTER DUNCAN
GENERAL MANAGER – BUSINESS SUPPORT

27 January 2022

Document No: A599222

Report To: Audit, Risk and Finance Committee

Meeting Date: 15 February 2022

Subject: **MAGIQ Software Limited – Sale to Springbrook Software**

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to inform the Audit, Risk and Finance Committee of the sale of MAGIQ Software Limited to Springbrook Software.

Background

- 2.1 Napier Computer Systems (NCS) was established in the 1980's by the Benson Group to provide accounting software to local government clients.
- 2.2 Waitomo District Council (WDC) installed the NCS enterprise accounting software in the early 1990's.
- 2.3 NCS undertook a business transformation journey, beginning in 2012 by acquiring two complementary software businesses thus forming MAGIQ Software in 2015.
- 2.4 MAGIQ Software has continued to grow and expand in overseas markets from 290 customers in New Zealand, Australia, South Pacific, US, UK and Singapore to 546 customers in 2020 including establishing a presence in South Africa.

Commentary

- 3.1 The Directors and Senior Management Team of MAGIQ Software have for some time considered how best to facilitate growth in local and international markets, future proof the company and drive innovation in the markets.
- 3.2 Opportunities have been considered and an announcement was made to local government clients on Friday 1 October 2021 that they had entered into an investment partnership with Accell-KKR on behalf of Springbrook Software.
- 3.3 MAGIQ Software will ultimately be a subsidiary of Springbrook Software with MAGIQ Software owners taking a shareholding in Springbrook Software and will continue their direct involvement in MAGIQ Software.
- 3.4 MAGIQ Software will continue to operate as it has over the last few years with the operating and employment structure remaining intact. The Senior Management Team and all employees are key to continued success. Growing the business in New Zealand and Australia will remain the focus.
- 3.5 The resources of Springbrook Software will provide further investment in support, operations and development in New Zealand and the opportunity to acquire complementary software companies should a favorable proposition arise.

Suggested Resolution

The business paper on MAGIQ Software Limited – Sale to Springbrook Software be received.



ALISTER DUNCAN
GENERAL MANAGER - BUSINESS SUPPORT

Document No: A598133

Report To: Audit, Risk and Finance Committee



Meeting Date: 15 February 2022

Subject: **Draft Fraud and Corruption Policy**

Type: Decision Required

Purpose of Report

- 1.1 The purpose of this business paper is to present the draft Fraud and Corruption Policy for recommendation to Council for adoption.

Background

- 2.1 The Fraud Policy was developed in early 2011 and implemented in May 2011.
- 2.2 The Policy was classed as an internal operational policy and therefore was not considered or adopted by the Council.
- 2.3 Following implementation in May 2011 it was reviewed in 2013, 2015 and 2018.
- 2.4 During the annual audit of the annual report, the Auditors identified that the policy had not been reviewed in September 2020, the indicated review date.
- 2.5 A draft Fraud and Corruption Policy was workshopped with Council on 30 November 2021.

Commentary

- 3.1 The establishment of the Audit, Risk and Finance Committee in late 2017, and the adoption of a Strategic Risk Register and Risk Management Framework in October 2021. It is deemed appropriate that the Fraud and Corruption Policy form part of Council's risk management framework going forward.
- 3.2 The scope of the Fraud Policy has been increased in the draft Fraud and Corruption Policy to clearly include bribery and corruption to align with the framework developed by the Ministry of Justice. The name of the policy has also been changed to better reflect its scope.
- 3.3 The Ministry of Justice policy framework is included and forms part of the workshop reader, refer to attachment 1.
- 3.4 The fraud and corruption framework includes the following sections -
- Purpose of the fraud and corruption policy
 - Commitment to fraud and corruption
 - Fraud and corruption objectives
 - Scope of policy
 - Defining and recognising fraud and corruption
 - Reporting suspected fraud and corruption

- Investigation process
- Roles and responsibilities
- Related policies and procedures
- Useful Resources

3.5 The draft Fraud and Corruption Policy has each of the recommended sections and the following additional sections have been included:

- Confidentiality
- External Communication
- Disciplinary Issues
- Authorisation

3.6 The editorial amendments are in blue text in the attached draft policy and changes of substance are in red text.

3.7 The changes of substance are:

- Inclusion of Sections
 - Attitude towards Fraud and Corruption
 - Useful Resources
- The inclusion of corruption in the body of the policy.
- The change of responsible officer from the General Manager Community Support to the General Manager Business Support.
- The deletion of point 2.7, this point is repeated and expanded in point 3.2

Analysis of Options

4.1 ARFC has the option of recommending the adoption of the Fraud and Corruption Policy to Council or requesting further information/changes from its staff.

Considerations

5.1 **RISK**

5.2 The risk of not adopting the draft Fraud and Corruption Policy is Council would continue to operate with an internal operational policy that is beyond its scheduled review date.

5.3 **CONSISTENCY WITH EXISTING PLANS AND POLICIES**

5.4 The adoption of the Fraud and Corruption Policy is consistent with existing plans and policies.

5.5 **SIGNIFICANCE AND COMMUNITY VIEWS**

5.6 Under the Significance and Engagement Policy 2021 this matter is of low significance.

Recommendation

- 6.1 The Audit, Risk and Finance Committee recommend to Council the adoption of the draft Fraud and Corruption Policy.

Suggested Resolutions

- 1 The business paper on Draft Fraud and Corruption Policy be received.
- 2 The Audit, Risk and Finance Committee recommend to Council the adoption of the draft Fraud and Corruption Policy.



ALISTER DUNCAN
GENERAL MANAGER - BUSINESS SUPPORT

17 January 2022

Attachments:

- 1 Fraud and Corruption Framework (A584615)
- 2 Waitomo District Council Draft Fraud and Corruption Policy (A598138)

Create a fraud and corruption policy

The Ministry of Justice has prepared this framework to assist public and private sector organisations to develop and improve their fraud and corruption policy and procedures.

Corruption can take various forms, including secret commissions, kickbacks, bribes and other forms of unlawful payments. Corruption also encompasses a number of offences such as abuse of positions, of power and money laundering.

Corruption is a global problem that is bad for businesses, introducing uncertainty and risk into the market. It is also bad for public sector agencies, non-government organisations and other taxpayer-funded bodies. It damages the social fabric of society, destroying trust in democratic institutions and undermining the rule of law.

While New Zealand has a strong reputation for being corruption free – often topping the table on Transparency International’s Corruption Perceptions Index – this does not mean that we can afford to be complacent.

Organisations need to ensure they have effective internal controls, ethics and compliance programmes for preventing and detecting fraud and corruption. A clearly articulated and visible policy that is well understood by all those to whom it applies is a key element of prevention.

The following fraud and corruption policy framework is flexible and can be adapted by organisations depending on their circumstances, such as their size, type, legal structure and operating principles.

The paragraph headings correspond to sections that should form the basis of a fraud and corruption policy. Under each heading is a brief explanation of the information that the section should contain.

Fraud and Corruption Policy Framework

1) Purpose of the fraud and corruption policy

The purpose of a fraud and corruption policy is twofold. First, it should provide clear guidance to people who encounter or suspect fraud and corruption. Second, it should be used to raise awareness among employees, officers, directors, and where relevant, business partners about how to recognise fraud and corruption, as well as behaviours and circumstances known to be associated with it.

If implemented correctly, the policy will ensure that employees respond promptly and appropriately to suspected instances of fraud and corruption; that evidence is gathered and handled properly; and that the outcomes of investigations are appropriate.

2) Your organisation’s commitment to fraud and corruption

The policy must emphasise your organisation’s commitment to preventing, detecting and responding to fraud and corruption threats.

This sends a message that fraud and corruption will be taken seriously, and that action will be taken against perpetrators. All organisations should adopt a ZERO tolerance approach to suspected, detected or identified instances of fraud or corruption. The same principles should apply in all

situations – that is, low level incidents must be treated the same way as high level incidents. This helps demonstrate your organisation’s integrity standards.

This part of your policy should also reiterate that everyone within your organisation must report such behaviour, and that the organisation is committed to its legal obligations to act fairly, honestly and in good faith when conducting investigations.

This section should also highlight how incidents of fraud and corruption will be treated under your organisation’s disciplinary process (for example, all confirmed fraud and corruption incidents will be considered serious misconduct). You will need to establish the level of proof that will define “confirmed” incidents. It should also warn of the high penalties that people can face if they are convicted of fraud or corruption offences under the Crimes Act 1961 or the Secret Commissions Act 1910. Maximum penalties range from substantial fines and/or 14 years’ imprisonment.

Finally, your policy should highlight that all instances of suspected corruption will be thoroughly investigated and all credible suspicions of fraudulent or corrupt activity referred to an appropriate law enforcement authority. Your organisation should also actively try to recover losses resulting from fraud and corruption directly from those who have gained, or through the courts or via a range of civil remedies.

3) Your organisation’s fraud and corruption objectives

These should include preventing, detecting and responding to fraud and corruption. Your policy’s objectives should also align with your organisation’s Code of Conduct, values or mission statements, including its desired culture and the SSC Integrity and Conduct Code (for public sector organisations).

4) Scope of the fraud and corruption policy

The policy should apply to all fraud and corruption incidents, whether suspected, alleged or proven, that are either:

- committed against the organisation by a person (legal or natural); or
- committed by an organisation’s employees, officers, directors, and as appropriate, business partners (whether in an official or private capacity) against any third party.

Employees should include:

- former employees
- people seconded to an organisation
- volunteers who work without reward

5) Defining and recognising fraud and corruption

Fraud

The term fraud encompasses a wide range of criminal conduct involving deliberate deception in order to receive unfair, unjustified or unlawful gain. For your internal policy, fraud should include all forms of dishonesty. It is useful if the policy provides specific examples of types of fraud relevant to your organisation’s business.

Corruption

“Corruption” is the lack of integrity or honesty (typically involving bribery) or the abuse of a position of trust for dishonest gain. It can include bribery (both domestic and foreign); coercion; destruction, removal or inappropriate use or disclosure of records, data, materials, intellectual property or assets; or similar forms of inappropriate conduct. Again, you should provide examples relevant to your organisation.

Distinguishing fraud and corruption from code of conduct and privacy breaches

Your policy should provide a brief explanation (with examples) of the difference between the organisation’s fraud and corruption policy, and other policies such as your privacy policy.

While such policies may overlap, the key difference is that fraud and corruption have elements of dishonesty or unlawful gain.

Recognising fraud and corruption risks

Generally, there are three particular conditions often associated with fraud and corruption:

- Incentives/pressures: Management, other employees or external parties have an incentive or are under pressure, which motivates them to commit fraud or wrongdoing (for example, personal financial trouble).
 - Opportunities: Circumstances exist that allow employees to commit fraud or corruption, such as an organisation not having appropriate fraud and corruption controls in place, or employees are able to get around or override ineffective controls (for example, managers being able to approve and authorise their own sensitive expenditure).
 - Attitudes: Employees are able to rationalise committing fraud (for example, holding attitudes or beliefs such as “everybody else is doing it nowadays” or “they made it so easy for me”).
- Including this information in your policy may help employees detect possible fraud and corruption.

6) Reporting suspected fraud or corruption

The systems and procedures you put in place for reporting fraud or corruption should be clear and concise.

You should reiterate that anyone who suspects fraudulent or corrupt conduct must report it immediately.

Your policy must note that employees who report serious wrongdoing in the workplace can be protected by the Protected Disclosures Act 2000. You should also have clear procedures for making and handling protected disclosures (although you may choose to outline these procedures in a separate document, rather than in your fraud and corruption policy). Information about the Act, when disclosures are protected and what those protections are is available on the protected disclosures/whistle-blowing page on the Office of the Ombudsman’s website.

The policy should outline the ways employees can report fraud and corruption. These may include:

- internal fraud notification forms
- a contact person or position within the unit in charge of investigations (for example risk and assurance, professional conduct/standards, human resources)

- a dedicated fraud 'hotline' or email address
- an internal protected disclosures reporting form

Reporting methods may include those set out in the Protected Disclosures Act or avenues such as the Crimestoppers website and phone line.

The policy should set out a clear reporting chain. For example, employees should first notify a manager who is responsible for bringing it to the attention of the person in charge of investigations, who will ensure that other relevant people are notified (for example, the chief executive and/or general managers).

The reporting chain should emphasise that all investigations will be conducted by a suitably appointed person (as outlined in the below section on the investigations process). It should also specify who is responsible for notifying law enforcement authorities when an investigation provides credible information that fraud or corruption has occurred. This will help ensure reporting of incidents to law enforcement authorities is consistent and relationships with them are well managed.

You should also outline the procedures for reporting to governance and oversight bodies within and outside your organisation (for example the chief financial officer, audit and risk committees and the Auditor General (for public sector organisations)).

7) The investigation process

Your fraud and corruption policy should advise employees which unit or person within the organisation is responsible for investigations.

However, you may choose to outline the details of how investigations will be conducted in a separate procedures document. This should include:

- noting that those responsible for investigations should have appropriate levels of independence, objectivity and investigative skill. Evidential and criminal file management requirements and responsibilities should also be clearly spelt out.
- outlining key processes for conducting investigations, from initial assessment to full detailed investigations, including reporting to key stakeholders.
- emphasising that while employees must report incidents of fraud or corruption, they must not undertake their own investigations, unless assigned to do so by the unit or person in charge of investigations.
- making clear that all employees must cooperate with any investigation into suspected fraud or corruption.
- reiterating that the appropriate person within an organisation must notify law enforcement authorities wherever there is credible suspicion that fraud or corruption has occurred.
- outlining procedures the organisation will follow to recover losses from fraudulent or corrupt activity.

8) Roles and responsibilities

Your policy must clearly outline the roles and responsibilities of individuals at each level of an organisation, from the CEO to entry level workers.

It is important that there is strong, direct and visible support from senior management for an organisation's controls and measures for preventing and detecting fraud and corruption.

Setting a 'tone at the top' will make it clear that all instances of fraud and corruption will be treated very seriously.

While people's roles related to the policy will vary, the policy needs to make it clear everyone is responsible for complying with it.

Depending of the structure of your organisation, this part of the policy may expand on the roles of the following individuals:

- chief executive
- deputy chief executives, deputy secretaries, general managers, directors
- managers and supervisors
- employees
- external consultants
- agents/officers
- director of unit in charge of investigation (e.g. risk and assurance)
- head of human resources/people and performance

This part should also specify who within an organisation is responsible for publicising the policy, and ensuring that staff are aware of and understand their obligations.

You should raise awareness of your fraud and corruption framework on a regular basis (but at least twice a year). Potential awareness raising measures include staff training, newsletters, intranet publications, and email alerts. Regular communications from senior management highlighting the importance of the policy will help embed a corruption-free culture.

You should also specify how often (for example, every two years) your fraud and corruption policy will be reviewed to make sure it is effective, and who is responsible for reviewing it.

9) Related policies and procedures

You should reference all other related policies your organisation has. These may include:

Suspected fraud and corruption investigation process

Suspected fraud and corruption notification form

- Code of Conduct
- Protected Disclosures Policy
- Probity Policy
- Conflict of Interest Policy
- Delegations Policy
- Disciplinary Process Policy
- Risk Management Policy
- Gifts Policy
- Personal Gain through Employment Policy (such as customer travel, hospitality, entertainment and expenses).

10) Useful Resources

Your policy could also provide links to other useful resources:

- [Online anti-corruption training module developed by SFO & TINZ](#)
- [Serious Fraud Office: information for complainants](#)
- [Further information on protected disclosures/whistle-blowing](#)
- [State Services Commission Standards of Integrity and Conduct](#)
- [Association of Certified Fraud Examiners website](#)
- [OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transaction](#)
- [United Nations Convention Against Corruption](#)

Waitomo District Council

Draft Fraud and Corruption Policy

| | |
|-----------------------------|---|
| First adopted | May 2011 |
| Last Reviewed | September 2015, September 2018, February 2022 |
| Review Date | September 2024 |
| Associated documents | As stated within the document |
| Responsibility | GM Community Services Business Support |
| Adopted by | Council (date) |

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INTRODUCTION | KUPU ARATAKI

This policy reflects the obligations imposed by Sections 100 and 101 of the Local Government Act 2002 (Financial Prudence). Waitomo District Council is obliged to apply public funds in a way that reflects the highest standards of probity and financial prudence, such that all related processes withstand public scrutiny.

Waitomo District Council (WDC) employees and representatives of WDC must maintain the highest possible standards of honesty and integrity in their works. A zero-tolerance approach to fraud or corruption, is employed and all suspected or actual incidences will be investigated. All investigations found to have substance will be forwarded to the Police or the Serious Fraud Office.

PURPOSE AND SCOPE | TE ARONGA ME TE KORAHĪ

1. The purpose of this policy is to:
 - Provide WDC's position with respect to fraudulent or corrupt activities;
 - Provide clear guidance to staff and stakeholders who encounter or suspect fraud or corruption; and
 - To raise awareness throughout the organisation about how to recognise fraud and corruption, as well as behaviours and circumstances known to be associated with fraud and corruption; and
 - document a process by which WDC will respond to possible fraudulent, corrupt, dishonest and inappropriate actions.
2. In addition to this policy, employees belong to professional bodies, such as the Institute of Professional Engineers and the Institute of Chartered Accountants of New Zealand, both of which bind their members to their profession's code of ethics concerning professional behaviour.
3. This policy applies to any fraud, corruption, suspected fraud, or suspected corruption alleged or proven, committed against the organisation by a person (legal or natural). For the avoidance of doubt, any reference to employees, staff or Elected Members in this policy shall include:
 - The organisation's former employees, volunteers, employees, Elected Members, persons seconded to Council and as appropriate, contractors (individuals, contractor staff, sub-contractors or affiliated persons with third parties) members of the public and/other parties with a business relationship with Council, including Council Controlled Organisations.

Fraud and corruption prevention is about ensuring the overall integrity and performance of the Council.

DEFINITIONS | NGĀ WHAKAMĀRAMATANGA

| | |
|------------------|--|
| Collusion | Any WDC employee that conspires, consents, supports, participates, incites or assists someone, either another WDC employee or an outsider, to commit any of the actions listed below. |
| Deception | Obtaining property or pecuniary advantage, obtaining services, or evading liability by deception. |
| Dishonest | An act that is not truthful. |
| Fraud | The International Standard on Auditing (New Zealand) 240 states the definition of fraud as: <i>An intentional act by one or more individuals among management, those charged with governance, employees or third parties, involving the use of deception to obtain an unjust or illegal advantage.</i> |

| | |
|-------------------------------------|--|
| Inappropriate | Behaviour that is deemed unacceptable. |
| Misuse/ Misappropriation | Unauthorised possession of WDC resources (money, property or services): either temporarily or permanently depriving WDC of them. |
| Bribery and Corruption | An act by which an individual(s) or organisation is influenced by bribery, which may or may not include a financial benefit. |
| WDC | Waitomo District Council. |

POLICY | KAUPAPA HERE

1. Attitude towards Fraud and Corruption

- 1.1. WDC recognises that all of its assets are held for the benefit of the community and that there is an expectation and obligation that elected members and staff act honestly and with integrity to safeguard WDC resources. WDC is committed to protecting its revenue, property, information and other assets from any attempt to gain financial or other benefits from it by deceit.
- 1.2. WDC does not tolerate Fraud or corruption. The 'zero tolerance' stance taken by WDC means that no level of fraud or corruption, in association with the organisation, its employees or stakeholders is accepted. Employees of WDC are those who work around them must pursue the highest possible standards of honesty and integrity whilst conducting their duties; this needs to be visible to the whole council community and external stakeholders.
- 1.3. WDC will uphold all laws and regulations relevant to countering fraud, corruption, and bribery in all areas of the organisation. Further, regardless of the guidelines and procedures set, WDC and those persons working for and with WDC, have an overriding obligation to comply with applicable laws and regulations.

2. Fraud, Corruption Prevention – Responsibility

- 2.1 The Senior Management Team is responsible for the detection and prevention of fraud, **corruption**, misappropriations, and other inappropriate conduct. Each member of the Senior Management Team shall be familiar with the types of improprieties that might occur within his/her area of responsibility and be alert for any indication of irregularity.
- 2.2 The Senior Management Team must where appropriate, develop and maintain procedures and checks for the prevention of fraud in their area. An example of this is as follows:
 - a) The application of consistent policies and processes, and robust internal control frameworks, which are monitored and reviewed regularly, particularly in those areas susceptible to fraud **and corruption**;
 - b) External audits of WDC's financial statements, in accordance with legislative requirements; and
 - c) Promotion of ethical behaviour through induction, training and performance development programmes.
- 2.3 When recruiting or promoting employees to positions of trust, Human Resources must ensure that:
 - a) Independent checks of the potential employee's employment history are undertaken;
 - b) Processes are undertaken to ensure the potential employee is suitable for the position.

2.4 ~~Any fraud that is detected or suspected must be reported immediately to the Chief Executive.~~

3. **Fraud and Corruption Reporting**

3.1 All employees, elected members, consultants, vendors, contractors, outside agencies, with a business relationship with WDC have a responsibility to report any suspected activity relating to fraud **or corruption**.

3.2 Any suspected fraud **or corruption** must be reported directly to a member of the Senior Management Team or the Chief Executive.

3.3 Reports may be made anonymously or under the protection of the Protected Disclosures Act 2000 (also known as the whistle blowing), providing a safe, documented and widely available process for all employees to report fraud **or corruption**.

3.4 ~~The Chief Executive will brief the Mayor of any suspected fraud or corruption prior to commencement of an investigation and following the conclusion of the investigation.~~

4. **Fraud and Corruption Investigation**

4.1 If, after preliminary enquiries, fraud, **corruption** is suspected then an investigation in accordance with WDC disciplinary procedures will be conducted to gain all relevant facts.

4.2 Human Resources will facilitate the investigation of all fraudulent, **corrupt** acts, except where the suspected fraud, **corruption** may involve:

- a) a member of the Senior Management Team, in which case the Chief Executive will have primary responsibility for conducting the investigation;
- b) the Chief Executive, in which case the Mayor will have the primary responsibility for conducting the investigation; or
- c) the Mayor or an elected member, in which case the Chief Executive will have primary responsibility for conducting the investigation.

4.3 Upon notification of suspected fraud, **corruption**, the Chief Executive (as employer) shall, within 24 hours, request a confidential written statement from the informant(s) detailing the nature of the fraud, **corruption**, the person(s) involved and the amount of cost or impact to WDC if known.

4.4 The Chief Executive will on receipt of a written statement make a determination on the appropriate next stage including but not limited to:

- a) External Legal Advice
- b) Further requirement to investigate
- c) Referral to External Law Enforcement
- d) Referral to external regulator
- e) Any disciplinary action

4.5 The Chief Executive may, when of the opinion that an employee may have been guilty of serious misconduct or fraud, suspend the employee immediately from work in accordance with the employee's Employment Agreement. During this period of time, the Chief Executive will initiate the investigation into the circumstances of the alleged misconduct and give the employee an opportunity to comment on any allegations made against them.

- 4.6 Suspension is appropriate where there is a danger that evidence may be destroyed, altered or removed or that coercion of witnesses may occur.
- 4.7 In undertaking any investigation, the Chief Executive supported by Human Resources, may:
- a) Establish an investigation team to examine the suspected fraud, **corruption**. The Chief Executive must be a member of the investigation team; and/or
 - b) Use external resources for investigations, if deemed appropriate.
- 4.8 The following information will be sought as a minimum:
- a) Person(s) involved
 - b) Property or service misused
 - c) Amount of money involved
 - d) Potential Policy breaches
 - e) Potential legislative breaches
- 4.9 If the investigation substantiates that fraudulent, corrupt activities have occurred, the Chief Executive shall:
- a) Consult with legal counsel regarding the decision to prosecute, or refer the investigation results to the appropriate law enforcement and/or regulatory agencies for an independent investigation on completion of the disciplinary procedure;
 - b) Report the results of the investigation to the elected Council.
- 4.10 When investigating fraud, **corruption**, the investigation team will have free and unrestricted access to all records and premises, and the authority to examine, copy and/or remove all or any portion of the contents of files, desks, cabinets, computers and other storage facilities on the premises without prior knowledge or consent of any individual who may use, or have custody of, any such items or facilities, when it is within the scope of their investigation.
- 4.11 Recovery of any misappropriated WDC property will be pursued whenever possible and practicable. Where recovery from an identified person is not possible, recovery from the WDC's insurers will be sought.

5. Confidentiality

- 5.1. Investigation results will not be disclosed or discussed with anyone other than those with a valid need to know. This is important in order to avoid damaging the reputations of persons suspected but held to be innocent of wrongful conduct until proven otherwise and to protect WDC from the risk of potential civil liability.
- 5.2. All enquiries concerning the activity under investigation from the suspected individual, his or her lawyer or representative, or any other person should be directed to Human Resources.
- 5.3. No information regarding the status of the investigation will be released. The proper response to any enquiries shall be "I am not at liberty to discuss this matter". Under no circumstances should any reference be made to "the allegation", "the crime", "the fraud", "the forgery", "the misappropriation" or any other specific reference.

6. External Communication

- 6.1. All statements to the media or public regarding fraud will be made by the Chief Executive.
- 6.2. The Group Manager - ~~Community Services~~ **Business Support** should notify the fraud, or suspected fraud, to Council's, external auditors and insurers as and when appropriate.

7. Disciplinary Issues

- 7.1. The Chief Executive may initiate disciplinary action at any time during a fraud investigation, in accordance with the Council's disciplinary procedures, or any other applicable procedures or policies.
- 7.2. Human Resources are responsible for the administration, revision, interpretation, and application of this Policy. The Policy will be reviewed on a bi-annual basis, or sooner if required.

8. Authorisation

- 8.1. The Council has authorised implementation of this policy.

9. Related Documents

- 9.1. This policy is to be read in conjunction with other Council Policies, specifically:

- Mobile Phone Policy (doc #A176281)
- Code of Conduct (doc # A341266)
- Fuel Card Policy (doc #A77472)
- Protected Disclosures (Whistleblowers) Policy (doc #A175561)

- 9.2. This policy should be read and considered with related legislation, specifically:

- The Local Government Act 2002
- Protected Disclosures Act 2000
- Local Authorities (Members Interests) Act 1968
- The Secret Commissions Act 1910
- The Crimes Act 1961

10. Useful Resources

10.1

- [Online anti-corruption training module developed by SFO & TINZ](#)
- [Serious Fraud Office: information for complainants](#)
- [Further information on protected disclosures/whistle-blowing](#)

Document No: A599236

Report To: Audit, Risk and Finance Committee



Meeting Date: 15 February 2022

Subject: **Draft Policy on Community Organisations Insurance Arrangements through Council – Recommendation to Council**

Type: Decision Required

Purpose of Report

- 1.1 The purpose of this business paper is to present the Draft Policy on Community Organisations Insurance Arrangements through Council (Draft Policy) for consideration and, subject to amendment, recommendation to Council for adoption.

Background

- 2.1 Council is a member of the CoLab (WLASS) Insurance Collective which has a membership of ten councils in the greater Waikato area. Council has been part of the Insurance Collective under the umbrella of CoLab since its inception in June 2012.
- 2.2 Council insures its property and infrastructural assets through a Material Damages insurance policy which provides cover for damages and losses for unforeseen and unintended events, such as fire or natural disaster occurrences.
- 2.3 For some rural halls and other community organisations within the district, Council arranges Material Damages insurance cover for these participating organisations and passes the cost of the insurance premium on to these organisations.
- 2.4 At the 11 May 2021 Audit, Risk and Finance Committee meeting, a paper was presented on the Insurance Update Report for the insurance year to 31 October 2021. The Committee noted the need for a Council policy to be developed regarding the insuring of community assets located on Council land.
- 2.5 The Draft Policy on Community Organisations Insurance Arrangements through Council is attached and forms part of this business paper.

Commentary

- 3.1 The Draft Policy formalises the current arrangements, sets the conditions of the arrangement and eligibility criteria for participating organisations. It allows community organisations with assets situated on Council land to take advantage of Council's pooled insurance arrangements, which is further enhanced through Council being part of the CoLab (WLASS) insurance collective.
- 3.2 Under insurance contracts, one party can hold an insurance policy on behalf of another party and this does not reduce the liability of the insurer to respond to a valid claim.
- 3.3 The Draft Policy may contribute to the financial wellbeing and potentially the longevity of the participating organisation and insured property, through providing insurance cover at costs usually lower than what the organisation could attract through their own stand-alone policy.

