

WAITOMO DISTRICT COUNCIL
AUDIT AND RISK COMMITTEE

MINUTES OF A MEETING OF THE WAITOMO DISTRICT COUNCIL AUDIT AND RISK COMMITTEE HELD IN THE COUNCIL CHAMBERS, QUEEN STREET, TE KUITI ON WEDNESDAY 22 FEBRUARY 2023 AT 9.00AM

PRESENT: Independent Chairperson Bruce Robertson; Deputy Mayor Allan Goddard, Councillor Gavin Todd; Councillor Janene New and Councillor Janette Osborne

IN ATTENDANCE: Chief Executive, Ben Smit; Manager – Governance Support, Michelle Higgle; Chief Financial Officer, Tina Hitchen; Senior Accountant, Wayne La Roche; General Manager – Community Services, Helen Beever; General Manager – Infrastructure Services, Shyamal Ram; Manager – Strategy and Policy, Charmaine Ellery and Senior Strategy and Policy Advisor, Alice Tasker

1. Apology

Resolution

The apology from Mayor John Robertson be received and leave of absence granted.

B Robertson/Todd Carried

2. Declaration of Member Conflicts of Interest

No declarations made

3. Confirmation of Minutes – 22 February 2023

Resolution

The Minutes of the Waitomo District Council Audit and Risk Committee meeting held on 22 February 2023 be confirmed as a true and correct record.

B Robertson/New Carried

4. Mastercard Expenditure Report (February 2023 to June 2023)

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

The Manager – Governance Support and Chief Executive expanded verbally and answered members questions.

Resolution

The Mastercard Expenditure Report for the period (February 2023 to June 2023) be received.

B Robertson/Goddard Carried

5. Riskpool – Update on Winding Up

The Committee considered a business paper providing a brief on the winding up of Riskpool

The Chief Financial Officer expanded verbally on the business paper and answered Members' questions.

Resolution

The business paper on Riskpool – Update on Winding Up be received.

Osborne/New Carried

6. Treasury Report for the period ended 30 June 2023

The Committee considered a business paper providing an update on Waitomo District Council's debt position and compliance with borrowing limits for the period ending 30 June 2023.

The Chief Financial Officer expanded verbally on the business paper and answered Members' questions.

Resolution

1 The business paper on Treasury Management Report for period ended 30 June 2023 be received.

2 The Committee noted the possible breach in 2026/27 of the interest rate cover and recognises the Committee's acceptance of the position pending the Three Waters outcome.

B Robertson/Osborne Carried

The Chief Financial Officer and Senior Accountant left the meeting at 9.27am

The General Manager – Community Services, General Manager – Infrastructure Services, Manager – Strategy and Policy and Senior Strategy and Policy Advisor entered the meeting at 9.27am

7. Progress Report: Key Performance Indicators - period ended 30 June 2023

The Committee considered a business paper presenting Waitomo District Council's delivery performance on non-financials for the 2022/23 financial year ending 30 June 2023.

The Chief Executive, General Managers and Manager – Strategy and Policy expanded verbally on the business paper and answered Members' questions.

The Independent Chairperson noted, using Water Supply as an example, that response times need to be addressed. The Committee noted that Council will be reviewing the Key Performance Measures as part of the 2024-2034 Long Term Plan development process.

Resolution

The Progress Report: Key Performance Indicators for the period ended 30 June 2023 be received.

B Robertson/Goddard Carried

The Manager – Strategy and Policy and Senior Strategy and Policy Advisor left the meeting at 9.58am

8. Progress Report: Health and Safety
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The Committee considered a business paper providing a brief on Waitomo District Council's health and safety performance during the 2022/23 year.

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

Cr Osborne suggested that the number of identified hazards for each WDC work site be included in the quarterly reporting.

The Committee noted that the aim is to have another year of self-assessment and then get an external independent assessment completed.

Resolution

The Progress Report: Health and Safety be received.

New/Goddard Carried

The General Manager – Community Services left the meeting at 10.09am.

9. Progress Report: Procurement Summary Schedule (January 2023 – June 2023)
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The Committee considered a business paper presenting a summary of the procurements made in the period January to June 2023 in accordance with Waitomo District Council's Procurement Policy.

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

Resolution

The Progress Report: Procurement Summary Schedule (January 2023 - June 2023) be received.

B Robertson/New Carried

10. Progress Report: WDC Resource Consents – Compliance Monitoring

The Committee considered a business paper providing a brief on compliance reporting against Resource Consent conditions, due during the third and fourth quarters of 2022/23.

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

The Committee noted the very good working relationship Waitomo District Council has with Waikato Regional Council and the results in achieving compliance with resource consent conditions.

Resolution

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

Todd/B Robertson Carried

There being no further business the meeting closed at 10.20am.

Dated this day of 2023

BRUCE ROBERTSON
INDEPENDENT CHAIRPERSON

Document No: A693050

Report To: Audit and Risk Committee



Meeting Date: 17 October 2023
Subject: **Mastercard Expenditure Report
 July/August 2023**
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 summary of the Policy is as follows:

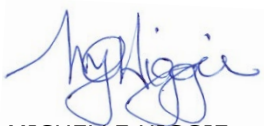
- Provides guidance on the use of a WDC Corporate Credit Card
- Limits approval of the issue of any credit card to the Chief Executive
- Requires a bi-annual review of both Cardholders and the Policy
- Details what is valid expenditure and what is not
- Makes an allowance for exceptional circumstances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

2.10 **Presentation of Expenditure Details**

- 2.11 Copies of the monthly "Mastercard Statement Authorisation Forms" are presented to each Audit and Risk Committee Meeting.
- 2.12 Copies of the supporting invoices/receipts are not 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.
- 2.13 The publishing of credit card expenditure in Committee Agendas has also reduced requests made under the Local Government Official Information and Meetings Act for this information.

Suggested Resolution

The Mastercard Expenditure Report for the period July/August 2023 be received.



MICHELLE HIGGIE

MANAGER – GOVERNANCE SUPPORT

Attachments: Mastercard Authorisation Forms: July/August 2023



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CONSOLIDATED STATEMENTTAX INVOICE
GST NO. 93 259 688

27 July 2023

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: **\$20,000.00**
Total Cardholder Net Balance: **\$4,796.62**
Total Interest and Fees: **\$0.00**Statement period: **28/06/2023 to 27/07/2023****Consolidated summary**

CARDHOLDER NAME	ACCOUNT NUMBER	LIMIT \$	BALANCE \$
Ms M D Higgle	0030 2936 5933	10,000	2,724.34
Mr A M Bell	0030 6627 0319	5,000	1,478.28
Mr S C Ram	0030 6674 8769	5,000	594.00
TOTALS		\$20,000	\$4,796.62

Direct Debit payment

We advise that \$4,796.62 will be directly charged to your account 03-0449-0070201-00 on 20 August 2023, please note this transaction for your records.

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

7 Mastercard Statement Authorisation Form

Name:	Michelle Higgle
Position:	Manager – Governance Support
Statement Date:	27 / 07 / 23


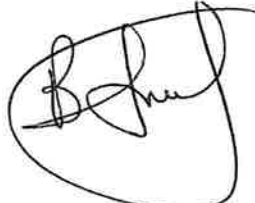

(1)	Creditor:	BP 2GP Te Kuiti
	Date:	28 June 2023
	Amount:	\$200.00
	GL Code:	111 40 551
	Expenditure:	Fuel Vouchers for Mayor's TUIA Rangatahi Representatives travel expenses to the third wananga Tuia I Waho in Christchurch.

(2)	Creditor:	BP 2GP Te Kuiti
	Date:	28 June 2023
	Amount:	\$200.00
	GL Code:	111 40 551
	Expenditure:	Fuel Vouchers for Mayor's TUIA Rangatahi Representatives travel expenses to the third wananga Tuia I Waho in Christchurch.

(3)	Creditor:	Air New Zealand
	Date:	28 June 2023
	Amount:	\$533.60
	GL Code:	111 42 712
	Expenditure:	Return Airfares (Auckland-Christchurch return) Mayor attendance at LGNZ Rural and Provincial Sector Meeting in Wellington on 2 and 3 March 2023

(4)	Creditor:	Air New Zealand
	Date:	28 June 2023
	Amount:	-\$501.60
	GL Code:	111 42 712
	Expenditure:	Refund of Cancelled Return Airfares (Hamilton-Christchurch return) - Mayor attendance at LGNZ Rural and Provincial Sector Meeting in Wellington on 2 and 3 March 2023

(5)	Creditor:	Waka Kotahi NZ Transport Agency
	Date:	30 June 2023
		\$749.40.00 (breakdown as follows)
	Amount:	\$249.80
	GL Code:	820 27 773
	Expenditure:	5,000km RUC for WDC Fleet Vehicle (Rego NKG330) - Water Services
	Amount:	\$249.80
	GL Code:	820 27 743
	Expenditure:	5,000KM RUC for WDC Fleet Vehicle (Rego LHC173) - Building Team
	Amount:	\$249.80
	GL Code:	82027753
	Expenditure:	5,000KM RUC for WDC Fleet Vehicle (Rego MGA225) - Parks and Reserves

(6) Creditor: Waka Kotahi NZ Transport Agency		
Date: 6 July 2023		
Amount: \$384.80		
GL Code: 820 27 772		
Expenditure: 5,000KM RUC for WDC Fleet Vehicle (Rego NHZ59) - Roading Engineer		
(7) Creditor: Waka Kotahi NZ Transport Agency		
Date: 6 July 2023		
Amount: \$8.70		
GL Code: 820 27 748		
Expenditure: Toll Road Charge (Takitimu Drive, Tauranga on Tuesday 30 May 2023) WDC Fleet Vehicle (Rego LPS822) Parks and Reserves		
(8) Creditor: Air New Zealand		
Date: 19 July 2023		
Amount: \$303.60		
GL Code: 817 38 700		
Expenditure: Return Airfares (Hamilton - Christchurch) WDC Librarian attendance at 2023 LIANZA Conference from 29/10/23 - 02/11/2023.		
(9) Creditor: Waka Kotahi NZ Transport Agency		
Date: 21 July 2023		
Amount: \$384.80		
GL Code: 82027777		
Expenditure: 5,000KM RUC for WDC Fleet Vehicle (Rego NLD334) - Water Services		
(10) Creditor: Distinction Hotel Christchurch		
Date: 26 July 2023		
Amount: \$461.04		
GL Code: 111 42 700		
Expenditure: Accommodation (2 Nights) - Chief Executive attendance at 2023 LGNZ Annual General Meeting and Conference in Christchurch (26 to 28 July 2023)		
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: 23/08/23	Date: 23/8/23	Date: 23/8/23



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CARDHOLDER STATEMENTTAX INVOICE
GST NO. 93 259 688

27 July 2023

Ms M D Higgle
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**

Opening Balance	\$3,106.34
Payments & Credits	\$3,607.94 CR
Purchases, Cash Advances, Charges & Interest	\$3,225.94
Closing Balance	\$2,724.34

Card number: **** * 9264
Account number: 0030 2936 5933
Statement period: 28/06/2023 to 27/07/2023
Credit limit: \$10,000.00**Transactions**

DATE	REFERENCE	DETAILS	AMOUNT \$
19 Jul 23	13900099000719999933340	Direct Debit Payment	3,106.34 CR
28 Jun 23	MT231800142000010064609	BP 2GO Te Kuiti Te Kuiti NZL	200.00
28 Jun 23	MT231800142000010064610	BP 2GO Te Kuiti Te Kuiti NZL	200.00
28 Jun 23	MT231800142000010237929	Air NZ Online Auckland NZL	533.60
29 Jun 23	MT231810142000010249053	Air NZ Online Auckland NZL	501.60 CR
30 Jun 23	MT231820140000010554585	NZ Transport Agency Palmerston No NZL	749.40
04 Jul 23	MT231860142000010463691	NZ Transport Agency Palmerston No NZL	384.80
06 Jul 23	MT231880140000010411354	NZ Transport Agency Palm Nth NZL	8.70
19 Jul 23	MT232010142000010234118	Air NZ Online Auckland NZL	303.60
21 Jul 23	MT232030140000010538087	NZ Transport Agency Palmerston No NZL	384.80
26 Jul 23	MT232080140000010377483	Distinction Chch Christchurch NZL	461.04

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Transactional information

Please retain copies of your receipts and proof of purchases to verify them against this statement, and retain your statement as a permanent record of transactions. If you would like to dispute a transaction, please contact us.

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10
Mastercard Statement Authorisation Form

Name: Alex Bell
Position: General Manager – Strategy and Environment
Statement Date: 27 / 07 / 23

(1) **Creditor:** Air New Zealand
Date: 18 July 2023
Amount: \$331.60
GL Code: 817 38 700
Expenditure: Return Airfares (Hamilton-Wellington) - GM Strategy and Environment attendance at Civil Defence Controllers Training Course

(2) **Creditor:** Expedia
Date: 18 July 2023
Amount: \$1,146.68
GL Code: 817 38 700
Expenditure: Accommodation (5 nights) - GM Strategy and Environment attendance at Civil Defence Controllers Training Course


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

Signature of
GM – Strategy and Environment



Date: 23/08/23

Authorised by
Chief Executive:



Date: 23/8/23



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CARDHOLDER STATEMENT

TAX INVOICE
GST NO. 93 259 688

27 July 2023

Mr A M Bell
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

Opening Balance	\$0.00
Payments & Credits	\$0.00
Purchases, Cash Advances, Charges & Interest	\$1,478.28
Closing Balance	\$1,478.28

Card number: **** * 9089
Account number: 0030 6627 0319
Statement period: 28/06/2023 to 27/07/2023
Credit limit: \$5,000.00

Transactions

DATE	REFERENCE	DETAILS	AMOUNT \$
18 Jul 23	MT231990267000010047990	Expedia 72610189977286 expedia.co.nz NZL	1,146.68
18 Jul 23	MT232000142000010215956	Air NZ Online Auckland NZL	331.60

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Transactional information

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Mastercard Statement Authorisation Form

Name: Shyamal Ram
Position: General Manager – Infrastructure Services
Statement Date: 27 / 07 / 23

(1) **Creditor:** Te Awamutu Copy Centre
Date: 21 July 2023
Amount: \$594.00
GL Code: 730 34 490
Expenditure: Printing of 270 x A3 Colour Consultation Booklets for the Speed Management Plan public consultation.