- 3.4 The criteria for eligible organisations is set out in the Draft Policy. It includes those organisations already included in the Council insurance cover as at 30 June 2021 (currently 14 organisations) and extends to other organisations that fit Council's existing charitable and community purposes definition, as defined by Council's Rates Remission Policy for Community Organisations and Clubs and Societies **and** the property to be insured is situated on Council owned land.
- 3.5 The proposed arrangement is essentially a "pass through"; the cost of the premiums and the terms of the insurance policy that Council has are passed on to the participating organisation.
- 3.6 As the terms of Council's insurance policy pass through directly to the participating organisation, there is no scope to alter the terms that Council receives to what the organisation will receive. The excess (or deductible) under Council's Material Damages and Business Interruption policy is \$10,000, this will also apply to the participating organisations. The insurers have repeatedly indicated they have no appetite to lower the excess for corporate bodies of Council's size.
- 3.7 The proposed arrangement on offer is cover on terms as a one fits all approach, there is no scope to have a tailored policy to suit a participating organisation and or to accommodate any unique circumstances. The duty to disclose to Council and Council disclose to the insurer still remains. The duty to disclose means to disclose any fact or circumstance that could influence the insurer's decision to provide insurance cover or not.
- 3.8 The Draft Policy also includes a provision enabling Council to charge an annual administration fee to cover some of the internal administration costs of providing the arrangement. It is proposed the administration charge will be included in Council's Fees and Charges schedule, which is reviewed annually, however the initial charge to be set is proposed to be \$100 + GST.
- 3.9 A desktop analysis was undertaken to quantify the possible impact of application of this Draft Policy in both the increase in total sum insured and number of additional organisations that could be included in the arrangement if they choose to take up the option.
- 3.10 The results of the analysis indicated there may be approximately 19 organisations that meet the criteria, with an estimated total replacement value to be insured of say, \$11 million. The additional premium costs to pass through is estimated to be \$20,000 if all organisations opt into this arrangement.
- 3.11 The Draft Policy requires that the property be valued for insurance purposes as a condition of opting into the arrangement. The reason for this requirement is to ensure all property and assets covered in Council's Material Damages policy is recorded at their correct value and avoid deficiency of cover through under valuation.
- 3.12 For efficiency and cost savings reasons, it is recommended that Council's property valuer be engaged to value the properties for those organisations that have opted in. The cost of the initial valuation will be passed to participating organisations.
- 3.13 Once adopted, the policy will be available on the council webpage and the policy will be advertised prior to the first closing date for applications.
- 3.14 Adoption of this policy will enable Council to provide the insurance arrangements notwithstanding other land tenure issues still to be worked through between Council and any of the participating organisations.

Analysis of Options

- 4.1 The provision of insurance cover for some rural halls and other organisations is currently in place. The option of adopting this policy will formalise what has previously been an informal arrangement.

- 4.2 Should the Committee choose not to adopt the Draft Policy on Community Organisations Insurance Arrangements Through Council, the existing informal arrangements will likely continue. Council would continue to receive requests and process these requests in an adhoc manner, this could also lead to inconsistencies and perceived unfairness of assessment by Council.

Considerations

5.1 **RISK**

- 5.2 Risks identified in adopting this policy is considered as being low.
- 5.3 Council reputational risk: It is suggested that adoption of this policy will contribute to reduced Council reputational risk through providing a clear framework, and thereby providing fair treatment to community organisations for their insurance needs.
- 5.4 Insured value risk: The risk that the property insured is undervalued is mitigated through the requirement of obtaining an insurance valuation as part of acceptance into the scheme as well as limiting the number of eligible organisations who may choose to opt in.
- 5.5 Credit risk: There is some credit risk around the possible non-payment of premiums invoiced by Council. This is mitigated through limiting the number of participating organisations, which avoids a concentration of credit risk and that premiums are charged annually. It is further reduced, through the application of the Hall's Grant made annually to the premium's payable should payment not be received from the participating organisation.
- 5.6 Premium Risk: Council and the participating organisations are exposed to fluctuations in premiums on an annual basis as are all other corporate entities. This market fluctuation is mitigated to the extent possible through being part of an insurance collective.

5.7 **CONSISTENCY WITH EXISTING PLANS AND POLICIES**

- 5.8 It is anticipated the Draft Policy will contribute to Council's vision of Community Outcomes of providing a district for people, through promoting health, wellbeing and participation by providing in some small way some financial relief for insurance cover.
- 5.9 In providing this relief, there is no additional cost to the wider community and nothing in this Draft Policy is inconsistent with existing plans and policies.
- 5.10 The Draft Policy draws from definitions within the Rate Remission Policy and the on-charging mechanism is through Fees and Charges.

5.11 **SIGNIFICANCE AND COMMUNITY VIEWS**

- 5.12 The views and preferences of the affected parties, being the potential new eligible organisations and existing organisations insuring through Council, has not been canvassed to date. This proposal is very much a "take or leave it" proposition for the eligible organisations and formalises what has previously been an informal arrangement.
- 5.13 Adoption of this policy is not significant in accordance with Council's Significant and Engagement Policy.

Recommendation

- 6.1 The Audit, Risk and Finance Committee recommend to Council the adoption of the Policy on Community Organisations Insurance Arrangements through Council.

| |
|------------------------------|
| Suggested Resolutions |
|------------------------------|

- 1 The business paper on Draft Policy on Community Organisations Insurance Arrangements through Council be received.
- 2 The Audit, Risk and Finance Committee recommend to Council the adoption of the Policy on Community Organisations Insurance Arrangements through Council, subject to any amendments agreed at this meeting.



ALISTER DUNCAN
GENERAL MANAGER – BUSINESS SUPPORT

1 February 2022

Attachment:

- 1 Draft Policy on Community Organisations Insurance Arrangements through Council (A599265)

DRAFT

Waitomo District Council

Policy on Community Organisations Insurance Arrangements Through Council

| | |
|----------------------|--|
| First adopted | ##/##/#### |
| Last Reviewed | Inaugural |
| Review Date | 2025 |
| Associated documents | Rates Remission Policy, Councils Fees and Charges |
| Responsibility | GM Business Support |



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PURPOSE AND SCOPE | TE ARONGA ME TE KORAHĪ

1. The purpose of the Community Organisation Insurance Policy is to allow incorporated Community Organisations with property located on Council land to benefit from Council's collective insurance arrangements through competitive insurance cover for property assets.

DEFINITIONS | NGĀ WHAKAMĀRAMATANGA

Community Facility

A building, collection of buildings, other structures or property that is owned by the participating Community Organisation that is situated on a Council reserve or operational land and is available for community use.

Community Organisation

An incorporated organisation that pursues sporting, recreational or community purposes and is for not-for-profit or is for charitable purposes, within the Waitomo District.

An organisation that is for private pecuniary profit or engages in sporting, recreational or community purposes as a secondary purpose will not be eligible.

Council retains discretion as to whether an organisation fits these criteria.

POLICY | KAUPAPA HERE

1. Objective

- 1.1** To support eligible Community Organisations to obtain competitive insurance cover.
- 1.2** The insurance cover is for damage to physical property assets and cover for losses due to business interruption.
- 1.3** No other insurance type is provided for within this policy. (For example, Public Liability or Professional Indemnity covers are not provided for).

2. Criteria

- 2.1** Community Organisations that fit the below criteria will be eligible to participate in the arrangement:
 - (a) The organisation must meet the definition of an eligible Community Organisation as defined in the policy; and
 - (b) The organisation must own the Community Facility situated on Council owned land or Council reserve land.
- 2.2** Community Organisations that have an existing insurance arrangement with Council as at 30 June 2021 will remain eligible to retain their existing arrangement, subject to agreeing to the payment of the annual administration charge.

3. Applications

- 3.1** Community Organisations that are not currently insured through Council's insurance arrangement must make a written application on the prescribed form to Council by 31 March for insurance cover commencing 1 November.
- 3.2** The application will include terms and conditions relating to the arrangement which must be agreed to by the Community Organisation.
- 3.3** Incomplete or late applications will be deemed ineligible and will not be considered.

4. Insurance Terms

- 4.1** Insurance arrangements cover the period from 1 November to 31 October the following year.
- 4.2** The terms of the Material Damages and Business Interruption policy that Council obtains each year, will pass through to the participating Community Organisation including the level of excess applicable.
- 4.3** The Community Organisation will advise the type of insurance cover required on application (ie. All replacement, indemnity or functional replacement). The Community Organisation will be solely responsible for determining the appropriate type and level of insurance cover for the relevant Community Facility. Council does not guarantee that the type of insurance cover will be available at each renewal period.
- 4.4** Insurance cover for a part year will not be available.

- 4.5** An administration charge, set in Council's Fees and Charges, will be charged annually along with the insurance premiums. The administration charge contributes to the Council's costs for arranging the insurance cover.
- 4.6** A valuation of the Community Facility by a registered valuer for insurance purposes is required for acceptance into the arrangement. Any cost for the initial valuation will be charged to the Community Organisation.
- 4.7** Subsequent insurance valuations, which are usually carried out every three years, will be at Council's cost.
- 4.8** Any claim(s) by a participating Community Organisation will be facilitated through Council.

Document No: A599206

Report To: Audit, Risk and Finance Committee**Meeting Date:** 15 February 2022**Subject:** **Progress Report: Risk Management – Monitoring and Reporting****Type:** Information Only**Purpose of Report**

- 1.1 The purpose of this business paper is to inform the Audit, Risk and Finance Committee of progress in respect to the implementation of the Risk Management Framework (RMF).

Background

- 2.1 Council adopted its first Risk Management Framework (RMF) and Risk Management Implementation Plan (RMIP) in May 2019.
- 2.2 A review of the RMF commenced in December 2020, with further workshops in 2021 resulting in the nine strategic risks being identified and risk assessments being completed for these strategic risks.
- 2.3 The nine strategic risks are
- Health Safety and Wellbeing
 - Cyber Security
 - Climate Change and Adaption
 - Significant Internal and External Disruptions
 - Programme and Project Delivery
 - Theft Fraud and Corruption
 - Fit for Purpose Assets
 - Three Waters Infrastructure
 - Financial
- 2.4 The next steps identified at the August 2021 workshop are:
- An in-depth analysis/review of each of the strategic risks
 - Development of Corporate Risk Registers
 - Development of Project Risk Registers
- 2.5 The Risk Management Framework and Guideline and the Strategic Risk Register were adopted by Council at the Council meeting held on 26 October 2021 and the Strategic Risk Work Plan was endorsed.

Commentary**3.1 Strategic Risk Review**

- 3.2 The schedule for the in-depth analysis/review of the strategic risks is as follows:

| Strategic Risk In-Depth Analysis / Review | February 2022 | April 2022 | May 2022 | August 2022 |
|--|----------------------|-------------------|-----------------|--------------------|
| SR01 - Health, Safety and Wellbeing | ✓ | | | |
| SR02 – Cyber Security | ✓ | | | |
| SR03 – Climate Change and Adaptation | ✓ | | | |
| SR04 – Significant Internal and External Disruptions | | | ✓ | |
| SR05 – Programme and Project Delivery | | ✓ | | |
| SR06 – Theft, Fraud and Corruption | | ✓ | | |
| SR07 – Fit for Purpose Assets | | | ✓ | |
| SR8 – Three Waters Infrastructure | | | | ✓ |
| SR9 – Financial | | ✓ | | |

3.3 The workshop reader for strategic risks Cyber Security, Health, Safety and Wellbeing and Climate Change and Adaption has been distributed for the workshop following the Committee Meeting today.

3.4 Corporate Risk Registers

3.5 These risk registers have not been progressed to date as they will be informed by the completion of the strategic risk reviews.

3.6 Project Risk Registers

3.7 The Project Risk Registers are being developed, due to the variable size and scale of projects, not all projects will require individual risk registers.

3.8 Instead, a Programme Delivery Risk Register is currently being developed to cover the key risks that will apply to most projects (e.g., Health and Safety, resourcing and capacity, cost increases, etc.), and standard controls will be put in place at the beginning of the project.

3.9 Risks specific to a particular project will be defined through the project planning phase and monitored during project delivery, risks for the priority project will be highlighted through the quarterly reporting commentary.

3.10 The King Country Indoor Sports and Recreation Centre project risk register was developed and is regularly monitored and updated. These risks are reported through the project's regular progress update reports.

3.11 Based on the current workloads and resource capacity, the planned implementation of the Project Risk Registers and the Programme Delivery Risk Register will be early in the 2022/2023 financial year.

Suggested Resolution

The business paper on Progress Report: Risk Management – Monitoring and Reporting be received.



ALISTER DUNCAN
GENERAL MANAGER - BUSINESS SUPPORT

27 January 2022

| | |
|---|---|
| Document No: A600220 | |
| Report To: Audit, Risk and Finance Committee | |
|  | Meeting Date: 15 February 2022 |
| | Subject: Progress Report: WDC Resource Consents – Compliance Monitoring |
| | Type: Information Only |

Purpose of Report

- 1.1 The purpose of this business paper is to brief Council on compliance reporting against Resource Consent conditions, due during the first quarter of 2021/22.

Risk Considerations

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

Commentary

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

| 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 |

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

| RESOURCE CONSENT | REPORT DUE |
|---|--|
| 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>) |
| No. 103193 - Benneydale Closed Landfill SH30 Conditions 2, 3 and 5 No. 103194 - Conditions 2 and 3 | Monitoring Ceased by mutual agreement with WRC (08/2018) |
| No. 103196 - Piopio Closed Landfill Condition 2, 3 and 4 | Monitoring Ceased by mutual agreement with WRC (08/2018) |
| No. 103198 - Aria Closed Landfill Conditions 2 and 4 | Monitoring Ceased by mutual agreement with WRC (08/2018) |
| Biennial | |
| No. 117290 - Piopio Wastewater Treatment Plant Condition No 7 and 9 (Discharge) (Operations and Management) | September 2014, 2016, 2018, etc. |
| No. 112639 - Te Kuiti Wastewater Treatment Plant Condition 24 | June 2015 (<i>and every two years after</i>) |
| No. 118813 - Benneydale Wastewater Treatment Plant Condition 27 (Management Plan Review) | from 2010 every two years |
| Other | |
| No. 112639 - Te Kuiti Wastewater Treatment Plant Condition 28 (after 3 years Fish Passage/Migration Barrier Assessment) | Monday, 18 December 2017 (<i>Work in progress</i>) |

3.3 The following Resource Consent Compliance Reports have been made to WRC during the first and second quarter of 2021/22:

**1. AUTH116844.01.01 – Maniaiti/Benneydale Water Treatment Plant
Condition 9 (Surface Water Take)
Report Due: Monthly**

| | |
|-----------------------------|--|
| Activity Description | Take up to 180 cubic metres per day of water from an unnamed tributary of the Mangapehi Stream for Benneydale water supply purposes. |
| Reporting Period: | July 2021 |
| Compliance Status: | Full compliance |
| WDC Reference: | A550029 |

| | |
|---------------------------|-----------------|
| Reporting Period: | August 2021 |
| Compliance Status: | Full compliance |
| WDC Reference: | A575095 |

| | |
|---------------------------|-----------------|
| Reporting Period: | September 2021 |
| Compliance Status: | Full compliance |
| WDC Reference: | A579291 |

| | |
|---------------------------|-----------------|
| Reporting Period: | October 2021 |
| Compliance Status: | Full compliance |
| WDC Reference: | A583281 |

| | |
|---------------------------|-----------------|
| Reporting Period: | November 2021 |
| Compliance Status: | Full compliance |
| WDC Reference: | A588045 |

| | |
|---------------------------|-----------------|
| Reporting Period: | December 2021 |
| Compliance Status: | Full compliance |
| WDC Reference: | A591961 |

**2. AUTH117290.01.01 – Piopio Wastewater Treatment Plant
Condition 26 (Discharge)
Report Due: Monthly**

| | |
|-----------------------------|--|
| Activity Description | Discharge up to 135.4 cubic metres of treated municipal sewage in any 24-hour period from the Piopio Wastewater Treatment System to the Mokau River. |
| Reporting Period: | July 2021 |
| Compliance Status: | Full compliance |
| WDC Reference: | A578459 |

| | |
|---------------------------|-----------------|
| Reporting Period: | August 2021 |
| Compliance Status: | Full compliance |
| WDC Reference: | A578459 |

| | |
|---------------------------|--------------------------|
| Reporting Period: | September 2021 |
| Compliance Status: | High level of compliance |
| WDC Reference: | A580570 |

**3. AUTH118813.01.01 – Maniaiti/Benneydale Wastewater Treatment Plant
Condition 7, 9, 16, 21 and 23 (Discharge)
Report due: 6 Monthly**

| | |
|-----------------------------|--|
| Activity Description | Discharge up to 85 cubic metres per day of treated municipal wastewater on to land on a seasonal basis or discharge to the Mangapehi Stream. |
| Reporting Period: | 1 January 2021 – 30 June 2021 |
| Compliance Status: | Full compliance |
| WDC Reference: | A541913 |

**4. AUTH116274.01.01 – Maniaiti/Benneydale Water Treatment Plant
Conditions 2, 3, 4 and 7 (Ground Water take)
Report due: Annually**

| | |
|-----------------------------|---|
| Activity Description | Take up to 180 cubic metres per day of groundwater, at a rate of 3.3 litres per second, for Benneydale municipal supply purposes. |
| Reporting Period: | 1 June 2020 – 31 May 2021 |
| Compliance Status: | Full compliance |
| WDC Reference: | A579357 |

**5. AUTH133317.01.01 – Te Kuiti Water Treatment Plant
Conditions 5, 6, 10 and 11 (Water take)
Report due: Six monthly**

| | |
|-----------------------------|---|
| Activity Description | To take water from the Mangaokewa Stream for domestic and municipal water supply purposes |
| Reporting Period: | 1 July 2021 to 31 December 2021 |
| Compliance Status: | High level of compliance |
| WDC Reference: | A598519 |

**6. AUTH113544.01.01 – Mokau Water Treatment Plant
Conditions 2 and 4 (Surface Water Take)
Report due: Annually**

| | |
|-----------------------------|--|
| Activity Description | Take up to 1,000 cubic metres per day of water from an unnamed tributary for public water supply purposes in Mokau |
| Reporting Period: | 1 July 2020 to 30 June 2021 |

| | |
|---------------------------|-----------------|
| Compliance Status: | Full compliance |
| WDC Reference: | A599101 |

7. **AUTH101753.01.01 – Te Kuiti Landfill
Condition 11 (Leachate monitoring)
Report due: Quarterly**

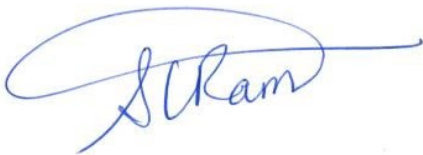
| | |
|-----------------------------|---|
| Activity Description | Place up to 232,000 tonnes of municipal solid waste onto or into land, in the Rangitoto Quarry Landfill, William Street, Te Kuiti |
| Reporting Period: | 1 July 2021 to 31 September 2021 |
| Compliance Status: | Full compliance |
| WDC Reference: | A582630 |

8. **AUTH101753.01.01, AUTH101754.01.01 and AUTH124718.01.01 – Te Kuiti Landfill
Report due: Annually**

| | |
|---------------------------|-----------------------------|
| Reporting Period: | 1 July 2020 to 30 June 2021 |
| Compliance Status: | Compliant |
| WDC Reference: | A577293 |

Suggested Resolution

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



SHYAMAL RAM
GENERAL MANAGER – INFRASTRUCTURE SERVICES

Document: A600209

Report To: Audit, Risk and Finance Committee



Date: 15 February 2022
Subject: **Progress Report: Health and Safety**
Type: Information Only

Purpose of Report

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

Background






- 2.1 Under the Health and Safety at Work Act 2015, "Officers" are required to exercise due-diligence to provide them with a level of assurance that health and safety is being effectively managed. Due-diligence requires the need for "Officers" to keep up to date with health and safety matters and information; ensure critical risks are effectively controlled; ensure health and safety is adequately resourced; ensure appropriate monitoring and reviews are conducted to provide assurance and verify that health and safety matters are being appropriately addressed.
- 2.2 This new report format aligns with the SafePlus programme developed by WorkSafe NZ, ACC and MBIE in 2017. The programme is voluntary and aims to support organisations wanting to improve health and safety culture and exceed minimum compliance requirements.
- 2.3 Identified improvements and actions set for completion during the period are:
- 2.3.1 Approved Fire Evacuation Schemes in place for Treatment Plants where the quantities of hazardous substances meet the threshold.
 - 2.3.2 Completion of rollout of Desk Files and educational workshops for LASS Regional Health and Safety Framework implementation.
 - 2.3.3 Complete health and safety assessments across WDC's quarry network.
 - 2.3.4 Support and encourage a continued increase in site safety inspections and near miss recording.
 - 2.3.5 Implementation of a Health and Safety Annual Plan with objectives and key performance indicators.

Commentary

3.1 **LEADERSHIP COMMITMENT**

- 3.2 Management is committed to ensuring health and safety is managed effectively. WDC continue to engage a health and safety professional, to support and guide the organisation, to influence our people to actively participate in health and safety, assist in the development of processes to manage health and safety and monitor levels of compliance.

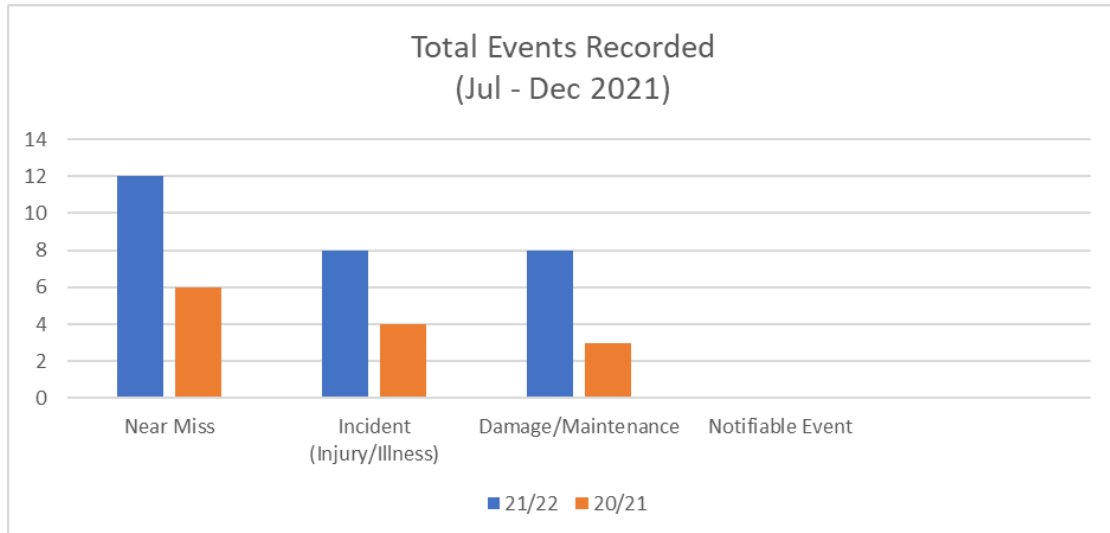
- 3.3 Objectives and actions aligning with the 2021/22 Health and Safety Annual Plan (Attachment 1). These have been documented into an Implementation Plan (Attachment 2) to provide clarity and visibility of progress. Some target dates have not been achieved due to the current COVID-19 environment preventing progress.
- 3.4 Key Performance Indicators (KPI's) have been developed to support progress and completion of objectives. A new traffic light table has been developed as an indicator to show how WDC is tracking against the KPI targets.

| KPI | Target | Status |
|--------------------------------------|---------------------------|---|
| Site Inspections | 5 per month |  |
| Workplace Inspections | 1 quarterly |  |
| Managers H&S Conversations | 5 per month (1 per group) |  |
| Health and Safety Committee Meetings | 1 per month |  |
| Near Miss Reporting | 10% increase |  |

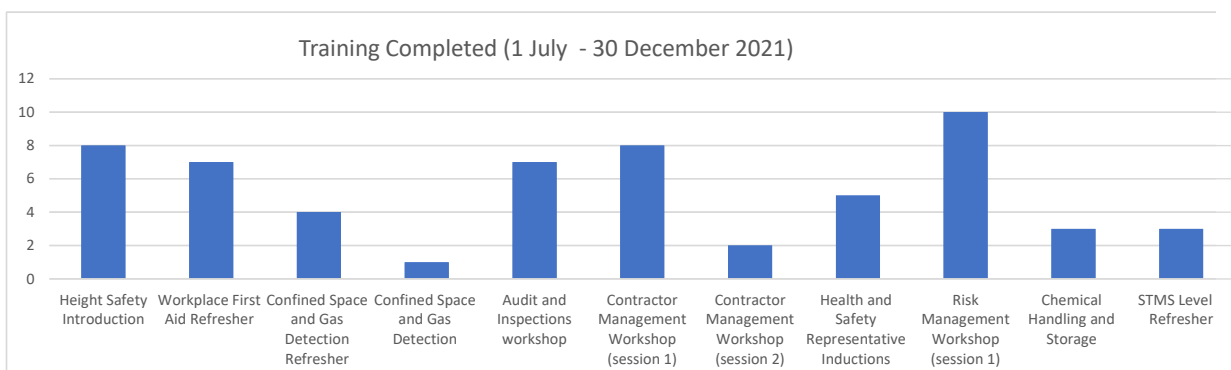
Red light = target not reached – management focus required
 Yellow light = target almost reached – management focus required
 Green light = target achieved or exceeded

- 3.5 Management at all levels need to demonstrate their commitment to health and safety, engage in health and safety conversations with staff, feedback to staff on health and safety matters and obtain assurances that contractors and staff are using safe work practices, the right tools/equipment for the task and plant/machinery is compliant. A KPI has been set around monitoring to provide levels of assurance.
- 3.6 **WORKER ENGAGEMENT PARTICIPATION AND REPRESENTATION**
- 3.7 To support and encourage worker participation and representation WDC continues to maintain an active Health and Safety Committee.
- 3.8 In line with the regulations, an election was held during July 2021, with new and existing Health and Safety Representatives (HSRs) elected for each Group (Business Support, Community Services, Infrastructure Services (x2), Strategy and Environment, a Senior Management Representative, Health and Safety Administrator and WDC's external Health and Safety Advisor).
- 3.9 Formal Health and Safety Representative training has been delayed due to the current COVID-19 environment. Health and Safety Representatives are now scheduled to attend training in February 2022.

- 3.10 The Health and Safety Committee continue to meet, although there have been disruptions to the meeting schedule over recent months due to the COVID-19 environment. The Health and Safety Committee played a key role in conducting COVID-19 Risk Assessments against all WDC positions.
- 3.11 Ongoing worker consultation processes have been implemented as part of the development of a suite of Desk Files outlining processes for managing all aspects of health and safety. Staff are consulted on the development of Desk Files.
- 3.12 The importance of event (incident) reporting continues to be encouraged, enabling WDC to identify learnings.



- 3.13 Formal training courses have been attended during the period, including the ability to utilise online courses where appropriate (due to COVID-19 restrictions), to ensure compliance is maintained. Prior to lockdown several sessions were carried out involving the whole organisation to introduce the Desk Files, explaining how to implement the LASS Health and Safety Framework across the different functions within WDC. These sessions were very well attended.



3.14 **RISK MANAGEMENT**

- 3.15 The top five risks that have previously been identified by the Senior Management Team remain unchanged:

- 1 **Working Alone** – Lone worker devices are in place and monitored to provide staff with security/support all hours. Vehicle monitoring devices (Smartrak) are installed in vehicles to provide vehicle location (in cell network coverage areas only).

- 2 **Contractor Management** – The SHE Pre-Qualification used by WDC - contractor's health and safety processes, evidence and insurances are evaluated and approved before carrying out physical works gives WDC an assurance that contractors are managing health and safety. WDC must carry out site safety inspections on contractors to check compliance requirements. This continues to be a focus area.
 - 3 **Confined Spaces** - Training is current. A Job Safety Analysis and permit system has been set up for staff to use when planning a confined space entry. Site safety inspections are required during this activity to ensure safe work practices and procedures are being followed.
 - 4 **Aggressive Behaviour** – Training for customer facing roles has been delivered. Lone worker devices are available to all front facing staff to use as necessary. Any aggressive behaviour is recorded as a near miss and investigated.
 - 5 **Driving and Vehicle Usage** – Driver training has been delivered to those staff who drive off-road and for those who tow trailers.
- 3.16 The WDC COVID-19 Health and Safety Plan remains actively in place and under constant review due to the ever changing COVID-19 environment.
- 3.17 In line with Government requirements, WDC has conducted COVID-19 Risk Assessments against all roles to identify the level of risk of COVID-19 being transmitted within the workplace.