I certify that:

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

Signature of
GM – Infrastructure Services



Date: 23/08/23

Authorised by
Chief Executive:



Date: 23/8/23



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CARDHOLDER STATEMENTTAX INVOICE
GST NO. 93 259 688

27 July 2023

Mr S C Ram
Waitomo District Council
PO 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**

Opening Balance	\$377.86
Payments & Credits	\$377.86 CR
Purchases, Cash Advances, Charges & Interest	\$594.00
Closing Balance	\$594.00

Card number: **** * 4448
Account number: 0030 6674 8769
Statement period: 28/06/2023 to 27/07/2023
Credit limit: \$5,000.00**Transactions**

DATE	REFERENCE	DETAILS	AMOUNT \$
19 Jul 23	13900099000719995640990	Direct Debit Payment	377.86 CR
22 Jul 23	MT232050136000010195170	Te Awamutu Copy Centre Te Awamutu NZL	594.00

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Transactional information

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A68616414

CONSOLIDATED STATEMENT

TAX INVOICE
GST NO. 93 259 688

RECEIVED

01 SEP 2023

WAITOMO DISTRICT
COUNCIL

27 August 2023

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: **\$25,000.00**
Total Cardholder Net Balance: **\$4,083.59**
Total Interest and Fees: **\$0.00**

Statement period: **28/07/2023 to 27/08/2023**

Consolidated summary

CARDHOLDER NAME	ACCOUNT NUMBER	LIMIT \$	BALANCE \$
Ms M D Higgle	0030 2936 5933	10,000	3,163.59
Mrs H M Beaver	0030 3956 2081	5,000	197.75
Mr A M Bell	0030 6627 0319	5,000	48.65
Mr S C Ram	0030 6674 8769	5,000	673.60
TOTALS		\$25,000	\$4,083.59

Direct Debit payment

We advise that \$4,083.59 will be directly charged to your account 03-0449-0070201-00 on 20 September 2023, please note this transaction for your records.

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Mastercard Statement Authorisation Form 15

Name:	Michelle Higgin
Position:	Manager – Governance Support
Statement Date:	27 / 08 / 23

(1)	Creditor:	Waka Kotahi NZ Transport Agency
	Date:	27 July 2023
	Amount:	\$384.80
	GL Code:	82027748
	Expenditure:	5,000KM RUC for WDC Fleet Vehicle (Rego LPS823) - Parks and Reserves

(2)	Creditor:	Waka Kotahi NZ Transport Agency
	Date:	27 July 2023
	Amount:	\$384.80
	GL Code:	820 27 500
	Expenditure:	Duplication purchase made in error. Refunded 28 July 2023 (see below).

(3)	Creditor:	Waka Kotahi NZ Transport Agency
	Date:	28 July 2023
	Amount:	-\$384.80
	GL Code:	820 27 500
	Expenditure:	Refund of duplicate purchase made in error.

(4)	Creditor:	Distinction Christchurch
	Date:	28 July 2023
	Amount:	\$461.04
	GL Code:	111 42 700
	Expenditure:	Accommodation (2 Nights at \$226/night) - Mayor attendance at 2023 LGNZ Annual General Meeting and Conference in Christchurch (26 to 28 July 2023)

(5)	Creditor:	Waka Kotahi NZ Transport Agency
	Date:	31 July 2023
	Total Amount:	\$769.60 detailed as follows:
	Amount:	\$384.80
	GL Code:	820 27 744
	Expenditure:	5,000km RUC for WDC Fleet Vehicle (Rego LHY96) - Parks and Reserves
	Amount:	\$384.80
	GL Code:	820 27 776
	Expenditure:	5,000km RUC for WDC Fleet Vehicle (Rego NJS791) - Building Services

(6)	Creditor:	Waka Kotahi NZ Transport Agency
	Date:	4 August 2023
	Amount:	\$764.80
	GL Code:	820 27 793
	Expenditure:	10,000KM RUC for WDC Fleet Vehicle (Rego PFN109) - Water Services

(7) **Creditor:** Waka Kotahi NZ Transport Agency
Date: 15 August 2023
Amount: \$764.80
GL Code: 820 27 766
Expenditure: 10,000KM RUC for Fleet Vehicle KBU339 - Animal Control Officer

(8) **Creditor:** New World
Date: 22 August 2023
Amount: \$9.27
GL Code: 730 34 490 (Road to Zero)
Expenditure: Refreshments for Speed Management Drop-in Session

(9) **Creditor:** Vehicle Testing New Zealand
Date: 25 August 2023
Amount: \$9.28
GL Code: 82027805
Expenditure: Deregistered Mower A8MNA. No longer in fleet.

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: 27/9/23

**Authorised by
Chief Executive:**

Date: 27/9/23

**Authorised by
Mayor:**

Date: 27/9/23



CARDHOLDER STATEMENT

TAX INVOICE
GST NO. 93 259 688

27 August 2023

Ms M D Higgle
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

Opening Balance	\$2,724.34	
Payments & Credits	\$3,109.14	CR
Purchases, Cash Advances, Charges & Interest	\$3,548.39	
Closing Balance	\$3,163.59	

Card number: **** * 9264
Account number: 0030 2936 5933
Statement period: 28/07/2023 to 27/08/2023
Credit limit: \$10,000.00

Transactions

DATE	REFERENCE	DETAILS	AMOUNT \$
19 Aug 23	13900099000819999931430	Direct Debit Payment	2,724.34 CR
27 Jul 23	MT232090142000010528738	NZ Transport Agency Palmerston No NZL	384.80
27 Jul 23	MT232090142000010529235	NZ Transport Agency Palmerston No NZL	384.80
28 Jul 23	MT232100142000010407491	Distinction Chch Christchurch NZL	461.04
28 Jul 23	MT232100142000010540265	NZ Transport Agency Palmerston No NZL	384.80 CR
31 Jul 23	MT232130142000010438293	NZ Transport Agency Palmerston No NZL	769.60
04 Aug 23	MT232170140000010538181	NZ Transport Agency Palmerston No NZL	764.80
15 Aug 23	MT232280139000010462140	NZ Transport Agency-CP Palmerston No NZL	764.80
22 Aug 23	MT232350140000010266053	New World Te Kuiti Te Kuiti NZL	9.27
25 Aug 23	MT232380140000010148031	Vehicle Testing NZ Ltd Te Kuiti NZL	9.28

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Transactional information

Please retain copies of your receipts and proof of purchases to verify them against this statement, and retain your statement as a permanent record of transactions. If you would like to dispute a transaction, please contact us.

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 ¹⁸

Name:	Helen Beever
Position:	General Manager – Community Services
Statement Date:	27 / 08 / 23
<hr/>	
(1) Creditor:	SnapFish Ltd
Date:	2 August 2023
Amount:	\$197.75
GL Code:	23024700
Expenditure:	Book Publication – Design, Printing and Shipping of 3 Hard Covered Books made with artwork done by local children during a recent Library School Holiday Event.
<hr/>	
I certify that:	
1 I have attached the necessary supplementary docket or receipt.	
2 The account is payable.	
3 The debt incurred is work related.	
4 That any private component is identified and the amount has been reimbursed as follows:	
Signature of GM – Community Services:	Authorised by Chief Executive:
	
Date: 28/9/23	Date: 28/9/23



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CARDHOLDER STATEMENT

TAX INVOICE
GST NO. 93 259 688

27 August 2023

Mrs H M Beever
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

Opening Balance	\$0.00
Payments & Credits	\$0.00
Purchases, Cash Advances, Charges & Interest	\$197.75
Closing Balance	\$197.75

Card number: **** * 2585
Account number: 0030 3956 2081
Statement period: 28/07/2023 to 27/08/2023
Credit limit: \$5,000.00

Transactions

DATE	REFERENCE	DETAILS	AMOUNT \$
02 Aug 23	MT232150243000010005626	Snapfish NZ * Snapfishnz Vic	197.75

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Transactional information

Please retain copies of your receipts and proof of purchases to verify them against this statement, and retain your statement as a permanent record of transactions. If you would like to dispute a transaction, please contact us.

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

20

Name: Alex Bell	
Position: General Manager – Strategy and Environment	
Statement Date: 27 / 08 / 23	
(1) Creditor: Amalga Taxis (Wellington)	
Date: 7 August 2023	
Amount: \$48.65	No receipt provided.
GL Code: 522 70 704	
Expenditure: Taxi Fare (Airport to Accommodation) - GM Strategy and Environment attendance at Civil Defence Controllers Training Course in Wellington	
I certify that:	
1 I have attached the necessary supplementary docket or receipt.	
2 The account is payable.	
3 The debt incurred is work related.	
4 That any private component is identified and the amount has been reimbursed as follows:	
Signature of GM – Strategy and Environment 	Authorised by Chief Executive: 
Date: 3/10/23	Date: 3/10/23

**CARDHOLDER STATEMENT**TAX INVOICE
GST NO. 93 259 688

27 August 2023

Mr A M Bell
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**

Opening Balance	\$1,478.28
Payments & Credits	\$1,478.28 CR
Purchases, Cash Advances, Charges & Interest	\$48.65
Closing Balance	\$48.65

Card number: **** * 9089
Account number: 0030 6627 0319
Statement period: 28/07/2023 to 27/08/2023
Credit limit: \$5,000.00**Transactions**

DATE	REFERENCE	DETAILS	AMOUNT \$
19 Aug 23	13900099000819995681570	Direct Debit Payment	1,478.28 CR
07 Aug 23	MT232200138000010346422	Amalga Taxis 3-888-000 Wellington NZL	48.65

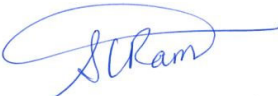

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Transactional information

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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:	Shyamal Ram
Position:	General Manager – Infrastructure Services
Statement Date:	27 / 08 / 23
<hr/>	
(1) Creditor:	Air New Zealand
Date:	22 August 2023
Amount:	\$453.60
GL Code:	81738700
Expenditure:	Return Flights: Hamilton to Wellington. Treatment Plant Technician attendance at Connexis' Drinking Water Treatment Course 1 October to 10 October 2023.
<hr/>	
(2) Creditor:	Te Awamutu Copy Centre
Date:	18 August 2023
Amount:	\$220.00
GL Code:	73034490
Expenditure:	Consultation Documents printed for the Speed Management Plan Drop-in Session 23/08/23
<hr/>	
I certify that:	
1 I have attached the necessary supplementary docket or receipt.	
2 The account is payable.	
3 The debt incurred is work related.	
4 That any private component is identified and the amount has been reimbursed as follows:	
Signature of GM – Infrastructure Services	Authorised by Chief Executive:
	
Date: 28/9/23	Date: 28/9/23



23

CARDHOLDER STATEMENTTAX INVOICE
GST NO. 93 259 688

27 August 2023

Mr S C Ram
Waitomo District Council
PO 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**

Opening Balance	\$594.00
Payments & Credits	\$594.00 CR
Purchases, Cash Advances, Charges & Interest	\$673.60
Closing Balance	\$673.60

Card number: **** * 4448
Account number: 0030 6674 8769
Statement period: 28/07/2023 to 27/08/2023
Credit limit: \$5,000.00**Transactions**

DATE	REFERENCE	DETAILS	AMOUNT \$
19 Aug 23	13900040670819995557690	Direct Debit Payment	594.00 CR
22 Aug 23	MT232350140000010212602	Air NZ Online Auckland NZL	453.60
23 Aug 23	MT232370140000010224667	Te Awamutu Copy Centre Te Awamutu NZL	220.00

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Transactional information

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Document No: A692844

Report To: Audit and Risk Committee



Meeting Date: 17 October 2023
Subject: Insurance Renewals - Infrastructure Insurance 'Side Car' Policy
Type: Information only

Purpose of Report

- 1.1 The purpose of this report is to brief the Committee on the discontinuation of Council's Infrastructure 'Side Car' policy from 1 November 2023.

Background

- 2.1 As part of Council's suite of insurance policies, there are two infrastructure policies that provide for damage to underground stormwater, wastewater and water supply assets and a number higher value bridges and retaining walls.
- 2.2 The main Infrastructure policy covers underground water services assets, bridges and retaining walls for Natural Catastrophe Events including earthquake, natural landslip, flood, Tsunami, tornado, windstorm, volcanic eruption, hydrothermal and geothermic activity and subterranean fire.
- 2.3 The main policy covers 40% of the sum insured, which is Council's share with the remaining 60% to be covered by central government.
- 2.4 In addition to the main policy mentioned above, WDC (along with other councils in the insurance collective) has additional cover under the Infrastructure 'Side Car' Policy. The cover was designed to provide limited cover for the 60% central government contribution. The covered afforded under this policy is for a maximum of \$10 million (in 100% terms) so for the 60% contribution this becomes \$6 million and is a shared limit across councils. For the current insurance year, the premium for this policy was \$9,695.
- 2.5 The Infrastructure 'Side Car' policy was introduced approximately five years ago and is a unique policy for only the Waikato insurance collective. The purpose of the policy is to provide cover in the event that central government declined to cover their share of loss for a smaller natural catastrophe event.
- 2.6 The collective was able to obtain this cover due the relatively geologically benign region the greater Waikato is and was in response to one council outside the collective, having difficulty obtaining central government assistance for a smallish natural catastrophe event.

Commentary

- 3.1 The insurance renewal process for the year commencing 1 November 2023 is currently underway.
- 3.2 Advice from the collective's broker (AON) on the Infrastructure 'Side Car' policy is that cover under this policy is becoming very difficult to place, and premiums for the renewal are becoming more expensive. For larger councils the increase in the estimated premiums was significant.
- 3.3 In addition to the premium increases, recent smaller natural catastrophe events that have occurred in other areas have received the appropriate funding from central government. This would indicate that the risk of not receiving the appropriate funding has reduced and no longer represents a material risk to Council.

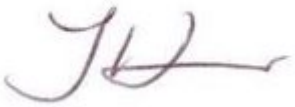
- 3.4 At the time of writing, the other councils in the collective, with the exception of one, have made the decision to discontinue the Infrastructure 'Side Car' policy. The premiums for any remaining councils would be prohibitively expensive. AON estimated if WDC and one other smaller council were to continue with this cover, the premium would be approximately \$200,000 for the coming year.
- 3.5 On consideration of the increase in premium and that it is likely that WDC would be eligible the central government share of funding (60%) in the event of a natural catastrophe, staff have advised the insurers to discontinue with the Infrastructure 'Side Car' policy from 1 November 2023.

Suggested Resolutions

- 1 The business paper on Insurance Renewals - Infrastructure Insurance 'Side Car' Policy be received.
- 2 The Committee note the discontinuation of the Infrastructure 'Side Car' Policy from 1 November 2023 due to affordability considerations and that it is likely that WDC would be eligible for central government share of funding (60%) for a natural catastrophe event.



WAYNE LA ROCHE
ASSET ACCOUNTANT



TINA HITCHEN
CHIEF FINANCIAL OFFICER

Document No: A692699

Report To: Audit and Risk Committee



Meeting Date: 17 October 2023
Subject: **Treasury Management Report for the period ended 30 September 2023**
Type: Information only

Purpose of Report

- 1.1 The purpose of this business paper is to provide an update on WDC's debt position and compliance with borrowing limits for the period ended 30 September 2023.

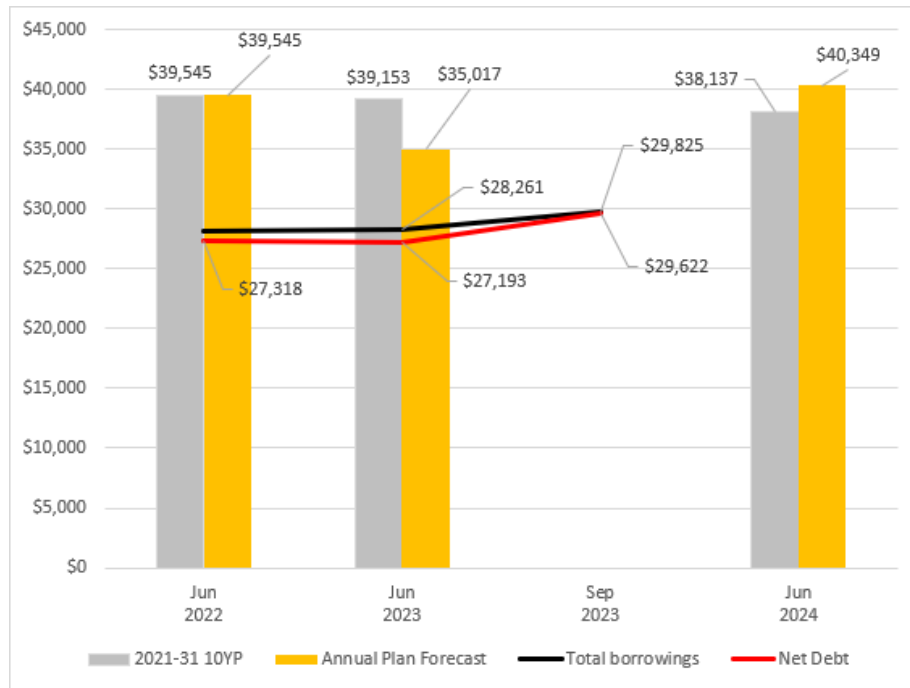
Background

- 2.1 The total borrowings and net debt position are regularly reviewed and monitored against current interest rates and compared to the current 10YP and Annual Plan Forecasts. This includes monitoring against WDC's borrowing limits as set in the Financial Strategy, with reporting to the Audit and Risk Committee on a quarterly basis.
- 2.2 Bancorp, Council's external treasury advisors, prepare a quarterly Treasury Reporting Dashboard that includes information on:
- Market environment impacting interest rates and Local Government Funding Agency (LGFA) borrowing rates,
 - Council's funding profile,
 - Council's debt and hedging profile,
 - Council's cost of borrowing funds, and
 - Council's compliance with its Treasury Management Policy.
- 2.3 A copy of the Bancorp Treasury Reporting Dashboard for the period ended 30 September 2023 is enclosed separately and forms part of this business paper.

Commentary

- 3.1 **PUBLIC DEBT**
- 3.2 At 30 September 2023 public debt was **\$29.8 million** and net debt was \$29.6 million.
- 3.3 At 30 June 2023 public debt was \$28.3 million and net debt¹ was \$27.2 million.
- 3.4 The following graph shows the total borrowings and net debt position compared to forecast debt from the 10YP 2021-31 and the Annual Plan 2023/24.

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



3.5 INTEREST EXPENSE

3.6 Total interest expense for the quarter ending 30 September 2023 was \$389,000 which was \$18,000 less than the year to date budget of \$407,000.

3.7 The assumed interest rate used in the Annual Plan for the 2023/24 year was 5.38%. The weighted average interest rate at 30 September 2023, excluding the drawn Westpac Bank Multi Option Credit Line facility but including the credit facility fee is 5.14%.

3.8 Interest expense is expected to continue to increase due to anticipated increases in interest rates over the short term. Of the total borrowings of \$29.8 million, the floating interest rate debt totals \$13.5 million at 30 September 2023 which may be affected by interest rate changes, the remaining \$16 million of public debt is on a fixed interest rate exposure which is unaffected by short term interest rate changes, up until the date fixed rate arrangement expires (The remaining amount is accrued interest and finance lease liability).

3.9 BORROWING LIMITS

3.10 The borrowing limits set in the Financial Strategy are:

- The ratio of net debt to total revenue will not exceed 165%
- Net interest will not exceed 20% of annual rates.

	Limit	Actual Jun 2023 (Unaudited)	Actual Sept 2023
Net debt to total revenue	<165%	58%	Measured at the end of the year.
Net interest to annual rates	<20%	6%	7%

3.11 WDC is currently well below these limits so has borrowing capacity should this be required.

3.12 A standby credit facility with Westpac bank with a credit limit of \$10 million is in place. At 30 \$1.5 million was drawn from this facility.

3.13 **INTEREST RATE EXPOSURE**

3.14 Fixed rate hedging band 2-4 years (September 2025 - September 2027)

3.15 WDC is currently operating outside its policy limits for fixed rate hedging percentages for the 2-4 years band, as highlighted on page 4 the Bancorp Treasury Reporting Dashboard and depicted in the top left chart on page 5. The breach relates to the fixed rate cover which reduces to nil in September 2026, whereas the Treasury Policy requires at least 20% of the total debt portfolio to be fixed for 2-4 years (ie, until September 2027).

3.16 This breach was noted at the February 2023 Audit and Risk meeting and at the May 2023 Council meeting. The rationale for the breach is due to the uncertainty around the Affordable Waters Reforms and the risk associated with entering into further fixed term cover beyond July 2026.

3.17 The changes to the Affordable Waters Reforms announced in April 2023 revised the date of transfer of waters assets to July 2026. The anticipated funding to be received by Council for the attributed to '3 waters' debt will be utilised for debt repayment.

3.18 A letter was received from the Department of Internal Affairs' National Transition Unit (NTU) giving the preliminary view of the baseline debt and reserves balance at 30 June 2022, being net debt of \$20.2 million. The NTU will continue to monitor the movement of debt and reserves in relation to water services infrastructure through Council's annual report and those movements will be taken into account in determining the amount to be paid by the water services entity to Council.

3.19 The Water Services Entities Act 2022 sets the process for setting the final debt figure amounts in a debt payment schedule. A copy of the draft debt payment schedule, which prescribes the amount payable to each Council and the date (or dates) on which the amount(s) must be paid, will be provided to each Council and Council will have the opportunity to make written comments on the draft. It is unclear on the timing of when the draft debt payment schedules will be provided.

3.20 It is not recommended to enter into further fixed rate cover beyond July 2026 at this time to avoid having outstanding hedges in place, when the underlying hedged debt is likely to be repaid through this debt settlement.

3.21 Although the current hedges Council holds are "in the money" meaning they could be cashed out and Council receives cash (rather than paying), this could not be guaranteed (and is unlikely) for any new swaps executed now.

3.22 The Treasury Management Committee met during September and recommends no further hedging should be taken at this stage, under the assumption that the Affordable Waters Reform will go ahead.

3.23 **WESTPAC CALL ADVANCE FACILITY**

3.24 The credit facility with Westpac was reviewed in early October 2023 and will be reduced from \$10 million to \$6 million, resulting in an annual savings of \$16,000 in credit facility fees.

3.25 The reduction will not adversely affect Council's credit headroom requirements, which is the amount of unused borrowing facility available for use, should it be needed.

3.26 Should additional borrowing be required, this can be sourced from the LGFA within a reasonably short time frame.

3.27 **CONSTRUCTION CONTRACTS RETENTION MONIES**

3.28 An amendment to the Construction Contracts Act 2002 (the Act), came into force on the 5 October 2023 tightening the regime for holding retention monies from contract payments.

3.29 The updated legislation requires timely and regular reporting to contractors, for retention transactions, including retentions deducted, paid out or retained to remedy a contract defeat and for balances held.

- 3.30 The Act requires that retentions monies that are held, are held "on trust" for the contractor, cannot be used for any other purpose and further, held by registered bank in a retentions nominated account.
- 3.31 Council has complied with these requirements, by setting aside an amount equivalent to the total retentions owing to contractors - currently \$380,000 in an established bank account for retentions and the existing retention monies term deposit of \$470,000. Interest earned on these monies does not form part of the trust monies and is earnings for Council.

Suggested Resolutions

- 1 The business paper on Treasury Management Report for period ended 30 September 2023 be received.
- 2 The Committee note the breach in relation to fixed rate cover for the September 2026 to September 2027 period and recognise the Committee's acceptance of the position, pending the Affordable Waters Reforms outcome.



WAYNE LA ROCHE
ASSET ACCOUNTANT



TINA HITCHEN
CHIEF FINANCIAL OFFICER

Attachment: Bancorp Treasury Services Limited: Treasury Management Dashboard as at 30 September 2023 (A692809)



Treasury Reporting Dashboard

As at 30 September 2023

STRICTLY PRIVATE AND CONFIDENTIAL



BANCORP

BANCORP TREASURY SERVICES LIMITED



Global (for the September 2023 quarter)

Traditionally, September and October are known as months of high volatility, and September lived up to its reputation as central bankers struggled to allay inflationary fears as traders and speculators adopted a 'risk-off' environment. US financial markets had a volatile September 2023, with stocks and bonds both falling sharply, which contributed to higher yields and a stronger US-dollar. The Nasdaq fell -7.5% as investors attempted to diversify away from the 'magnificent 7' while the S&P500 fell -6.7% to record its worst monthly performance since March 2020. The DJI fell -5.3%. Bond markets also struggled to attract buyers, which saw rates increase sharply throughout the month, with the 10-year US Treasury yield reaching a 17-year high of 4.554% while the 2-year is threatening to breach its 14-year high at 5.27%.

At its September meeting, the Federal Reserve ("Fed") maintained its benchmark Fed funds range at 5.25%-5.50%; however, the pause could easily have been classified as a 'hawkish pause' as the central bank also indicated it expects one further rate hike before year-end while the 'dot-plots' suggested fewer rate cuts in 2024 and 2025 than previously indicated. Conversely, the Fed's decision to pause its hiking cycle in September was also seen as an acknowledgement there are growing concerns about the risk of a recession with Chair Jerome Powell emphasising, "We have come very far, very fast. We are taking advantage of the fact that while we have moved quickly, we now have to move a little more carefully as we find our way to the right level of restriction to get inflation back down to 2%," before adding, "we must proceed carefully!" Overall, the Fed's September meeting was a cautious one with the central bank clearly concerned about the risks of a recession while also remaining committed to fighting inflation.

The European Central Bank ("ECB") stuck to its guns and raised their key interest rates for a 10th consecutive time with a 25bp hike, lifting the deposit rate to a record 4.00% and the main refinancing rate to 4.50%, its highest level since 2001. With a 'dovish' tone, the central bank signaled that it is likely done with the current tightening cycle, as inflation has started to decline, although they also warned they see inflation remaining persistently high while ECB President Christine Lagarde acknowledged she "can't say" if European rates have peaked. Policymakers also cut their growth and core inflation forecasts for every year through to 2025. Meanwhile the Bank of England ("BOE") surprised markets by easing back on its aggressive hiking cycle for its first pause, holding the cash rate at 5.25%, although it was a fine line with the MPC voting 5-4. Governor Andrew Bailey had the casting vote and said at the post meeting press conference that "the good news is that inflation in the UK is coming down (although the) BOE has to stay the course on the inflation fight."

Despite a raft of stimulatory measures announced, the outlook for the Chinese economy still looks problematic, with the 5.0% growth target under threat as record youth unemployment and falling house prices continue to undermine consumer confidence and thus domestic demand. Fresh concerns at property developers Evergrande Group, China Oceanwide Holdings, and Country Garden have seen executives detained as defaults loom. Bank loans to property developers were down 25% in August from a year ago, and with Chinese President Xi trying to move his country away from debt fuelled growth, it seems that the issues facing the Chinese economy aren't going to go away anytime soon.

Global bond yields moved sharply higher in September as concerns mount that inflation would be stickier than previously expected, and the market struggled to absorb the increased issuance by the US, which is needed to fund the increasing budget deficit. The benchmark US 10-year Treasury bond yield started September at 4.09% and has since climbed relentlessly to its current level of 4.74%, a yield not seen since 2007



	OCR	90 day	2 years	3 years	5 years	7 years	10 years
30 June 2023	5.50%	5.70%	5.47%	5.09%	4.69%	4.55%	4.50%
30 Sept 2023	5.50%	5.74%	5.72%	5.48%	5.22%	5.17%	5.18%
Change	+0%	+0.04%	+0.25%	+0.39%	+0.53%	+0.62%	+0.68%

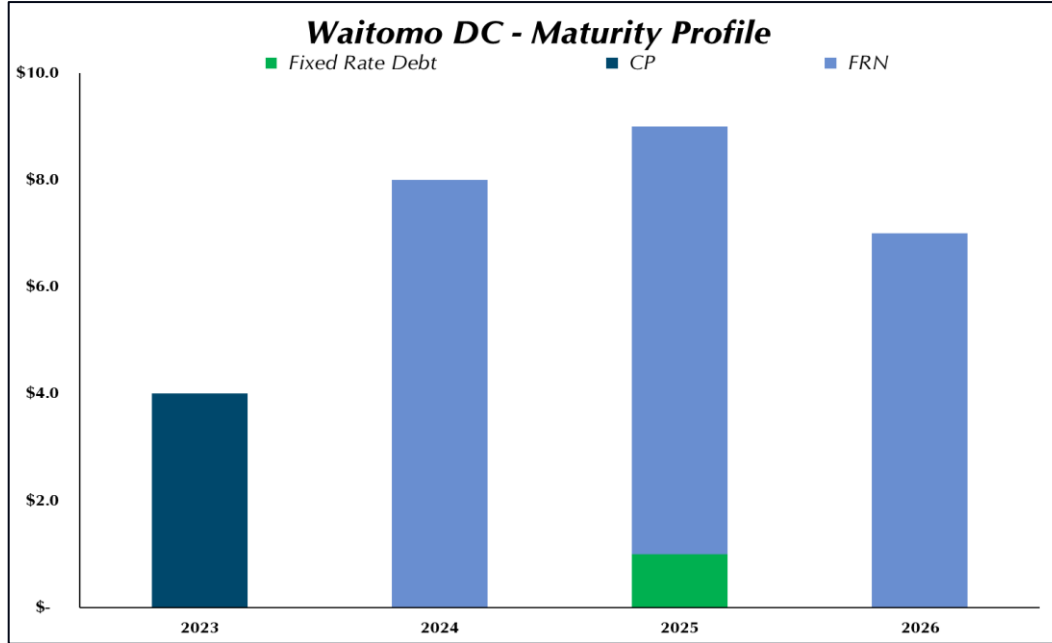
In the August *Monetary Policy Statement* (“MPS”), the Reserve Bank of New Zealand (“RBNZ”) again left the Official Cash Rate (“OCR”) at 5.50% and, in a reiteration of the July *Monetary Policy Review* stated that “The Committee agreed that the OCR will need to remain at a restrictive level for the foreseeable future.” However, the RBNZ was confident that “consumer price inflation will return to within its target range”. The MPS could be summed up as being slightly more hawkish than anticipated with the projected track for the OCR increasing from 5.5% to 5.6% (which implies a 40% probability of an increase to 5.75%) and pushing out the timing of the projected OCR cuts to early 2025. The justification for this appears to be in the wording “measures of core inflation remain too high” and “In the near term, there is a risk that activity and inflation measures do not slow as much as expected.” Some commentators have interpreted the slight upward revision to the OCR track and the pushing out the timing of the first cut as a bit of a warning to the market not to unnecessarily pre-empt the easing as there is still a way to go on the inflation fighting front.