Quarter Three Focus

- 4.01 Obtain Approved Fire Evacuation Schemes and Location Compliance for Treatment Plants where the quantities of hazardous substances meet the thresholds as per the Health and Safety at Work (Hazardous Substances) Regulations 2018 and Fire and Emergency New Zealand (Fire Safety, Evacuation Procedures, and Evacuation Schemes) Regulations 2018.
- 4.02 Complete Desk Files for LASS Regional Framework implementation.
- 4.03 Support and encourage a continued increase in site safety inspections and near miss recording.

Suggested Resolution

The Progress Report: Health and Safety be received.



HELEN BEEVER
GENERAL MANAGER – COMMUNITY SERVICES

February 2022

Attachments:

1. Health and Safety Annual Plan 2021/22
2. Health and Safety Implementation Plan 2021/22

Attachment 1: Health and Safety Annual Plan 2021/22

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

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

OUR COMMITMENT – we will

- | | |
|--|---|
| • Provide a safe and healthy work environment | • Demonstrate commitment and create a positive culture |
| • Ensure all hazards/risks are effectively managed | • Be held accountable for health and safety organisational wide |
| • Recognise behavioural and safety excellence | • Provide a safe environment for our customers and community |

GOALS – we will

- | | |
|--|---|
| • Ensure our people go home safe and well everyday | • Ensure management demonstrate their commitment |
| • Have systems and processes in place that meet legislative requirements | • Ensure hazards are identified and risks are managed effectively |
| • Empower our people to actively participate in health and safety | • Consult with our people on health and safety matters |

OBJECTIVES – we will

- | | |
|---|--|
| • Implement the LASS regional health and safety framework | • Educate our people on the new health and safety management processes |
| • Monitor health and safety performance onsite and in the workplace | • Identify and share learnings |
| • Engage with workers on health and safety matters affecting their role | • Encourage management to engage in health and safety conversations |

MEASURES – we will

- | | |
|--|---|
| • Develop desk files/forms for LASS framework | • Deliver workshops to communicate new health and safety processes |
| • Complete annual workplace inspections and monthly worksite inspections | • Investigate all events and communicate learnings/preventative actions |
| • Implement a documented consultation process | • Record management health and safety conversations |

Attachment 2: Health and Safety Implementation Plan 2021/22



HEALTH AND SAFETY IMPLEMENTATION PLAN 2021/22

| OBJECTIVES | ACTIONS | OWNER | RESPONSIBLE | TARGETED COMPLETION | STATUS |
|---|---|-------|--|---------------------|--------|
| Implement the LASS regional health and safety framework | • Develop 10 desk files for LASS framework | GM-CS | H&S Team | Sept 21 | 60% |
| | • Develop/review forms for implementation of desk files | GM-CS | H&S Team | Sept 21 | 60% |
| | • Use consultation process before finalising documents | GM-CS | H&S Team | Oct 21 | 60% |
| Educate our people on the new health and safety management processes | • Schedule workshops | GM-CS | H&S Team | Sept 21 | 30% |
| | • Deliver workshops for each desk file developed to relevant staff | GM-CS | H&S Team | Nov 21 | 25% |
| Encourage management to engage in health and safety conversations | • Record management health and safety conversations | GM-CS | SMT/Managers | Monthly (ongoing) | 5% |
| Monitor health and safety performance onsite and in the workplace | • Develop workplace inspections schedule | GM-CS | H&S Team | July 21 | 100% |
| | • Complete annual workplace inspections | GM-CS | H&S Team, HSReps | June 22 | 0% |
| | • Carry out monthly worksite inspections | SMT | Contract/Project/Operational Team Managers | Monthly – ongoing | 10% |
| Identify and share learnings | • Investigate all events and communicate learnings/preventative actions | GM-CS | H&S Team | Ongoing | 50% |
| Engage with workers on health and safety matters affecting their role | • Implement a documented consultation process | GM-CS | H&S Team | Sept 21 | 25% |

Status key:

- Red = not on track – focus required
- Orange = in progress / on track
- Green = completed

Document No: A599890

Report To: Audit, Risk and Finance Committee



Meeting Date: 15 February 2022
Subject: **Financial and Performance Delivery Report - period ended 31 December 2021**
Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to provide an overall progress report on WDC's financial and non-financial activities for the period ending 31 December 2021.
- 1.2 A copy of the Progress Report for the period ending 31 December 2021 is enclosed separately and forms part of this business paper.

Background

- 2.1 Each quarter, progress reports are prepared to provide a high-level update of Council's activities for the Audit, Risk and Finance Committee. The Progress Reports include:
 - Providing progress on Council's activities (quarterly progress reports); and
 - Council's budget (quarterly financial reporting); and
 - How Council is delivering against the service performance measures (quarterly non-financial reporting).
- 2.2 This business paper outlines a high-level summary of progress on the key aspects of both the financial and non-financial activities as detailed fully in the Progress Report.

Commentary

- 3.1 This quarterly report is the second report relating to the 2021-31 10YP. The final report for the Residents Survey conducted in June 2021 became available in August 2021, the results can now be reported on the corresponding KPI's this quarter.
- 3.2 **COVID-19 PANDEMIC AND THREE WATERS REFORM IMPACTS**
- 3.3 For the majority of the October to December 2021 quarter the Waitomo District has had COVID-19 restrictions in place, which have impacted on the delivery of some work programmes and projects. In early December 2021, the COVID-19 Protection Framework (the Framework) came into effect. The Waitomo District entered the Framework in Orange.
- 3.4 Due to the COVID-19 Pandemic there continues to be high demand for contractors and delays in delivery of supplies, which is causing delays to completion dates and project delivery. Accessing services and contractors outside of the district is also proving challenging with a backlog of work built up.

3.5 **THREE WATERS REFORM (TWR)**

3.6 There has been good progress made in this quarter on the expenditure programme related to TWR, a separate report and paper detail this.

3.7 The second installment of DIA funding was approved, and payment of \$690,000 incl. GST was made to WDC in December 2021. The next payment request can be made in January 2022.

3.8 These projects continue to be a resource heavy area. External contractors have been engaged to assist with the delivery of some of these projects.

3.9 **INCOME STATEMENT HIGHLIGHTS**

3.10 **NET OPERATING SURPLUS**

3.11 The net operating surplus of \$3.8 million was \$0.6 million more than budget for the period ended 31 December 2021.

3.12 **Expenditure**

3.13 Total Expenditure was \$0.7 million less than budget for the period ended 31 December 2021. This is less than forecast due to:

- **Resource Management:** \$0.4 million below budget, as legal and consultancy fees for the District Plan Review were not fully spent due to timing of this project.
- **Wastewater:** \$0.1 million less than budget for operations and maintenance, consultant fees, sludge disposal and chemicals for Te Kuiti
- **Roads and Footpaths:** \$0.1 million for traffic service maintenance, routine drainage maintenance and structures maintenance costs
- **Regulatory Services:** \$0.1 million less than budget for animal control costs, environmental officer fees, noise control costs and building accreditation expenses.
- **Depreciation expense** was more than budget due to the revaluation of building assets, water, wastewater, and stormwater assets at 30 June 2021 which increased the value of these assets and the corresponding depreciation expense.
- **Finance costs** were less than budget due to a lower level of borrowings than forecast and more favourable interest rates than forecast in the 10YP.

3.14 **Revenue**

3.15 Total Revenue was \$0.2 million less than budget for the period ended 31 December 2021.

- Rates revenue was below budget for metered water revenue for Te Kuiti and Piopio.
- Subsidy revenue from Waka Kotahi NZTA was less than budget. As operational and capital expenditure was less for the period, the associated subsidy was also below budget.
- External interest revenue and revenue for borrower notes were more for the period.
- Fees and charges revenue was less than budget for refuse charges, trade waste and as well as reduced revenue for aquatic centre, Les Munro centre and aerodrome.
- Other revenue for the period were more than budget for petroleum tax and insurance proceeds

3.16 **CAPITAL EXPENDITURE**

3.17 Capital Expenditure was **\$5.0 million** for the period ended 31 December 2021, of which \$1.8 million (36%) relates to Roads, \$1.4 million (28%) relates to Water Supply, and \$0.9 million (18%) relates to Recreation and Property.

3.18 **Recreation and Property**

3.19 The largest underspend is in the following projects:

- The scope of the Mokau public toilet renewal and replacement programme was reviewed and subsequently affected by new land tenure considerations that needed to be resolved with the Ministry of Education. Project planning is now underway, and work on the effluent field is expected to start in February 2022.
- Work has commenced for the esplanade development project (2 accessways in Mokau). The Tokopapa Street beach access/staircase has been completed. Assessments of other beach access points, 21-23 Point Road, will take place over the coming year and a programme of works will be developed.
- Development of the amenity areas to compliment the entry and exit points of Te Ara Tika is delayed due to the delay in the delivery of the Te Ara Tika Project. The work is due for completion in January 2022.

3.20 **Roads and Footpaths**

- The Te Ara Tika Overbridge Project has a spend of \$491,000 for this period Quarter 2. The unspent budget is now \$106,000.
- Landscaping work has since been completed with the bridge open for public use on 20 November 2021. The cultural elements have since added to the structure, earlier delayed due to the extended Covid lockdown in Auckland, preventing access to the site by the specialist subcontractor. Basketball court painting and remaining architecture is due for completion in January 2022.
- Overall project completion is tracking for completion by January 2022.
- Bridge and structural renewals programme for 2020/21 was not completed. These contract works have been carried over for completion by April 2022.

3.21 **Water Supply**

3.22 The largest underspends are in the Three Waters project, Mokau renewals and the Te Kuiti alternative water supply investigation.

- The Three Waters Project capital work programme commenced in March 2021; completion date is now June 2022.
- The back-up generators are due to arrive at the end of February, preparation works will commence in the next quarter with installations from March 2022. Mokau upgrade has been further impacted incomplete supply of equipment, the plant is expected to be commissioned by early March 2022.
- Spend is on track for quarter 2, external project management services have been engaged to assist with delivery of the capital programme. Significant renewals work is scheduled for next quarter.
- The Te Kuiti alternative water supply investigation project is completed. The drilling work was completed in December 2021 but was unsuccessful. While water quality was reasonable, the aquifer yield was very low and insufficient for a variable wellfield to be developed, even as a supplementary supply.

3.23 **Three Waters Reform Programme**

3.24 A project update is provided on this programme of work in a separate report to Council.

3.25 **BORROWINGS**

3.26 At 31 December 2021, public debt was \$31.2 million and net debt was **\$26.3** million. At 30 June 2021, it was \$34.2 million and net debt was \$29.1 million.

3.27 The assumed interest rate used in the 10YP for the 2021/22 year is 2.75% excluding the credit facility fee. The weighted average interest rate excluding the facility fee was 1.98% at

31 December 2021. Including the credit facility fee the weighted average interest rate was 3.19%.

3.28 **STATEMENT OF SERVICE PERFORMANCE**

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

3.30 Of the 59 key performance indicators measured, 30(51%) are on track, 14(24%) achieved, 6(10%) off track, 1(2%) not achieved and 8 (13%) no data available.

| |
|-----------------------------|
| Suggested Resolution |
|-----------------------------|

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



ALISTER DUNCAN
GENERAL MANAGER – BUSINESS SUPPORT



ALEX BELL
GENERAL MANAGER – STRATEGY AND ENVIRONMENT

4 February 2022

Attachments:

- 1 Progress Report for the period ending 31 December 2021 (A590544)
- 2 Bancorp Treasury Management Report 31 December 2021 (A600052)

PROGRESS REPORT

FOR THE PERIOD 1 OCTOBER TO 31 DECEMBER 2021



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INTRODUCTION

The 2021-31 10 Year Plan (10YP) was adopted in June 2021. It sets out outcomes we aim to deliver for our community, through the activities we undertake. Within each group of activities outlined in the 10YP, we have outlined the levels of service we intend to deliver.

Council also uses Activity/Asset Management Plans to outline the detailed work programme and further communicate an annual programme of work at a high level through the Exception Annual Plans 2022/23 and 2023/24.






Progress on Year 1 of the 10YP and Exceptions Annual Plans are reported back to the community at the year-end through Council's Annual Reports.

The purpose of this report is to provide high-level updates of these Council activities for the months of October 2021 to December 2021. The report covers progress on groups of activities (i.e., as outlined in the 10YP and reported annually through the Annual Report). The progress update includes:

- High level summary of progress against major programmes of work and projects.
- Updates on Business as Usual (BAU) programmes, where the activity is linked to the delivery of a core service and/or linked to a 10YP Key performance measure.
- Non-financial KPI reporting.
- Financial reporting.

Keys

| Project /Programme stage | |
|--------------------------|---|
| Scoping | Decision on whether to pursue a project or not, and if pursuing the project, what the scope will be. |
| Planning | Phase where the project is being planned alongside resourcing, timeframes, and risk identification. |
| Delivering | Executing all deliverables. |
| Completed | Completion of the project. |
| BAU – Business as usual | Ongoing programme of work with no start or end date. Noting that some programmes of work may have projects or programmes that have annual targets which will be treated as a project. |

| Project/ Programme status | |
|---|---|
|  | Suggests that risks are present that require the intervention of the project team to resolve in order to deliver the project successfully. |
|  | Usually indicates that there are issues and potential risks that may get the project schedule off track and need early intervention to ensure that the project remains on track. |
|  | The project is going well and is progressing as planned, and according to the designated time, budget, and scope. |
|  | Ongoing programme of work with no start or end date. Noting that some programmes of work may have projects or programmes that have annual targets which will be treated as a project. |
|  | Project has been completed. |

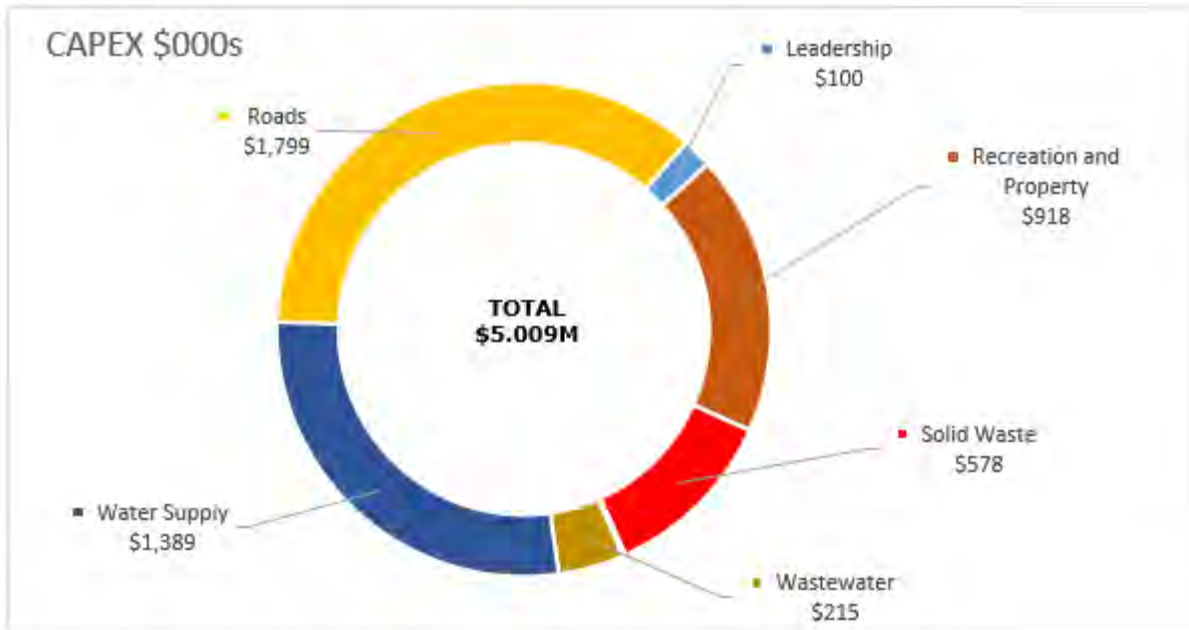
Performance Measure Status

| | | | | |
|--|---|--|--|--|
|  Not Achieved |  Off track |  Achieved |  On track |  Data not available |
|--|---|--|--|--|

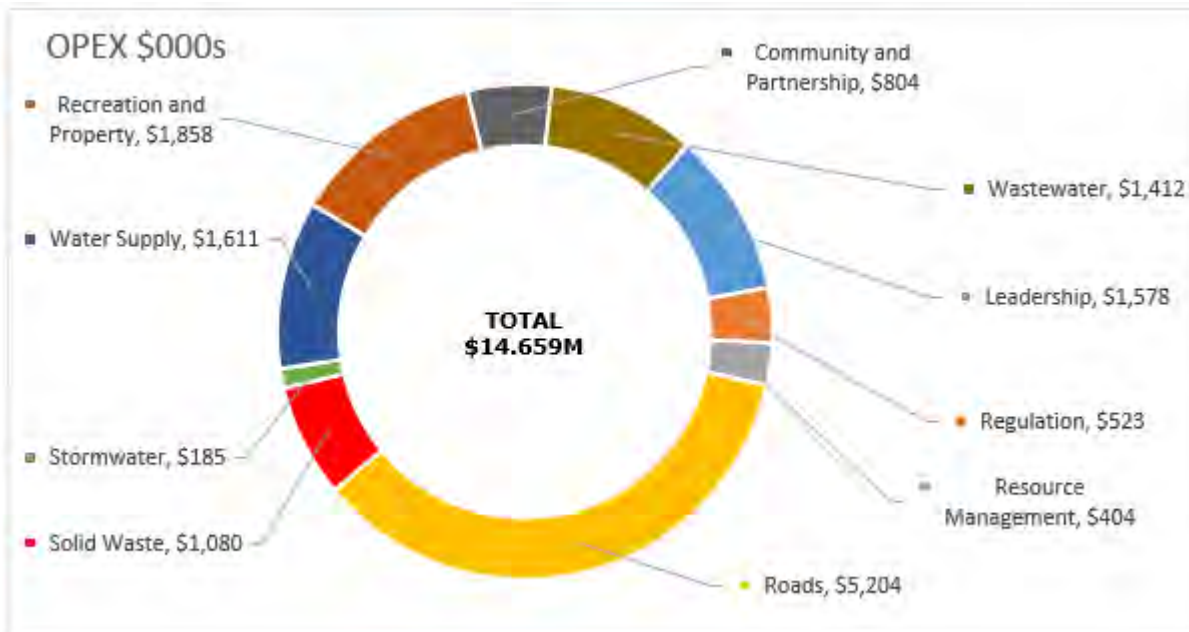
| Financials | |
|----------------|--|
| Revised Budget | Includes 21/22 10YP Budget plus Three Water Reform Stimulus Programme, carryovers and any additional budgets approved. |

SUMMARY

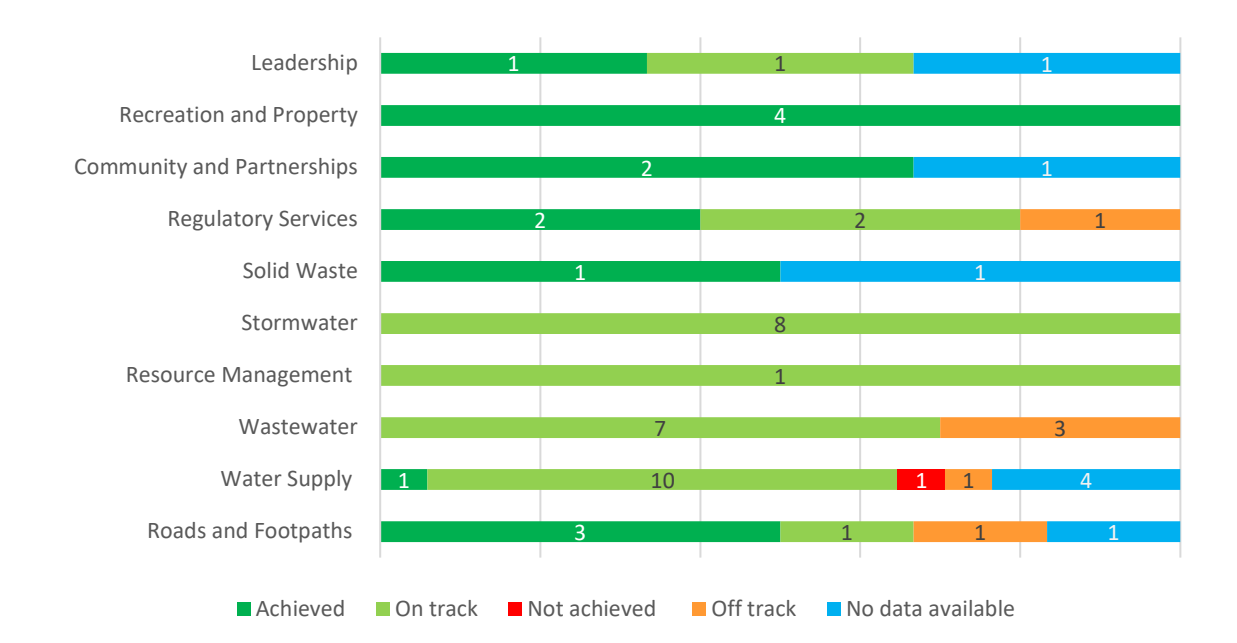
CAPITAL EXPENDITURE SUMMARY AS AT 31 DECEMBER 2021



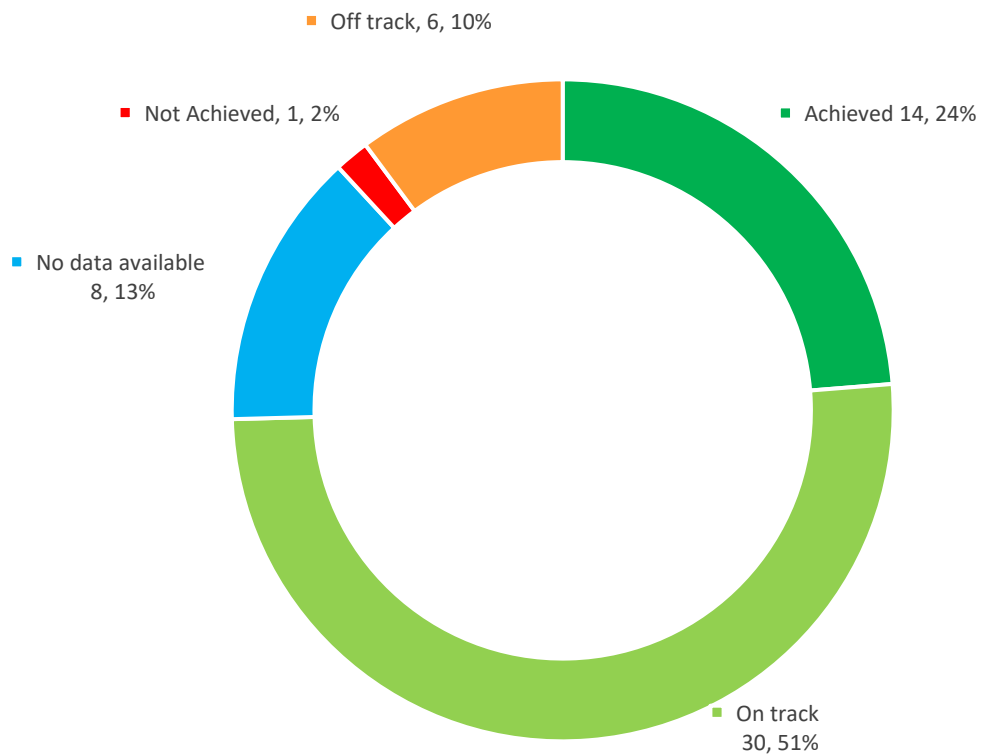
OPERATIONAL EXPENDITURE SUMMARY AS AT 31 DECEMBER 2021





























SERVICE PERFORMANCE SUMMARY AS AT 31 DECEMBER 2021















Of the 59 key performance indicators measured, 14 (24%) have been achieved, 30 (51%) on track, 6 (10%) off track, 1 (2%) not achieved, and 8 (13%) with no data available. Data for these measures are largely derived from the Resident Satisfaction Survey. Results will be reported through the Annual Report.



PROGRAMME/PROJECT PERFORMANCE SUMMARY 31 DECEMBER 2021

| LEADERSHIP | | |
|---|------------------------|---|
| Programme / Project | Status | |
| Annual Report | Completed |  |
| Exceptions Annual Plan | Delivering |  |
| Digitisation Project | Completed |  |
| Review of Council's Risk Management Framework and Strategic Risks | Delivering |  |
| Civil Defence | Ongoing |  |
| RECREATION AND PROPERTY | | |
| Programme / Project | Status | |
| Lease Agreements | Ongoing |  |
| Esplanade Reserves – Mokau beach access | Delivering |  |
| Plopio Hall | Completed |  |
| Mokau Toilets | Planning |  |
| COMMUNITY AND PARTNERSHIPS | | |
| Programme / Project | Status | |
| Vibrant Safe Waitomo (VSW) | Ongoing |  |
| Youth Liaison/ Waitomo District Youth Council | On Hold |  |
| Mayor's Taskforce for Jobs (MTFJ) Community Recovery Programme | Delivering |  |
| Novice Driving Training Programme | Delivering |  |
| Community Development Fund Policy Implementation | Ongoing |  |
| Community / Civic Events | Ongoing |  |
| REGULATORY SERVICES | | |
| Programme / Project | Status | |
| All programmes of work - <i>specific reporting on exceptions basis</i> | Ongoing |  |
| SOLID WASTE | | |
| Programme / Project | Status | |
| Landfill | Ongoing |  |
| Waste minimisation promotion and educational programmes | Ongoing |  |
| Infrastructure maintenance and transfer station safety improvements | Planning |  |
| STORMWATER | | |
| Programme / Project | Status | |
| Completion of Stormwater Catchment Plans | Planning |  |
| Completion of the annual renewals programmes based on conditions assessment | Scoping/planning |  |
| Monitoring and maintenance of stormwater exit and entry points | Ongoing |  |
| RESOURCE MANAGEMENT | | |
| Programme / Project | Status | |
| All Programmes of work – <i>reporting on exceptions basis</i> | Ongoing |  |
| District Plan Review | Delivering |  |
| WASTEWATER | | |
| Programme / Project | Status | |
| Renew and Extend Soakage Field (Te Waitere) | Project being rescoped |  |
| Riparian Planting at Te Kuiti | Delivering |  |

| WATER SUPPLY | | |
|---|------------|---|
| Programme / Project | Status | |
| Te Kuiti Alternative water supply investigation | Completed |  |
| Installation of backflow preventers – Te Kuiti, Mokau, and Piopio | Delivering |  |
| Te Kuiti Supervisory control and data acquisition (SCADA) | Ongoing |  |
| Mokau water-main renewals | Completed |  |
| Additional monitoring and control Maniaiti/Benneydale | Planning |  |
| Mechanical renewals – Te Kuiti | Delivering |  |
| Treatment Plant Upgrade – Mokau | Delivering |  |
| Reticulation Renewals – Piopio and Te Kuiti | Delivering |  |
| Improvements to WDC reservoirs | Scoping |  |

| ROADS AND FOOTPATHS | | |
|-------------------------------------|------------|---|
| Programme / Project | Status | |
| Road and Footpath Maintenance | Ongoing |  |
| Sealed Road Pavement Rehabilitation | Planning |  |
| Sealed Road Resurfacing | Delivering |  |
| Bridge and Structural Renewals | Planning |  |
| Footpath Renewals | Delivering |  |
| Minor Improvements Local Roads | Planning |  |
| Unsealed Road Metaling | Ongoing |  |
| Te Ara Tika | Delivering |  |

Several build projects have had delays primarily due to issues with contractor availability and supply of materials. This has resulted in pushing out expected completion dates, in some cases by several months. With the current economic stimulus from central government, tight labour market and global supply chain issues all projects currently face a higher risk of delays. A few projects have had to be re-scoped, or fixes applied during the project, as problems were encountered after the commencement of the project. This has also led to budget overspends or putting the project on hold until additional budget is approved.