Ahead of the general election, the New Zealand Treasury's Half Year Economic and Fiscal Update (HYEFU) highlighted the Treasury will require an additional NZD9bn over the next 4 years, however, the expected borrowings were not as severe as initially forecasted, which is a positive. The Treasury is forecasting local economy will avoid a 'double dip' recession, which was supported by the Q2 GDP print which exceeded expectations at 0.9% while, for the year to June, GDP reached 1.8%, but that was where the good news ended with March 2024 growth downgraded from 2.2% to 1.2%, the unemployment forecast was upgraded to 4.6% from 4.1%, while the 2023-2024 budget deficit is expected to reach NZD11.4bn, although return to a surplus has been extended by a year to 2027. Ultimately, the HYEFU suggests businesses should prepare for a slower growing economy and higher interest rates while consumers should be prepared for a higher cost of living and a tighter labour market.

New Zealand’s Q2 GDP came in far higher than expectations, at 0.9% for the quarter, against expectations of 0.4%. For the year to June, GDP was up 1.8% against expectations of 1.2%. The technical recession was also revised away as March quarter GDP was increased slightly on review to be flat for the March quarter. The industries that saw the greatest gains were mining, utilities, public administration and safety, recreation and other.

Following the stronger than expected GDP print, markets are now pricing in one more rate hike from the RBNZ to take the OCR to 5.75% by April 2024, and then for it to decline to 5.50% by October 2024 and 5.25% by February 2025. Swap rates have moved sharply higher during the quarter, due primarily to moves in the US bond market, but also aided by the stronger than expected local GDP data. The 2-year rate climbed from 5.33% to 5.76%, while the 10year rate rose from 4.36% to 5.18%.

Funding, Liquidity and Hedging Bands ³³



Debt
\$28.0m
 External Council Drawn Debt

LGFA Debt
\$28.0m
 Funds Drawn from LGFA

Headroom = undrawn bank facility
\$8.5m

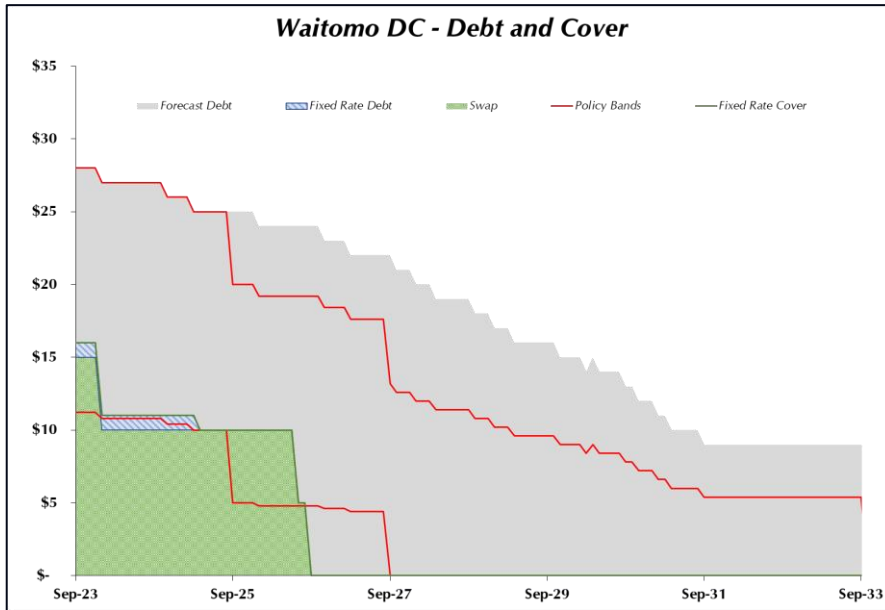
Liquidity Ratio
132.52%
 Definition: Includes Cash Reserves + Lines of Credit + Drawn Debt)/Drawn Debt (excludes Borrower Notes and restricted cash).

Cost of Funds as at 30 September
5.14%

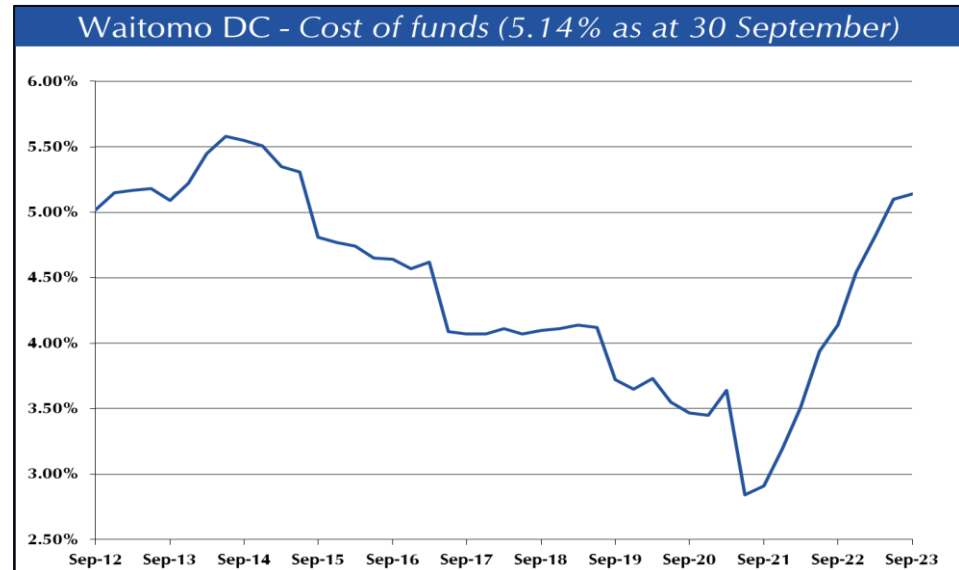
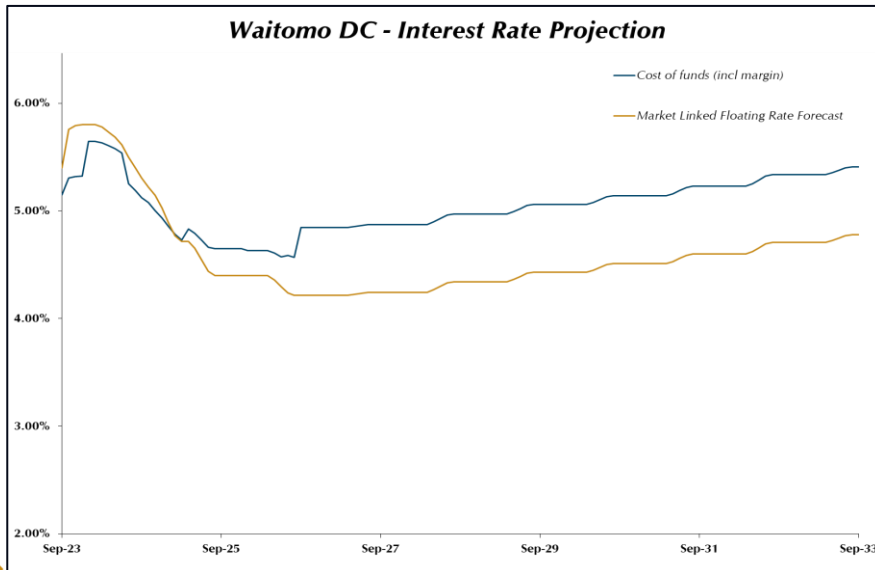
Policy Compliance	Compliant
Have all transactions been transacted in compliance with policy?	Yes
Is fixed interest rate cover within policy control limits?	No
Is the funding maturity profile within policy control guidelines?	Yes
Is liquidity within LGFA control limits?	Yes
Are swaps transacted with approved counterparties?	Yes

Fixed Rate Hedging Bands			
	Minimum	Maximum	Policy
0 - 2 years	40%	100%	Compliant
2 - 4 years	20%	80%	Non-Compliant
4 - 8 years	0%	60%	Compliant

Interest Rate Risk Management ³⁴



Current % of Debt Fixed	57.1%
Current % of Debt Floating	42.9%
Value of Fixed Rate (m)	\$16.0
Weighted Average Cost of Fixed Rate Instruments	3.63%
Value of Forward Starting Cover	\$5.0
Value of Floating Rate (m)	\$12.0
Current Floating Rate	5.74%
All Up Weighted Average Cost of Funds Including Margin	5.14%
Total Facilities In Place	\$38.0



LGFA Borrowing Rates

35

6

As at 30 September

Listed below are the credit spreads and applicable interest rates as of 30 September 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%	5.91%	N/A
6 month CP	0.20%	6.03%	N/A
April 2024	0.52%	6.23%	6.40%
April 2025	0.58%	6.29%	6.44%
April 2026	0.58%	6.29%	6.15%
April 2027	0.72%	6.43%	6.07%
May 2028	0.87%	6.58%	6.06%
April 2029	0.99%	6.70%	6.12%
May 2030	1.09%	6.80%	6.17%
May 2031	1.13%	6.84%	6.20%
April 2033	1.19%	6.90%	6.25%
May 2035	1.24%	6.95%	6.32%
April 2037	1.25%	6.96%	6.42%



WDC - LGFA Borrowings ³⁶

As at 30 September 2023, WDC had \$28.0 million of core debt, all of which is sourced from the LGFA using Commercial Paper, FRNs, and FRBs. WDC also has a bank facility with Westpac Bank for \$10.0 million that matures on 1 July 2024, which has a margin of 90 basis points and a line fee of 30 basis points. Details of WDC's drawn debt as at 30 September is as follows:

Instrument	Maturity	Yield	Margin	Amount
LGFA CP	29-Feb-24	5.91%	N/A	\$4,115,188
LGFA FRN	18-Apr-24	6.30%	0.66%	\$3,000,000
LGFA FRN	11-Sep-24	6.35%	0.69%	\$5,000,000
LGFA FRB	19-Apr-25	3.68%	N/A	\$1,000,000
LGFA FRN	22-Apr-25	6.15%	0.49%	\$5,000,000
LGFA FRN	30-Aug-25	6.21%	0.57%	\$3,000,000
LGFA FRN	24-Jul-26	6.32%	0.66%	\$5,000,000
LGFA FRN	30-Aug-26	6.30%	0.66%	\$2,000,000



Swap details and valuation³⁷

As at 30 September

As at 30 September, WDC had four interest rate swaps which convert a portion of the floating interest rate exposures into a fixed rate. Details of the swaps are contained in the following table.

Start Date	Maturity Date	Rate	Amount	Market Value
24-Jan-2017	24-Jan-2024	3.840%	5,000,000	\$46,594
20-Apr-2020	20-Apr-2025	3.930%	5,000,000	\$155,268
11-Sep-2020	11-Sep-2026	2.890%	5,000,000	\$352,541
22-Apr-2025	22-Jul-2026	3.950%	5,000,000	\$59,695
Total current swap hedging			20,000,000	\$614,098



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Document No: A692945

Report To: Audit and Risk Committee



Meeting Date: 17 October 2023
Subject: **Progress Report: Key Performance Indicators for the period ended 30 September 2023**
Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to present Waitomo District Council's delivery performance on non-financials for the 2023/24 financial year for the period ending 30 September 2023 (Quarter 1).
- 1.2 A copy of the KPI (Key Performance Indicator) Report is included as an attachment to this business paper.

Background

- 2.1 The WDC Ten Year Plan (10YP) 2021-2031 was adopted in June 2021 which includes the outcomes Council is aiming to deliver for the community through each activity area. Each group of activities has a level of service that we have agreed with the community to deliver.
- 2.2 These outcomes and levels of service are reported on to the community via the Annual Report at the end of each financial year.
- 2.3 Each quarter a report is produced to monitor the performance of the activities and levels of service by way of the KPI's developed through the 10YP 2021-2031.

Commentary

3.1 **SERVICE PERFORMANCE SUMMARY**

- 3.2 Of the 54 key performance indicators measured, 44 (81%) are on track, 3 (6%) have been achieved, 4 are off track (7%), 1 (2%) not achieved, and 2 (4%) with no data available.

Leadership

- 3.3 Two measures are on track, these are for Council agendas and the evaluation of the annual Civil Defence exercise.
- 3.4 The previous result for the annual exercise was 74% and the new result from January 2023 is 66%, although this year's target is for 'increasing trend' our long-term goal in the Ten Year Plan is to achieve the score of 'Advancing' or above 60%, which we have achieved.
- 3.5 Council Communications is marked as off-track as the result from the last Residents Survey was 87%, down from the target of 90%. This will be reassessed before the end to the financial year in the 2024 survey.

Community and Partnership

- 3.6 Three measures on track with projects likely to occur in later quarters.
- 3.7 \$193,500 has already been disseminated this quarter through contestable grants, which accounts for 61% of total funding.

Recreation and Property

- 3.8 Four measures on track, the three survey results will be reassessed before the end to the financial year.
- 3.9 Some Building Warrant of Fitness's for WDC facilities will need to be reassessed early next year.

Regulatory Services

- 3.10 Four measures are on track, and one not achieved.
- 3.11 Not achieved measure is due to one building consent running one day over the statutory timeframe due to reports not being properly monitored.

Resource Management

- 3.12 The one measure in this area is on track with all resource consents processed within statutory timeframes.

Solid Waste

- 3.13 Two measures on track. Satisfaction with rural transfer stations is a new measure, the result of the 2023 Residents Survey of 91% satisfaction is used as the new benchmark.

Stormwater

- 3.14 All six measures are on track with no flooding events or stormwater complaints this financial year.

Wastewater

- 3.15 Of the seven KPIs for wastewater, five are on track.
- 3.16 The measure for complaints in Piopio is off track due to the high level of complaints in Piopio. The response time for callouts in Piopio is also off track due to the longer period of time required and complication of resolving issues with septic tanks.
- 3.1 WDC received a wastewater abatement notice from Waikato Regional Council in September 2023 for an incident that occurred at the Te Kūiti wastewater treatment plant in May 2023. This was due to an emergency overflow from the wastewater oxidation pond following high rainfall, the event is still under active investigation. Although the notice was received this quarter, it will be reported in the 2022/23 Annual Report because that is the period that the non-compliance occurred.

Water Supply

- 3.2 Fourteen of the seventeen measures for water supply are on track.
- 3.3 One is off track for high average consumption of water. The target for 2023/24 has reduced to ≤ 375 litres per person per day, but the Q1 result was 486.5 l/day. A comprehensive leak detection programme is planned for 2023/24 FY to find the source of this.
- 3.4 Two results are reported as no data due to faulty Minimum Night Flow readings, officers are working to resolve this in order to have data for year end.

Roads and Footpaths

- 3.5 Three measures are on track with works scheduled for later in the year.
- 3.6 The other three measures are achieved, two are already achieved due to tri-annual results that won't be re-assessed this year. The other is for the percentage of unsealed roads metalled each year; the annual target for this has already been met.

Suggested Resolution

The Progress Report: Key Performance Indicators for the period ended 30 September 2023 be received.



ALICE TASKER
SENIOR STRATEGY AND POLICY ADVISOR



CHARMAINE ELLERY
MANAGER STRATEGY AND POLICY

Attachment: Quarter 1 KPI Progress Report for period ending 30 September 2023 (A691319)

Key Performance Indicators Progress Report Q1

For the period 1 July 2023 to 30 September 2023

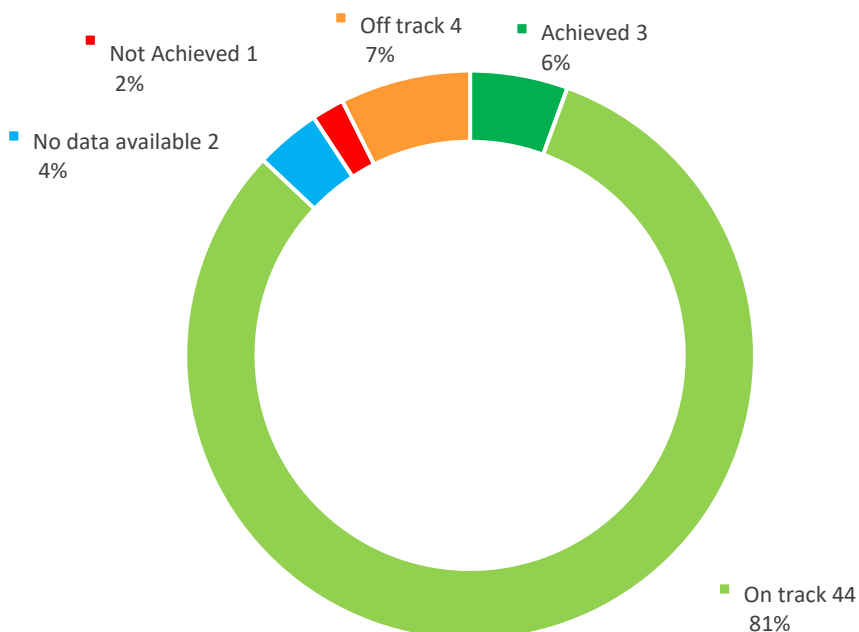
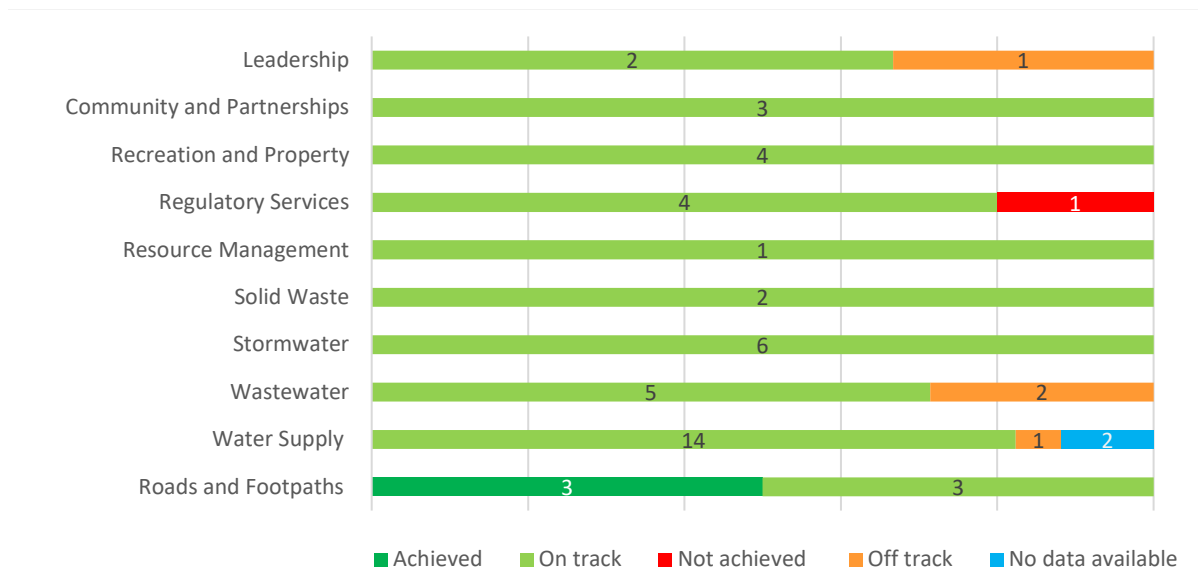


INTRODUCTION

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.

The purpose of this report is to provide high-level updates of these Council activities for the months of July to September 2023. The report covers progress on groups of activities non-financial KPI (Key Performance Indicators).






SERVICE PERFORMANCE SUMMARY AS AT 30 SEPTEMBER 2023






Of the 54 key performance indicators measured, 44 are on track (81%), 3 (6%) have been achieved, 4 are off track (7%), 1 (2%) not achieved, and 2 (4%) with no data available.

SERVICE PERFORMANCE MEASURES

Performance Measure Status

 Not Achieved	 Off Track	 Achieved	 On Track	 Data not available
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Leadership

You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
Provide and promote governance processes that are robust and transparent for our community.	Percentage of Council agendas that are publicly available two working days or more before the meeting.					Target: 100% Result: 100%	All Council and Committee Agendas for the first quarter have been publicly available two or more working days before the meeting.
Effective communication with our community.	Percentage of residents satisfied with the effectiveness and usefulness of Council Communications.					Target: 90% Result: 87%	The result from the June 2023 Residents Survey was 87%
Emergency preparedness through community-based emergency management.	The evaluation of annual exercise as a measure of effectiveness of training.					Target: Increasing trend Result: 66% Advancing	Emergency Operation Centre was activated in January 2023 and was used for this assessment. Previous result was 74% but due to the nature of an actual event, it is harder to score a higher mark than the pre-planned exercise used in 2022. Our Ten Year Plan goal is to get to the Civil Defence Emergency Management score of 'Advancing', therefore this KPI is achieved.

Community and Partnerships							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
Contestable grant funding ¹ is disseminated through a robust process.	Percentage of grants funding available is disseminated.	○				Target: ≥ 80% Result: 61%	\$193,500 has been disseminated this quarter through contestable grants.
Council supports the delivery of youth related projects by the Youth Council.	Youth Council undertakes two youth related projects per year.	○				Target: 2 Result: 0	
Involvement in economic development initiatives and promotional opportunities.	≥5 initiatives or promotional opportunities.	○				Target: ≥ 5 Result: 0	Projects underway via Hamilton and Waikato Tourism initiatives.

Recreation and Property							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
We provide parks and open spaces across our district.	Percentage of residents satisfied with or parks and open spaces.	○				Target: ≥ 83% Result: 83 %	The result from the June 2023 Residents Survey was 83%
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: Achieved	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: 95%	The result from the June 2023 Residents Survey was 95%.
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: 89%	The result from the June 2023 Residents Survey was 89%.

¹ Contestable grant funds include WDC's Single-Year Community Assistance Grant, Multi-Year Community Partnership Grant, and the Community Events Fund.

Regulatory Services							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
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% Compliance	All premises that sell alcohol are licensed.
Building consents are processed in a timely fashion.	Building consents are processed within 20 working days.	●				Target: 100% Result: 97%	Consent ran over the statutory timeframe by one day due to reports not being properly monitored, this issue is being addressed to ensure it does not recur.
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: BCA Accreditation achieved	Assessed in June 2022, not due again until June 2024.
We provide land information Services (LIMs) efficiently.	LIMs are processed within statutory timeframe.	○				Target: 100% Result:	All LIM's were processed within statutory timeframes.
We provide an effective Animal Control Service.	Percentage of residents satisfied with the provision of the Animal Control Service.	○				Target: ≥ 75% Result: 77%	77% of respondents were satisfied with animal control services in the June 2023 Residents Survey.



Resource Management							
You can expect	Measure	Q1	Q2	Q3	Q4	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 non-notified resource consents were processed within statutory timeframes.




Solid Waste							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
We provide safe solid waste facilities within District.	Percentage of users that are satisfied with the rural transfer service stations.	○				Target: ≥ 91% Result: 91%	Result of the June 2023 Residents Survey was 91%
We will provide a reliable kerbside rubbish collection to stop rubbish becoming a health risk. ²	There are no more than 10 justifiable complaints per week about uncollected rubbish.	○				Target: ≤ 10 per week Result: 0.6 per week	8 complaints received in Q1 or 0.6 per week over 13 weeks.

Stormwater							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
We maintain and operate the stormwater network in a way that minimises the likelihood of stormwater entering habitable buildings.	The number of flooding events ³ that occur in the district in a financial year.	○				Target: 0 Result: 0	There have been no flooding events in 23/24 FY.
	For each flooding event the number of habitable floors affected in a financial year.	○				Target: ≤ 1 per 1000 connections (2,724 connections) Result: 0 per 1000 connections	There have been no flooding events in 23/24 FY.
We comply with our resource consent conditions and minimise the impact of stormwater on the environment.	The number of infringement notices related to the management of the stormwater system.	○				Target: ≤ 2 Result: 0	There have been no notices received.
	The number of abatement, enforcement or conviction actions related to the management of the stormwater system.	○				Target: 0 Result: 0	There have been no notices received.

² Kerbside collection services offered in Te Kuiti, Waitomo Village, Piopio, and Mokau.





³ 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.



<p>We will respond within a reasonable timeframe to flooding.</p>	<p>The median response time⁴ to attend a flooding event (measured from the time that the notification is received to the time that service personnel reach the site).</p>					<p>Target: ≤ 180 minutes (3hrs) Result: 0 mins</p>	<p>There have been no flooding events in 23/24 FY.</p>
<p>The Council provides a reliable stormwater collection service.</p>	<p>The number of complaints received about the performance of the Council's urban stormwater system per 1,000 properties connected.</p>					<p>Target: ≤ 4 complaints per 1,000 connections (2724 connections) Result: 0 per 1000 connections</p>	<p>There have been no complaints relating to flooding events this quarter.</p>









Wastewater							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
<p>We will attend and resolve issues with the wastewater system within a reasonable timeframe.⁵</p>	<p>The median attendance time for callouts, from the time that we received notification to the time that our service personnel reach the site.</p>					<p>Target: ≤180 minutes (3hrs) Result: 2 hr 47 mins</p>	<p>This is the median attendance time by our contractors for callouts to service requests.</p>
	<p>The median resolution time of callouts, 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: Rest of District ≤540 minutes (9hrs) Result: 4 hr 35 mins</p>	<p>This is the median resolution time by our contractors for completing service requests callouts.</p>
	<p>The median resolution time of callouts, 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: Piopio ≤540 minutes (9hrs) Result: 19 hrs 43 mins</p>	<p>This is due to the longer period of time and complication of resolving issues with septic tanks in Piopio.</p>

⁴ 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.

⁵ 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 wastewater on the environment.	0 abatement, infringement, enforcement or convictions issued.					Target: 0 Result: 0	No notices have been received relating to incidents this quarter.
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 complaints per 1,000 connections ≤35 (Total number of connections 223) Result: 58.3	A total of 13 complaints or 58.3 per 1000 connections
						Target: Rest of District complaints per 1,000 connections ≤35 (Total number of connections 1934) Result: 3.1	A total of 6 complaints or 3.1 per 1000 connections
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 2,157) Result: 0.93	A total of 2 complaints related to dry weather overflows or 0.93 per 1000 connections

Water supply							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
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: Achieve	All bacteriological test passed.
	Water quality complies with the drinking water standards for (b) protozoa					Target: Achieve compliance Result: Achieve	Complied with the Drinking Water Quality Assurance rules 2022.

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. ⁶	Percentage of real water loss from the Council's networked reticulation system in a financial year in:						
	Te Kūiti					Target: ≤ 20% Result: no data	Percentage calculated using Minimal Night Flow which assumes that there is little consumption overnight, therefore remaining flow is attributed to water loss.
	Mokau					Target: ≤ 5% Result: no data	
	Piopio					Target: ≤ 5% Result: 1.01%	
	Maniaiti/Benneydale					Target: ≤ 10% Result: 1.87%	Two results showing no data due to faulty readings.
We provide efficient management of demand for water for our community.	The average consumption of drinking water per Waitomo District resident, per day.					Target: ≤ 375 litres per person per day Result: 486.54l/day	Comprehensive leak detection programme planned for 2023/24 FY.
We will respond within a reasonable timeframe to issues with the water supply. ⁷	The median attendance time ⁸ for urgent callouts, from the time that we received notification to the time that our service personnel reach the site.					Target: ≤ 180 minutes (3hrs.) Result: 0	No urgent callouts for the quarter.
	The median resolution time ⁹ of urgent callouts, from the time that we received notification to the time that our service personnel confirm the fault or interruption has been resolved.					Target: ≤ 540 minutes (9hrs) Result: 0	No urgent callouts for the quarter.
	The median attendance time for non-urgent callouts, from the time that we received notification to the time that our service personnel reach the site.					Target: ≤ 660 minutes (11 hrs) Result: 1 hr 34 mins	This is the median attendance time by our contractors for callouts to service requests.

⁶ 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.




⁷ 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 start from the next working day.

⁸ Measured from the time that the local authority received notification to the time that service personnel reach the site.