FINANCIALS

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

INCOME STATEMENT HIGHLIGHTS

Set out below is the summary of financial information for the period ended 31 December 2021 (A cost of service statement and commentary on significant variances can found within each Group of Activities).

| \$000's | Actual 2020/21 | EAP Budget | Revised Budget | YTD Actual | YTD EAP Budget | Var to YTD EAP Budget | %Var and Note Ref |
|------------------------------------|-------------------|-----------------|-------------------|-----------------|----------------------|--------------------------------|----------------------------|
| Revenue | | | | | | | |
| Rates | (20,906) | (20,601) | (20,601) | (10,379) | (10,419) | 40 | A |
| Subsidies and Grants | (11,151) | (11,154) | (16,456) | (5,983) | (6,113) | 130 | B |
| Interest Revenue | (12) | (9) | (9) | (17) | (6) | (11) | C |
| Fees and Charges | (4,065) | (3,826) | (3,827) | (1,961) | (1,990) | 29 | D |
| Other Revenue incl Gains/Losses | (1,714) | (153) | (153) | (109) | (78) | (31) | E |
| Total Revenue | (37,848) | (35,743) | (41,046) | (18,449) | (18,606) | 157 | -1% |
| | | | | | | | |
| Operating Expenditure | | | | | | | |
| Other Expenditure | 22,008 | 24,816 | 25,752 | 10,698 | 11,402 | (704) | F |
| Depreciation | 6,513 | 6,878 | 6,880 | 3,483 | 3,439 | 44 | G |
| Finance Costs | 1,198 | 1,118 | 1,118 | 478 | 558 | (80) | H |
| Total Operating Expenditure | 29,719 | 32,812 | 33,750 | 14,659 | 15,399 | (740) | -5% |
| Net (Surplus)/Deficit | (8,129) | (2,931) | (7,296) | (3,790) | (3,207) | (583) | 18% |

Net Operating Surplus: The net operating surplus of \$3.8 million was \$0.6 million more than budget for the period ended 31 December 2021.

Total Revenue was \$0.2 million less than budget for the period ended 31 December 2021.

- A Rates revenue was below budget for metered water revenue for Te Kuiti and Piopio.
- B Subsidy revenue from Waka Kotahi NZTA was less than budget. As operational and capital expenditure was less for the period, the associated subsidy was also below budget.
- C External interest revenue and revenue for borrower notes were more for the period.
- D Fees and charges revenue was less than budget for refuse charges, trade waste and as well as reduced revenue for aquatic centre, Les Munro Centre and aerodrome.
- E Other revenue for the period were more than budget for petroleum tax and insurance proceeds.

Total Operating Expenditure was \$0.7 million less than budget for the period ended 31 December 2021.

- F Other expenditure was \$0.7 million less than budget due to the following:
 - Resource Management: \$0.4 million below budget, as legal and consultancy fees for the District Plan Review were not fully spent due to timing of this project.
 - Wastewater: \$0.1 million less than budget for operations and maintenance, consultant fees, sludge disposal and chemicals for Te Kuiti
 - Roads and Footpaths: \$0.1 million for traffic service maintenance, routine drainage maintenance and structures maintenance costs
 - Regulatory Services: \$0.1 million less than budget for animal control costs, environmental officer fees, noise control costs and building accreditation expenses.

- G Depreciation expense was more than budget due to the revaluation of building assets, water, wastewater, and stormwater assets at 30 June 2021 which increased the value of these assets and the corresponding depreciation expense.
- H Finance costs were less than budget due to a lower level of borrowings than forecast and more favourable interest rates than in the 10YP.

BALANCE SHEET HIGHLIGHTS

Balance Sheet highlights presented below show the movement in Council's financial position from 30 June 2021 to 31 December 2021.

| BALANCE SHEET HIGHLIGHTS (Amounts in \$000's) | Actual Position 30 Jun 2021 | Actual Position 31 Dec 2021 | Movement from 30 Jun 2021 |
|--|-----------------------------------|-----------------------------------|---------------------------------|
| Assets | | | |
| - Cash and cash equivalents | 6,379 | 6,283 | (96) |
| - Receivables | 4,748 | 3,463 | (1,285) |
| - Other current assets | 111 | 111 | 0 |
| - Other financial assets | 9,396 | 9,300 | (96) |
| - Non-current assets | 381,747 | 383,271 | 1,524 |
| TOTAL ASSETS | 402,381 | 402,428 | 47 |
| Liabilities | | | |
| - Other Liabilities | 7,095 | 6,354 | (741) |
| - Total Borrowings | 34,191 | 31,190 | (3,001) |
| - Derivative financial instruments | 1,539 | 1,539 | (0) |
| Total Liabilities | 42,825 | 39,082 | (3,743) |
| Equity | | | |
| - Equity | 359,556 | 363,346 | 3,790 |
| TOTAL LIABILITIES AND EQUITY | 402,381 | 402,428 | 47 |

Total Assets have increased from \$402.38 million to \$402.43 million.

- Cash and cash equivalents have decreased by \$0.1 million from \$6.4 million to \$6.3 million.
- Receivables decreased by \$1.3 million since 30 June 2021 from \$4.7 million to \$3.5 million mostly due to a reduced NZTA subsidy receivable at December, a reduction in the GST receivable at December and a reduction in solid waste receivable since June.
- Non-current assets have increased by \$1.5 million. The increase is due to the net effect of asset additions of \$5.0 million less depreciation of \$3.5 million.

Total Liabilities decreased from \$42.8 million to \$39.1 million.

- Other Liabilities decreased by \$0.7 million due to a decrease in general payables compared to June 2021.
- Total Borrowings were \$31.2 million a decrease of \$3.0 million from June due to debt repayment.

Total equity increased by \$3.8 million to \$363.4 million, which was the net surplus for the period.

CAPITAL EXPENDITURE

Set out below is the full year Capital Expenditure budget for the year compared to actual expenditure for the period ended 31 December 2021.

| (Amounts in \$000's) | EAP Budget | Revised Budget | Dec YTD Actual | Var - Actuals vs Revised Budget |
|-------------------------|---------------|----------------|----------------|---------------------------------|
| Leadership | 616 | 1,225 | 100 | 1,125 |
| Recreation and Property | 742 | 7,071 | 918 | 6,153 |
| Regulation | 10 | 10 | 0 | 10 |
| Solid Waste | 704 | 760 | 578 | 182 |
| Stormwater | 125 | 125 | 10 | 120 |
| Wastewater | 883 | 1,198 | 215 | 983 |
| Water Supply | 1,609 | 2,885 | 1,389 | 1,498 |
| Roads and Footpaths | 5,661 | 6,959 | 1,799 | 5,160 |
| Total | 10,350 | 20,233 | 5,009 | 15,231 |

The capital expenditure budget was revised to incorporate unspent carryovers from the 2020/21 year as well as the Three Waters Reform stimulus funding and King Country Indoor Stadium construction to give a total budget of \$20.23 million. In addition to the Three Waters Reform stimulus and Stadium projects, the significant projects carried over from the prior year are Te Ara Tika and the adjacent amenity area, seismic strengthening of the Administration Building, Marokopa Road-end protection and Mokau public toilets.

Capital Expenditure was \$5.0 million for the period ended 31 December 2021, of which \$1.8 million (36%) relates to Roads, \$1.4 million (28%) relates to Water Supply, and \$0.9 million (18%) relates to Recreation and Property.

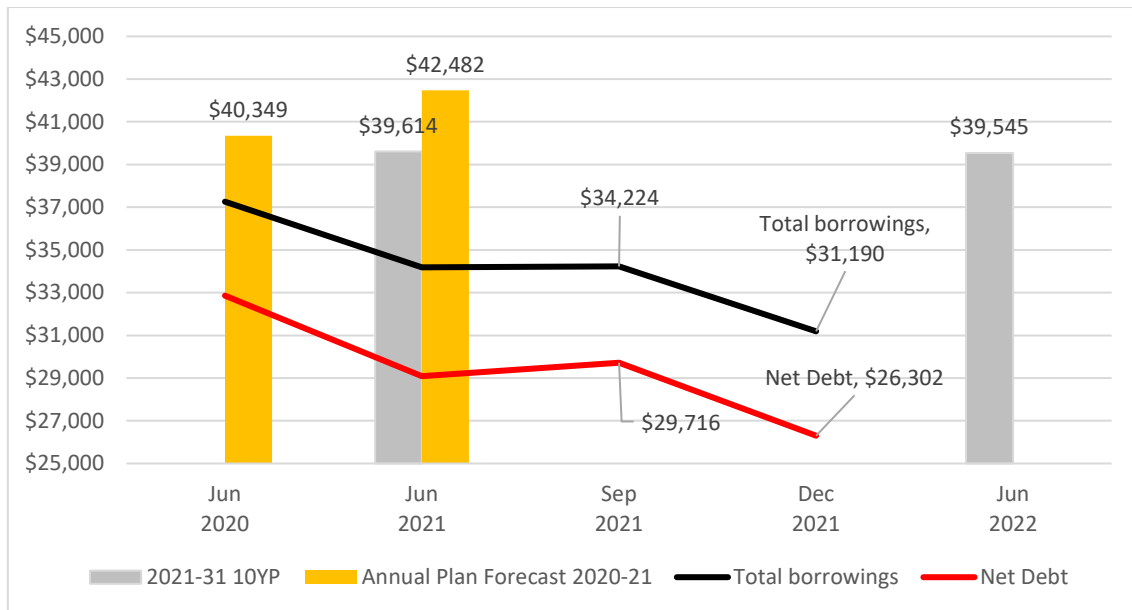
TREASURY MANAGEMENT HIGHLIGHTS

At 31 December 2021 public debt was \$31.2 million and net debt¹ was **\$26.3** million. At 30 June 2021 public debt was \$34.2 million and net debt was \$29.1 million.

The assumed interest rate used in the 10YP for the 2021/22 year is 2.75% excluding the credit facility fee. The weighted average interest rate excluding the facility fee was 1.98% at 31 December 2021. Including the credit facility fee the weighted average interest rate was 3.19%.

The following graph portrays the total borrowings and net debt position compared to forecast debt from the 10YP's and Annual Plans.

¹ Net debt is total public debt less LGA Borrower notes and unrestricted cash.



The decrease in total borrowings during the quarter was due to the part repayment of a maturing Floating Rate Note (FRN) in November. A \$6 million FRN matured, of which \$3 million was repaid in cash and \$3 million Commercial Paper was issued.

The borrowing limits set in the Financial Strategy are as follows:

| | Limit | Actual Jun 2021 | Actual Sep 2021 |
|------------------------------|-------|-----------------|---------------------------------|
| Net debt to total revenue | <165% | 80% | Measured at the end of the year |
| Net interest to annual rates | <20% | 6% | 5% |

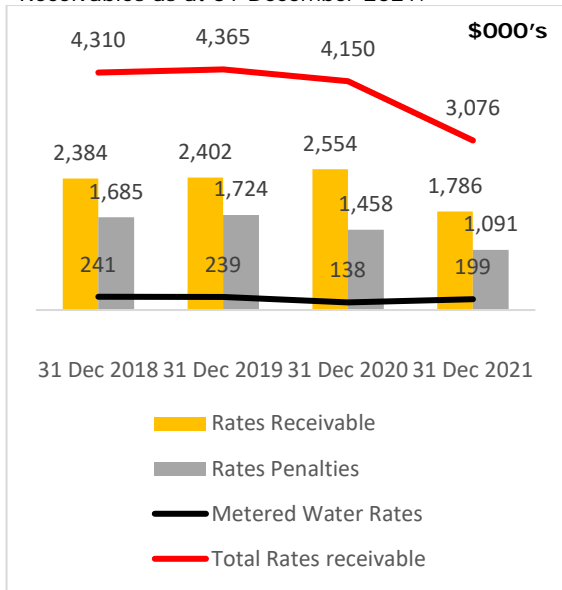
A standby credit facility with Westpac bank with a credit limit of \$10 million is in place. At the report date, none of this facility had been drawn from.

For more details of Council's public debt and the position of Council's financial risk minimisation strategies in relation to debt please refer to the Bancorp Treasury Report for the year ended 31 December 2021, as attached.

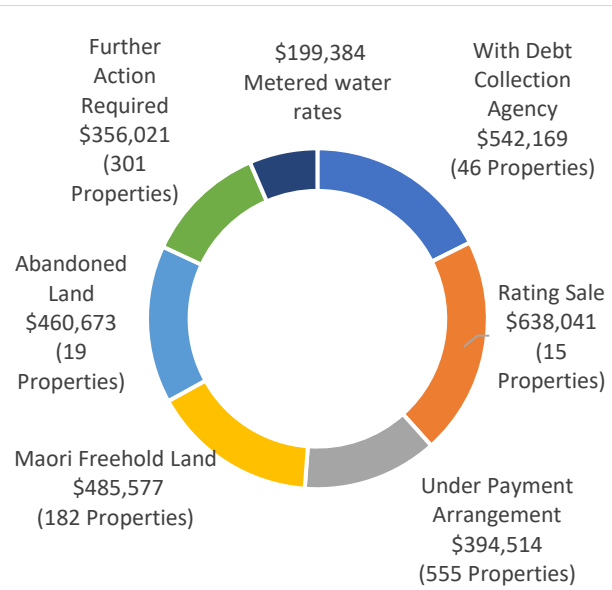
RATES RECEIVABLES

TOTAL RATES RECEIVABLES

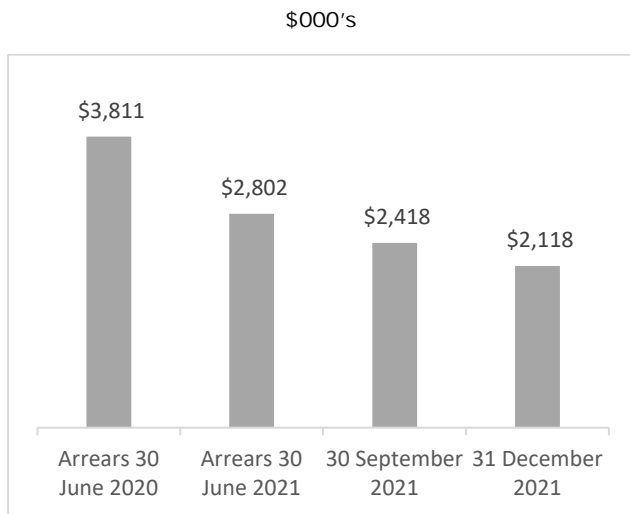
Set out below is the summary of Rates Receivables as at 31 December 2021.



RATES ARREARS AS AT 31 DECEMBER 2021



PREVIOUS YEARS RATES ARREARS SUMMARY*



*excludes metered water rates

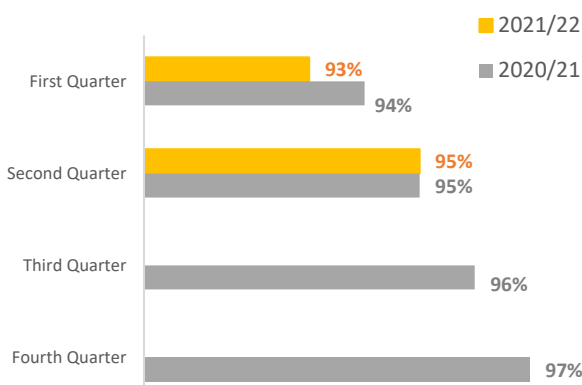
Progress:

With the move away from the Alert Levels, all debt collection processes have now resumed. Council's debt collection agency is currently applying to the High Court to enforce judgment for 7 properties totalling \$342,325.18. Once approved by the High Court, owners will have 6 months to pay the rates arrears. If the rates arrears remain unpaid, Council may apply to the High Court to enforce the sale of the property.

10 properties were publicly notified in the King Country News as potentially abandoned in March 2021. Staff are reviewing these properties and expect an application to be sent to the High Court to sell these properties during the next quarter.

Staff are reviewing accounts with mortgages to ensure that all mortgagees have been notified of the rates arrears. Two accounts with long standing rates arrears were recently settled by the mortgagee (\$25,782). Property owners that received a final notice in July will also be sent to Council's debt collection agency for collection (approximately 23 properties).

RATES INSTALMENT COLLECTION TRACKER



LEADERSHIP

This group comprises of Representation, Strategy and Engagement, Investments, and Emergency Management. Treasury Management and Organisational Overhead activities and service groups are also included in this groups.

- **Representation** involves enabling, promoting, and supporting local democracy by providing governance advice and democratic services to elected members, the public and staff.
- **Strategy and Engagement** involves research and analysis to prepare strategies, policies, plans and bylaws. This activity also coordinates and undertakes community engagement and consultation.
- **Investments** includes investment in Waikato Local Authority Shared Services (WLASS), Inframax Construction Ltd (ICL), Council owned quarries and investment in Civic Financial Services Ltd
- **Emergency Management** involves the administration of the Civil Defence Emergency Management function to coordinate a response to an emergency, and to manage recovery in the District.

COMMUNITY OUTCOMES



A district for people



A district that works with you

PROJECTS AND PROGRAMME UPDATES

Annual Report 2020/21

Project Summary: The Annual Report captures the financial and non-financial performance of Waitomo District Council for the year ended 30 June 2021.

Completed ●

Exceptions Annual Plan 2022/23

Project Summary: The purpose of the Exceptions Annual Plan (EAP) is to report any exceptions from the forecast work plans and budgets set out in the 10 Year Plan (10YP) for the given financial year. The LGA requires the EAP to contain the proposed annual budget and funding impact statement for the year to which the EAP relates. Workshops in February and March 2022 will cover the draft budgets.

| Project Stage | Q1 | Q2 | Q3 | Q4 |
|---------------|--------------|--------------|----|----|
| | Delivering ● | Delivering ● | | |

End date: October 2022



Digitisation Project

Project Summary: WDC is acquiring a fully digitised and legislatively compliant collection (records) of building consents and resource consents for upload into and integrated business processing in Council's Electronic Document and Records Management System (Objective). The project will result in enhanced business efficiencies with respect to ready access to property information for WDC's five thousand properties.

Progress: The Digitisation project: The project was due to be completed early October 2021 (agreed deliverables). The Building Consents collection was completed first and uploaded to Council's electronic document management system, Objective. The Resource Consents collection was uploaded and completed during September and early October 2021. Internal WDC Quality Assurance (QA) has been undertaken, those outstanding items are considered BAU and will be completed by the internal WDC Information Management and Projects Teams.

In conjunction with the uploading of documents two workstreams have been running concurrently as part of the project:

- Communications and Training for staff (primarily Customer Service) to access and interpret the digitised files in Objective – internal processes and customer facing (external) are on track and will be completed when return to office is authorised through Covid Alert Levels.

| Project Stage | Q1 | Q2 | Q3 | Q4 |
|---------------|--|---|----|----|
| | Delivering  | Completed  | | |

End date: December 2021

Review of Council's Risk Management Framework and Strategic Risks

Project Summary: Review of Council's Risk Management Framework and Strategic Risks.

Progress: The Risk Management Framework was reviewed in May. The new framework was adopted by Council in October as well as the Strategic Risk Register. The Strategic Risk Work Plan was also endorsed which sets out the workshops to review each strategic risk. The Project Risk Register is being developed by the Programme Delivery Unit. Through the review and assessment of the risk registers, the residual risk and risk appetite will be established. At the completion of the reviews, risk management will move to business as usual and be reported quarterly to the Audit Risk and Finance Committee, this will include updates on implementation of mitigating controls.

| Project Stage | Q1 | Q2 | Q3 | Q4 |
|---------------|--|--|----|----|
| | Delivering  | Delivering  | | |

End date: May 2023

Emergency Management

Programme Summary: WDC provides Civil Defence and Emergency Management (CDEM) functions for the District as required by the Civil Defence and Emergency Management Act 2002. Emergency Management activities are assisted by the Emergency Management Operations Manager and Emergency Management Coordinator employed by Waipā District Council to provide a shared service arrangement for Waitomo, Waipā and Ōtorohanga District Councils; jointly operating and collaborating as the Western Waikato Emergency Operating Area (WWEOA).

The New Zealand integrated approach to civil defence emergency management can be described by the four areas of activity, known as the '4 Rs': Reduction, Readiness, Response and Recovery.

Progress:

Readiness

Local Civil Defence staff continue to be involved with planning of a Regional Exercise that was intended to be held in November 2021. Due to the most recent COVID outbreak this has been deferred and is likely to be held at the end of March 2022. Emergency Operating Centre (EOC) staff from Waitomo, Waipa and Otorohanga District Councils will all participate in this region-wide exercise to test readiness and capability.

The annual Shakeout and Tsunami Hikoi was held on 21 October 2021 with a total of 57 individuals and organisations registering from the Western Waikato area.

Response

COVID 19 – Delta Variant

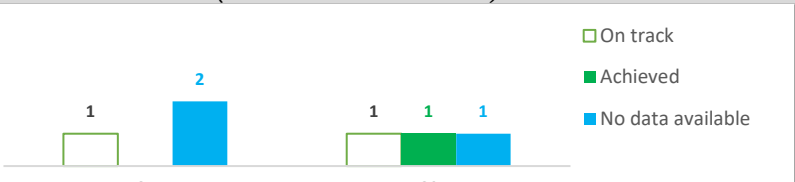






Western Waikato CDEM and local Waitomo, Waipa and Otorohanga District Council staff continue to support the Waikato DHB with logistical support to COVID testing stations, and vaccination centres across the area. The COVID testing stations remain active in Te Kuiti.

Members of the local Welfare Committee's in Waitomo, Ōtorohanga and Waipa were very active and supportive in the COVID lockdowns mainly with the provision of food parcels and kai distribution. The numbers requiring food support during the Level 4 lockdown exceeded all expectations and the provision of resourcing through MSD was successful in supplying the Foodbanks with the necessary items. Foodbank support via MSD has been trouble free and the Western Waikato Local Welfare Managers meet regularly with representatives from MSD and all of the Foodbanks to ensure the process is continuing to work and helps to identify any pressure points that may occur.

A Group PIM (Public Information Management) Duty Roster has been established across the Waikato Region on a trial basis. The intent is that Council communication staff from throughout the Region share the responsibility of supporting the Regional Group PIM function. Waitomo District Council staff form part of the Roster arrangement and to date the trial has been a success.

BAU | Ongoing 

SERVICE PERFORMANCE MEASURES

| | | Overall result for GOA (as at 31 December 2021) | | | |
|--|---|--|---|--|---|
| Leadership | |  | | | |
| You can expect | Measure | Q1 | Q2 | Target/Result | Commentary |
| The percentage of Council agendas that are publicly available two working days or more before the meeting. | All agendas publicly available two working days or more. |  |  | Target: 100% Result: On track | All agendas made publicly available two working days or more for this period. |
| Effective communication with the community. | Percentage of residents satisfied with the effectiveness and usefulness of Council Communications |  |  | Target: 90% Result: N/A | The result from the June 2021 Residents Satisfaction Survey was 90% |
| The evaluation of annual exercise as a measure of effectiveness of training | Baseline assessment – new measure |  |  | Target: 1 Result: N/A | Performance will be reported when completed within the year. |

FINANCIAL UPDATE

| LEADERSHIP \$000's | Actual 2020/21 | EAP Budget | Revised Budget | YTD Actual | YTD EAP Budget | Var to YTD EAP Budget | %Var and Note Ref |
|------------------------------------|-------------------|----------------|--------------------|----------------|----------------------|-----------------------------|----------------------------|
| Revenue | | | | | | | |
| Rates | (2,856) | (3,365) | (3,365) | (1,844) | (1,802) | (42) | A |
| Subsidies and Grants | 0 | 0 | 0 | 0 | 0 | 0 | |
| Interest Revenue | (11) | (9) | (9) | (17) | (6) | (11) | B |
| Fees and Charges | (150) | (76) | (76) | (53) | (44) | (9) | C |
| Other Revenue incl Gains/Losses | (10) | 0 | 0 | 0 | 0 | 0 | |
| Total Revenue | (3,027) | (3,450) | (3,450) | (1,914) | (1,852) | (62) | 3% |
| | | | | | | | |
| Operating Expenditure | | | | | | | |
| Other Expenditure | 2,007 | 2,820 | 2,917 ² | 1,296 | 1,234 | 62 | D |
| Depreciation | 477 | 626 | 626 | 259 | 313 | (54) | E |
| Finance Costs | 14 | 102 | 102 | 23 | 51 | (28) | F |
| Total Operating Expenditure | 2,498 | 3,548 | 3,645 | 1,578 | 1,598 | (20) | -1% |
| Net (Surplus)/Deficit | (529) | 98 | 195 | (336) | (254) | (82) | 32% |

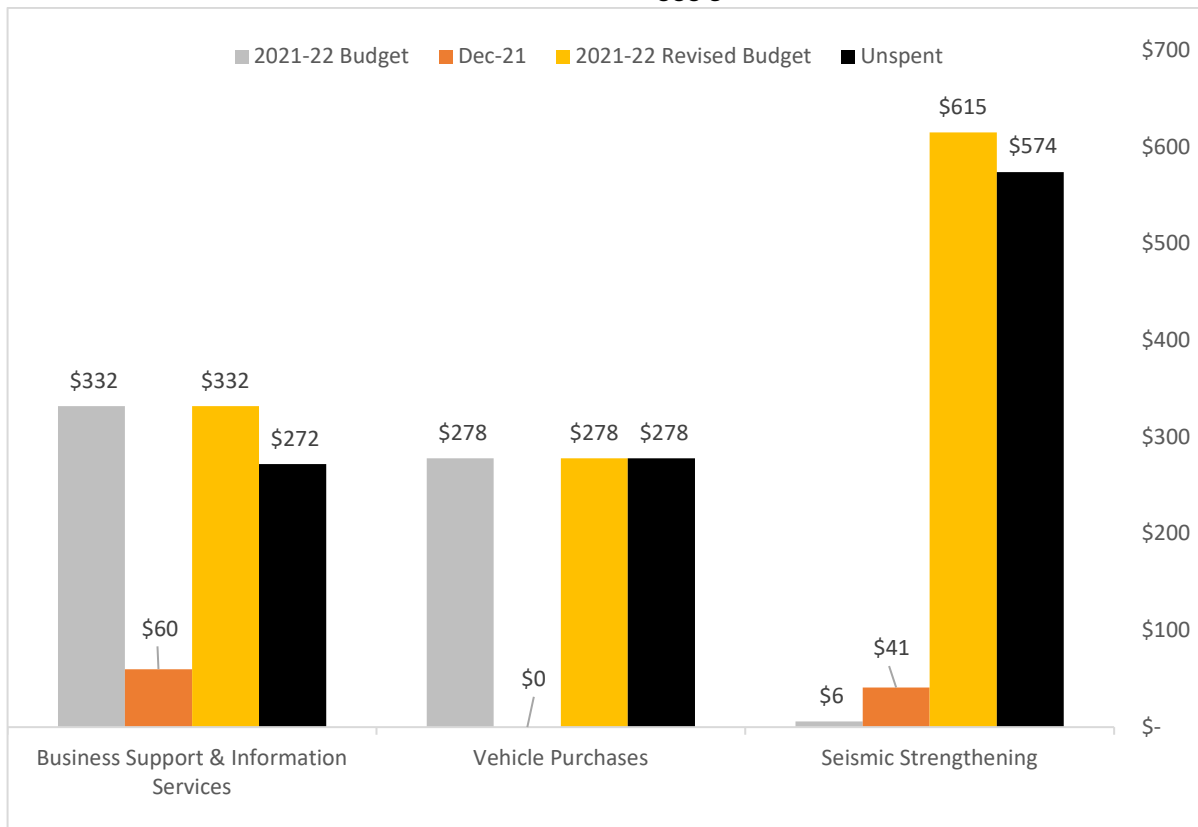
Variance comments:

- A Rates penalty revenue was more than forecast.
- B Interest revenue was more than forecast for interest earned on term deposits.
- C Fees and charges revenue was more for quarry royalties for Council owned quarries.
- D Other expenditure was more than forecast for legal expenses in relation to the development agreement and property sharing arrangements.
- E Depreciation costs for Information Services were below budget as some capital projects are still work in progress and therefore not yet depreciated. It is anticipated that these projects will be completed in current year.
- F Interest costs for Council's investment in Inframax Construction Limited was less than budget. An average interest rate of 2.75% was assumed over Council's entire debt portfolio. Interest costs attributable to ICL investment was less than the average forecast due to \$5 million of the \$6 million external debt on a floating rate interest rate profile attracting an interest rate of just 1.40%.

² Revised budget includes carryover for consultants fees and planning costs for Strategy and Engagement.

CAPITAL EXPENDITURE

000's



Total expenditure at 31 December 2021 was \$100,000 against the revised budget (including carryovers) of \$1,225,000. Refer to projects and programme updates section for progress on key capital projects.

RECREATION AND PROPERTY

This group comprises parks and recreation, housing and property, community, and public facilities.

- **Parks and Recreation** involves the provision of parks and reserves for recreation, green places and landscapes that are restful and enhance the visual amenity of our communities.
- **Housing and Property** involves the provision of housing community facilities such as halls and housing.
- **Community Facilities** involves the provision of recreation and cultural opportunities to support the health and well-being of the community.
- **Public Facilities** involves the provision of cemeteries, public car parks, public toilets, street furniture and our CCTV system.