⁹ Measured from the time that the local authority received notification to the time that service personnel confirm resolution of the fault or interruption.




	The median resolution time of non-urgent callouts, from the time that we received notification to the time that our service personnel confirm the fault or interruption has been resolved.	○				Target: ≤ 96 hours (4 days) Result: 9 hrs	This is the median resolution time by our contractors for completing service requests callouts.
We provide water that is wholesome and is reliably supplied. The measure indicates customers and community satisfaction with the quality of the water.	The total number of complaints received by Council in a year for: ¹⁰						
	Drinking water clarity.	○				Target: ≤ 20 per 1000 connections Result: 0.73	2 complaints about clarity or 0.73 per 1000 connections
	Drinking water taste.	○				Target: ≤ 5 per 1000 connections Result: 0	0 complaints about taste
	Drinking water odour.	○				Target: ≤ 5 per 1000 connections Result: 0	0 complaints about odour
	Drinking water pressure flow.	○				Target: ≤ 20 per 1000 connections Result: 0.73	2 complaints about clarity or 0.73 per 1000 connections
	Continuity of supply.	○				Target: ≤20 per 1000 connections Result: 2.94	8 complaints about clarity or 2.57 per 1000 connections
	Council's response to any of these issues.	○				Target: New measure ≤20 per 1000 connections Result: 0	0 complaints related to Council's response to any of these issues

¹⁰ Total number of connections is 2640

Roads and Footpaths							
You can expect	Measure	Q1	Q2	Q3	Q4	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. ¹¹					Target: ≤ 4 Result: Serious Injury crashes YTD: 0 Fatal crashes YTD: 0	No serious or fatal crashes this quarter.
We aim for a smooth road that provides comfort for road users and improves the safety of the roads.	The average smooth travel exposure rating across the sealed road network. ¹²					Target: 90% (of total network) Result: 90%	Achieved at 90% below 150 NAASRA count.
We will maintain the overall condition of the unsealed roads to a specified adequate standard.	Percentage of unsealed road metaled each year.					Target: 10% (of total network) Result: 14.5%	During Q1, 14.5% of the network received renewals and/or heavy maintenance grading. Approximately 9000m ³ of aggregate was applied over a length of almost 40km.

¹¹ This is using NZTA Crash Analysis System definitions: fatal is defined as a death occurring as the result of injuries sustained in a road crash within 30 days of the crash, serious is defined as injury (fracture, concussion, severe cuts or other injury) requiring medical treatment or removal to and retention in hospital.

¹² Percentage of measured sealed road lane kilometres not exceeding a NAASRA roughness count rating of 150 to be at least 90%. NAASRA is a generally acceptable measure of road roughness. A NAASRA count of less than 150 indicates an acceptable level of ride comfort.

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.					<p>Target: 7% (Of total network)</p> <p>Result: 0 %</p>	Programme of works scheduled for later in the year, resurfacing will likely start in October or early November.
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. ¹³					<p>Target: 90%</p> <p>Result: 97%</p>	Condition rating of footpaths is undertaken every 3 years, the assessment was completed in June 2022. A majority of the non-compliant footpaths are being treated in this year's footpath renewals programme.
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 footpaths responded to within 10 working days.					<p>Target: 85%</p> <p>Result: 99%</p>	Of the 157 Road related customer service requests, 155 of these were responded to within the required 10 day period, with two of outside this period.

¹³ Acceptable ratings being 1-very good 2-good and 3-fair as assessed by industry trained raters.

Document: A691725

Report To: Audit and Risk Committee



Date: 17 October 2023
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 during the 2023/24 year.

Background

- 2.1 Elected Members are provided ongoing progress reports to provide visibility of health and safety performance and various Key Performance Indicators.
- 2.2 This report has been structured to align 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 their health and safety culture and exceed minimum compliance requirements.

Commentary

- 3.1 **LEADERSHIP COMMITMENT**
- 3.2 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.
- 3.3 Identified improvements and actions during the 2023/24 Quarter One include:
1. Approved Fire Evacuation Schemes in place for Treatment Plants where the quantities of hazardous substances meet the threshold.
 - In progress. Location Compliance Certificates for Piopio Water, Te Kuiti Water and Te Kuiti Wastewater Treatment Plants to be obtained prior to applying for approved fire evacuation schemes. Awaiting assessment of these sites.
 2. Support and encourage a continued increase in site safety inspections and near miss recording.
 - Ongoing
 3. Bullying and Harassment training provided to management and staff.
 - Completed. Training provided in September 2023 with positive feedback received from attendees.
- 3.4 The Annual Plan for 2023/24 was approved by the Senior Management Team in June 2023. The Key Performance Indicators below provide an indication of how WDC has tracked against the set objectives.

KPI	Target	Status
Site Inspections	5 per month	
Workplace Inspections	1 quarterly	
Health and Safety Committee Meetings	1 per month	
Actions in Tomo are promptly completed and closed	0 overdue actions	
Near Miss Reporting	10% increase	

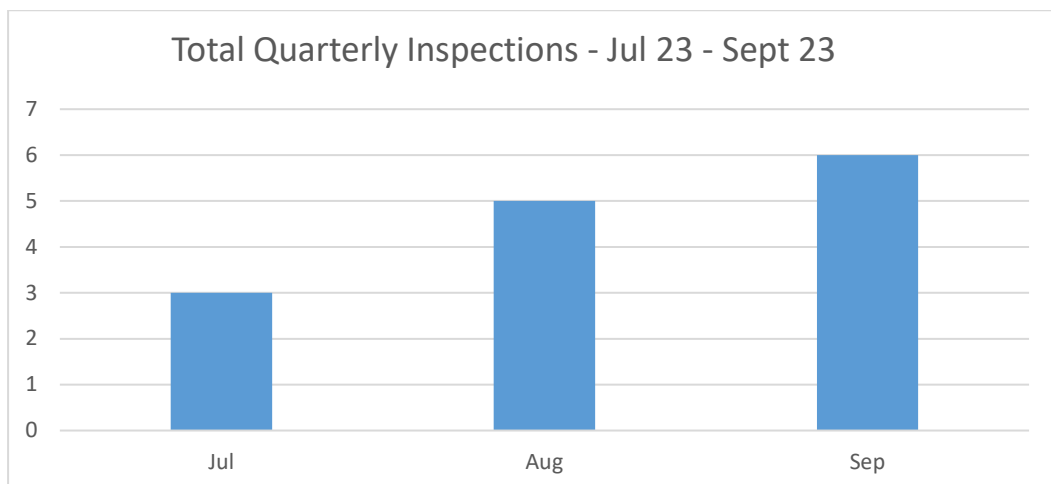
Red light = target not reached – management focus required

Yellow light = target almost reached – maintain management focus

Green light = target achieved or exceeded

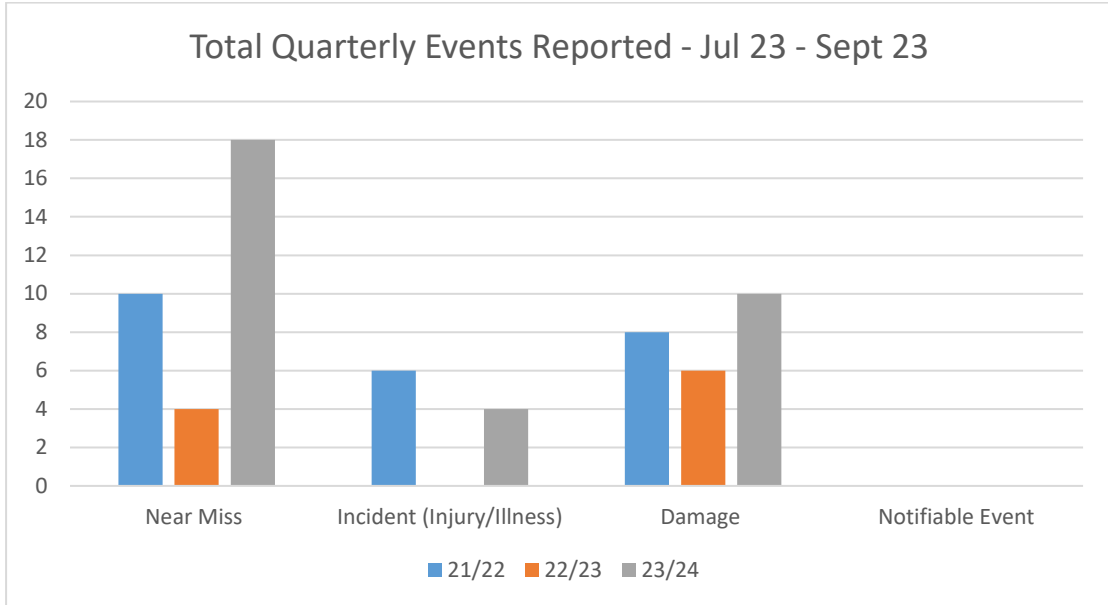
3.5 **WORKER ENGAGEMENT PARTICIPATION AND REPRESENTATION**

- 3.6 WDC continues to maintain an active Health and Safety Committee. The Committee consists of five elected Health and Safety Representatives (HSR's), a senior management representative, Health and Safety Administrator and WDC's external Health and Safety Advisor.
- 3.7 The Health and Safety Committee meetings occur monthly and have been frequently attended. These meetings are minuted and held on file on the WDC document management system. Actions from the meetings are transferred into Tomo to ensure all actions are held in one location.
- 3.8 Health and Safety Representatives and Management have demonstrated an increased commitment to Health and Safety, by engaging in workplace and site inspections. This is an excellent increase on a lead indicator, highlighting increased monitoring of operational areas, including contractors.

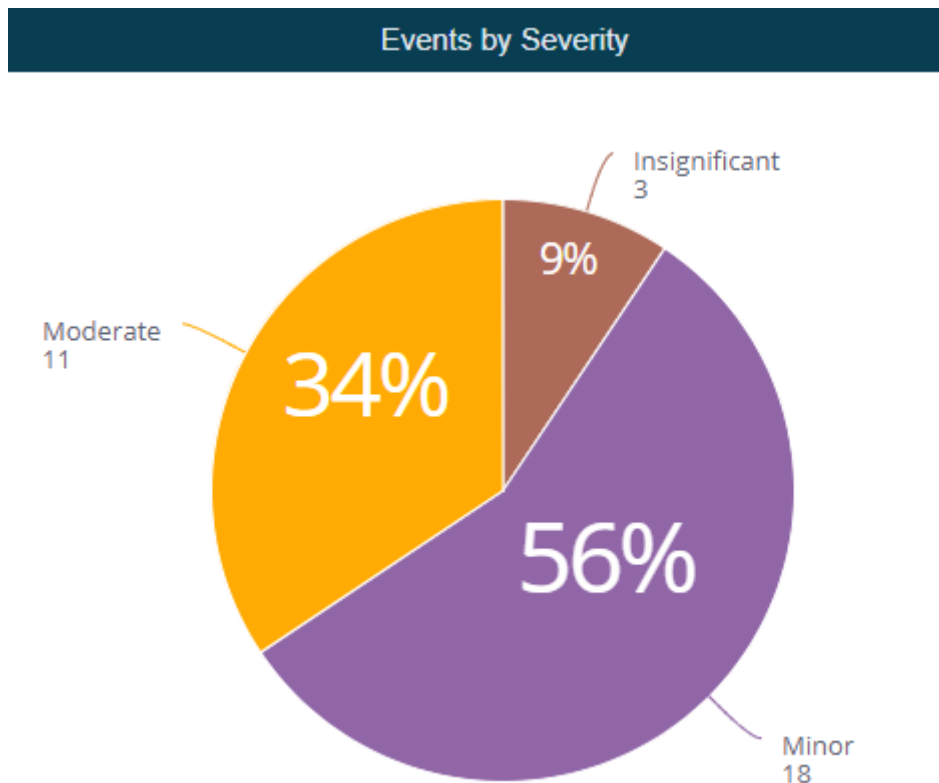


- 3.9 32 events were reported in 2023/24 Quarter One, compared to the 10 events reported in 2022/23 Quarter One.

3.10 With the rollout of Tomo making it easier for staff to record near misses, and education on the benefits of near miss reporting being provided to staff during an organisational meeting, an increase in near miss reporting can be seen. Reporting will continue to be encouraged, enabling WDC to identify preventative actions rather than corrective actions following potential injury and/or damage.



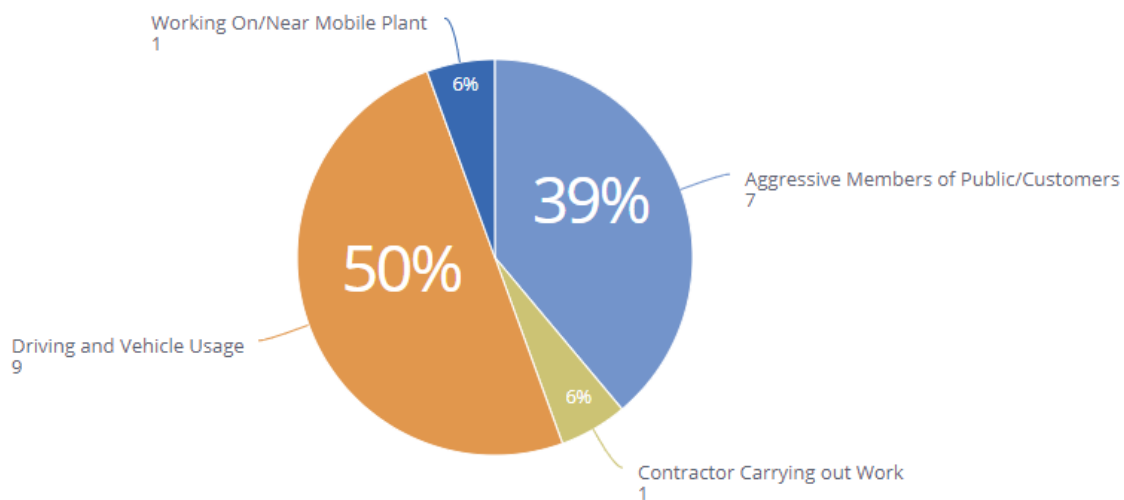
3.11 Of the 32 events that occurred this quarter, 3 were insignificant, 18 were minor, and 11 were moderate in severity.



3.12 Of the 32 events, 18 events occurred while carrying out work associated with three of the top five critical risks. Actions have been put in place to help mitigate a reoccurrence of the event.

1. **Driving and Vehicle usage** - Where driving and vehicle usage was involved in the event, staff were reminded of safe driving practices. Where the roads/tracks contributed to the events occurring, steps were taken to improve vehicle accessibility and safe driving.
2. **Aggressive Behaviour** - Training has been organised for frontline staff to reinforce actions/tools when dealing with aggressive customers. Duress alarms are in place for frontline staff.
3. **Contractor Management** – Liaison with contractor. Corrective action put in place.