COMMUNITY OUTCOMES



A district for people



A district that cares for its environment

PROJECTS AND PROGRAMME UPDATES

Lease Agreements

Project Summary: Currently a review on all property arrangements is being taken to ensure all required lease agreements, H&S and other legislative requirements are in place. This also includes condition assessments and maintenance inspections to determine the current structural condition of playgrounds and other structures located on these properties. Lease agreements are required to meet applicable New Zealand legislation such as the Residential Tenancies Act 1986, Property Law Act 2007, and Land Transfer Act 1952.

Progress: An initial investigation and assessment of the status of existing lease and deed documentation has identified a range of administrative matters which will require specialist legal advice to address issues and challenges.



Update: The project scope is limited to addressing leases or license agreements that are coming up for renewal or expiry due to capacity and competing priorities. Progress of the review of historic agreements is on a case-by-case basis.

BAU | Ongoing 

Esplanade Reserves: Mokau

Project Summary: Maintaining beach access points in Mokau.

Progress: The Tokopapa Street beach access/staircase has been completed. Assessments of other beach access points, 21-23 Point Road, will take place over the coming year and a programme of works will be developed.

| Project Stage | Q1 | Q2 | Q3 | Q4 |
|---------------|--|--|----|----|
| | Delivering  | Delivering  | | |

End date: 31 December 2021

Piopio Hall

Project Summary: Safety issues are being addressed. The work required includes stabilisation of the front wall of the hall and fixing two windows on the front wall. Stabilisation of the front wall at the Piopio Hall commenced on 2 November 2020. The wall is required to be stabilised prior to fixing the windows.

Progress: The structural work to the front wall is complete with some minor strengthening still to be completed to the front section of the roof. The contractor's workload has delayed the completion of this final stage of structural strengthening, which requires a strap bracing to be installed between the front wall and first row of portacom. The work was delayed by COVID-19 lockdown but was completed by the end of December 2021.


Completed 

Mokau Toilets

Project Summary: The project entails the construction of an additional toilet block at Mokau to help meet demand during weekend and holiday periods.

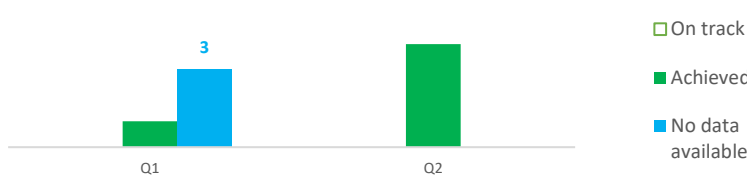








The first stage will involve reconstruction of the existing effluent disposal system, which has been found to have not been constructed correctly when it was originally installed. The installation of a supplementary treatment system will follow ahead of the supply and installation of a new toilet block and associated utilities/civil works.

Progress: Assessments of the site have been undertaken and land acquired. Planning of works in progress. Contractor to be appointed to undertake renewal and upgrade of effluent field in February 2022.

| Project Stage | Q1 | Q2 | Q3 | Q4 |
|---------------|----|--|----|----|
| | | Planning  | | |

End date: 30 June 2022

SERVICE PERFORMANCE MEASURES

| | | Overall result for GOA (as at 31 December 2021) | | | |
|--|--|---|---|--|---|
| Recreation and Property | |  | | | |
| You can expect | Measure | Q1 | Q2 | Target/Result | Commentary |
| We provide parks and open spaces across our district. | Percentage of residents satisfied with or parks and open spaces. |  |  | Target: New measure Result: N/A | The result from the June 2021 Residents Satisfaction Survey was 89% |
| We provide pools and community facilities that are compliant with legislative standards. | Current Building Warrant Of Fitness (BWOFF) for facilities with compliance schedules. |  |  | Target: Achieve Result: N/A | All BWOFF's have been received and are current |
| We will provide a comprehensive library facility for our community. | Percentage of residents satisfied with the quality of the library facility and service |  |  | Target: > 85% Result: N/A | The result from the June 2021 Residents Satisfaction Survey was 97% |
| We provide public toilets for our community and visitors to the district. | Percentage of residents satisfied with the quality of public toilets |  |  | Target: ≥ 85% Result: N/A | The result from the June 2021 Residents Satisfaction Survey was 89% |

FINANCIAL UPDATE

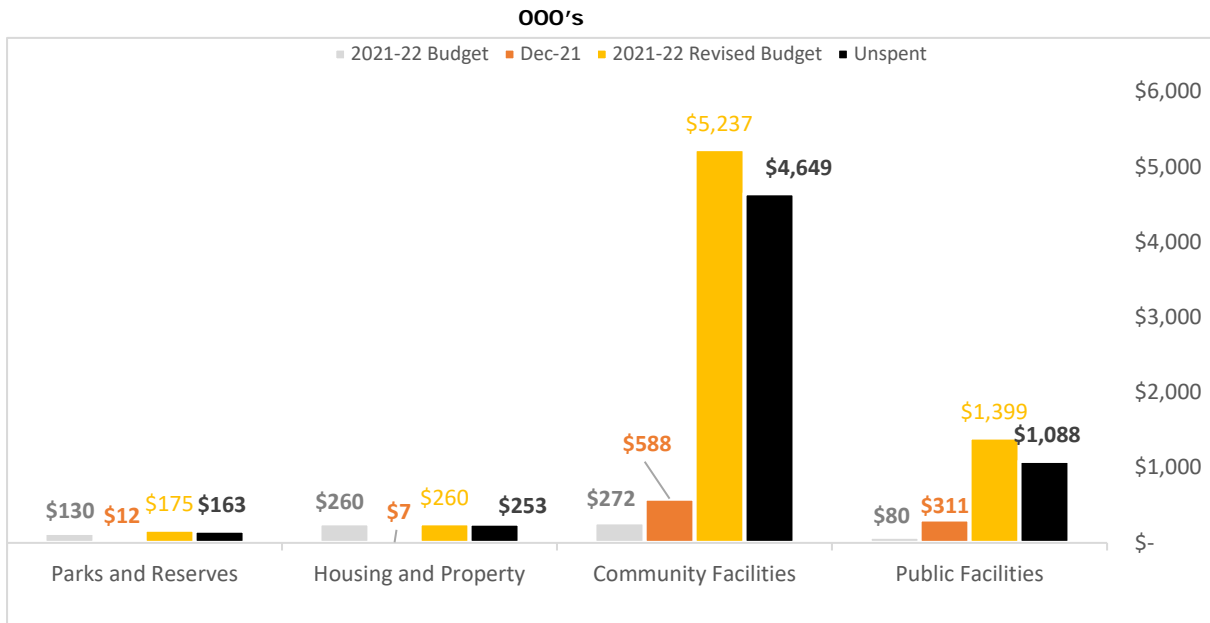
| RECREATION AND PROPERTY \$000's | Actual 2020/21 | EAP Budget | Revised Budget | YTD Actual | YTD EAP Budget | Var to YTD EAP Budget | %Var and Note Ref |
|------------------------------------|-------------------|----------------|----------------------|----------------|----------------------|--------------------------------|----------------------------|
| Revenue | | | | | | | |
| Rates | (3,715) | (3,464) | (3,464) | (1,734) | (1,732) | (2) | |
| Subsidies and Grants | (240) | (1) | (3,774) ³ | (661) | (1) | (660) | A |
| Interest Revenue | 0 | 0 | 0 | 0 | 0 | 0 | |
| Fees and Charges | (444) | (504) | (504) | (175) | (247) | 72 | B |
| Other Revenue incl Gains/Losses | (1,509) | (3) | (3) | 0 | (2) | 2 | |
| Total Revenue | (5,908) | (3,972) | (7,745) | (2,570) | (1,982) | (588) | 30% |
| | | | | | | | |
| Operating Expenditure | | | | | | | |
| Other Expenditure | 3,284 | 3,007 | 3,007 | 1,271 | 1,297 | (26) | C |
| Depreciation | 952 | 987 | 987 | 550 | 493 | 57 | D |
| Finance Costs | 93 | 88 | 88 | 37 | 44 | (7) | |
| Total Operating Expenditure | 4,329 | 4,082 | 4,082 | 1,858 | 1,834 | 24 | 1% |
| Net (Surplus)/Deficit | (1,579) | 110 | (3,663) | (712) | (148) | (564) | 381% |

Variance comments:

- A Grant revenue of \$1.97 million was received to the end of December for the construction of King Country Indoor Recreation and Sports Centre. Of this total, \$0.6 million was recognised as revenue which corresponds to the actual capital expenditure of the stadium at 31 December 2021. The remaining amount is recognised as revenue in advance.
- Subsidy revenue was also received for library partnership programme and for Brook Park tree planting project. These were not included in the budget. The revenue received for the tree planting project will be reclassified as Deferred Revenue as this project has been deferred to August 2022 due to the availability of plants.
- Subsidy revenue was also received for Mokau Public toilets construction during the period.
- B Fees and charges revenue was less than budget due to the impact of the pandemic on aerodrome landing charges, learn to swim and pool hire revenue and Les Munro Centre hire.
- C Other expenditure was generally less than forecast across the Recreation and Property activities for repairs and maintenance expenditure, energy costs and advertising and promotions.
- D Depreciation is more than budget due to the valuation of buildings carried out at 30 June 2021. The increase in the value of these assets was more than forecast in the 10YP, as was the corresponding depreciation expense.

³ Revised budget includes subsidy revenue for construction of Mokau Public Toilets and the grant funding for the construction of the stadium.

CAPITAL EXPENDITURE



Total expenditure at 31 December 2021 was \$918,000 against the revised budget (including carryovers and stadium construction budget) of \$7.71m. Refer to projects and programme updates section for progress on key capital projects.

COMMUNITY AND PARTNERSHIPS

This group of activities represents a range of collaborative and partnership approaches and initiatives involving many agencies and organisations. These activities involve a common theme of promoting a better quality of life within the District.

- **Community Development** supports the wellbeing of our communities by enabling local organisations and private providers to deliver a variety of community-based services and activities to meet the needs of our community.
- **District Promotion** is delivered through a partnership between Central Government, Local Government, and the Tourism Industry.
- **Economic Development** involves the facilitation and support of initiatives that will enhance the District's economic sustainability.

COMMUNITY OUTCOMES



A district for people



A prosperous district



A district that works with
you

PROJECTS AND PROGRAMME UPDATES

Vibrant Safe Waitomo (VSW)

Programme Summary: Vibrant Safe Waitomo is a community led collaboration that provides leadership and direction, with everyone working in partnership to create a safer community. The Vibrant Safe Waitomo Strategy provides a road map to collectively address community safety issues in the district. The VSW Regional Coalition Group is the owner of the Strategy and supports the activities and projects that form the yearly VSW Action Plans.

Progress: The Action Plan for 2021/22 has been endorsed by the Regional Coalition and will be presented to Council. Within the Action Plan there is a total of 37 actions with the flexibility to add more as the year progresses. The actions belong to, and are led by, the organisations of the Coalition and localised Stakeholders that deliver services within the District.

BAU| Ongoing



Youth Liaison/ Waitomo District Youth Council

Programme Summary: Support the positive development of youth within the Waitomo District.

Progress: The Waitomo District Youth Council (WDYC) work programme has been disrupted due to the effects of COVID-19 restrictions.

BAU| On Hold



Mayor's Taskforce for Jobs (MTFJ) Community Recovery Programme

Project Summary: The MTFJ Community Recovery Programme has been developed in collaboration with the Ministry of Social Development (MSD) as a response to the COVID-19 pandemic. The programme sees rural Councils assisting local businesses with recruitment, training, guidance and in some cases subsidies, to assist small businesses to take on young workers.

Progress: The Agreement with Local Government New Zealand for the 2021/2022 year has been signed and delivery of the programme is well underway. As at 30 December 2021, 13 Sustainable Employment Outcomes have been achieved and additional outcomes are well on track for delivery. Placements have been made in various sectors including retail, building and construction, and shearing.

| Project Stage | Q1 | Q2 | Q3 | Q4 |
|---------------|--|--|----|----|
| | Delivering  | Delivering  | | |

Start date: 1 July 2021
End date: 30 June 2022

Novice Driving Training Programme

Project Summary: To support a locally delivered driver training programme with a goal of reducing the number of young drivers involved in road crashes and improving their safety on our roads.

Target rate for learners (15 p.a.), restricted (25 p.a.) and full licence (15 p.a.).

Progress: As at 30 December 2021, 23 people had gained their learner licence, 12 had gained their restricted licence and 12 had gained their full driver licence.

| Project Stage | Q1 | Q2 | Q3 | Q4 |
|---------------|--|--|----|----|
| | Delivering  | Delivering  | | |

Start date: 1 July 2021
End date: 30 June 2022

Community Development Fund Policy

Programme Summary: The Community and Partnership Fund Policy establishes funding policies and principles, which form the basis for the provision of funding grants to assist organisations and funding partners who provide projects, activities, services, and facilities that benefit communities within the Waitomo District. The Policy includes the following grant types; Single-Year Community Assistance Grant, Multi-Year Community Partnership Grant, Community Events Fund, Community Halls Grant (Non-Contestable). The Policy also captures the grants disbursed on behalf of the DC Tynan Trust, Creative Communities New Zealand Fund and Sport NZ – Rural Travel Fund.

Progress: At its meeting of 31 August 2021 Council approved an application to the Community Events Fund to the value of \$2,181.50.

At its meeting of 28 September 2021 Council approved 4 applications to the Single-Year Community Assistance Grant Fund to the value of \$27,000.00 and 19 applications to the Multi-Year Community Partnership Grant Fund to the value of \$212,450.00.

BAU | Ongoing 

Community / Civic Events

Programme Summary: This programme of work includes the Citizens Awards, Combined Mayoral Industry Training Organisation (ITO) Graduation Ceremony, Citizenship Ceremony, the Great NZ Muster and Te Kuiti Christmas Parade.

Progress:

Christmas Parade

Due to numerous uncertainties around the COVID-19 pandemic and related restrictions, the Waitomo District Christmas Parade was cancelled for the 2021 year.

The Great NZ Muster

The Great NZ Muster was scheduled to take place on 2 April 2022 however due to numerous uncertainties around the COVID-19 pandemic and related restrictions, the event has been cancelled.

BAU | Ongoing 

SERVICE PERFORMANCE MEASURES

| Community and Partnerships | Overall result for GOA <i>(as at 31 December 2021)</i> | | | | |
|--|--|----|----|--|--|
| | | | | | |
| You can expect | Measure | Q1 | Q2 | Target/Result | Commentary |
| Contestable grant funding is disseminated through a robust process. | New measure - Percentage of grants funding available is disseminated | | | Target: 75% Compliance Result: Achieved | 76.5% of grant funding has been disseminated through the contestable grant funds. |
| Council supports the delivery of youth related projects by the Youth Council. | Youth Council undertakes two youth related projects per year. | | | Target: 2 per annum Result: No data available | Due to current COVID restrictions and on-going disruption to schooling Youth Council is on hold till restriction are reduced. |
| Involvement in economic development initiatives and promotional opportunities. | New measure - ≥5 initiatives or promotional opportunities | | | Target: ≥5 per annum Result: 10 | A 'Waitomo Wellbeing Package' was developed by Hamilton & Waikato Tourism (HWT) to support tourism operators in the Waitomo Village. The Waitomo District was profiled through a range of key publications, campaigns and initiatives. |

FINANCIAL UPDATE

| COMMUNITY AND PARTNERSHIP \$000's | Actual 2020/21 | EAP Budget | Revised Budget | YTD Actual | YTD EAP Budget | Var to YTD EAP Budget | %Var and Note Ref |
|------------------------------------|----------------|----------------|--------------------|--------------|----------------|-----------------------|-------------------|
| Revenue | | | | | | | |
| Rates | (1,856) | (1,717) | (1,717) | (859) | (859) | 0 | |
| Subsidies and Grants | (510) | 0 | (500) ⁴ | (129) | 0 | (129) | A |
| Interest Revenue | 0 | 0 | 0 | 0 | 0 | 0 | |
| Fees and Charges | (14) | (4) | (4) | (1) | (2) | 1 | |
| Other Revenue incl Gains/Losses | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total Revenue | (2,380) | (1,721) | (2,221) | (989) | (861) | (129) | 15% |
| Operating Expenditure | | | | | | | |
| Other Expenditure | 2,016 | 1,642 | 2,120 | 801 | 779 | 22 | B |
| Depreciation | 13 | 2 | 2 | 3 | 1 | 2 | |
| Finance Costs | 0 | 25 | 25 | 0 | 13 | (13) | C |
| Total Operating Expenditure | 2,029 | 1,669 | 2,147 | 804 | 793 | 11 | 1% |
| Net (Surplus)/Deficit | (351) | (52) | (74) | (185) | (68) | (117) | 172% |

Variance comments:

- A Grant revenue of \$250,000 (first tranche) was received (only \$124,000 is recognised as revenue, the rest is posted under revenue in advance) from Mayors Taskforce for Jobs (MTFJ) for community recovery programme and \$5,000 from Accident Compensation Corporation (ACC) to support Vibrant Safe Waitomo programme.
- B Other expenditure for the Community and Partnerships activity is more than forecast for the second quarter reporting period. Expenditure for the MTFJ of \$124,000 was not budgeted however is fully funded by grant revenue received. Partly offsetting this additional expenditure were rates and penalty remissions and organisational capacity costs being less than forecast.
- C No interest costs were incurred during the period. The budget included interest costs for the grant for the stadium.

⁴ Revised budget includes subsidy revenue and other expenditure for MTFJ programme.

REGULATORY SERVICES

We undertake many activities that contribute to keeping our community safe (wellbeing) and help to make Waitomo District a safe place to be.

Our regulatory activities are governed and directed by national legislation, regional and local policies, and bylaws.

- **Building Services** responsible for processing and monitoring building consents and issuing Code of Compliance Certificates pursuant to the Building Act. This activity also covers the monitoring and enforcement of earthquake-prone building requirements, and swimming pools.
- **Alcohol licensing** responsible for administering the Sale and Supply of Alcohol Act 2012 at a local level by way of the Waitomo District Licensing Committee on behalf of the Alcohol Regulatory and Licensing Authority, which encourages the responsible sale and use of alcohol through licensing, monitoring of premises and enforcement of the Act.
- **Environmental Health** provides a range of services to ensure food outlets maintain high food safety standards, and that noise and nuisance complaints, hazardous substances and contaminated sites are all managed.
- **Bylaw administration** involves managing a range of bylaws to allow Council to manage issues associated with community nuisance, protect public health, and manage Council's assets
- **Animal and Dog control** delivers animal control services in the areas of dog registration, complaint response, wandering stock, and general animal control, as required by the Dog Control Act 1996, Impounding Act 1955 and Council's Dog Control Policy and Bylaw. This is achieved through active enforcement of requirements and via the education of dog owners and the general public.

COMMUNITY OUTCOMES



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PROJECTS AND PROGRAMME UPDATES

Consents are closely monitored to ensure statutory timeframes are adhered to. Building processes are monitored biannually with an audit undertaken by IANZ (International Accreditation New Zealand). WDC's latest IANZ audit was undertaken in June 2020, with accreditation achieved. The next accreditation assessment is due in June 2022.

Feedback from our customers is one form used to ensure these activities are being delivered to a high standard and will continue to be used as a key indicator.

The work programmes in the Compliance Group are statutory in nature and 'business as usual' to comply with Council's legislative requirements. Progress reporting on the programme of work will be undertaken on an exceptions basis.

The Earthquake Prone Building (EPB) work programme is progressing, with initial profiling of buildings largely completed subject to final review processes. The project is a multi-year project and will continue into 2021/22 and beyond. The first letters informing owners their buildings are potentially an EPB were sent out at the end of April 2021, these relate to priority buildings only. The owners of these buildings have until April 2022 to provide an engineering assessment.

The next round of letters to owners advising of potential EPBs are currently programmed to be sent in September 2023.

BAU | Ongoing 

SERVICE PERFORMANCE MEASURES

| You can expect | Measure | Overall result for GOA (as at 31 December 2021) | | Target/Result | Commentary |
|--|---|--|---------------------------------------|--|--|
| | | Q1 | Q2 | | |
| <p>Regulatory Services</p> <p>Legend: ■ Achieved ■ No data available On track ■ Not Achieved ■ Off track</p> | | | | | |
| We ensure the public sale and supply of alcohol is undertaken safely and responsibly. | All premises that sell alcohol are licensed. | ○ | ○ | Target: 100% Compliance Result: 100% for Q1 | 100% compliance for this period |
| Building consents are processed in a timely fashion. | Building consents are processed within 20 working days. | ○ | ○ | Target: 100% Result: 100% for Q1 | 100% of consents processed within 20 working days for this period. |
| Council will process, inspect, and certify building work in the Waitomo District. | WDC maintains building control systems and process to meet IANZ Audit requirements | ● | ● | Target: BCA Accreditation achieved Result: Achieved | Accreditation achieved. |
| We provide land information Services (LIMs) efficiently. | LIMs are processed within statutory timeframe. | ● | ● | Target: 100% Result: 100% for Q2 | LIM timeframes met for Q2, timeframes not met for Q1. |
| We provide an effective Animal Control Service. | Percentage of residents satisfied with the provision of the Animal Control Service. | ● | ● | Target: ≥ 75% Result: N/A | 81% of respondents were satisfied with animal control services in the 2021 Residents Survey. |

FINANCIAL UPDATE

| REGULATORY SERVICES \$000's | Actual 2020/21 | EAP Budget | Revised Budget | YTD Actual | YTD EAP Budget | Var to YTD EAP Budget | %Var and Note Ref |
|------------------------------------|-------------------|----------------|-------------------|---------------|----------------------|--------------------------------|----------------------------|
| Revenue | | | | | | | |
| Rates | (781) | (825) | (825) | (413) | (412) | (1) | |
| Subsidies and Grants | 0 | 0 | 0 | 0 | 0 | 0 | |
| Interest Revenue | 0 | 0 | 0 | 0 | 0 | 0 | |
| Fees and Charges | (553) | (439) | (439) | (338) | (294) | (44) | A |
| Other Revenue incl Gains/Losses | (13) | (15) | (15) | (10) | (8) | (2) | |
| Total Revenue | (1,347) | (1,279) | (1,279) | (761) | (714) | (47) | 7% |
| | | | | | | | |
| Operating Expenditure | | | | | | | |
| Other Expenditure | 1,046 | 1,272 | 1,272 | 520 | 619 | (99) | B |
| Depreciation | 7 | 7 | 7 | 3 | 4 | (1) | |
| Finance Costs | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total Operating Expenditure | 1,053 | 1,279 | 1,279 | 523 | 623 | (100) | -16% |
| Net (Surplus)/Deficit | (294) | 0 | 0 | (238) | (91) | (147) | 162% |

Variance comments:

- A Building control revenue and dog registration fees were more than budget for the period.
- B Other expenditure was below budget for animal control contractor costs, environmental health officer fees and noise control and building accreditation costs.

CAPITAL EXPENDITURE

There was no expenditure at 31 December 2021 against the revised budget of \$10,000.

SOLID WASTE

This group provides for the environmentally safe reduction, diversion, collection, and disposal of the District's solid waste.

- **Waste minimisation** focuses on the reduction and diversion (reuse, recycling, and recovery) of solid waste.
- **Kerbside recyclables and refuse collection** are provided for the residents of Te Kuiti, Piopio, Awakino, Mokau, Waitomo Village and some surrounding rural roads.
- **Waste transfer** stations are provided for the communities of Maniaiti/Benneydale, Piopio, Marokopa, Kinohaku and Awakino and a fully consented landfill is located at Te Kuiti.

COMMUNITY OUTCOMES



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PROJECTS AND PROGRAMME UPDATES

Solid Waste Management is the combination of asset management, financial, engineering, and technical practices to reduce and dispose of general refuse and the promotion of waste minimisation.

The Solid Waste Activity provides for education on waste minimisation, collection and separation of recyclables, and the disposal of residual waste to landfill.

WDC is meeting its waste management obligations under the WMA and SWaMMP by providing:

- weekly kerbside refuse and recyclables collection services
- rural transfer stations, including free recycling services
- street side recycling units

Landfill

Programme Summary: The Waitomo District has a previously consented volume of 232,000 tonnes. Investigations in 2017 confirmed actual landfill volume was approximately 173,000m³ (equivalent to 155,000 tonnes) compared to the consent target of 232,000 tonnes. A new consent came into effect from 24 September 2019 for a term of 35 years. This allows WDC to put into practice its optimised fill capacity strategy (increased to approximately 420,000 tonnes).

The current strategy is to increase the physical capacity of the landfill over the next two financial years by raising the design finish level over the current footprint. That will require progressive lining over the corresponding height of the high-wall. The life of the landfill, at current annual fill rates, will be extended to approximately 2044 i.e., beyond the term of the operative consent (expiry date 2033) but within the term of the new consent (expiry date 2054).

The operative landfill cell has a remaining capacity of 12-18 months. The new consent provides for developing the cell against the highwall, over the existing, consented, landfill footprint.

Progress:

An investigation has been completed to determine the method and costs involved to stabilise the highwall. That information has been fed into an analysis to determine the relative economic viability of extending the life of the landfill.

The cost of mitigation measures required to protect against highwall slippage, while progressive lining and landfilling takes place, has been compared with the alternative options of either divesting or accelerating the closure, capping and aftercare of the landfill and re-configuring the Te Kuiti waste transfer station suitable for long distance transport of waste to an alternative, out of district, regional landfill site. The latter option would trigger a significant variation to WDC's Waste Management and Minimisation Plan, due for review in 2022/23.

BAU Ongoing 

| Description | Quarter 2 | | |
|--------------------------|---------------------------|---------------------------|---------------------------|
| | Tonnes Deposited Oct 2021 | Tonnes Deposited Nov 2021 | Tonnes Deposited Dec 2021 |
| Total To Landfill | 867.42 | 579.60 | 789.19 |

Diverted Material

- A total of 105.28 tonnes of recyclables has been diverted from the landfill for this period.
- A total of 423.04 tonnes of recyclables have been collected from kerbside collections and transfer stations this period.

Waste Minimisation Promotion and Educational Programmes

Programme Summary: Events, promotions and workshops held in the community to raise awareness and encourage the minimisation of waste being sent to landfill.



Progress: Due to COVID restrictions events are planned for later in the year.

BAU | Ongoing 

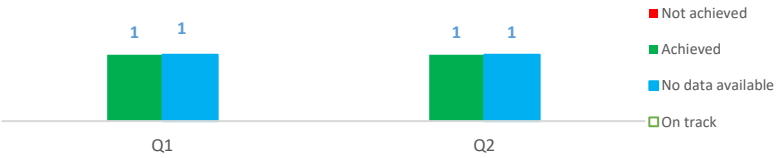




Infrastructure Maintenance and Transfer Station Safety Improvements

Project Summary: Maintenance and improvement of assets located within the Waitomo District landfill and five rural transfer station sites in Piopio, Maniaiti/Benneydale, Marokopa, Kinohaku and Awakino.