No. of Events by Type of Dangerous Occurrence



3.13 Five formal training courses have been held during the quarter to ensure compliance is maintained and to provide tools and education to frontline workers.

Training provided in quarter one 2023/24		
<ul style="list-style-type: none"> Contractors H&S information sharing session 	<ul style="list-style-type: none"> First Aid Refresher 	<ul style="list-style-type: none"> Bullying and Harassment Training for Staff
<ul style="list-style-type: none"> Bullying and Harassment Training for Managers 	<ul style="list-style-type: none"> Advanced Work-based First Aid 	

3.14 **RISK MANAGEMENT**

3.15 All Risk Registers have been developed using WDC’s risk matrix and undergo an annual review with consultation from staff and HSR’s. These are currently being loaded into Tomo.

3.16 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 at 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 which are evaluated and

approved before carrying out physical works, gives WDC an assurance that contractors are managing Health and Safety.

3. **Aggressive Behaviour** – Training for customer facing roles occurred in late-2022. A refresher has been scheduled for November 2023. Lone worker devices are available to all field staff and duress buttons available for Customer Services staff to use as necessary. Any aggressive behaviour is recorded as a near miss and investigated.
 4. **Driving and Vehicle Usage** – Driver training has been delivered to those staff who drive off-road and for those who tow trailers. Smartrak is installed in all vehicles to monitor vehicle locations as needed.
 5. **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.
- 3.17 Approved Fire Evacuation Schemes have been obtained for applicable Council-owned buildings. A fire evacuation drill was conducted in September 2023, with the next fire evacuation drill for the Council offices scheduled for March 2024.
- 3.18 Six-monthly earthquake drills at the WDC office are being carried out. The next earthquake drill has been scheduled to coincide with the NZ National Shake Out day on 19 October 2023.
- 3.19 An information sharing session was held in August 2023 for WDC's contractors. 33 contractors attended the session. Feedback was positive and indicated the usefulness of similar sessions to occur in the future. WDC is planning another session to be held early next year, with a focus on enabling small to medium sized contractors becoming SHE Pre-qualified.
- 3.20 **STAFF WELFARE AND WELLBEING**
- 3.21 Each month a wellbeing topic is promoted to encourage physical health and mental wellbeing. The programme includes national health campaigns.

Month	Initiative
August	Live Session - Conquering Sleep and Fatigue
September	Live Session - Talking about the tough stuff

Continuous Improvement - Quarter Two Focus

- 4.1 Implementation of the 2023/24 Health and Safety Annual Plan with objectives and Key Performance Indicators actively tracked. A copy of the plan is attached to this business paper as Appendix A.
- 4.2 Approved Fire Evacuation Schemes are in place for all workplaces that are required to have them and are tested every six months.
- 4.3 Support and encourage a continued increase in safety inspections and near miss recording.

Suggested Resolution

The Progress Report: Health and Safety be received.



HELEN BEEVER
GENERAL MANAGER – COMMUNITY SERVICES

3 October 2023

HEALTH AND SAFETY ANNUAL PLAN 2023/24



Providing a safe and healthy work environment - enabling our people to create a vibrant district, where people can live and feel safe.



<p>LEAD HEALTH AND SAFETY</p> <ul style="list-style-type: none"> ✓ Provide a safe and healthy workplace ✓ Ensure all risks are managed ✓ Demonstrate commitment to health and safety 	<p>ENGAGE WORKERS</p> <ul style="list-style-type: none"> ✓ Consult with workers where decisions may impact their health and safety ✓ Seek learning opportunities and/or improvements for workers 	<p>MANAGE RISKS</p> <ul style="list-style-type: none"> ✓ Identify hazards/risks ✓ Know and understand our critical risks ✓ Monitor controls to ensure they are effective
<p>OUR OBJECTIVES/PRIORITIES</p> <ul style="list-style-type: none"> → Our health and safety management system is implemented and effective → Identify and implement preventative actions to enable continuous improvement 	<p>OUR OBJECTIVES/PRIORITIES</p> <ul style="list-style-type: none"> → Regular team/committee meetings are held → All health and safety events are recorded → Consult with workers regularly on our objectives and priorities 	<p>OUR OBJECTIVES/PRIORITIES</p> <ul style="list-style-type: none"> → Hazards/risks and their controls are understood → Work practices and controls are implemented → Workers have the relevant training
<p>MEASURES</p> <ul style="list-style-type: none"> ✓ Management system internal audit carried out with no critical non-conformances ✓ Zero overdue actions in Tomo 	<p>MEASURES</p> <ul style="list-style-type: none"> ✓ Daily and monthly meetings held ✓ Near hits recorded and investigated ✓ Workers are involved in consultation processes 	<p>MEASURES</p> <ul style="list-style-type: none"> ✓ Critical risks are reviewed six monthly ✓ Worksite inspections carried out monthly ✓ Training is current

Document No: A690432

Report To: Audit and Risk Committee



Meeting Date: 17 October 2023

Subject: Progress Report: Procurement Summary Schedule (July 2023 – September 2023)

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 2023 to 30 September 2023 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 31 May 2022.
- 3.2 Changes made to the Policy include amending policy thresholds and procurement requirements.

- 3.3 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 the adopted 10 Year Plans and Annual Plans.

Procurement Summary Schedule

- 4.1 The attached Procurement Summary Schedule (PSS) Report provides details of procurements that result in a total contract award over \$200,000 + GST, and/or where the supplier selection method has deviated from the Procurement Policy, and a procurement exemption has been approved by the Chief Executive.

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 supplier selection method and process for the relevant threshold 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 or limited supplier situation:** *Where there is a monopoly or very limited supplier situation and only one or two Suppliers 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. **High Risk Activities:** *The risks of a competitive process outweigh the benefits of competition and would potentially create risk for WDC; 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 Chief Executive.

Suggested Resolution

The Progress Report: Procurement Summary Schedule (1 July 2023 to 30 September 2023) be received.



SHYAMAL RAM
GENERAL MANAGER – INFRASTRUCTURE SERVICES

29 September 2023

Attachment: Procurement Summary Schedule (Doc A690434 / Sheet 2023_Q3)

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	Remarks
500/23/008	Better-Off Funding Amenity Projects	Physical Works	1 Year	One-off	Tender	N/A	7	\$380,176 - \$523,419	PQM	\$395,792	MS Civil Ltd	08/09/23	Infrastructure Services	
500/23/007	Taumatotara West Road RP 4.3 Slip Repair	Physical Works	1 Year	One-off	Tender	N/A	3	\$462,267 - \$697,705	PQM	\$462,267	Nicholls & Uttinger	08/09/23	Infrastructure Services	
500/23/001A	Te Kuiti Water Supply Resilience Improvements	Professional Services	1 Year	One-off	Direct Appointment	Unique business proposition	N/A	N/A	N/A	\$106,600	WSP	N/A	Infrastructure Services	

Document No: A690228

Report To: Audit and Risk Committee**Meeting Date:** 17 October 2023**Subject:** **Progress Report: WDC Resource Consents – Compliance Monitoring (July to September 2023)****Type:** Information Only**Purpose of Report**

- 1.1 The purpose of this business paper is to brief the Committee on compliance reporting against Resource Consent conditions, due during the first quarter (2023/2024).

Risk Considerations

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

Commentary

- 3.1 Waitomo District Council (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 Conditions 65 & 66	<i>Not yet commenced</i>
Quarterly	
No. 112639 - Te Kuiti Wastewater Treatment Plant Conditions 7 - 19 (Discharge) Condition 30	December, March, June, September
No. 140685 - Te Kuiti Landfill, William Street, Te Kuiti Conditions 65 & 66	<i>Not yet commenced</i>
No. 101753 - Te Kuiti Landfill, William Street, Te Kuiti Condition 11 (Within 2 months of sampling)	February, May, August, November

RESOURCE CONSENT	REPORT DUE
Six Monthly	
No. 133317 - Te Kuiti Water Treatment Plant Conditions 5, 6, 10 & 11	January/July
No. 118813 - Benneydale Wastewater Treatment Plant Conditions 16 - 23	January/July
No. 117945 - Benneydale Water Treatment Plant (Backwash) Condition 3	April/October
No. 107477 - Piopio Water Treatment Plant Conditions 6, 7, 8 & 9	May/November
No. 107478 - Piopio Water Treatment Plant Conditions 10, 15 & 16	May/November
No. 140685 - Te Kuiti Landfill, William Street, Te Kuiti Conditions 62 & 63 (Within 2 months of sampling)	<i>Not yet commenced</i>
Annual	
No. 118813 - Benneydale Wastewater Treatment Plant Condition 26	31 March
No. 120340 - Mokau Closed Landfill Conditions 3, 6 & 10	Monitoring ceased by mutual agreement with WRC (11/2017)
No. 105054/55/56/57/58/59/60 - Waitomo Stormwater Schedule A (22) Conditions 4 - 6	31 May
No. 105054 - Te Kuiti Stormwater Condition 6	31 May
No. 116274 - Benneydale Water Treatment Plant Conditions 2, 3, 4 & 7 (Groundwater Take)	1 June
No. 113544 - Mokau Water Treatment Plant (Water Take) Conditions 2 & 4	July
No. 113545 - Mokau Water Treatment Plant (Backwash) Conditions 2 - 8	July
No. 140685 - Rangitoto Quarry Landfill, William Street, Te Kuiti Annual Report Condition 71	<i>Not yet commenced</i>
No. 101753 - Te Kuiti Landfill, William Street Annual Report Condition 4 Independent Peer Reviewer	May
No. 120048 - Te Kuiti Wastewater Treatment Plant Condition 7	1 December
No. 112639 - Te Kuiti Wastewater Treatment Plant Condition 20 (Discharge)	September
No. 103287, 103288 and 103289 - Te Kuiti, Walker Road - Closed Landfill	November

RESOURCE CONSENT	REPORT DUE
No. 103193 - Benneydale Closed Landfill SH30 Conditions 2, 3 & 5 No. 103194 - Conditions 2 & 3	Monitoring ceased by mutual agreement with WRC (08/2018)
No. 103196 - Piopio Closed Landfill Conditions 2, 3 & 4	Monitoring ceased by mutual agreement with WRC (08/2018)
No. 103198 - Aria Closed Landfill Conditions 2 & 4	Monitoring ceased by mutual agreement with WRC (08/2018)
Biennial	
No. 117290 - Piopio Wastewater Treatment Plant Conditions 7 & 9 (Discharge) (Review Operations and Management)	September 2014, 2016, 2018, etc.
No. 112639 - Te Kuiti Wastewater Treatment Plant Condition 24 (Review Operations Management Plan)	June 2015 (<i>and every two years after</i>)
No. 118813 - Benneydale Wastewater Treatment Plant Condition 27 (Review Management Plan Review)	from 2010 every two years
Other	
No. 112639 - Te Kuiti Wastewater Treatment Plant Condition 28 (Complete Passage/Migration Barrier Assessment within 3 years of commencement date)	Within 3 years: 18 December 2017 Completed: 1 July 2020

Resource Consent Compliance Reports: July to August 2023

3.3 The following Resource Consent Compliance Reports have been made to WRC during the first quarter of 2023/24:

**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 2023
Compliance Status:	Compliant
WDC Reference:	A680462

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:	August 2023
Compliance Status:	Compliant
WDC Reference:	A683241

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:	September 2023
Compliance Status:	Compliant
WDC Reference:	A688987

**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 2023
Compliance Status:	Partial Compliance – The concentration of Total Ammoniacal Nitrogen has exceeded the consent limit of 10mg/L. Result of the sample collected for this month was 12mg/L. The nitrification process is affected by the relatively low temperature. The metabolism of the microorganism responsible for the said process slows down and becomes dormant.
WDC Reference:	A680414

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:	August 2023
Compliance Status:	Partial Compliance – The concentration of Total Ammoniacal Nitrogen has exceeded again the consent limit of 10mg/L. Result of the sample collected for this month was 21.9mg/L. The low temperature did not only affect the nitrification process but had also impacted the caustic dosing. Crystallisation of the caustic along the pipeline due to extreme low temperature specially during the winter season.
WDC Reference:	A683292

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:	September 2023
Compliance Status:	Partial Compliance – The concentration of Total Ammoniacal Nitrogen and Faecal Coliform for the samples collected this month exceeded the consent limits of 10 mg/ml for Total Ammoniacal Nitrogen and 500MPN/100mL for Faecal Coliform respectively. The result for Total Ammoniacal Nitrogen was lower compared to the result of the sample that was collected in August 2023. A re-sampling was done to verify the results for these exceeded parameters and gave a concentration lower than the consent limits and from the initial results.
WDC Reference:	A690167

**3. 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:	April 2023 – June 2023
Compliance Status:	Compliant
WDC Reference:	A680472

**4. AUTH112639.01.01 – Te Kuiti Wastewater Treatment Plant – Discharge
Conditions 7, 17, 21 and 30
Report Due: Quarterly**

Activity Description	To discharge treated wastewater to the Mangaokewa Stream from the Te Kuiti Wastewater Treatment Plant.
Reporting Period:	July 2023 to September 2023
Compliance Status:	Compliant <u>Note:</u> Outside the current reporting period, an Abatement Notice was received for the Te Kūiti Wastewater Treatment Plant due to an emergency overflow from the wastewater oxidation pond following high rainfall in May 2023. This event is still under active investigation and a response is being drafted for Waikato Regional Council.
WDC Reference:	A683277

**5. AUTH113545.01.01 – Mokau Water Treatment Plant Backwash Discharge
Conditions 2, 3, 4, 5, 6, 7 and 8
Report Due: Annually**

Activity Description	Discharge up to 10 cubic metres of filter backwash water to an unnamed tributary of the Coastal Marine Area in association with a municipal treatment plant in Mokau.
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Reporting Period:	July 2022 to June 2023
Compliance Status:	Partial Compliance – The volume of the backwash discharge had been exceeding the consent limit due to the backwash frequency which is twice a day; one contributing factor is the capacity of the filter.
WDC Reference:	A672608

6. AUTH113544.01.01 – Mokau Wastewater Treatment Plant Surface Water Take
Conditions 2 and 4
Report Due: Annually

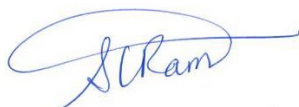
Activity Description	Take up to 1000 cubic metres per day of water from an unnamed tributary for public water supply purposes in Mokau.
Reporting Period:	July 2022 to June 2023
Compliance Status:	Compliant
WDC Reference:	A672587

7. AUTH101753.01.01, AUTH101754.01.01 & AUTH124718.01.01 – Waitomo District Landfill
Condition 5 of AUTH101753 and AUTH101754 & Condition 13 of AUTH124718
Report Due: Annually

Activity Description	<p>AUTH101753: Place up to 232,000 tonnes of municipal solid waste onto or into land, in the Rangitoto Quarry Landfill, William Street, Te Kuiti.</p> <p>AUTH101754: Discharge contaminant into the air, from the Rangitoto Quarry Landfill site, William Street, Te Kuiti.</p> <p>AUTH124718: Discharge leachate from a sanitary Landfill into ground.</p>
Reporting Period:	July 2022 to June 2023
Compliance Status:	Compliant
WDC Reference:	A666828

Suggested Resolution

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



SHYAMAL RAM
GENERAL MANAGER – INFRASTRUCTURE SERVICES

28 September 2023

Document No: A693078

Report To: Audit and Risk Committee

Meeting Date: 17 October 2023
Subject: **Motion to Exclude the Public for the Consideration of Council Business**
Type: Decision Required

Purpose

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

Note: It is Council's choice whether to consider any of the items listed below in the public or public excluded portion of the meeting.