Progress: Assessments of asset condition has been completed. Rainwater tanks have been installed for cleaning purposes along with hand sanitiser stations. Other safety aspects are to be audited at all sites and improvements explored during 2021/22.

| Project Stage | Q1 | Q2 | Q3 | Q4 |
|---------------|--|--|----|----|
| | Delivering  | Planning  | | |

SERVICE PERFORMANCE MEASURES

| | | Overall result for GOA (as at 31 December 2021) | | | | |
|---|--|--|---|---|---|--|
| Solid Waste | |  | | | | |
| You can expect | How we measure performance | Q1 | Q2 | Target/Result | Commentary | |
| We provide safe solid waste facilities within District. | Percentage of users that are satisfied with the rural transfer service stations. |  |  | Target: New measure < 10 per week Result: N/A | Baseline to be established in 2021/22. | |
| We will provide a reliable kerbside rubbish collection to stop rubbish becoming a health risk*. | There are no more than 10 justifiable complaints per week about uncollected rubbish. |  |  | Target: New measure < 10 per week Result: 0.2 | 23 complaints received for the Q2 period. Due to administrative error, there were 8 complaints found that related to Q1 not zero as previously reported. Result remains achieved for Q1 and Q2. | |

* Services offered in Te Kuiti, Waitomo Village, Piopio and Mokau

FINANCIAL UPDATE

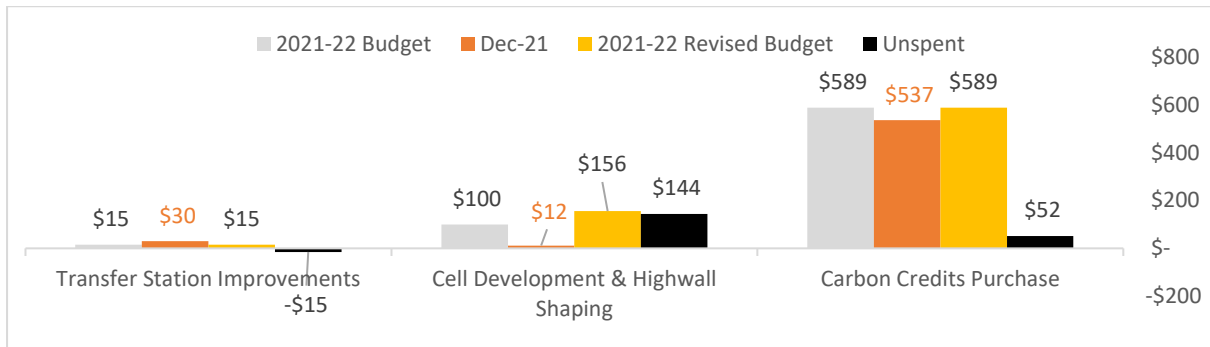
| SOLID WASTE \$000's | Actual 2020/21 | EAP Budget | Revised Budget | YTD Actual | YTD EAP Budget | Var to YTD EAP Budget | %Var and Note Ref |
|------------------------------------|-------------------|----------------|-------------------|----------------|----------------------|--------------------------------|----------------------------|
| Revenue | | | | | | | |
| Rates | (883) | (1,144) | (1,144) | (576) | (572) | (4) | |
| Subsidies and Grants | (13) | 0 | 0 | 0 | 0 | 0 | |
| Interest Revenue | 0 | 0 | 0 | 0 | 0 | 0 | |
| Fees and Charges | (1,537) | (1,677) | (1,678) | (766) | (839) | 73 | A |
| Other Revenue incl Gains/Losses | (35) | (35) | (35) | (24) | (18) | (6) | |
| Total Revenue | (2,468) | (2,856) | (2,857) | (1,366) | (1,429) | 63 | -4% |
| Operating Expenditure | | | | | | | |
| Other Expenditure | 2,182 | 2,661 | 2,661 | 989 | 1,048 | (59) | B |
| Depreciation | 94 | 68 | 68 | 44 | 34 | 10 | |
| Finance Costs | 136 | 113 | 113 | 47 | 56 | (9) | |
| Total Operating Expenditure | 2,412 | 2,842 | 2,842 | 1,080 | 1,138 | (58) | -5% |
| Net (Surplus)/Deficit | (56) | (14) | (15) | (286) | (291) | 5 | -2% |

Variance comments:

- A Revenue received at the landfill was less for general refuse charges due to a decrease in the volume of waste deposited at the landfill. This was partly offset by increase in revenue from special waste and sale of rubbish bags.
- B Other expenditure was less for waste minimisation levy expenditure due to reduced waste volumes, waste minimisation programme expenditure and resource consent compliance costs.

CAPITAL EXPENDITURE

000's



Total expenditure at 31 December 2021 was \$578,000 against the revised budget of \$760,000. Refer to projects and programme updates section for progress on key capital projects.

STORMWATER

The Stormwater Group provides for the collection, diversion, and disposal of urban surface water runoff following rainfall. Surface water flooding can occur in the absence of an effective stormwater drainage system.

The main activities of this group are:

- Maintenance (Planned and Unplanned)
- Renewals
- New Works/Augmentation

COMMUNITY OUTCOMES



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PROJECTS AND PROGRAMME UPDATES

Completion of Stormwater Catchment Plans

Project Summary: Development of the draft Stormwater catchment plans which will be used for the development of Assessment of Environmental Effects required for the application for the comprehensive stormwater discharge consent.

Progress: Planning is underway to continue to develop the catchment management plans.

| Project Stage | Q1 | Q2 | Q3 | Q4 |
|----------------------|----|------------|----|----|
| Scoping/ planning | ● | Planning ● | | |

Project Stage: June 2022

Completion of the Annual Renewals Programmes based on Conditions Assessment

Project Summary: This project is currently being scoped. A project summary and progress will be reported once the project planning has been completed.

Progress: Pricing for condition assessments of a representative network sample has been received. A programme of renewal works will be determined using the results from criticality and condition assessments. Condition assessments are being and planned. The condition assessment will be completed in Q3. Review of catchments hydraulic profile will also occur in Q3.

| Project Stage | Q1 | Q2 | Q3 | Q4 |
|----------------------|----|------------------------|----|----|
| Scoping/ planning | ● | Scoping/ planning ● | | |

Monitoring and Maintenance of Stormwater Exit and Entry Points

Project Summary: This work involves manhole checks, inspection of streamside outlet points for debris and condition (before and after winter flows), fixing outlet grates that are damaged, or opening and collecting built-up debris, and reattaching any opened outlet points with new shearing bolts (break away structural feature for pressure on grate).

Progress: Inspections have been carried out as required.

Project Stage: Ongoing ●

SERVICE PERFORMANCE MEASURES

| You can expect | Measure | Overall result for GOA (as at 31 December 2021) | | Target/Result | Commentary |
|---|--|--|----|--|--|
| | | Q1 | Q2 | | |
| <p>Stormwater</p> | | | | | |
| We maintain and operate the stormwater network in a way that minimises the likelihood of stormwater entering habitable buildings. | The number of flooding events* that occur in the district in a financial year. | | | Target: 0 Result: 0 | There have been no flooding events in this period. |
| | For each flooding event* the number of habitable floors affected in a financial year. | | | Target: ≤ 1 per 1000 connections Result: 0 | There have been no flooding events in this period. |
| | 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. | | | | |
| We comply with our resource consent conditions and minimise the impact of stormwater on the environment | abatement notices | | | Target: 0 Result: 0 | There have been no notices received. |
| | infringement notices | | | Target: ≤ 2 Result: 0 | There have been no notices received. |
| | enforcement orders | | | Target: 0 Result: 0 | There have been no enforcement orders. |
| | successful prosecutions | | | Target: 0 Result: 0 | There have been no successful prosecutions. |
| We will respond within a reasonable timeframe to flooding. | 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: 0.0 hours | There have been no flooding events in this period. |
| The Council provides a reliable stormwater collection service. | The number of complaints received about the performance of the Council's urban stormwater system per 1,000 properties connected. | | | Target: ≤ 4 complaints per 1,000 properties (2,056 connections) Result: 0 | There have been no complaints relating to urban stormwater in this period. |

* 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.

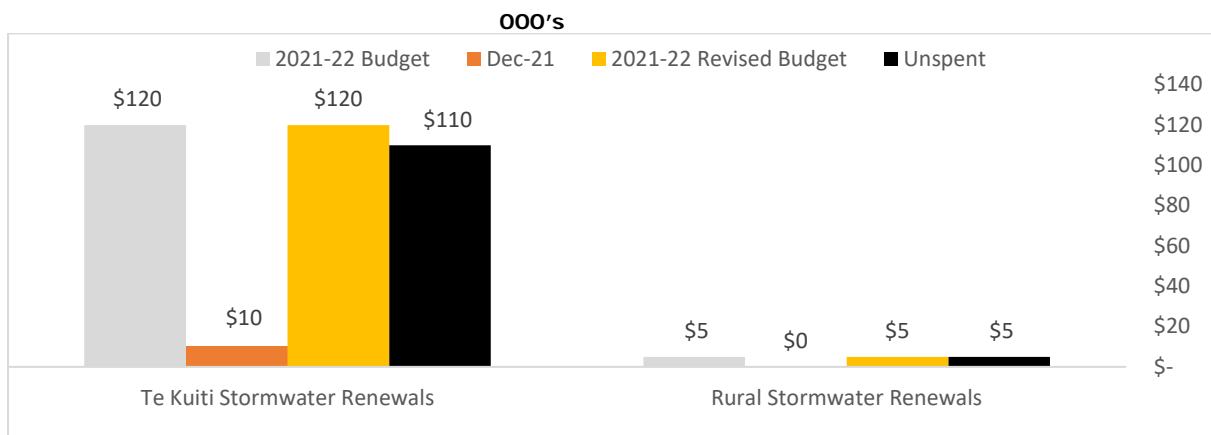
FINANCIAL UPDATE

| STORMWATER \$000's | Actual 2020/21 | EAP Budget | Revised Budget | YTD Actual | YTD EAP Budget | Var to YTD EAP Budget | %Var and Note Ref |
|------------------------------------|-------------------|---------------|-------------------|---------------|----------------------|--------------------------------|----------------------------|
| Revenue | | | | | | | |
| Rates | (405) | (456) | (456) | (229) | (228) | (1) | |
| Subsidies and Grants | 0 | 0 | 0 | 0 | 0 | 0 | |
| Interest Revenue | 0 | 0 | 0 | 0 | 0 | 0 | |
| Fees and Charges | (17) | 0 | 0 | (4) | 0 | (4) | A |
| Other Revenue incl Gains/Losses | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total Revenue | (422) | (456) | (456) | (233) | (228) | (5) | 2% |
| Operating Expenditure | | | | | | | |
| Other Expenditure | 196 | 255 | 255 | 72 | 81 | (9) | |
| Depreciation | 194 | 195 | 195 | 109 | 97 | 12 | B |
| Finance Costs | 9 | 7 | 7 | 3 | 3 | 0 | |
| Total Operating Expenditure | 399 | 457 | 457 | 184 | 181 | 3 | 2% |
| Net (Surplus)/Deficit | (23) | 1 | 1 | (49) | (47) | (2) | 4% |

Variance comments:

- A Revenue was received for connection fees.
- B Depreciation expense was more than forecast due to the revaluation of stormwater assets at 30 June 2021 resulting in an increase in asset value and a corresponding increase in depreciation.

CAPITAL EXPENDITURE



Total expenditure at 31 December 2021 was \$10,000 against a revised budget of \$125,000. Refer to projects and programme updates section for progress on key capital projects.

RESOURCE MANAGEMENT

This group involves the administration, application and enforcement of the Operative Waitomo District Plan and District Planning.

- **District Plan Administration** covers the planning functions under the Resource Management Act 1991, including the processing, issuing, and monitoring of resource consents, designations, and other application types. It also includes monitoring compliance with Waitomo's Operative District Plan.
- **District Planning** involves setting the direction, form, and shape of our urban and rural communities to ensure development is sustainably managed, while protecting our cultural and historic heritage, outstanding landscapes, and significant natural features. District Plan reviews and structure planning are included in this activity.

COMMUNITY OUTCOMES



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PROJECTS AND PROGRAMME UPDATES

The work programmes in the Resource Management Group are statutory in nature and 'business as usual' to comply with Council's legislative requirements. Progress reporting on the programme of work will be undertaken on an exceptions basis.

A review of the resource consent raw data was undertaken to identify consents that require monitoring. The work has now been completed and all land use consents that require monitoring have been identified. Council staff are now reviewing these consents and scheduling the appropriate monitoring. Not all consents are active limiting the number that require on going monitoring.

BAU| Ongoing 

District Plan Review

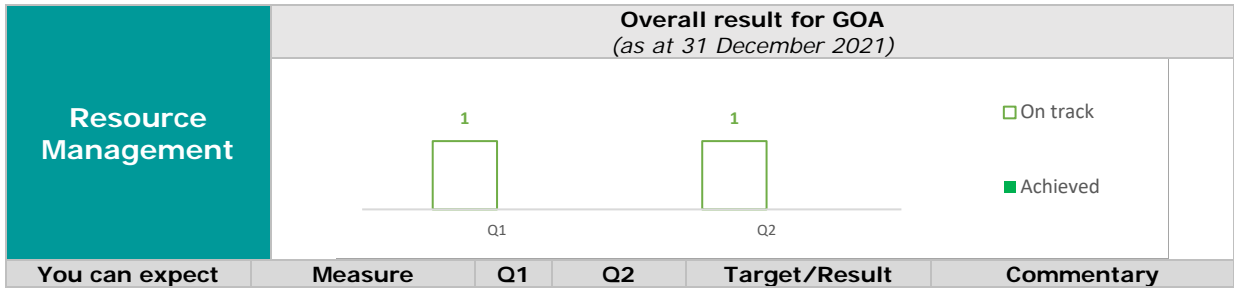
Programme Summary: A review of the Operative Waitomo District Plan in accordance with statutory requirements.

The Proposed Waitomo District Plan (PDP) must be legally robust and provide guidance for long term resource management issues in the District, and is inherently complex with many associated workstreams. This project will continue into 2021/22.

Progress: The PDP has been pre-notified to Iwi Authorities in accordance with the requirements of the Resource Management Act 1991. The section 32 (evaluation reports) is on-going. Maniapoto Māori Trust Board has responded to the PDP, this is currently being reviewed by WDC staff.

| Project Stage | Q1 | Q2 | Q3 | Q4 |
|---------------|--|--|----|----|
| | Delivering  | Delivering  | | |

SERVICE PERFORMANCE MEASURES



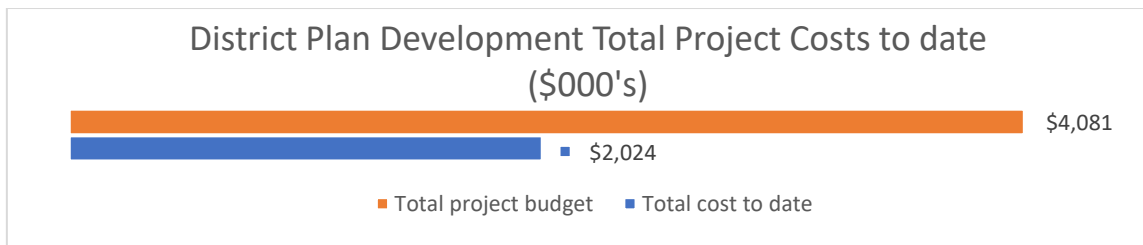
| You can expect | Measure | Q1 | Q2 | Target/Result | Commentary |
|---|---|----|----|--|---|
| Resource consents are processed in accordance with legislation. | All non-notified resource consents are processed within statutory timeframes. | ○ | ○ | Target: 100% Result: 100% | All consents were processed within 20 working days for this period. |

FINANCIAL UPDATE

| RESOURCE MANAGEMENT \$000's | Actual 2020/21 | EAP Budget | Revised Budget | YTD Actual | YTD EAP Budget | Var to YTD EAP Budget | %Var and Note Ref |
|------------------------------------|-------------------|---------------|--------------------|---------------|----------------------|--------------------------------|----------------------------|
| Revenue | | | | | | | |
| Rates | (377) | (397) | (397) | (199) | (198) | (1) | |
| Subsidies and Grants | 0 | 0 | 0 | 0 | 0 | 0 | |
| Interest Revenue | 0 | 0 | 0 | 0 | 0 | 0 | |
| Fees and Charges | (188) | (180) | (180) | (163) | (90) | (73) | A |
| Other Revenue incl Gains/Losses | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total Revenue | (565) | (577) | (577) | (362) | (288) | (74) | 26% |
| Operating Expenditure | | | | | | | |
| Other Expenditure | 827 | 1,681 | 1,864 ⁵ | 390 | 806 | (416) | B |
| Depreciation | 0 | 0 | 0 | 0 | 0 | 0 | |
| Finance Costs | 31 | 35 | 35 | 15 | 18 | (3) | |
| Total Operating Expenditure | 858 | 1,716 | 1,899 | 405 | 824 | (419) | -51% |
| Net (Surplus)/Deficit | 293 | 1,139 | 1,322 | 43 | 536 | (493) | -92% |

Variance comments:

- A Resource consent and LIM revenue were more than forecast for the period.
- B Other expenditure was less during the period for consultancy services and legal fees. District Plan Development expenditure was less than expected for this period. Due to the involved and complex nature of this project it is not unexpected to have variations in the timing of expenditure.



⁵ Revised budget includes a carryover for District Plan Development project.

WASTEWATER

The Wastewater Group provides for the environmentally safe collection, treatment, and disposal of the District's sewage waste in Te Kuiti, Te Waitere, Maniaiti/Benneydale and Piopio.

There are three activities under this Group, namely:

- Maintenance
- Renewals and replacements
- Improvements

COMMUNITY OUTCOMES



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PROJECTS AND PROGRAMME UPDATES

Renew and Extend Soakage Field (Te Waitere)

Project Summary: This project involves an investigation of the Te Waitere Sewerage soakage field performance to assess work required to renew and extend the soakage field.

Progress: Investigation into the performance was completed in Q2 and some remedial work was undertaken and a more detailed report was required for loading rates and soakage area necessary for compliance with discharge consent. The detailed report from consultant engineers has now been received. The report identifies a significant increase in soakage area is required. The current project will need to be re-scoped and a business case developed to request a change of scope and additional funding in the EAP. Pricing with a local contractor has been undertaken, additional funding required to complete physical works.

| Project Stage | Q1 | Q2 | Q3 | Q4 |
|-------------------|----|----|----|----|
| Rescoping/Pricing | 🟡 | 🟡 | | |

End date: New completion date will need to be identified for the re-scoped project.

Riparian Planting at Te Kuiti

Project Summary: Riparian planting is a condition of the resource consent for wastewater discharge from Te Kuiti Wastewater Treatment Plant.

Progress: Initial clearing of willow trees on stream bank completed, planting, and fencing to follow in subsequent financial years. Work will be undertaken with Waikato Regional Council.

| Project Stage | Q1 | Q2 | Q3 | Q4 |
|---------------|----|----|----|----|
| Delivering | 🟢 | 🟢 | | |

SERVICE PERFORMANCE MEASURES

| | | Overall result for GOA (as at 31 December 2021) | | | |
|---|--|--|----|--|--|
| Wastewater | | | | | |
| | | | Q1 | Q2 | |
| You can expect | Measure | Q1 | Q2 | Target/ Result | Commentary |
| We will attend and resolve issues with the wastewater system within a reasonable timeframe. | The median attendance time for call-outs, from the time that we received notification to the time that our service personnel reach the site. | | | Target: ≤180 minutes (3hrs) Result: 2hrs 17mins | |
| | The median resolution time of call-outs, from the time that we received notification to the time that our service personnel confirm the fault or interruption has been resolved. | | | Target: Piopio ≤660 minutes (11hrs) Result: 11 hrs. 2mins. | |
| | | | | Target: Rest of District ≤540 minutes (9hrs) Result: 12hrs. 7mins | Contractors not reporting on initial response/resolution time |
| Compliance with the Council's resource consents for discharge from its sewerage system, measured by the number of the following (received by Council in a financial year) | 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. | | | | |
| | abatement notices | | | Target: 0 Result: 0 | Achieved. |
| | infringement notices | | | Target: 0 Result: 0 | Achieved. |
| | enforcement orders | | | Target: 0 Result: 0 | Achieved. |
| | convictions received | | | Target: 0 Result: 0 | Achieved. |
| Our wastewater system is operated and maintained to minimise odour and blockages. | The number of complaints about wastewater odour, system faults or blockages and complaints about our response to issues with its wastewater system. | | | Target: Piopio Total complaints per 1,000 connections ≤35 (Total number of connections 210) Result: 171.43 | For Piopio in Q2 a total of 36 complaints were received for Sewerage, 4 for Odour, 14 for System faults, 18 for blockages, and 0 Council's response to issues. |
| | | | | Target: Rest of District complaints per 1,000 connections ≤35 (Total number of connections 1774) Result: 3.94 | For Te Kuiti, Maniaiti/Benneydale and Mokau in the first quarter a total of 7 complaints were received for Sewerage, 2 for Odour, 1 for System faults, 4 for blockages, and 0 Council's response to issues |
| Our wastewater system is optimised to reduce the risk of harm to the community and environment. | Number of dry weather overflows in a financial year | | | Target: Total complaints per 1,000 connections ≤10 (Total number of connections 1,984) Result: 0.51 | No dry weather overflow complaints were received this quarter |

FINANCIAL UPDATE

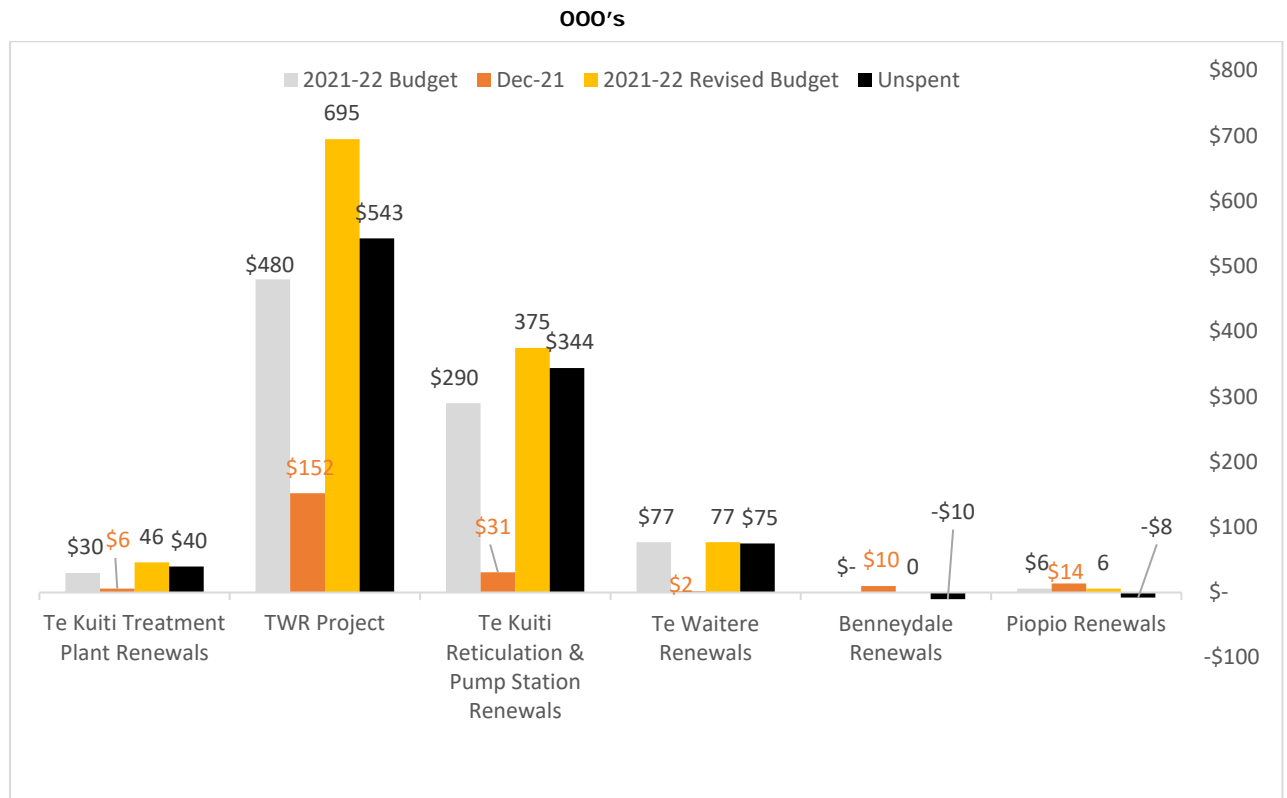
| WASTEWATER \$000's | Actual 2020/21 | EAP Budget | Revised Budget | YTD Actual | YTD EAP Budget | Var to YTD EAP Budget | %Var and Note Ref |
|------------------------------------|-------------------|----------------|--------------------|----------------|----------------------|--------------------------------|----------------------------|
| Revenue | | | | | | | |
| Rates | (2,107) | (2,176) | (2,176) | (1,091) | (1,088) | (3) | |
| Subsidies and Grants | (12) | (584) | (500) ⁶ | (166) | (160) | (6) | |
| Interest Revenue | 0 | 0 | 0 | 0 | 0 | 0 | |
| Fees and Charges | (931) | (821) | (821) | (370) | (411) | 41 | A |
| Other Revenue incl Gains/Losses | 0 | 0 | 0 | (13) | 0 | (13) | B |
| Total Revenue | (3,050) | (3,581) | (3,497) | (1,640) | (1,659) | 19 | -1% |
| Operating Expenditure | | | | | | | |
| Other Expenditure | 1,668 | 2,103 | 2,084 | 874 | 1,009 | (135) | C |
| Depreciation | 818 | 855 | 855 | 446 | 427 | 19 | D |
| Finance Costs | 244 | 194 | 194 | 92 | 97 | (5) | |
| Total Operating Expenditure | 2,730 | 3,152 | 3,133 | 1,412 | 1,533 | (121) | -10% |
| Net (Surplus)/Deficit | (320) | (429) | (364) | (228) | (126) | (102) | 134% |

Variance comments:

- A Te Kuiti trade waste revenue was less for the period, this was offset in part by an increase in trade waste revenue for Piopio.
- B Other revenue was more for Te Kuiti for proceeds from insurance for the damage to the automatic entrance gates at Te Kuiti wastewater plant.
- C Other expenditure was less due to a decrease in wastewater operations and maintenance, consultant fees, sludge disposal and chemicals for Te Kuiti.
- D Depreciation expense was more than forecast due to the revaluation of wastewater assets at 30 June 2021 resulting in an increase in asset value and a corresponding increase in depreciation.

⁶ Revised budget includes a carryover of subsidy revenue and operational expenditure for the Three Waters Reform programme.

CAPITAL EXPENDITURE



Total expenditure at 31 December 2021 was \$215,000 against a revised budget (including carryovers and Three Waters Reform programme) of \$1,198,000. Refer to projects and programme updates section for progress on key capital projects.

WATER SUPPLY

The Water Supply activity provides for the environmentally safe collection, treatment, and reticulation of Council's public water supplies. Water supply schemes are provided by Council at Te Kuiti, Maniaiti / Benneydale, Piopio and Mokau.

There are three aspects of operations under this group:

- Maintenance
- Renewals and replacements
- Improvements

COMMUNITY OUTCOMES



A district for people



A district that cares for its environment

PROJECTS AND PROGRAMME UPDATES

Te Kuiti Alternative Water Supply Investigation

Project Summary: Council's Infrastructure Strategy identifies the need to improve the resilience of the current water supply arrangements for Te Kuiti. Provision has been made for construction of a bulk water storage structure in 2040-42, at a preliminary budgeted cost of \$30M (2018 dollars). Given the scale of estimated capital expenditure, plus associated operating costs, more practicable options have been investigated.

The preferred option, involving an alternative groundwater source connected to the Te Kuiti reticulation, is underway. The programme involves a revised, five stage, sequential investigation strategy. The intention is to first locate the depth, geology, and water quality of the target aquifer through construction of a relatively low-cost pilot investigation bore. If the results of that work prove positive, construction of a separate production bore in the target aquifer would follow. The five stages comprise:

Stage 1 - Construction of an investigation bore at a greenfield site [Completed]

Stage 2 - Construction of a test/production bore (Investigations completed in December 2021)

Stage 3 - Resource consent application (ex WRC) for abstraction

Stage 4 - Defining preliminary source protection zones around the new wellhead and undertake a catchment risk assessment

Stage 5 – Construct a well-field and connect the groundwater supply to a new or existing Te Kuiti Water Treatment Plant.



Progress: Quotations for Stage 2 were obtained, and a contract let to McMillan's Drilling Ltd. Due to the unprecedented current high demand for groundwater drilling services in the region (and beyond), the contractor was not available to start work until late August 2021, with a target finish date of late September 2021. That date was further delayed by COVID-19, with the drilling rig scheduled to be established late November 2021. The drilling work was completed in December 2021 but was unsuccessful. While water quality was reasonable, the aquifer yield was very low and insufficient for a variable wellfield to be developed, even as a supplementary supply. That negates the need for the Stage 3 consent application and concludes the investigation strategy.

| Project Stage | Q1 | Q2 | Q3 | Q4 |
|---------------|--|---|----|----|
| | Delivering  | Completed  | | |

Installation of Backflow Preventers – Te Kuiti, Mokau, and Piopio

Project Summary: The 2009 Water Safety Plan identified the risk of supply contamination due to the absence of back flow preventers at each point of supply. An annual programme is in place to progressively install back-flow preventers across the network.

Progress: This work is ongoing; old tobies are replaced with new manifold backflow preventers. Three Waters Reform delivery programme has enabled acceleration of this project with funding to install 1200 manifolds. To date 714 have been installed across the district. Annual plan budget is also incorporated into this project.

| Project Stage | Q1 | Q2 | Q3 | Q4 |
|---------------|--|--|----|----|
| | Delivering  | Delivering  | | |

End date: 30 June 2022

Districtwide Supervisory Control and Data Acquisition (SCADA)

Project Summary: To ensure compliance with the New Zealand Drinking Water Standards (NZDWS), WDC must ensure that our SCADA system can report on the requirements.



Progress: As part of general renewals and Three Waters Reform Programme SCADA upgrades are being undertaken to replace outdated equipment across the district.

BAU | Ongoing 

Mokau Water-Main Renewals

Project Summary: This project involves the replacement of an old asbestos cement (AC) pipe located along the northern part of Tainui Street, Mokau.

Progress: The project has received quotations and physical works have commenced. Works have been completed.



| Project Stage | Q1 | Q2 | Q3 | Q4 |
|---------------|--|---|----|----|
| | Delivering  | Completed  | | |

End Date: 24 December 2021

Additional Monitoring and Control – Maniaiti / Benneydale

Project Summary: This project includes an additional UV unit; this is being sourced from the Mokau treatment plant that is undergoing an upgrade.

Progress: This project is currently with contractor Nueflow who are project managing, pricing to be received, scheduled to complete in quarter 3.

| Project Stage | Q1 | Q2 | Q3 | Q4 |
|---------------|--|--|----|----|
| | Planning  | Planning  | | |

End Date: 31 March 2022

Mechanical Renewals – Te Kuiti

Project Summary: Renewals of water supply infrastructure involves the replacement of these assets at the end of their useful lives. Mechanical and electrical assets are serviced regularly and repaired as needed.

Progress: Quotes have been received and work is being scheduled. Delivery of the project is expected to commence in early 2022. Equipment removed from pond and on route to be serviced.

| Project Stage | Q1 | Q2 | Q3 | Q4 |
|---------------|--|--|----|----|
| | Planning  | Delivering  | | |

End Date: 30 June 2022

Treatment Plant Renewals - Mokau

Project Summary: This project is to replace the treatment plant sand filters and UV systems and installation of purpose-built coagulation and settling stage.

Progress: Clarifier and AVG filters have been delivered and installation completed, commissioning has begun. Commissioning on track for completion in early March 2022.

| Project Stage | Q1 | Q2 | Q3 | Q4 |
|---------------|--|--|----|----|
| | Delivering  | Delivering  | | |



End Date: 31 March 2022

Reticulation Renewals – Piopio and Te Kuiti

Project Summary: This project is to carry out the replacement of AC pipe infrastructure due to condition and line breaks.

Potential sites are being investigated and engineering drawings being finalised.

Progress: Project in the planning phase is completed and physical works commenced. Piopio tender completed, Te Kuiti works out for tender, closing February 2022.



| Project Stage | Q1 | Q2 | Q3 | Q4 |
|---------------|--|--|----|----|
| | Planning  | Delivering  | | |

End Date: 31 March 2022

Improvements to WDC Reservoirs

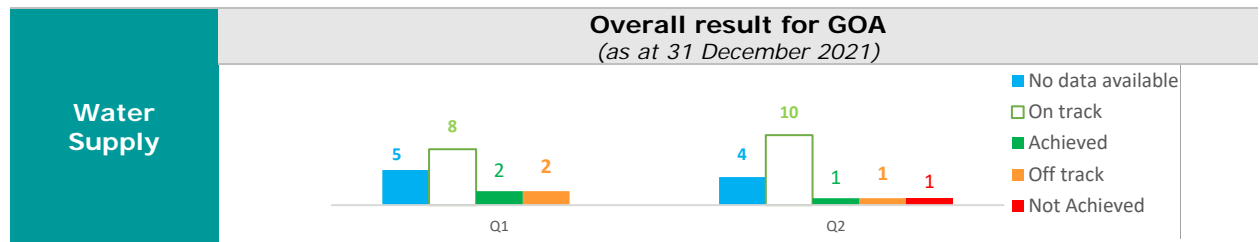
Project Summary: This project involves destructive testing when the reservoir is empty. This is not currently an option without significant project planning.

Progress: The survey undertaken was a general condition assessment of the reservoirs. Improvements and maintenance planned, a new flowmeter at the Hospital Reservoir, possible replacement of the reservoir at Awakino Road (Blackman's Reservoir)

| Project Stage | Q1 | Q2 | Q3 | Q4 |
|---------------|---|---|----|----|
| | Scoping  | Scoping  | | |









End Date: 30 June 2022















SERVICE PERFORMANCE MEASURES



| You can expect | Measure | Q1 | Q2 | Target/Result | Commentary |
|---|---|----|----|--|--|
| <i>The New Zealand Drinking Water Standards are monitored by Taumata Arowai as a national standard for public safety.</i> | | | | | |
| We provide water that is safe to drink and hygienic to use which meets the drinking water standards. | Water quality complies with the drinking water standards for (a) bacteria | | | Target: Achieve Compliance Result: Achieved | WDC Water Treatment Plants and Zones (reticulation) have had no bacterial transgressions during Q2. |
| | Water quality complies with the drinking water standards for (b) protozoa | | | Target: 100% Result: N/A | Protozoal compliance is reported at the end of the fiscal year. As is the case each year any data loss of >1min will cause technical non-compliance. |

| | | | | | |
|--|---|--|--|--|---|
| We provide an efficient and effective water supply. We will achieve this by undertaking activities such as water leakage detection and maintaining the network of water pipes. | Percentage of real water loss from the Council's networked reticulation system in a financial year in: <i>('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).</i> | | | | |
| | Te Kuiti | | | Target: ≤ 20% Result: N/A | The minimum night flow is measured June 2021 and July 2022 for the fiscal year of 2021-2022 |
| | Mokau | | | Target: ≤ 5% Result: N/A | |
| | Piopio | | | Target: ≤ 5% Result: N/A | |
| | Maniaiti / Benneydale | | | Target: ≤ 10% Result: N/A | |

| You can expect | Measure | Q1 | Q2 | Target/Result | Commentary |
|---|--|---|---|--|------------|
| | <p><i>Resolution and attendance based on working days are defined as Monday – Friday, excluding public holidays. If notification is received on the weekend or public holiday the timeframes starts from the next working day.</i></p> | | | | |
| | <p>The median attendance time for urgent call-outs, from the time that we received notification to the time that our service personnel reach the site. *</p> |  |  | <p>Target: ≤ 180 minutes (3 hrs.) Result: 30 mins</p> | |
| <p>We will respond within a reasonable timeframe to issues with the water supply.</p> | <p>The median resolution time of urgent call-outs, from the time that we received notification to the time that our service personnel confirm the fault or interruption has been resolved. **</p> |  |  | <p>Target: ≤ 540 minutes (9 hrs.) Result: 8hrs 45mins.</p> | |
| | <p>The median attendance time, in working days, for non-urgent call-outs, from the time that we received notification to the time that our service personnel reach the site. *</p> |  |  | <p>Target ≤ 660 minutes (11 hrs.) Result: 2hrs 4mins</p> | |
| | <p>The median resolution time, in working days, of non-urgent call-outs, from the time we received notification to the time that our service personnel confirm the fault or interruption has been resolved**.</p> |  |  | <p>Target: ≤ 96 hours (4 days) Result: 27 hrs 30min.</p> | |

| You can expect | Measure | Q1 | Q2 | Target/Result | Commentary |
|--|---|---|---|---|--|
| | The total number of complaints received by Council in a year for: (Total number of connections (2640)) | | | | |
| We provide water that is wholesome and is reliably supplied. The measure indicates customers and community satisfaction with the quality of the water. | Drinking water clarity |  |  | Target: ≤ 20 per 1000 connections Result: 3.03 | |
| | Drinking water taste |  |  | Target: ≤ 5 per 1000 connections Result: 0 | |
| | Drinking water odour |  |  | Target: ≤ 5 per 1000 connections Result: 0.38 | |
| | Drinking water pressure flow |  |  | Target: ≤ 20 per 1000 connections Result: 0 | |
| | Continuity of supply |  |  | Target: ≤20 per 1000 connections Result: 15.15 | |
| | Council's response to any of these issues. |  |  | Target: New measure ≤20 per 1000 connections Result: 0 | |
| We provide efficient management of demand for water for our community. | The average consumption of drinking water per Waitomo District resident, per day. |  |  | Target: ≤ 400 litres per person per day Result: 443 litres /day | Increased water consumption with warmer drier weather in Q2. Water leaks in Te Kuiti, PioPio and main burst in Mokau also contributed. |

* measured from the time that the local authority received notification to the time that service personnel reach the site.

** measured from the time that the local authority received notification to the time that service personnel confirm resolution of the fault or interruption.

FINANCIAL UPDATE

| WATER SUPPLY \$000's | Actual 2020/21 | EAP Budget | Revised Budget | YTD Actual | YTD EAP Budget | Var to YTD EAP Budget | %Var and Note Ref |
|------------------------------------|-------------------|----------------|----------------------|----------------|----------------------|--------------------------------|----------------------------|
| Revenue | | | | | | | |
| Rates | (2,711) | (2,711) | (2,711) | (1,262) | (1,355) | 93 | A |
| Subsidies and Grants | (338) | (1,335) | (2,449) ⁷ | (1,359) | (1,335) | (24) | B |
| Interest Revenue | 0 | 0 | 0 | 0 | 0 | 0 | |
| Fees and Charges | (52) | 0 | 0 | (7) | 0 | (7) | C |
| Other Revenue incl Gains/Losses | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total Revenue | (3,101) | (4,046) | (5,160) | (2,628) | (2,690) | 62 | -2% |
| | | | | | | | |
| Operating Expenditure | | | | | | | |
| Other Expenditure | 2,230 | 2,207 | 2,407 | 1,128 | 1,110 | 18 | D |
| Depreciation | 631 | 693 | 693 | 368 | 347 | 21 | E |
| Finance Costs | 287 | 243 | 243 | 115 | 121 | (6) | |
| Total Operating Expenditure | 3,148 | 3,143 | 3,343 | 1,611 | 1,578 | 33 | 2% |
| Net (Surplus)/Deficit | 47 | (903) | (1,817) | (1,017) | (1,112) | 95 | -9% |

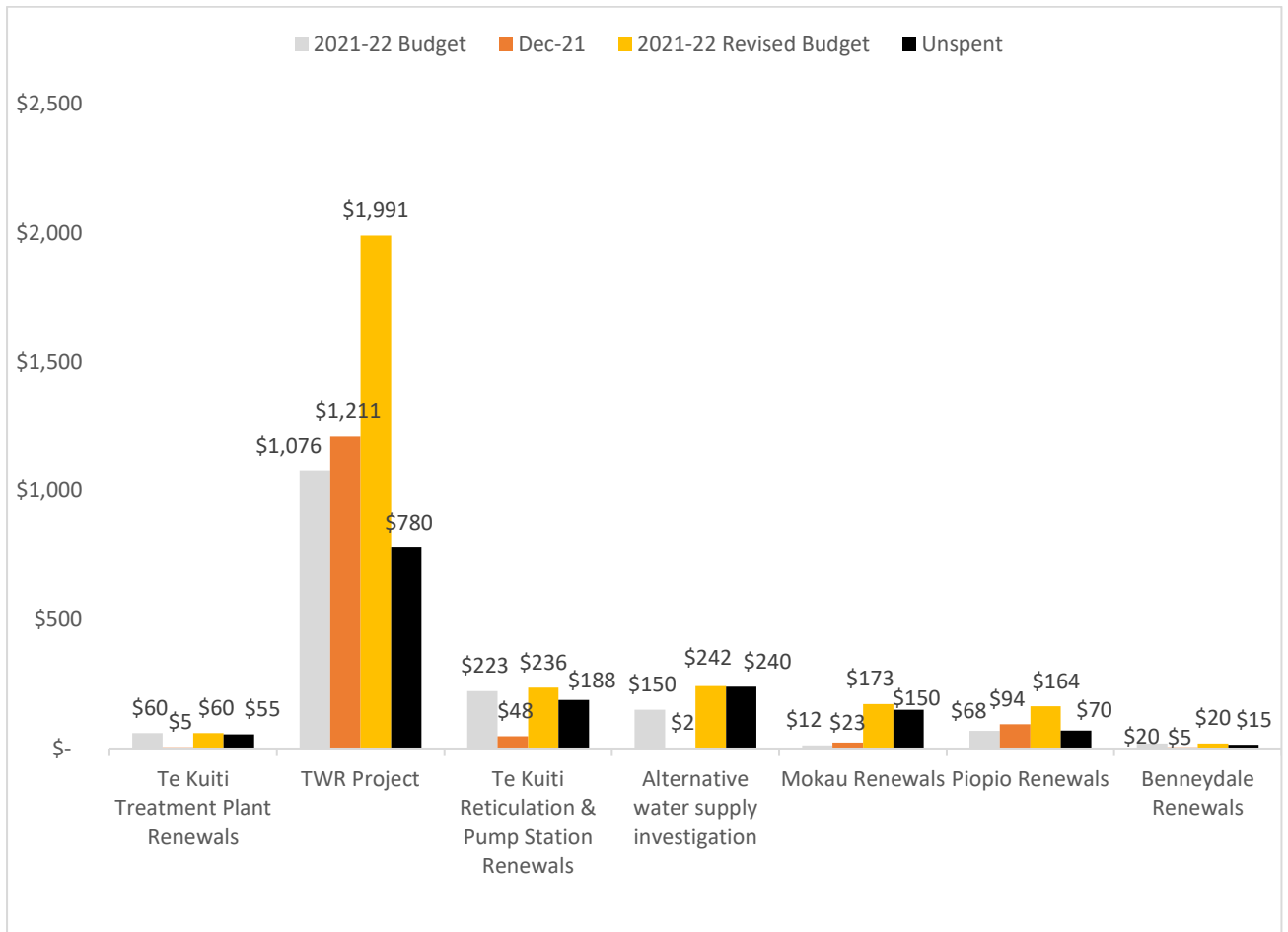
Variance comments:

- A Rates revenue was less than budget for Te Kuiti and Piopio metered water charges.
- B Subsidy revenue was received for Three Water Reform programme, including \$1.2 million of subsidy for capital expenditure.
- C Connection fees revenue for Te Kuiti was received during the period.
- D Other expenditure was more than forecast for project management costs. These costs are fully funded by Three Water Reform programme subsidy.
- E Depreciation expense was more than forecast for the period due to the revaluation of water assets at 30 June 2021 resulting in an increase in asset value and a corresponding increase in depreciation.

⁷ Revised budget includes subsidy revenue and operational expenditure for Three Water Reforms programme.

CAPITAL EXPENDITURE

000's



Total expenditure at 31 December 2021 was \$1,389,000 against the revised budget (including carryovers and Three Waters Reform programme) of \$2,885,000. Refer to projects and programme updates section for progress on key capital projects.

ROADS AND FOOTPATHS

The Roads and Footpaths activity provides a safe and reliable transport infrastructure network to facilitate the movement of people and goods, which includes the provision of roads (excluding state highways), footpaths, bridges, traffic services, streetlights, carparks, and traffic safety programmes.

- **Road Network:** WDC manages and maintains a network of 461km of sealed roads and 553km of unsealed roads. This includes identifying the need for and undertaking maintenance and renewals of the road network, footpaths, and ancillary systems such as streetlights, signs, and road markings.
- **Subsidised roading:** New Zealand Transport Agency (Waka Kotahi - NZTA), provides a subsidy for works that meet their criteria via Waikato Regional Council's Land Transport Programme.
- **Unsubsidised roading:** These activities are carried out to ensure safe and efficient travel within and through the District as necessary for road or pedestrian safety and convenience but are not subsidised by NZTA.

COMMUNITY OUTCOMES



A prosperous district



A district for people



A district that cares for its
environment



A district that works with
you

PROJECTS AND PROGRAMME UPDATES

Road and Footpath Maintenance

Programme Summary: The Waitomo District Council network comprises of 1014km of local roads of various classification. Within the 1014km, 459km is sealed and the remaining 555km is unsealed. Unique to this roading network is the way in which the routine maintenance is undertaken. A zonal maintenance approach has been adopted and this results in the network being split into 24 zones and each zone being maintained twice per year.

Progress: With the COVID-19 alert levels affecting the way we undertake our operations, the programmes were initially impacted and delayed by approximately 1-2 months. A significant amount of effort has been placed on recovering from the delay and this has resulted in the programme now being on time and to the predicted budget.

As October marks the beginning of the official construction season, our maintenance and resurfacing crews have taken advantage of the warmer, drier weather by completing almost 50% of the resurfacing programme and a substantial amount of minor improvement works.

BAU | Ongoing 



Sealed Road Pavement Rehabilitation

Programme Summary: Sealed Road pavement rehabilitation involves rehabilitating and renewing the asset with the correct treatment at the optimum time so that the required level of service is maintained whilst minimising total life cycle costs.

Road pavements which have reached the end of their lives require major rehabilitation - that is strengthening the pavement structure prior to resurfacing. Rehabilitation involves removing the existing chip seal and constructing an additional layer of road metal on top of the existing pavement reconstruction.

Progress: There are three sites that have been identified for pavement rehabilitation this season, these are currently in the design and investigation phase, and to be tendered as two contracts later this year. The works are to be completed by end of April 2022.

| Road Rehab Site | Notes | % Complete |
|-----------------|---|------------|
| Waimiha Road | Pavement overlay and chip sealing, to be tendered early December | |
| Seddon Street | Pavement Dig-out, draining improvement and Asphalt, to be tendered late December. | |
| Lawrence Street | Pavement Dig-out, draining improvement and Asphalt, to be tendered late December. | |

| Project Stage | Q1 | Q2 | Q3 | Q4 |
|---------------|--|--|----|----|
| | Planning  | Planning  | | |



Sealed Road Resurfacing

Programme Summary: Sealed Road resurfacing is carried out on sections of road with defects in the road surface, where the structural condition of the carriageway is sound.

The program occurs annually. The total length of the sealed network is 459km so in order to achieve a 12-year resurfacing cycle, an annual target of 32km is appropriate. Road resurfacing is carried out by Higgins as a subcontractor to Inframax Construction Ltd under Contract 500/16/028.

Progress: The annual sealing programme of 25km (5.4% of sealed network) commenced in November 2021. Our crews focused on completing all urban works within Te Kuiti, then progressing into the rural regions of the network. By the end of January 2022, it is expected the programme will be closer to 70% complete and the remainder to be completed in the first two weeks of February.

Programme Stage:

| Project Stage | Q1 | Q2 | Q3 | Q4 |
|---------------|--|--|----|----|
| | Planning  | Delivering  | | |



Start date: November 2021 | **End date:** 30 March 2022

Bridge and Structural Renewals

Programme Summary: Bridge and structural renewals is undertaken when parts of the structure have reached the end of their economic life.

Works are programmed based on an economic evaluation with projects being justified when the future saving achieved by doing the work exceeds the cost of the work. Physical Works for Bridge Maintenance 2019/20 and 2020/21 Contract 500/19/003 was awarded to Conspec Construction Ltd on 24 June 2020.

Progress: These contract works were not completed before the end of the financial year and have been carried over for completion by April 2022

| Project Stage | Q1 | Q2 | Q3 | Q4 |
|---------------|--|--|----|----|
| | Delivering  | Planning  | | |

Start date: 1 July 2021 | **End date:** 30 June 2022

Footpath Renewals

Programme Summary: Footpath renewals is a program of work comprising of new footpaths that are constructed where there is a gap in the network and footpath improvements which involves widening existing footpaths (typically < 1m wide) to meet the 1.5m width standard.

Footpath renewals are prioritised based on proximity to community infrastructure such as schools, medical centres, access to amenities, pedestrian counts, and streets where there are no footpaths. Both technical levels of service and customer levels of service are both considered to be very important.

Footpaths should provide a safe, comfortable, and efficient network of footpaths catering for pedestrians (including the physically disabled) and mobility scooters. Footpaths provide a valuable service to residents, especially those of lower socio-economic means who cannot afford vehicles and the elderly.

Progress: Footpaths and Associated Works 2021/22 has been designed and is close to going out to the open market upon finalisation of the available budget. Generally, the programme of works is based around Te Kuiti and stake holders will be consulted and informed once the contract works are awarded.

| Footpath Site | Notes | Q1 % Complete | Q2 % Complete | Q3 % Complete | YE % Complete |
|-------------------------------------|-----------------------|---------------|---------------|---------------|---------------|
| Waitomo Village and Mokau footpaths | Completed (\$177,000) | 100% | | | |
| Te Kuiti | Designed | | | | |
| Piopio | Under design | | | | |

| Project Stage | Q1 | Q2 | Q3 | Q4 |
|---------------|--|--|----|----|
| | Delivering  | Delivering  | | |

Start date: July 2021
End date: June 2022



Minor Improvements Local Roads

Programme: This programme of works includes projects that are considered to be low cost, low risk (LCLR) capital works. A number of projects are considered to fall within this category.

Improvements can be made to any of the roading assets (drainage, footpaths etc.) and are not restricted to only the carriageway.

Taharoa Road Drainage (LCLR)

Project Summary: There are various resilience sites that have been brought forward into year one under minor improvements, these include Oparure Road and Te Waitere Road. These are currently in the investigation and design phase and predicted construction timing of March April 2022.

| Project Stage | Q1 | Q2 | Q3 | Q4 |
|---------------|--|--|----|----|
| | Planning  | Planning  | | |

Unsealed Road Metalling

Programme Summary: This programme of works is a seasonal activity and is best completed when there is more moisture in the air and on the ground. There are four primary methods of maintenance for our unsealed networks, three have been utilised:

1. Maintenance grading is where the existing formation is graded, shaped, and compacted; no new aggregate is imported to site.
2. Maintenance metalling is where the existing formation is graded, new material (GAP30) is imported to site and overlaid in increments of approximately 50mm thickness. The purpose of this treatment type is to improve the wearing coarse and minor structural improvements.
3. Structural maintenance is where the existing formation receives a hard cut (Grade), isolated areas of failures are removed and a structural layer of GAP65 is imported, graded, and shaped to improve the structural integrity of the unsealed network. Given the unsealed network is in reasonable condition, this treatment is undertaken less frequently.

Progress: To date, circa 6.7% of the unsealed network has undergone maintenance grading and/or structural improvement. The approximate distance treated is tabled below:

| Treatment | Q1 km | Q2 km | Q3 km | YE km |
|------------------------|-------|-------|-------|-------|
| Maintenance grading | 210 | 243 | | |
| Maintenance metaling | 37 | 34 | | |
| Structural maintenance | 0.4 | 0.2 | | |

BAU | Ongoing 

Te Ara Tika

Project Summary: Replacement of the pedestrian overbridge in Te Kuiti.

Progress: Completion of the new pedestrian overbridge replacing the previous bridge across the rail corridor at Te Kuiti is due for completion by the end of January 2022.

Construction of the new precast concrete bridge beams was coordinated with the construction of a new basketball half-court alongside the existing skatepark, landscaping, picnic areas and a small carpark. The former commenced on 17 July 2021, with the two large beams across the main span and the ramps on the Rora Street side installed by 19 July 2021. The remaining ramps forming the spiral section were installed by 10 August 2021.

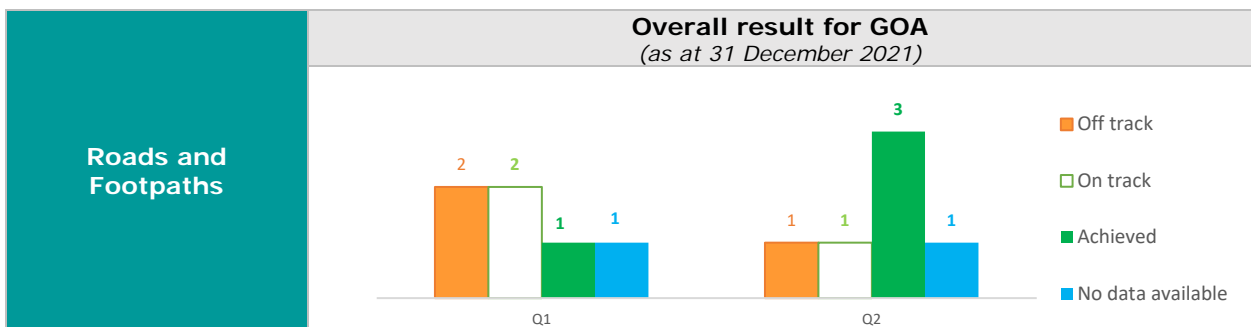
Landscaping work has since been completed with the bridge opened for public use on 20 November 2021. The cultural elements have since added to the structure, earlier delayed due to the extended Covid lockdown in Auckland, preventing access to the site by the specialist subcontractor. Basketball court painting and remaining architecture is scheduled for completion in January 2022.







Overall project completion is tracking for completion by January 2022, the construction contract will then move to the defects maintenance period.