Commentary

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

Suggested Resolutions

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

General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Section 48(1) grounds for the passing of this resolution
1. Presentation: Deloitte – Audit Report for Annual Report 2022/2023	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)

- 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
Chief Financial Officer	Portfolio Holder
Manager – Strategy and Policy	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.



MICHELLE HIGGIE

MANAGER – GOVERNANCE SUPPORT

Document No: A693077**Report To: Audit and Risk Committee****Meeting Date:** 17 October 2023**Subject:** **Presentation: Deloitte - Annual Report 2022/2023****Type:** Decision Required**Purpose**

- 1.1 The purpose of this business paper is to advise the Committee that Deloitte representatives Bruno Dente (Partner) appointed by the Auditor General to complete the audit for Waitomo District Council and Callum Maxwell (Audit Manager) will attend the meeting at 10.30am to discuss the Deloitte Report to the Committee on the Annual Report 2022/2023.
- 1.2 Deloitte has requested that the discussion and question/answer session relating to their report be public excluded. Once the question/answer session with Deloitte has been completed, the meeting will re-open to the public.
- 1.3 Consideration of the Annual Report and making a recommendation to the Council is dealt with in a separate business paper and will take place following the public Deputation from Deloitte.

Reason for Confidentiality

- 2.1 This business paper is presented for consideration on the basis of public excluded as Deloitte have requested that the discussion and question/answer session relating to their report be public excluded.
- 2.2 Section 48 of the Local Government Official Information and Meetings Act 1987 gives the right, by resolution, to exclude the public from the whole or any part of the proceedings of any meeting, only on one or more of the grounds contained within that Section.
- 2.3 The reason for passing a resolution to consider this business paper confidentially, as specified by Section 48(1) of the Local Government Official Information and Meetings Act 1987 is as follows:

Reason for passing this resolution in relation to each matter (Section 6 or 7)	Ground(s) under section 48(1) for the passing of this resolution
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.

Suggested Resolutions

The Presentation from Deloitte representatives Bruno Dente (Partner) and Callum Maxwell (Audit Manager) on the Annual Report 2022/2023 be received.

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

MICHELLE HIGGIE
EXECUTIVE ASSISTANT

Document No: A691922

Report To: Audit and Risk Committee**Meeting Date:** 17 October 2023**Subject:** **Draft Annual Report 2022/23 – Recommendation to Council****Type:** Decision Required**Purpose of Report**

- 1.1 The purpose of this business paper is to present the Draft Annual Report 2022/23 for consideration and, subject to amendment, recommendation to Council for adoption.

Background

- 2.1 The Draft Annual Report 2022/23 (Draft AR) shows the financial and non-financial performance of Waitomo District Council for the year ended 30 June 2023.
- 2.2 A copy of the Draft Annual Report 2022/23 is enclosed separately and forms part of this business paper.

Commentary3.1 **AUDIT PROGRESS**

- 3.2 At the time of writing this business paper, the audit of the Annual Report is in its final stages and because of this the Draft AR may be subject to change. Any further changes are expected to be minor in nature including roundings or minor edits to disclosures and not expected to impact on the performance results or key financial elements of the Draft AR.

- 3.3 Representatives from Deloitte will provide an update on the audit as part of a separate paper in this agenda.

3.4 **DRAFT 2022-23 ANNUAL REPORT HIGHLIGHTS**3.5 **Non-Financial Performance**

- 3.6 The Service Performance section provides detailed information on the performance measures and targets for each of the significant activities. The performance summary provides the overall results while more detailed information is provided within each activities section.

- 3.7 Of the 54 Key Performance Indicators measured, 35 (65%) were achieved and 19 (35%) were not achieved.

- 3.8 The measures not achieved were:

- All agendas publicly available two working days or more; one agenda was delayed.
- Residents satisfied with the effectiveness and usefulness of the Council's communication. The result from the June 2023 Residents Survey was 87%, the target was 90%.
- The Youth Council undertakes two youth related projects per year, has not been a priority with current school environment. Time is being taken to revise the Youth Council and a refresh will be launched in 2023/24 FY.

- The percentage of residents satisfied with parks and open spaces; Residents Survey was 83%, the target was 89% or more.
- Building consents are processed in a timely fashion; two consents out of 167 were delayed.
- LIMs are processed within statutory timeframe; two applications out of 111 were delayed.
- There were two flooding events - Auckland Anniversary Weekend and Cyclone Gabrelle.
- During these events, 14 habitable floors were recorded as being flooded due to overflow of stormwater. 12 of these were rapid assessed during the event and so were not recorded through our service request system so did not appear in the response KPI. One was not as a result of a council stormwater system breach. This left one event reported as below.
- One flooded habitable floor was reported to the Council relating to overflow from the WDC stormwater network during the financial year. Due to inaccurate recording the first response was not captured, the follow up site visit is the time reported.
- The flooding events resulted in 16 complaints about urban stormwater, particularly in Te Kuiti.
- An abatement notice was received for the Te Kūiti wastewater treatment plant due to an emergency overflow from the wastewater oxidation pond following high rainfall in May 2023. The abatement notice received in September has been complied with, however, this event is still under active investigation by Waikato Regional Council.
- The number of complaints about wastewater odour, system faults or blockages and complaints about our response to issues with its wastewater system largely related to system faults and blockages.
- Water quality was non-compliant with the drinking water rules for (a) bacteria Data loss and sampling frequency caused technical non-compliances. There were no bacterial transgressions.
- Water quality was non-compliant with the drinking water standards for (b) protozoa, due to Maniaiti/Benneydale and Piopio Water Treatment Plants failing the Protozoa compliance based on continuous monitoring requirements.
- Response within a reasonable time frame to issues for urgent and non-urgent call-outs with water supply. We are working to reduce this reporting issue caused by manual reporting processes resulting in inaccurate data. Devices to be introduced to contractors to help address this.
- High consumption of water in Piopio through unaccounted water loss; a comprehensive leak detection program is planned for 2023/24.
- There was one fatality and three serious injury crashes, compared to one fatality and one serious injury crash the year previous.

3.9 **Financial Reporting and Prudence Benchmarks**

- 3.10 Financial reporting and prudence benchmarks are measured annually to enable an assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.
- 3.11 These measures are made up of mandatory measures set by regulation and Council specific measures set in the Finance Strategy.

- 3.12 All measures, with the exception of the Operations Control benchmark, were successfully achieved and well within the limits set.
- 3.13 The Operations Control benchmark measures the actual net cashflow from operations as a proportion of planned net cashflows. The benchmark is met if the actual net cashflow meets or is greater than the planned net cashflow. For 2022/23 the actual net cashflow was less than planned as the Waka Kotahi roads subsidy on capital works was not received as forecast as a result of lower than planned capital works.
- 3.14 **Financial Performance**
- 3.15 For the financial year, we report a net surplus of \$4.2 million against a budgeted surplus of \$12.8 million.
- 3.16 Revenue was \$0.8 million less than budget. Subsidies and grants revenue was \$4.8 million below forecast, as capital expenditure was not fully spent for road repairs from recent storm events, structural bridge renewals and minor improvements. The subsidy associated with this work was therefore not received as planned.
- 3.17 Fees and charges and income from construction services revenue was \$3.6 million more than forecast due mostly to the recognition of construction revenue for construction services for the Gallagher Recreation Centre.
- 3.18 Operating expenditure was \$7.9 million above forecast. Other expenditure included \$3.9 million for the recognition of construction expenditure for construction services for the Gallagher Recreation Centre. Additional expenditure was also incurred for first response road repairs required after damage from weather events and additional professional services fees for maintaining the road network. Depreciation expenditure was \$1.4 million above forecast due to the revaluation of most asset classes which increased the value of these assets and the corresponding depreciation expense. Employee benefit expenses were below forecast.
- 3.19 Total other comprehensive revenue and expense of \$185.1 million was recognised for the year. This includes \$180.5 million for revaluation of roads and solid waste assets. The gain on the revaluation of the investment in Inframax Construction Ltd (ICL) of \$4.1 million was also recognised.
- 3.20 Total equity was \$260.5 million more than forecast. This was due mostly to the increase in the revaluation reserve, which was \$265.8 million more than forecast. Most asset classes were revalued in the prior year and roads and solid waste assets were revalued again at 30 June 2023, resulting in a significant uplift in asset values which was not anticipated in the Annual Plan forecasts.
- 3.21 Other reserves were \$6.5 million more than budget. Investment revaluation reserves were more than forecast for the increase in the investment in ICL. The cashflow hedging reserve was also more than budget due to a gain on cashflow hedges. Council operational and depreciation reserves were also more than forecast as the Annual Plan forecast did not incorporate the increase in these reserves during the previous financial year.
- 3.22 Borrowings at 30 June 2023 were \$28.3 million, which was significantly lower than the forecast target in the 2022-23 Annual Plan of \$35 million. This is at a similar level as June 2022.
- 3.23 Further explanations of variations to budget can be found in Note 35 of the Draft AR.
- 3.24 **Group Performance**
- 3.25 At 30 June 2023, total equity for the Group was \$662.8 million, an increase of \$186.1 million from the prior year.
- 3.26 The Group's after-tax surplus is \$4.3 million.

- 3.27 ICL reported a net profit after tax of \$984,000 for the year ended 30 June 2023. This was a positive result despite challenging operating conditions. Revenue increased by 16% on prior year as the company successfully secured the road maintenance contract for Ruapehu District. The equity of the company increased to \$12.6 million, with an equity ratio of 52%.
- 3.28 **Capital Expenditure**
- 3.29 Total capital expenditure for the year ended 30 June 2023 was \$16.2 million against a budget of \$23.6 million.
- 3.30 Included in the actual spend was additional expenditure for recognition of the service concession asset for the right of use of the stadium, and the purchase of carbon credits and projects that were deferred to 2022/23 year from the previous financial year.
- 3.31 Some projects that were not completed during the year, have been deferred to the 2023/24 year. Delays in these projects occurred due to wet weather during the construction season, and the ongoing issues with global supply chains on availability of supplies and contractor availability.
- 3.32 Some of the major projects completed were:
- Completion of the Gallagher Recreation Centre and the recognition of the service concession asset for the right of use of the facility.
 - Emergency reinstatement work weather event related.
 - Completion of the new Mokau public toilets.
 - Roading network repairs of \$2.8 million related to the severe weather events.
 - Resurfaced 33.1 km of sealed roads.
 - Unsealed roads received 52 km of rehabilitation.
 - Waimiha Road pavement rehabilitation completed, and Seddon and Lawrence Streets completed.

Analysis of Options

- 4.1 The Committee has the option of recommending the adoption of the Annual Report to Council or requesting further information/changes from its staff and auditors.
- 4.2 Under the Local Government Act 2022, Council must adopt the Annual Report by the end of October 2023, and it is therefore recommended that the Annual Report be adopted at 31 October 2023 Council meeting.

Considerations

5.1 **RISK**

- 5.2 There is a risk that some revenue included in the financial statements is subsequently not converted to cash. The raising of invoices and recognition of income is carried out with management review and approval to minimise this risk. Debtors and other receivables are actively monitored and reviewed. The risk is also mitigated by the recognition of an expected credit loss allowance at 30 June 2023.
- 5.3 There is a risk that the accounting estimates and judgments used when performing valuations over assets may not reflect the asset's actual condition or, the useful lives do not reflect the actual consumption of benefits of the asset. To minimise this risk, infrastructural asset valuations have been determined in reference to industry guidelines and adjusted for local

conditions. Asset inspections, deterioration and condition modeling are also carried out as part of asset management planning.

- 5.4 In the financial statements, a value of \$10.602 million is recognised for the investment in ICL. There is a risk that the accounting estimates and judgements used in the valuation of the investment in ICL may result in the actual value of the investment being different than the fair value reflected in the Annual Report. In deriving the valuation, a number of developments were noted by the valuers. These included the commencement of the Ruapehu District Council contract, the subsidiary's improved gross margin and adoption of a new strategic plan. Valuers also noted the dispute resolution process was ongoing for the quarry flood event in February 2022 and no external revenue was generated from the newly established traffic management division due to capacity restraints and resourcing.
- 5.5** There is a risk that some financial assets may become impaired, but that the impairment amount is unknown. This will cause an overstatement of carrying value of the asset in this report, which would subsequently need to be corrected in a later report.
- 5.6** **Consistency with Existing Plans and Policies**
- 5.7 This Draft AR measures our performance against year two of the 2021-2031 Ten Year Plan, and nothing in this Draft AR is inconsistent with existing plans and policies.
- 5.8** **Significance and Community Views**
- 5.9 The financial performance of Council in the past year is a significant matter to be shared with the District Community. The Annual Report and Summary Annual Report will be available on Council's website and in Council offices and library.

Recommendation

- 6.1 The Audit and Risk Committee recommend to the Council the adoption of the Annual Report 2022/23.

Suggested Resolutions

- 1 The business paper on Draft Annual Report 2022/23 – Recommendation to Council, be received.
- 2 The Confidential Report to the Committee presented by Deloitte be received.
- 3 The Audit and Risk Committee recommend to the Council the adoption of the Annual Report 2022/23, subject to any amendments agreed at this meeting and any further changes required as a result of completing the audit.
- 4 Any matters of significance which may arise relating to the Draft Annual Report 2022/23 between this meeting and the Council meeting on 31 October 2023 be referred to the Independent Chairperson.



TINA HITCHEN
CHIEF FINANCIAL OFFICER



CHARMAINE ELLERY
MANAGER - STRATEGY AND POLICY

12 October 2023

Separate Enclosure: Draft Annual Report 2022/23