Project Stage:

| Project Stage | Q1 | Q2 | Q3 | Q4 |
|---------------|--|--|----|----|
| | Delivering  | Delivering  | | |

SERVICE PERFORMANCE MEASURES



| You can expect | Measure | Q1 | Q2 | Target/Result | Commentary |
|---|---|---|---|---|---|
| We are working towards a safe network with a vision of a decreasing trend of deaths and serious injuries on Waitomo District roads within ten years. We aim to achieve this by delivering projects that are focused on maintaining, upgrading, or changing the conditions of the roading environment to keep our community safe | The change from the previous financial year in the number of fatalities and serious injury crashes on Waitomo District's local road network. |  |  | <p>Target: 1 (or maintain at 0)</p> <p>Result: Serious Injury crashes YTD: 0 Fatal crashes YTD: 0 Change in serious injury: 0 Change in fatality: 0</p> | <p>During quarter two of 2021/22 there has been no fatalities or serious crashes. (1 non-injury and 2 minor) In comparison to quarter two of 2020/21 there was 1 serious crash, 11 non-injury, 8 minor. This KPI is compliant for Q2 2021/22.</p> <p>Year to date, 2021/22 zero fatalities and zero serious, compared to 2020/21 where there was 1 fatal and 5 serious crashes.</p> |
| We aim for a smooth road that provides comfort for road users and improves the safety of the roads. * NAASRA is a generally acceptable measure of road roughness. A NAASRA count of less than 150 indicates an acceptable level of ride comfort. | The average smooth travel exposure rating across the sealed road network. (Percentage of measured sealed road lane kilometres not exceeding a NAASRA* roughness count rating of 150 to be at least 90%.) |  |  | <p>Target: 90% (of total)</p> <p>Result: 90.0%</p> | This is due to be remeasured in 2022. |
| We will maintain the overall condition of the unsealed roads to a specified adequate standard. | Percentage of unsealed road metaled each year. |  |  | <p>Target: 10% (of total)</p> <p>Result: 13%</p> | As of the end of Quarter two 2021/22, 13% of the network has received maintenance aggregates for structural improvements. Q1 6.7% and Q2 6.3%. |

| You can expect | Measure | Q1 | Q2 | Target/Result | Commentary |
|---|---|---|---|---|--|
| We will maintain the road network by resealing it as needed. Resurfacing is only undertaken as required depending on the condition of the surface in that financial year. | The percentage of Waitomo District's sealed local road network that is resurfaced each year. |  |  | Target: 7% (of total) Result: 6% | The expected length of resurfacing this year is 27.7km which will be a percentage of 6% which will meet network need. Due to the above average road width this is slightly below the 7% target. 8.63km has been sealed this quarter. |
| We will provide footpaths that are well maintained. The measure is the percentage of footpaths that meet the service level | The percentage of footpath network that falls within a condition rating of 3. |  |  | Target: 90% Result: 94% | Condition rating of footpaths is undertaken every 3 years, with the next assessment due to be undertaken in 2021. Given the COVID-19 restrictions it is likely this won't occur until 2022. |
| We will investigate and respond to the customer about their request for service relating to road and footpath issues. | The percentage of customer service requests relating to roads and foot paths responded to within 10 working days. |  |  | Target: 80% Result: 86% | Q2 has compliance rate of 90% bringing YTD compliance to 86% Review of Q1 results, the compliance rate has been raised retrospectively for Q1. Q1 now has compliance rate of 80%, YTD over 10 days: 22 YTD under 10 days: 168 |

FINANCIAL UPDATE

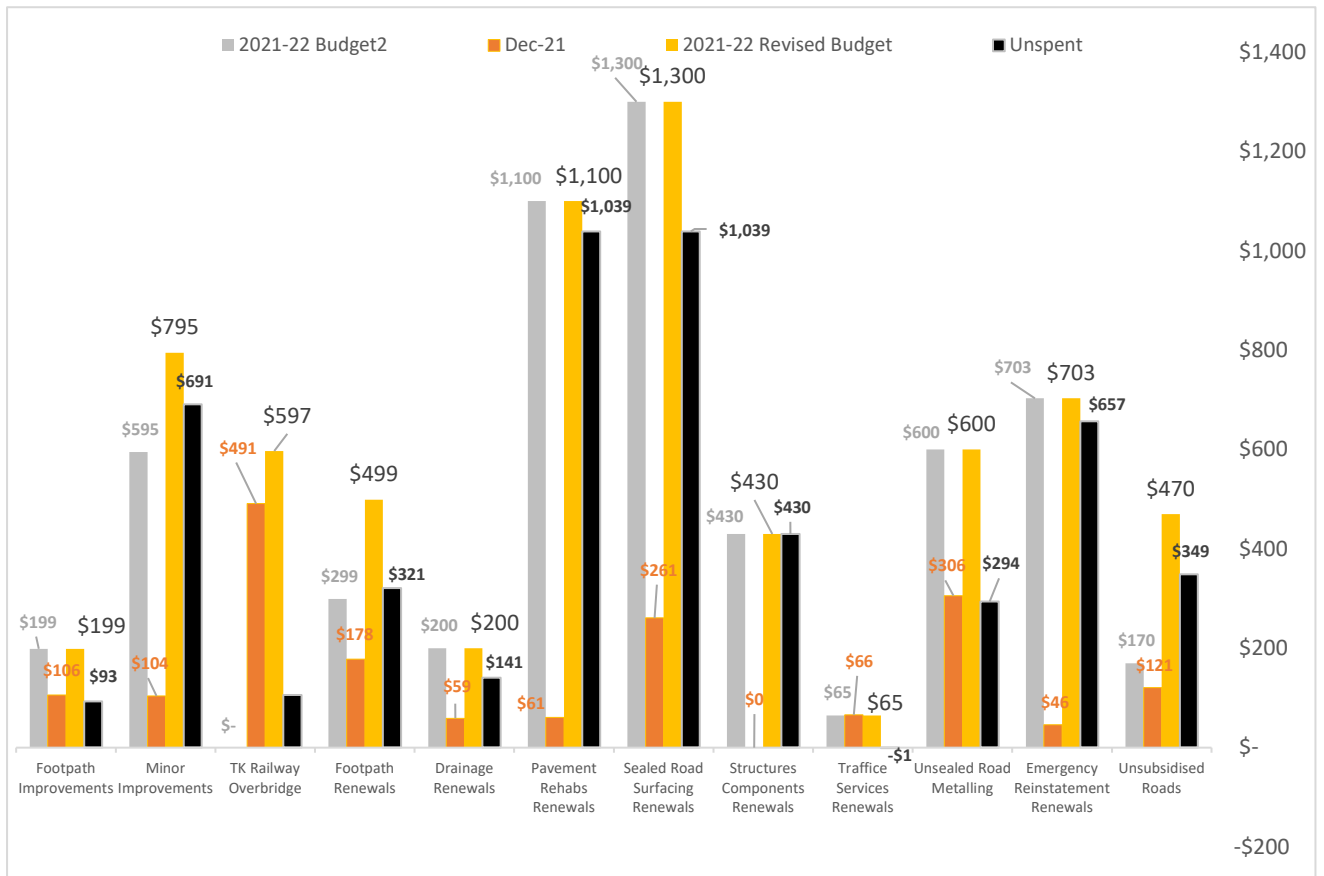
| ROADS AND FOOTPATHS \$000's | Actual 2020/21 | EAP Budget | Revised Budget | YTD Actual | YTD EAP Budget | Var to YTD EAP Budget | %Var and Note Ref |
|------------------------------------|-------------------|-----------------|-------------------|----------------|----------------------|--------------------------------|----------------------------|
| Revenue | | | | | | | |
| Rates | (5,215) | (4,346) | (4,346) | (2,172) | (2,173) | 1 | |
| Subsidies and Grants | (10,036) | (9,233) | (9,233) | (3,668) | (4,617) | 949 | A |
| Interest Revenue | 0 | 0 | 0 | 0 | 0 | 0 | |
| Fees and Charges | (180) | (125) | (125) | (84) | (63) | (21) | B |
| Other Revenue incl Gains/Losses | (149) | (100) | (100) | (62) | (50) | (12) | C |
| Total Revenue | (15,580) | (13,804) | (13,804) | (5,986) | (6,903) | 917 | -13% |
| Operating Expenditure | | | | | | | |
| Other Expenditure | 6,552 | 7,165 | 7,165 | 3,357 | 3,421 | (64) | D |
| Depreciation | 3,327 | 3,447 | 3,447 | 1,701 | 1,723 | (22) | E |
| Finance Costs | 384 | 311 | 311 | 146 | 155 | (9) | |
| Total Operating Expenditure | 10,263 | 10,923 | 10,923 | 5,204 | 5,299 | (95) | -2% |
| Net (Surplus)/Deficit | (5,317) | (2,881) | (2,881) | (782) | (1,604) | 822 | -51% |

Variance comments:

- A Subsidy revenue is based on both maintenance and capital expenditure and for most work categories the subsidy rate is 75%. As both operational and capital expenditures were less than budget, the subsidy associated was also less than budget.
- B Sundry revenue was more than forecast for heavy vehicle permits and contributions towards vegetation and tree removal.
- C Petroleum tax proceeds were more than forecast for the period.
- D Traffic service maintenance, routine drainage maintenance and structures maintenance costs were less than budget for the period. This was partly offset by increased expenditure for unsealed pavement maintenance and environmental maintenance.
- E Depreciation was less than forecast. At the time the budgets were prepared, a higher level of capital expenditure was expected to be completed in 2020/21 year. The prior year's capital expenditure programme completion was impacted by available internal capacity which delayed programme delivery and was further compounded by the pandemic response.

CAPITAL EXPENDITURE

000's



Total expenditure at 31 December 2021 was \$1,799,000 against a revised budget (including carryovers) of \$6.959 million. Refer to projects and programme updates section for progress on key capital projects.

CONFIDENTIAL

TREASURY REPORT

FOR



FOR THE QUARTER ENDED 31 DECEMBER 2021



BANCORP

BANCORP TREASURY SERVICES LIMITED

AUCKLAND • WELLINGTON • CHRISTCHURCH

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1. MARKET ENVIRONMENT

1.1 GLOBAL MARKETS OVERVIEW (FOR THE DECEMBER 2021 QUARTER)

Although the impact of COVID-19 and the new Omicron variant is still significant as we start 2022, financial market focus has shifted to the ongoing inflationary pressures being felt, the removal of monetary stimulus in a number of jurisdictions to counter this, and the impact that the realignment of China's economic goals (and its zero COVID-19 policy) could have on global growth.

Bond rates were up globally over 2021 which has carried through into the beginning of 2022. At the beginning of 2021 the US 10-year Treasury bond yield was trading at 0.92%, on 31 December it was at 1.52%. While most central banks focused on decreasing stimulus by winding down their bond buying programmes, the Reserve Bank of New Zealand (+0.50%) and the Bank of England (+0.15%) hiked their cash rates and implied more hikes over 2022. The US Federal Reserve and the Bank of Canada have indicated that rates will be going up some time in 2022, and the Reserve Bank of Australia has dropped its assertion that there will be no hikes until late 2023. The European Central Bank is now talking about winding down its bond buying programme but, after 20+ years of below target (mainly negative) inflation, the Bank of Japan sees no change to its current monetary settings for the foreseeable future.

Despite the prospect of higher interest rates, most equity markets had another solid year with near zero cash rates in the major economies giving solid support. However, residential housing markets were the star performer in most jurisdictions, supported by low mortgage rates, while closed borders saw tight labour markets push wages higher in many places. According to Knight Frank International's 2021 Q3 survey (released late December), of the 56 countries surveyed, annual house prices fell in only two places: Morocco, and Malaysia. Turkey was number one with +35.5% growth for the 12-months reviewed, with South Korea next at +26.4% and New Zealand third at +21.9%. In Australia prices were up 18.9%, in the US they increased by 18.7%, and in the UK, they were up 11.8%. They were even up in Japan (by 8.9%) although China posted gains of 'only' 3.2% as the impact of the Government's 'common prosperity' goal impacted on property speculation. Knight Frank did note however that the annual rate of price increases moderated in Q3 2021, with this trend expected to continue over Q4 and into 2022.

Looking ahead the World Bank slashed its global growth forecast to 4.1% in 2022 and 3.2% in 2023 as nations start to unwind the unprecedented levels of fiscal and monetary policy support that prevailed through COVID as the sharp rise in inflation, debt and income inequality jeopardises the global recovery. Also, Goldman Sachs lowered its growth projections for China from 4.8% to 4.3% based on the expectation of increased restrictions on business activity to contain COVID-19.



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

| | OCR | 90 day | 2 years | 3 years | 5 years | 7 years | 10 years |
|-------------------|--------|--------|---------|---------|---------|---------|----------|
| 30 September 2021 | 0.25% | 0.60% | 1.43% | 1.63% | 1.87% | 2.04% | 2.26% |
| 31 December 2021 | 0.75% | 0.92% | 2.17% | 2.42% | 2.55% | 2.60% | 2.64% |
| Change | +0.50% | +0.32% | +0.74% | +0.79% | +0.68% | +0.56% | +0.38% |

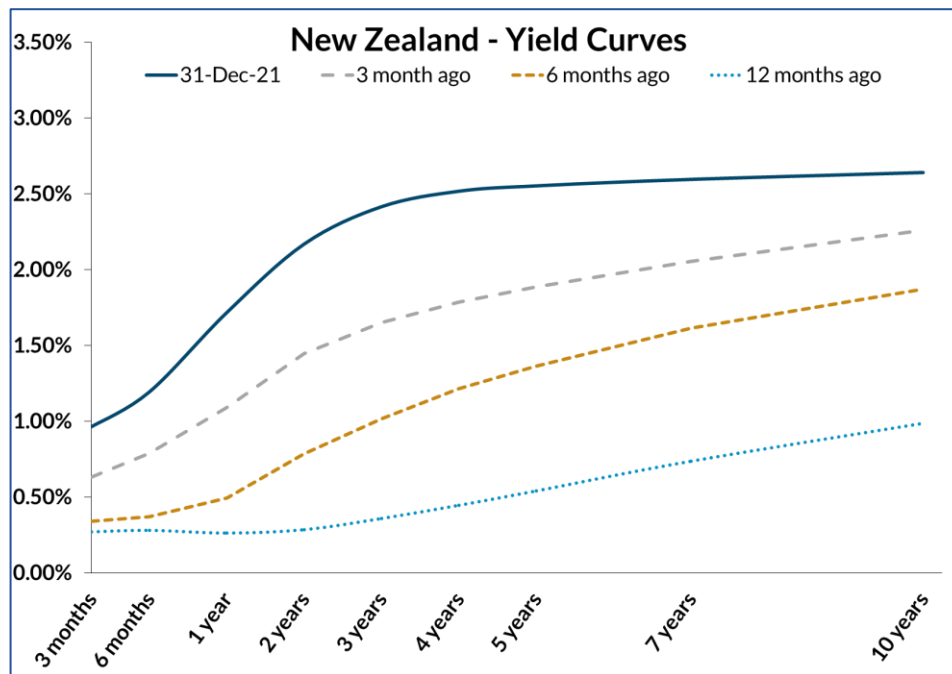
Data released during the fourth quarter showed that the New Zealand economy contracted -3.7% in the September quarter but increased +4.9% for the year as the COVID-19 induced lockdown that commenced in mid-August had a significant effect on economic activity. However, the unemployment rate fell to a record equalling low of 3.4% in the September quarter while inflation climbed sharply, increasing by 2.2% in the September quarter and 4.9% for the year ending 30 September. Retail sales declined by a seasonally adjusted -7.0% in the September quarter which came as no surprise given the lockdown and the major impact it has on consumer spending.

Despite the surge in COVID-19 Omicron cases around the world, the focus for interest rate markets is squarely on increases in global inflation levels and how 'transitory' current supply chain pressures may be. This is seeing an end to quantitative easing and/or rate hikes priced in throughout the OECD. Domestic financial market pricing has a projected cash rate of 2.25% by the end of 2022, with this quantum of hikes reflected in current swap rates. The 3-year swap rate is up 2.06% from its level of 31 December 2020 whereas the cash rate is 'only' up 0.50%. However, given that financial markets are forward looking, there would need to be a more aggressive tightening cycle factored in to see swap rates out to 5-years increase much more, although longer-term rates are influenced by US bond rate moves and, if the US10-year rate continues to move higher, then the local curve could steepen.

On balance it appears that interest rate markets have priced in a lot of good news, and it appears that the current 2.75% to 3.00% peak for the OCR priced in for this tightening cycle being the best (worst) case scenario, depending on if you are a borrower or a lender. It may transpire that any significant surprises are to the downside, given the uncertain global outlook, but it is clear that the OCR will go higher this year - the question is, by how much.

Looking ahead, the economy in 2022 could look quite different to the artificially positive economic outcomes of 2020 and 2021 where massive monetary and fiscal stimulus drove up asset prices and underpinned consumer spending. Interest rates are set to rise higher and bank lending has tightened which will hamstring consumer and business sentiment. Our expectation remains for domestic economic data to print softer over coming months which could see a slower interest rate hiking cycle than the market is currently pricing. The chart on the following page shows the changes in the shape of the New Zealand yield curve over the past 12 months and highlights the significant increase in rates, that has occurred.





1.3 LOCAL AUTHORITY SECTOR

Listed in the table below are the credit spreads and interest rates as at 18 January (these were not published at the end of December) for Commercial Paper (“CP”), Floating Rate Notes (“FRN”) and Fixed Rate Bonds (“FRB”), at which Waitomo District Council (“WDC”) could source debt from the Local Government Funding Agency (“LGFA”).

| Maturity | Margin | FRN (or CP) Rate | FRB |
|------------|--------|------------------|-------|
| 3 month CP | 0.20% | 1.19% | N/A |
| 6 month CP | 0.20% | 1.48% | N/A |
| April 2022 | 0.37% | 1.42% | 1.46% |
| April 2023 | 0.38% | 1.43% | 2.30% |
| April 2024 | 0.39% | 1.44% | 2.69% |
| April 2025 | 0.42% | 1.47% | 2.94% |
| April 2026 | 0.47% | 1.52% | 3.07% |
| April 2027 | 0.54% | 1.59% | 3.17% |
| May 2028 | 0.60% | 1.65% | 3.29% |
| April 2029 | 0.64% | 1.69% | 3.36% |
| May 2031 | 0.71% | 1.76% | 3.45% |
| April 2033 | 0.81% | 1.86% | 3.60% |
| May-2035 | 0.89% | 1.94% | 3.74% |
| April 2037 | 0.93% | 1.99% | 3.82% |

Margins for LGFA debt were little changed over the December quarter, however the rise in the underlying 90-day bank bill rate over the quarter pushed the yields for CP and FRNs higher. The yields for FRBs increased significantly in line with the increase in the underlying swap rates. For example, the April 2026 bond yield rose from 2.37% to 3.07% and the May 2031 yield from 2.84% to 3.45%.

2. DEBT AND HEDGING

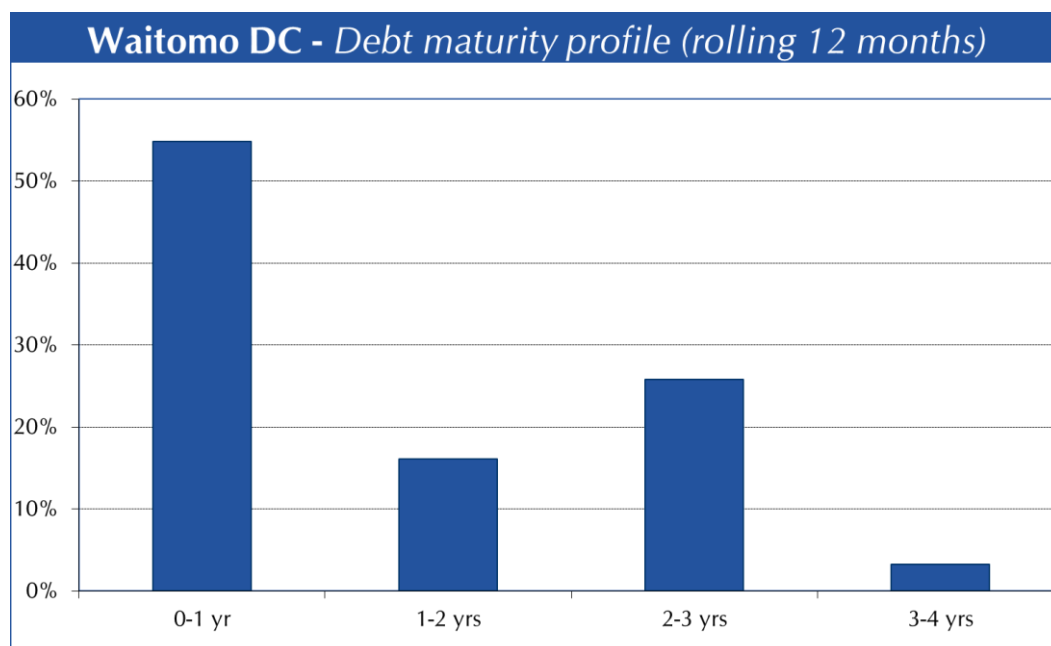
2.1 DEBT

As at 31 December 2021, WDC had \$31.0 million of external debt, down from \$34 million at the end of September. All of WDC's debt was sourced from the LGFA through a combination of CP, FRNs and one FRB.

WDC also has a Westpac Bank Multi Option Credit Line Facility for \$10.0 million that matures on 1 July 2022, has an annual line fee of 0.35% and a margin of 0.90%. As at 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 | 13-May-21 | 15-Feb 22 | 20 bps | 1.04% | \$3,000,000 |
| LGFA FRN | 18-Jul-18 | 18-Apr-22 | 60 bps | 1.29% | \$5,000,000 |
| LGFA CP | 10-Nov-21 | 10-May-22 | 20 bps | 1.24% | \$4,000,000 |
| LGFA FRN | 28-Jun-19 | 30-Aug-22 | 59.5 bps | 1.40% | \$5,000,000 |
| LGFA FRN | 19-Jun-17 | 24-Apr-23 | 64 bps | 1.38% | \$5,000,000 |
| LGFA FRN | 19-Jun-17 | 18-Apr-24 | 65.5 bps | 1.345% | \$3,000,000 |
| LGFA FRN | 10-Sep-20 | 11-Sep-24 | 69 bps | 1.575% | \$5,000,000 |
| LGFA FRB | 19-Jun-17 | 19-Apr-25 | 71 bps | 3.68% | \$1,000,000 |
| | | | TOTAL | | \$31,000,000 |

The maturity profile of WDC's drawn debt as at 31 December based on a rolling 12 month basis is depicted in the following chart.



Section 7.2 of WDC's Liability Management Policy ("LMP") states that "to avoid a concentration of debt maturity dates Council will, where practicable, aim to have no more than 33% of debt

subject to refinancing in any 12 month period." As at 31 December, WDC was not complying with this guideline. As it is only a guideline it is not considered to be a policy breach. The funding maturity profile will be smoothed out in April and May 2022 when maturing debt is (presumably) rolled over to longer dated maturities which will result in the guideline being adhered to.

2.2 HEDGING

As at 31 December, WDC had four interest rate swaps ("swaps") which convert a portion of the floating interest rate exposures into fixed interest rate exposures. Details of the swaps are contained in the table below:

| Start Date | Maturity Date | Rate | Amount | Market Value |
|-----------------------------------|---------------|--------|-------------------|--------------------|
| 18-Apr-2017 | 18-Apr-2023 | 3.950% | 3,000,000 | (\$99,917) |
| 24-Jan-2017 | 24-Jan-2024 | 3.840% | 5,000,000 | (\$197,667) |
| 20-Apr-2020 | 20-Apr-2025 | 3.930% | 5,000,000 | (\$269,931) |
| 11-Sep-2020 | 11-Sep-2026 | 2.890% | 5,000,000 | (\$85,946) |
| Total current swap hedging | | | <u>18,000,000</u> | <u>(\$653,460)</u> |

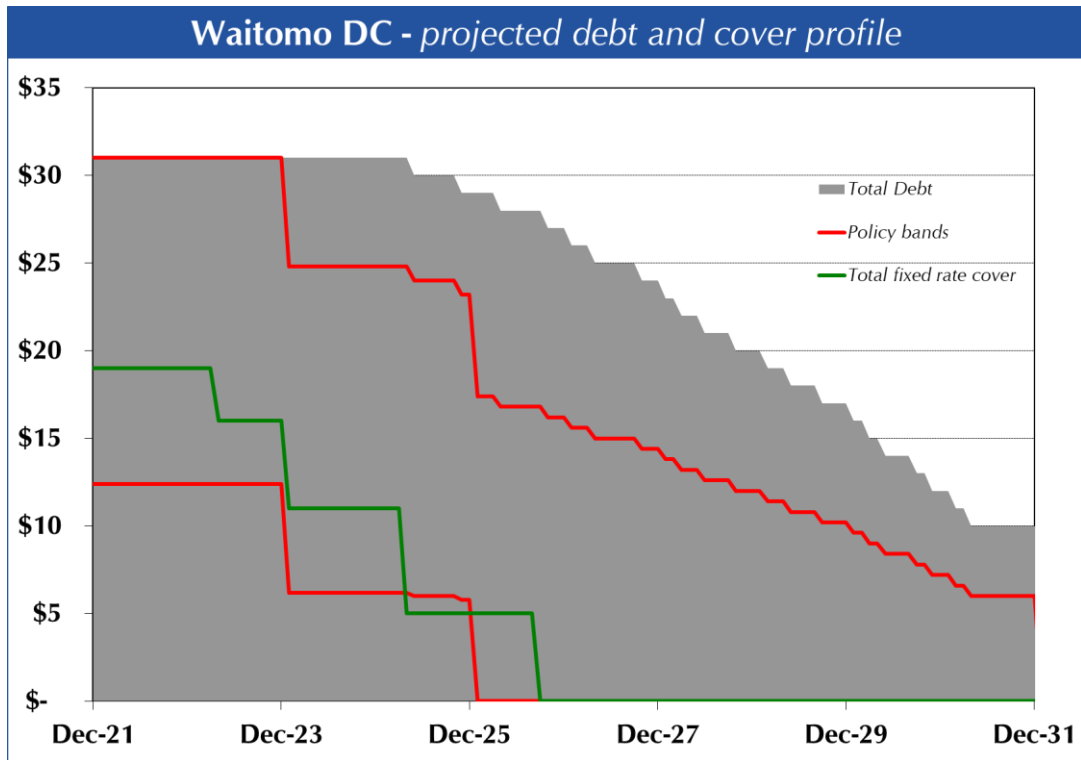
The 'marked to market' valuation on the swap portfolio improved noticeably since the last report, from a loss of \$1,114,045 at the end of September, to a loss of \$653,460 at the end of December. This improvement was due to the continued (and sharp) increase in interest rates that occurred during the December quarter.

2.3 DEBT AND HEDGING PROFILE

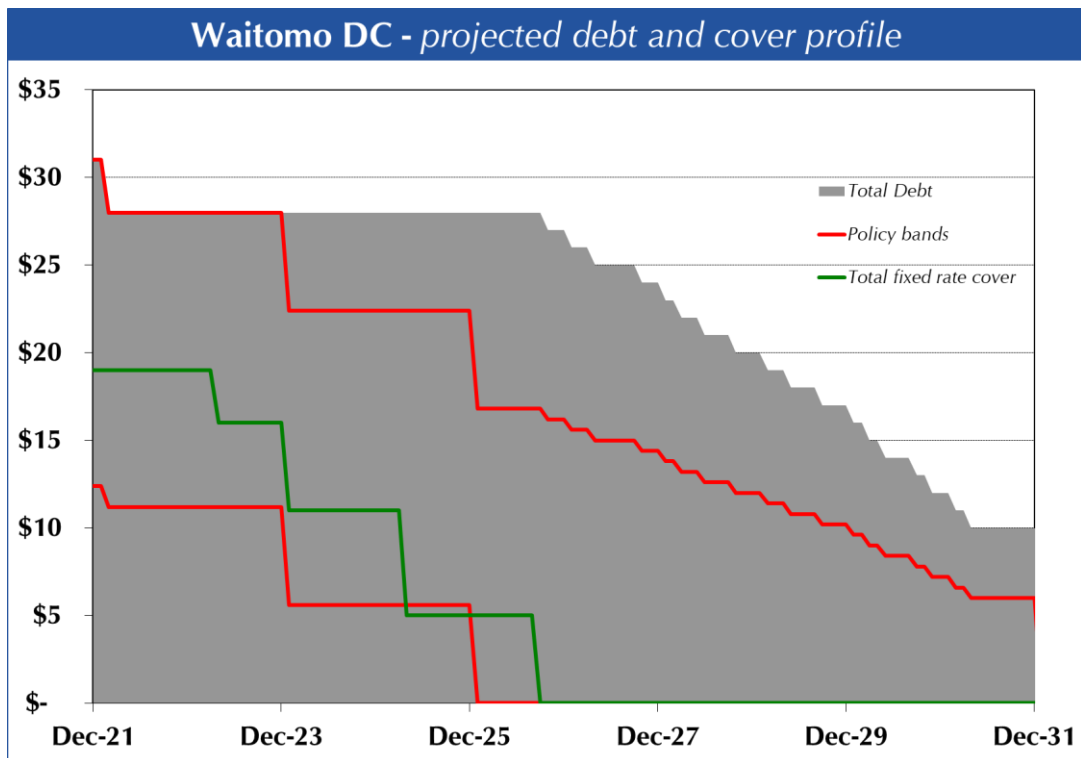
WDC manages the interest rate risk on its debt under the amended fixed rate hedging parameters detailed in the following table.

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

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

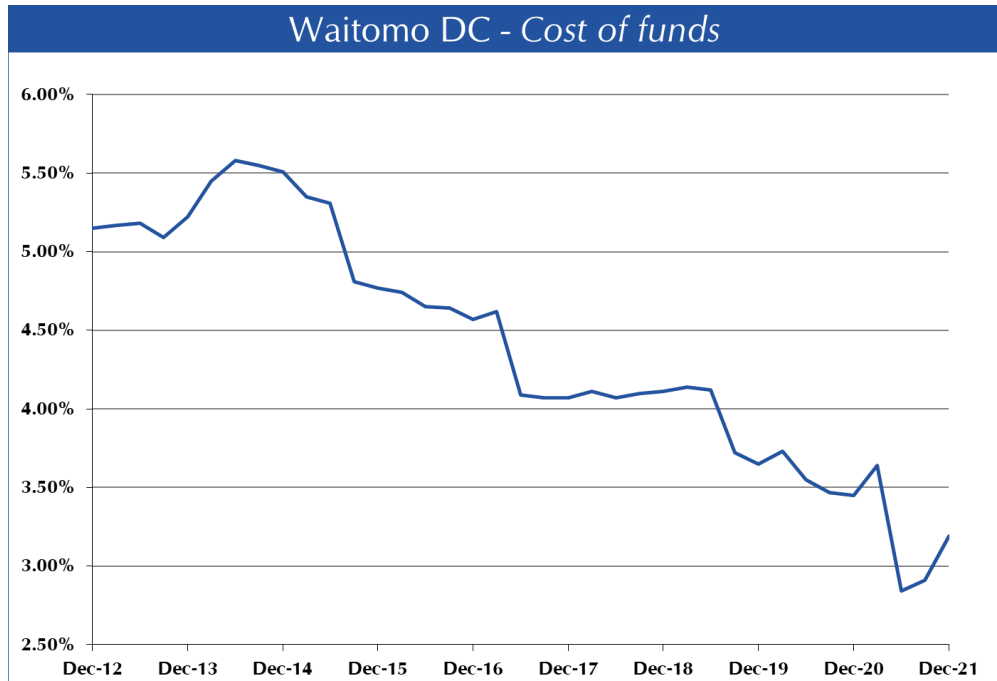


The graph indicates that, as at 31 December, WDC had a very minor policy breach, from April 2025 to December 2025 when it is under-covered by \$1.0 million. WDC has indicated that the debt may decline to \$28.0 million in February 2022 when the CP for \$3.0 million matures and is not refinanced due to the current liquidity holdings (cash and term deposits) of \$6.0 million. The debt profile with this reduction in debt is depicted in the following graph which still shows a very minor policy breach.



The intention is to rectify the policy breach in April or May 2022 when maturing floating rate debt will be converted into a fixed rate with the LGFA.

As at 31 December, WDC's cost of funds, including the line fee on the committed Westpac facility, was 3.19%, up from 2.91% at the end of September. WDC's cost of funds is noticeably lower than many other local authorities, 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 2021

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

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